



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

May 22, 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

SPECIAL SESSION Board of Commissioners

WEDNESDAY, MAY 22, 2019

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Special Session on **Wednesday, May 22, 2019, at 4:45 pm** to discuss the items noted on the attached agenda.

The meeting will take place at:

**401 North G. Street
Tacoma, WA 98403**

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 May 20, 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

UPDATED AGENDA

BOARD OF COMMISSIONERS SPECIAL SESSION

May 22, 2019, 4:45 PM

401 North G. Street, Tacoma, WA 98403

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1. **CALL TO ORDER**
 2. **ROLL CALL**
 3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of April 24, 2019—Regular Meeting
 4. **GUEST COMMENTS**
 5. **COMMITTEE REPORTS**
 6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
 7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Motion to Approve the 2019 THA BOC Meeting Schedule
 - 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 2019-05-22 (1) Extension of Project Based Voucher Contract: Salishan Six
 - 9.2 2019-05-22 (2) Conversion of Subsidy for Hillside Terrace & Salishan Properties from Public Housing to RAD
 - 9.3 2019-05-22 (3) 1800 Hillside Terrace Use of Restricted Funds Additional Request
 - 9.4 2019-05-22 (4) 1800 Hillside Terrace Omnibus
 - 9.5 2019-05-22 (5) 1800 Hillside Terrace Bond Resolution Title
 - 9.6 2019-05-22 (6) 1800 Block Contractor
 - 9.7 2019-05-22 (7) Project Based Voucher Housing Assistance Payments Contract: 1800 Block Apartments
 - ~~9.8 2019-05-22 (8) Arlington~~
 - 9.9 2019-05-22 (9) Arlington Drive Apartments Omnibus
 - 9.10 2019-05-22 (10) Arlington Drive Apartments Bond Resolution Title
 - 9.11 2019-05-22 (11) Arlington Drive Youth Campus Apartments Contractor
 - 9.12 2019-05-22 (12) Project Based Voucher Housing Assistance Payments Contract: Arlington Drive Youth Apartments
 - 9.13 2019-05-22 (13) Arlington Drive Crisis Residential Center Contractor
 - 9.14 2019-05-22 (14) Approval of Contract for Third Party Evaluation of the CSA Program
 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, APRIL 24, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 602 South Wright Avenue, Tacoma, WA 98418 at 4:45 PM on Wednesday, April 24, 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 4:55 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
	Commissioner Arthur Banks
	Commissioner Stanley Rumbaugh
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 @ 4:56 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners for Wednesday, March 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

Motion approved.

4. GUEST COMMENTS

No guest comments.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Commissioner Rumbaugh was not in attendance.

Finance Committee—Chair Hodge and Vice Chair Young

Nothing to report.

Education Committee—Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Commissioner Banks was not in attendance.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra had nothing to add to his report but provided information regarding the legislative session. The session will be ending Sunday, April 28, if the Legislature agrees on a budget.

ED Mirra has been spending a lot of time on the THA request for appropriations for the Arlington Drive Campus for Homeless Youth and Young Adults.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the expense and cash reports. THA received Housing Assistance Program (HAP) funding for 2019, which was budgeted at 99.5% proration (7.9 increase), which is the highest Director Shalik has

seen. This will give THA about \$2 million for dollars then we budgeted to receive. This is very good news. The first financial report for the year will be submitted next month, and he is not seeing any problems. THA has adequate funds in reserve. Of the reserve balance, \$4.4 million is unencumbered cash. The unencumbered balance will increase further later in the year with the financial closings of RAD.

Vice Chair Young moved to ratify the payment of cash disbursements totaling \$4,582,162 for the month of March 2019. Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report and supplemented it with new information—PIE is working on a new, more representative operating name for the Elementary School Housing Assistance Program (ESHAP) to denote THA's plans to expand it to all grades and all schools. The likely new name will be Tacoma Schools Housing Assistance Program (TSHAP). This expansion will have THA add \$1M to the program. THA will ask TPS, the City and the County to invest dollars towards the program. The main challenge is arranging how homeless students and families will get access to the County's Rapid Rehousing system that THA will fund for them. It seems unlikely that we can rely on the TPS staff. Director Black and Project Manager Amy Van will meet with Pierce County to consider other options. The goal, according to Director Black, is to deploy the redesigned and expanded system at the beginning of the school year.

Commissioner Smith stated that she started working as a case worker for the homeless and one of the problems she has noticed is getting in contact with case workers. She asked how the process for the program may be streamlined. According to Director Black that will be the main challenge they will be discussing with Pierce County. ED Mirra asked if McKinney Vento families will have to call the Coordinated Entry system, will they have their own number to call to bypass the present backlog. Director Black thinks that is likely. She expects a proposal for the board to review in the Summer. Chair Hodge stated that TPS cannot ask staff to add to their plate and will need to pay them extra if they work additional hours. Commissioner Smith talked about asking partners or organizations working with homeless families for assistance; the problem is not an individual, but rather a community problem. Chair Hodge thinks a separate phone line is great, but the program will still need a person to answer and monitor calls.

Last week Director Black traveled to Denver for the Strive Together Conference. Nine of the highest performing communities were invited. Graduate Tacoma received new funding and will be pivoting funds toward college enrollment and success amongst TPS students. This aligns well with THA's College Housing Assistance Program (CHAP) and its College Savings Account program, both of which THA seeks to redesign and expand.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. She has been attending a lot of meetings to line up a community-wide approach to address youth homelessness. She will be meeting with the City, County, and providers to figure out the right approach and help everybody understand that we are all trying to do the same thing. She is also working with the Y and Community Youth Services (CYS) to line up funding for Arlington. There are a lot of funding coming down the pipeline; there are a couple of grants open that are due around the same time. Director Hanauer spent time strategic planning with her team last week to discuss their work, accomplishments, reflect on the great work they have done, and think about what to look forward to next year. Finally, she is working with United Way of Pierce County and Sound Outreach with leadership changes.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque was not in attendance. Director Black addressed the board on her behalf. Highland Flats and Crosspointe continue to fill units. RA issued a Request for Proposal (RFP) for awarding up to 200 more property based subsidies. Responses are due April 30th. Staff will review them and present recommendations to the board in May. RA staff meet regularly with Veterans Affairs to help with their utilization of VASH vouchers. RA is also scheduled to meet with the Washington State Department of Children, Youth and Families; they have a new contact who seems enthusiastic. ED Mirra noted the additional \$2 M THA is receiving in voucher funding. He asked if this also increases the utilization rate baseline. Director Black said it wouldn't, but it would allow THA to serve more families.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. PM continue to focus on turn numbers to get to their target rate. The team has been focusing on engaging the community for the last couple of months. One of the projects on the west portfolio was Movie Night, which turned out very well. Page 6 shows a couple of pictures from the event. Another Movie Night is scheduled for Monday at Bay Terrace and the following day at Dixon Village. Movie Night will be done at every property, and there will be a community vote on what movie to watch.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. There was a change in leadership at the Korean Women's Association (KWA). ED Mirra and Director McCormick met with a KWA board representative and new Executive Director Peter Ansara and had a good conversation. THA and KWA agreed to reconsider the Hillside Heights Project until the litigation issue is resolved.

RED is all things Arlington and 1800 Block. They are trying to get everything ready to close on both projects in June, as well as Rental Assistance Demonstration (RAD).

Director McCormick noticed an interesting phenomena in the last few weeks—there have been a lot of properties for sale on the market (4 downtown and one in the Stadium area). She finds it interesting that they are all on the market at the same time.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 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.

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

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

Motion Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

9.2 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

Comments: ED Mirra thinks that sending these accounts to collections is a lot of work. Director Shalik responded that Finance only sends accounts to collections if they are over \$50. Section 8 it is costing THA a lot of money and prevents THA from housing more people. He believes these families should pay the agency what they owe. For public housing, he believes it is important for clients to understand that they need to give up the property and pay their rent. He believes it sets a standard and that THA should treat them as others are treated in the market. Chair Hodge suggested that instead of turning it over to collections, THA should negotiate with the families. Director Shalik responded that this would take additional staff time and one of the challenges is finding out where the families have moved. He added that THA provides the families different chances and opportunities and most of the time, THA does not receive a response. Chair Hodge noted that some of the amounts are minimal. Perhaps THA should not send accounts that are lower than \$1,000 to collection. Director Shalik agreed. Finance will write off those amounts and show the balance in the books but will not send them to collections. Vice Chair Young stated that the idea of walking away from it does not seem right. Director Shalik informed the board that this does not include tax credit properties, only THA properties. ED Mirra informed the board that a proposal will be going to the board that will cover tax credit portfolio since the issues are the same.

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

Upon roll call, the vote was as follows:

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

Motion Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

9.3 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

**9.4 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: April 24, 2019

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

Commissioner Smith expressed her appreciation to staff who help find solutions for homeless students by working with the Tacoma School District.

Chair Hodge was not able to attend the American Leadership Forum (ALF) Breakfast Presentation regarding Homelessness but heard that ED Mirra did an excellent job and thanked him.

ED Mirra thanked Chair Hodge for her assistance redesigning the educational initiatives with TPS. The next big thing according to ED Mirra, is if the Legislature passes a budget on Sunday and THA receives funding for Arlington.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 5:55 PM.

APPROVED AS CORRECT

Adopted: May 22, 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: May 16, 2019
Re: Executive Director's Monthly Report

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

1. ARLINGTON DRIVE FINANCING UPDATE

I am pleased to confirm what I wrote in my April 28th email to the Board and staff. I attach a copy of that email. It reports the good news that the state legislature included in its 2019-2021 the capital and operating budgets the funding we need to build and then operate the THA Arlington Drive Campus for Homeless Youth and Young Adults.

- \$800,000 for capital costs: This amount is on top of the \$4.29 million in capital funds that the legislature gave last year, for a total of \$5.09 million for Arlington Drive. These dollars round out the money to build Arlington. This is a \$27 million construction project. Most of the money will come from private financial partners we are fortunate to have – tax credit investor equity (Boston Capital) and commercial debt (Heritage Bank). The rest will come now from the state's appropriation, and also from the City of Tacoma, Pierce County, Federal Home Loan Bank of Des Moines (Iowa), and THA. Our excellent contractor, Korsmo Construction, will break ground this spring!
- \$1.25 million for operating expenses: This funding will allow Community Youth Services (CYS) to operate Arlington's 12 bed Crisis Residential Center/HOPE facility (CRC) for homeless youth ages 12 to 17 years. It will allow the Accelerator Y of Greater Seattle to provide the services to the young adults in the 58 unit apartment building at Arlington. Perhaps more importantly this appropriation eases the way to include Arlington into the baseline operating budget of the Office of Homeless Youth so this campus can remain open in future years.

We have many people to thank for this success. I attach a copy of my May 3rd email to legislators and others expressing our thanks.

We have some important remaining issues to resolve with the county to free up the \$400,000 in CDBG money it has committed to Arlington and with HUD for final permissions we need. We hope by the Board meeting to report that we have done all that. That should allow us to then start construction.

At the Board meeting, I will also report on the start of discussions with state officials to include the operating funds for Arlington in the state's annual baseline budgeting. That is important because Arlington will need \$2 million a year indefinitely.

2. EDUCATION PROJECT FUNDING

Last month I reported that 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 on the 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.

All this expansion, once done, will have THA commit \$10.4 million in housing dollars a year to our educational partnerships. To do this, we will need the staff to redesign, launch, and evaluate these programs. For that staff, we need about \$500,000 a year for each of the next 3 years. I attach a chart that shows our need. We are using this chart to seek funding from philanthropic sources.

I am pleased that at the Board meeting we will report some very good early success in seeking this money.

3. THE PACE OF WORK

At the Board meeting, staff will present nearly 15 resolutions! This may be a record. This number of resolutions denotes the amount and pace of the work at THA – real estate development, rental assistance, finance, client services, property management, policy, innovation and evaluation. The amount and pace also show in the tension and stress such work can impose on staff. I am grateful to the Board for the support it always shows to staff. They feel it and appreciate it. It means so much. Thank you!

Michael Mirra

From: Michael Mirra
Sent: Sunday, April 28, 2019 9:11 AM
To: THA All; dharris@communityyouthservices.org; mputnam@seattleymca.org
Subject: Arlington Drive - very good news from the state legislature

Dear THA All, Board and Staff, and Derek Harris of Community Youth Services and Mark Putnam of the Accelerator Y of Greater Seattle:

I write with very good news about Arlington Drive. The state legislature published its 2019-2021 operating budget yesterday and its capital budget this morning. They each include the money we sought for the Arlington Drive Campus for Homeless Youth and Young Adults!

- **\$1.25 million for operating expenses:** The operating budget provides Arlington Drive with \$1.25 million for the biennium. Moreover, this money is dedicated to Arlington Drive, so we do not have to apply for it or compete for it. The budget does this not by naming us directly (which operating budgets do not do) but by describing us in a way that does not apply to any other project:

“(ii) \$625,000 of the general fund—state appropriation for fiscal year 2020 and \$625,000 of the general fund—state appropriation for fiscal year 2021 are provided solely for a contract with one or more nonprofit organizations to provide youth services and young adult housing on a multi-acre youth campus located in the city of Tacoma. Youth services include, but are not limited to, HOPE beds and crisis residential centers to provide temporary shelter and permanency planning for youth under the age of eighteen. Young adult housing includes, but is not limited to, rental assistance and case management for young adults ages eighteen to twenty-four.”
ESHB 1109 Section 129, 23(b).

- **\$800,000 for capital costs.** The capital budget provides the additional \$800,000 we requested. This amount is on top the \$4.29 million in capital funds that the legislature gave last year, for a total of \$5.09 million for Arlington Drive. The \$800,000 will come to us as a set-aside inside the Housing Trust Fund. That was a bit disappointing because we must now negotiate the terms of the funding with the Department of Commerce staff. In contrast, the initial \$4.29 million is an Old Testament earmark that comes to us directly. Either way, though, all the money is dedicated to “THA Arlington Drive (Tacoma)”. So we do not have to apply for or compete for it That is the main thing.

I think we were successful in this effort for four reasons that deserve some emphasis:

First, we had wonderful legislative champions. Most notably, we will thank Senators Jeannie Darneille, Hans Zeiger and Steve O'Ban, and Representatives Jinkins and Fey. Perhaps most importantly, we will thank Speaker Frank Chopp. The Speaker is retiring from the legislature at the end of the session. He has been THA's friends and supporter for years. We will miss him!

A **second** reason for our success is the effectiveness of the partnership among THA, Community Youth Services and the Accelerator Y of Greater Seattle. It combines a strong constituency from the housing community and the community of child welfare providers and advocates. Together we had an impressive reach that each of us would not have individually. With CYS and the Y, THA is very lucky indeed with its partners. And working with Derek and Mark has been a treat for me.

Third, we also have the Boards and staff of THA, CYS and the Y to thank. The work you do and how well you do it accounts for the community and legislative support that explains this success. For example, both Pierce County and the City of Tacoma put the Arlington Drive budget request on the county and city legislative priorities for the session. County Executive Bruce Dammeier and Mayor Victoria Woodards and county and city councilmembers all made calls on our behalf. The Pierce County Coalition to End Youth Homelessness and the Pierce County Affordable Housing Consortium strongly supported us and enlisted the support of their memberships and connections. Altogether, this support shows how highly the community regards your work. You allow us to make these budget requests of legislators who, knowing your work, start the discussions interested in being helpful.

The **fourth** reason for our success, I think, may be the most important. It is the idea of Arlington Drive, its appeal and its urgency. The Arlington campus will serve homeless young people from ages 12 years to 24 years. They will come to Arlington from the streets. They will come from lives of abuse, exploitation, trafficking, selling sex for shelter, food or safety, impoverishment, addiction and illness. They will include young people who made the plausible judgment that the streets are safer than home. They will come to us from the foster care system and from the juvenile justice system. Their demographics dramatically show long standing inequities in our community – half of these young people will be minorities by race, color and sexual orientation. Arlington Drive will give them all a second chance at an adolescence, a second chance at an adulthood, and a second chance at an education, an occupation, a family and a life without fear. The Arlington Drive Crisis Residential Center will serve and save 400 youth a year. The apartments will serve 58 young adults, a third of whom will be parents of babies or toddlers. In this way, Arlington will transform and greatly enlarge the resources available in a region that is in the third decade of a growing child welfare calamity. In this way, Arlington will have Tacoma and Pierce County show the nation how to do this hard work right, and at scale. This idea of Arlington Drive is appealing to legislators who need no convincing about the need. I suspect they also recognized that Arlington is not a usual undertaking for a public housing authority. They appreciate THA's willingness to take it on, with all the risks and challenges it means for us.

This legislative appropriation is a big step forward for Arlington Drive!

Thank you all!

Michael

Michael Mirra

Executive Director

Tacoma Housing Authority

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"Housing Tacoma Forward"

Michael Mirra

From: Michael Mirra
Sent: Friday, May 03, 2019 7:53 PM
Subject: An Arlington Drive Thank You from THA, CYS and the Accelerator Y of Greater Seattle

Dear Friends of Arlington Drive:

We write to thank you. The state legislature included in its 2019-2021 capital and operating budgets the funding we need to build and then operate the THA Arlington Drive Campus for Homeless Youth and Young Adults.

- **\$800,000 for capital costs:** This amount is on top of the \$4.29 million in capital funds that the legislature gave last year, for a total of \$5.09 million for Arlington Drive. These dollars round out the money to build Arlington. This is a \$27 million construction project. Most of the money will come from private financial partners we are fortunate have – tax credit investor equity (Boston Capital) and commercial debt (Heritage Bank). The rest will come now from the state’s appropriation, and also from the City of Tacoma, Pierce County, Federal Home Loan Bank of Des Moines (Iowa), and THA. Our excellent contractor, Korsmo Construction, will break ground this Spring!
- **\$1.25 million for operating expenses:** This funding will allow Community Youth Services (CYS) to operate Arlington’s 12 bed Crisis Residential Center/HOPE facility (CRC) for homeless youth ages 12 to 17 years. It will allow the Accelerator Y of Greater Seattle to provide the services to the young adults in the 58 unit apartment building at Arlington. Perhaps more importantly this appropriation eases the way to include Arlington into the baseline operating budget of the Office of Homeless Youth so this campus can remain open in future years.

These appropriations are a big step forward. We think we were successful in getting it for three main reasons.

First, we had wonderful legislative champions and supporters. There are many to thank. Closest to home, we thank Senators Jeannie Darneille, Hans Zeiger, Steve O’Ban and Steve Conway, and Representatives Laurie Jenkins, Jake Fey, Steve Kirby, and Noel Frame. And we thank Speaker Frank Chopp. This session was the Speaker’s last. He is retiring from the legislature. He has been the legislature’s leading voice for budgets and policies that make it easier to do the hard work of providing affordable housing to Washington’s residents in needs. He has been THA’s friend and supporter for years. We will miss him a lot!

Second, we were successful because of the many people who spoke up in support of Arlington Drive. Both Pierce County and the City of Tacoma put the Arlington Drive budget request on the county and city legislative priorities for the session. County Executive Bruce Dammeier and Mayor

Victoria Woodards and county and city councilmembers made calls on our behalf. The Pierce County Coalition to End Youth Homelessness and the Pierce County Affordable Housing Consortium strongly supported us. They enlisted the support of their memberships. Many more of you helped as well. Arlington Drive is one of those projects that does not happen without the full-throated voice of the community in support. That support showed in our legislative success.

The **third** reason for our success, we think, may be the most important. We were successful because of the idea of Arlington Drive, its urgency and its value. The Arlington Drive campus will serve homeless young people from ages 12 years to 24 years. These young people live lives handed to them already weighted down with disadvantage. They will come to Arlington Drive from the streets. They will come from lives of abuse, exploitation, trafficking, and selling sex for shelter, food or safety. They will show the effects of impoverishment, addiction and poor health. They will include young people who made the plausible judgment that the streets are safer than home. They will come to us from foster care and from the juvenile justice system. In dramatic fashion, their demographics will show long standing and deeply imbedded inequities – half will be young people of color and half will be LGBTQ.

And they will come to Arlington for good reason. They will come for safety, food, shelter and stable housing. They will come for services. And they will come for something they do not get in too many other places – a warm and affirming welcome. More significantly, they will come for a second chance at an adolescence, a second chance at an adulthood, and a second chance at an education, an occupation, a family, and a life without fear.

We expect that this part of Arlington Drive's idea appealed easily enough to legislators who did not need much convincing about the need. What they did need was confidence that Arlington was worth the investment we asked them to make. Perhaps they appreciated the unique partnership among THA, CYS and the Y - combining THA's real estate development and property management expertise and its rental assistance with two of the nation's premier service providers serving homeless young people. CYS, in its operation of the Arlington Drive CRC, will use its established service model that has a 91% rate of success in discharging these youth to safe and stable homes after an average 12-day stay. At that rate, the CRC will serve and save nearly 400 of these youngsters a year. Arlington's 58 apartments, with expert services from the Accelerator Y, will house young adults, a third of whom will be parents of babies or toddlers. In these ways, Arlington will transform and greatly enlarge the resources available in the Puget Sound region.

All three organizations keenly feel the compliment and the responsibility of the legislature's investment. We are confident that the investment will pay off. It will avert the enormous cost of public services these young lives would have required well into adulthood. It will allow them to make their own contribution to the community and to the economy. It will allow Tacoma and Pierce County to show the nation how to do this hard work right, and at scale. And it will save and redirect young lives that need redirection. That by itself has value.

We are grateful to you all.

Michael Mirra, Executive Director, Tacoma Housing Authority
Derek Harris, CEO, Community Youth Services
Mark Putnam, Executive Director, Accelerator Y of Greater Seattle

Michael Mirra

Executive Director
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"Housing Tacoma Forward"



TACOMA HOUSING AUTHORITY
THA's Education Project Budget Needs: 2019-2021
as of April 23, 2019

Program Initiative	2020-2021 Redesign and Expansion Plans (At risk if needs are not met)	THA's & Committed Contributions (3 years)	Additional Needs (3 years)	Expected Outcomes
Tacoma Schools Housing Assistance Program (T-SHAP)	<ul style="list-style-type: none"> Transition from a single school in Tacoma Public Schools serving up to 50 literally homeless families per year to a program available to up to 300 McKinney-Vento households in TPS (all schools, all grades), with a focus on the neediest. Move the administration of the program from a deep, five-year housing subsidy with intensive case management to a rapid rehousing and diversion model administered by Pierce County. <p><i>*Note: Each dollar redirected into non-housing costs takes away from dollars that can be used to house families which also impacts THA's compliance with HUD's utilization requirements.</i></p>	\$3,375,000	\$650,000	<ul style="list-style-type: none"> Improve housing stability Increase household income Improve student outcomes
College Housing Assistance Program (CHAP)	<ul style="list-style-type: none"> Expand the program to UWT and possibly other post-secondary institutions Expand eligibility for the program to McKinney-Vento TPS students 18+ who intend to enroll in a local post-secondary institution 	\$5,400,000	\$500,000	<ul style="list-style-type: none"> College Enrollment, Persistence & Graduation
College Savings Account (CSA)	<ul style="list-style-type: none"> Simplify the program to expand to all children in Salishan in 2020, all THA children in 2021 and Citywide by 2023. Link the program to the Family Self-Sufficiency Program. Increase enrollment in the program 	\$1,635,000	\$200,000	<ul style="list-style-type: none"> Foster a college-going culture H.S. Graduate Rate College Enrollment, Persistence & Graduation
Other	<ul style="list-style-type: none"> Data Capacity Out of school learning 		\$280,000	<ul style="list-style-type: none"> Demonstrated efficacy of program Support outcomes above
TOTAL 2019-2021		\$10,410,000	\$1,630,000	

Additional Funding Needs for THA's Education Project 2019-2021: Details

Year	Brief description of expense	Cost	Potential funder
2019	1 FTE Education Program manager: Post-secondary programs	\$ 100,000	Graduate Tacoma
2019	Move in, security deposits and /or operating reserve for CHAP	\$ 50,000	Private/Outside Funding
2019	2019 TOTAL	\$ 150,000	
2020	Housing Provider cost to provide services necessary to secure and maintain housing (25% of housing investment)	\$ 250,000	City of Tacoma
2020	1 FTE Education Program Manager: P-12 programs	\$ 100,000	Private/Outside Funding
2020	1 FTE Education Program Manager: Post-secondary programs	\$ 100,000	Graduate Tacoma
2020	Move in, security deposits and /or operating reserve for CHAP	\$ 100,000	Private/Outside Funding
2020	Administration of the CSA (THA or 3 rd party, TBD)	\$ 100,000	Private/Outside Funding
2020	.75 FTE Data Analyst to coordinate data with TPS (T-SHAP, CHAP and CSA) and post-secondary institutions (CHAP)	\$ 90,000	Private/Outside Funding
2020	Support out-of-school learning and pre-k activities	\$ 50,000	Private/Outside Funding
2020	2020 TOTAL	\$ 790,000	
2021	Housing Provider cost to provide services necessary to secure and maintain housing (25% of housing investment)	\$ 250,000	City of Tacoma
2020	Move in, security deposits and /or operating reserve for CHAP	\$ 100,000	Private/Outside Funding
2021	1 FTE Education Program Manager: P-12 programs and post-secondary	\$ 100,000	Private/Outside Funding
2021	Administration of the CSA (THA or 3 rd party, TBD)	\$ 100,000	Private/Outside Funding
2021	.75 FTE Data Analyst to coordinate data with TPS (T-SHAP, CHAP and CSA) and post-secondary institutions (CHAP)	\$ 90,000	Private/Outside Funding
2021	Support out-of-school learning and pre-k activities	\$ 50,000	Private/Outside Funding
2021	2021 Total	\$ 690,000	
	GRAND TOTAL OF ADDITIONAL FUNDING NEEDS 2019-2021	\$ 1,630,000	



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,214,674 for the month of April, 2019.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of April 2019

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Account						
Accounts Payable Checks	Check #'s	93,216	-	93,328		
Accounts Payable EFTs	EFTs	10	-	36		
Business Support Center				599,296	Program Support	
Moving To Work Support Center				137,627		
Moving To Work Buildings (used by Support Center)				17,182		
Tax Credit Program Support Center				12,104		
Section 8 Programs				152,040	Section 8 Operations	
Hillsdale Heights				1,536	Properties	
Highland Crest Apts				20		
James Center				48		
KeyBank Building				19		
Mr Mac Building				19		
Outrigger				8		
Prairie Oaks Operations				612		
Salishan 7				15,257		
Salishan Common Areas				1,394		
THDG - General				4,067	THDG	
Arlington Crisis Residential Center				10,679	Development	
James Center				132		
New Look/Alberta J Canada-Development				29		
Arlington Youth Campus-THA Costs				495		
Salishan Common Areas				759		
Bay Terrace I & II				358		
Salishan Developer Fee				660		
Hilltop Redevelopment				31,770		
Bus Development Activity				1,212		
CS General Business Activities				75	Client Support	
Community Services MTW Fund				4,895		
AMP 6 - Scattered Sites				5,398	Public Housing	
AMP 7 - HT 1 - Subsidy				5,087		
AMP 8 - HT 2 - Subsidy				3,235		
AMP 9 - HT 1500 - Subsidy				1,015		
AMP 10 - SAL 1 - Subsidy				11,511		
AMP 11 - SAL 2 - Subsidy				12,780		
AMP 12 - SAL 3 - Subsidy				7,953		
AMP 13 - SAL 4 - Subsidy				6,731		
AMP 14 - SAL 5 - Subsidy				18,324		
AMP 15 - SAL 6 - Subsidy				13,263		
THA SUBTOTAL				1,077,588		
Hillside Terrace 1 through 1500				13,891	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility				10,676		
Alberta J Canada Bldg				(711)		
Arlington Youth Campus				170,739		
Court F (HT 1800 Block)				140,010		
Renew Tacoma Housing				27,529		
Salishan 1 - Salishan 6				21,638		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				383,772	1,461,360	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	482,748	-	482,780	55,948	
	EFTs	15	-	24	3,049,075	\$ 3,105,023
Payroll & Payroll Fees - ADP						\$ 648,291
TOTAL DISBURSEMENTS						\$ 5,214,674



TACOMA HOUSING AUTHORITY

Date: May 22, 2019

To: THA Board of Commissioners

From: Ken Shalik
Finance Department Director

Re: Finance Department Board Report

1. FINANCIAL STATEMENT

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

The Finance Department is submitting the financial statement for the period through March 31, 2019. This is the first financial report for the year. As it is still early in the year, it represents a snapshot of where we currently stand financially, and could be an early indicator as to whether there are any areas we need to pay attention to. There are nuances as far as payments being frontloaded for the year, or times where revenues or payments do not come in until later on in the year.

In reviewing the financials, Line 68 – Surplus/(Deficit) before Capital Expenditures shows a deficit of \$445,338 YTD. This is not a concern, as we are projecting a \$3,921,116 surplus at Year end on Line 68, and depending on Capital expenditures, a \$2,573,466 (line 73) overall surplus.

For this report, general themes will be addressed. On the Income side, on line 3, HAP reimbursements, we were significantly under budget Year to date. This had to do with the funding challenges at the beginning of the year from HUD, and also an uncertainty of what our funding would be. We received notice of funding in April, and there was a 7.9% inflation factor over last year's funding. This increase will be reflected as we progress through the year, and will be drawn down as we reconcile MTW expenses for the year. For line 13, Other Revenue, there is approximately \$2.5 million budgeted for Waterfall payment for Renew Tacoma Housing (RTH). The partnership did produce the projected \$2.5 million in cash flow from operations for the period beginning at initial closing (April of 2016) through 2018. Due to some of the challenges associated with final closing, it is not yet known whether we will be able to draw down these funds in 2019, or will have to wait until 2020. Until we have verification, the income will not be included in 2019 financial reports.

On the expense side, we are converting our existing Public Housing Tax Credit units to RAD this year. Expenses for this conversion such as legal and Administrative contracts will not impact the financials until the 2nd quarter. In the Maintenance area (lines 46-50), YTD salaries are a bit high, yet overall Maintenance costs are within budget. In looking at the financials, for our third party managed properties, all repairs were budgeted under Contract costs, and not under salaries, yet in the financials, the salary line item is being used. For

Section 8 HAP expenses (line 61), we currently are significantly under budget. As our utilization has increased to over 95% since the beginning of the year, average HAP per unit continues to increase, and we are possibly making changes to our CHAP subsidy. It is anticipated that we will be coming in close to budget by the end of 2019.

The following is a synopsis of the Cash Flow (CF) waterfall for our Tax Credit Properties for the Year 2018. At the completion of each year, the agency does an analysis of excess cash (if available), and per the Limited Partnership Agreements, distributes cash per the waterfall established for each property. Funds that come into THA include any Developer Fee (DF) remaining, the Company Management Fee, and if there is still remaining cash, Accrued Interest Payments. Every year we accrue interest for the THA loans to the Tax Credit properties. We do not include them in our budget as there is no guarantee funds will be available to pay them. For 2018, THA will receive \$211,652 of interest on the THA loans, and \$42,072 in fees to THDG for the properties we bought out BFIM's investor interest. For 2017, we received \$307,367.

**THA Tax Credit Projects
 Summary of Cash Flow Waterfall Distributions
 For the year ending 12/31/18**

	<u>Fees to THA</u>	<u>Fees to THDG</u>	<u>THA Loans</u>	<u>Fees to LP</u>	<u>Total</u>	<u>Comments</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>		
Salishan I	-	24,854	-	-	24,854	
Salishan 2	-	6,601	21,066	-	27,667	
Salishan 3	-	7,343	126,897	-	134,240	
Salishan 4	-	-	-	-	-	
Salishan 5	7,394	-	-	7,394	14,788	
Salishan 6	-	-	-	-	-	
Hillside Phase 1	162	162	-	-	324	
Hillside Phase 2	3,112	3,112	-	-	6,224	
Hillside 1500	15,923	-	63,290	-	79,613	
Bay Terrace	*5,391	-	-	11,093	16,484	*Deferred DF- THA
Bay Terrace II	*311,536	-	-	833	312,369	*Deferred DF- THA
Renew Tacoma	-	-	-	-	-	Most likely 2019 for any payments
Total						
payments	\$343,517	\$42,072	\$211,652	\$19,390	\$616,561	

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at .55%. The Washington State Local Government Investment Pool currently provides a return rate of 2.23%.

3. AUDIT

The Washington State auditors have not provided a start date to work on the audit for 2018 information yet. They have assured us they will ensure the financial audit in time for us to complete by the September 30th HUD REAC submission due date. They will work on the Single audit concurrently with the financial audit, and will finish up with the Accountability audit later on in the year. The entrance conference will be determined after they let us know when they will officially start working on the audit.

4. BUDGETS

As there are no major challenges that we are seeing regarding the 2019 budget, including funding, we will not be completing a mid-year budget review in 2019. We did receive additional funding for our Section 8 HAP above what we budgeted, and that increase will be reflected as we expend MTW funds. Any major changes that would most likely occur is within the capital area, and any significant changes in our capital expenditures are brought forward to the board for approval. The Fiscal year 2020 budget preparation will commence late July, early August.

5. YEAR END UPDATE

There is no update at this time.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		March, 2019			Thru 12/31/2019		
		YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS							
1	Tenant Revenue - Dwelling rent	687,062	667,525	2.93%	2,748,250	2,670,100	2.93%
2	Tenant Revenue - Other	39,387	33,740	16.74%	157,549	134,960	16.74%
3	HUD grant - Section 8 HAP reimbursemen	8,842,882	10,026,601	-11.81%	40,371,528	40,106,403	0.66%
4	HUD grant - Section 8 Admin fee earned	1,047,280	868,114	20.64%	3,780,000	3,472,454	8.86%
5	HUD grant - Public Housing subsidy	320,833	292,674	9.62%	1,283,331	1,170,697	9.62%
6	HUD grant - Community Services	57,714	68,449	-15.68%	230,857	273,794	-15.68%
7	HUD grant - Capital Fund Operating Reve	300,000	216,667	38.46%	866,669	866,669	0.00%
8	Management Fee Income	833,093	818,107	1.83%	3,332,373	3,272,426	1.83%
9	Other Government grants	28,167	42,780	-34.16%	127,596	171,118	-25.43%
10	Investment income	13,690	11,795	16.07%	54,760	47,180	16.07%
11	Fraud Recovery Income - Sec 8	5,945	1,875	217.07%	16,280	7,500	117.07%
12	Other Revenue- Developer Fee Income	0	1,484,433	-100.00%	5,937,730	5,937,730	0.00%
13	Other Revenue	380,752	1,173,014	-67.54%	1,523,010	4,692,057	-67.54%
14	TOTAL OPERATING RECEIPTS	12,556,806	15,705,772	-20.05%	60,429,933	62,823,088	-3.81%
OPERATING EXPENDITURES							
Administrative Expenses							
15	Administrative Salaries	1,451,115	1,641,718	-11.61%	6,254,461	6,566,873	-4.76%
16	Administrative Personnel - Benefits	574,159	677,054	-15.20%	2,496,637	2,708,216	-7.81%
17	Audit Fees	1,502	19,708	-92.38%	78,830	78,830	0.00%
18	Management Fees	593,997	576,866	2.97%	2,375,986	2,307,465	2.97%
19	Rent	0	3,600	-100.00%	14,400	14,400	0.00%
20	Advertising	3,330	4,400	-24.31%	13,321	17,600	-24.31%
21	Information Technology Expenses	111,088	168,931	-34.24%	644,351	675,725	-4.64%
22	Office Supplies	17,941	18,800	-4.57%	71,764	75,200	-4.57%
23	Publications & Memberships	27,937	13,405	108.40%	53,500	53,621	-0.23%
24	Telephone	18,237	21,455	-15.00%	72,947	85,820	-15.00%
25	Postage	5,636	7,385	-23.69%	22,542	29,540	-23.69%
26	Leased Equipment & Repairs	32,574	35,330	-7.80%	130,294	141,320	-7.80%
27	Office Equipment Expensed	24,087	41,705	-42.24%	96,350	166,820	-42.24%
28	Legal	18,315	60,983	-69.97%	223,260	243,930	-8.47%
29	Local Milage	1,837	2,420	-24.09%	7,348	9,680	-24.09%
30	Staff Training/Out of Town travel	46,719	80,634	-42.06%	261,877	322,535	-18.81%
31	Administrative Contracts	67,628	159,358	-57.56%	570,510	637,431	-10.50%
32	Other administrative expenses	54,970	39,289	39.91%	219,881	157,154	39.91%
33	Due diligence - Perspective Development	112,592	137,500	-18.11%	450,368	550,000	-18.11%
34	Contingency	0	63,875	-100.00%	0	255,500	-100.00%
35	Total Administrative Expenses	3,163,663	3,774,415	-16.18%	14,058,628	15,097,660	-6.88%

TACOMA HOUSING AUTHORITY			
CASH POSITION - April 2019			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		4,252,871	0.55%
Section 8 Checking		3,752,698	0.55%
THA Affordable Housing Proceeds-Salishan		3,452,565	0.55%
THA Scattered Sites Proceeds		5,459,151	0.55%
FSS Escrows		159,994	0.55%
CSA Escrows		100	0.55%
Note Fund Account		102	0.55%
Credit Card Receipts		8,603	0.55%
Key Bank Security Deposits		3,023	0.55%
Relocation Account		19,528	0.55%
THA Investment Pool		334	0.55%
THDG - Tacoma Housing Development Group		747,424	0.55%
Salishan 7 Operations		2,022,727	0.55%
Salishan 7 Security Deposit		27,736	0.55%
Salishan 7 Replacement Reserve		300,606	0.55%
Salishan 7 Operating Reserve		201,838	0.55%
Highland Crest Operations		519,502	0.55%
Highland Crest Replacement Reserve		208,790	0.55%
Highland Crest Security Deposit		41,309	0.55%
Outrigger Operations		261,408	0.55%
Outrigger Replacement Reserve		136,175	0.55%
Outrigger Security Deposit		26,428	0.55%
Prairie Oaks Operations		82,809	0.55%
Prairie Oaks Replacement Reserve		22,676	0.55%
Prairie Oaks Security Deposit		3,761	0.55%
Payroll Account		9,026	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		\$ 22,168,022	
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 - April 2019				
4. Non MTW Cash Restrictions/Obligations				
<i>4.1 Non MTW Operational Restrictions</i>				
4.10 HUD Restricted - Lot and Property Sales			\$ 8,911,716	
4.101 Area 2B Sales Proceeds (Afford Hsg)	3,452,565			
4.102 Scattered Sites Proceeds (Afford Hsg)	5,459,151			
4.20 THA Property Accounts Reserved			\$ 2,275,814	
4.201 Security Deposit Accounts	161,687			
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	136,175			
4.208 Prairie Oaks Operations Reserves	77,000			
4.209 Prairie Oaks Replacement Reserves	62,676			
4.210 Salishan 7 Operations Reserves	354,000			
4.211 Salishan 7 Replacement Reserves	300,606			
4.30 Rental Assistance Reserves			\$ 430,046	
4.301 Mod Rehab Operating Reserves	18,169			
4.302 VASH, FUP & NED HAP Reserves	232,161			
4.303 FSS Escrows	179,716			
4.40 Prepaid Grants			\$ 1,064,118	
4.401 Gates Foundation	316,694			
4.402 THDG	747,424			
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)			\$ 15,181,694	
4.70 Agency Contracted or Budgeted Commitments Remaining			\$ -	
		-		
		-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)			\$ 15,181,694	
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)			\$ 6,260,328	
6. Development Advances - Project Reimbursement upon closing			\$ 1,745,875	
6.01 Arlington Crisis Residential Center	152,268			
6.02 Arlington Youth Housing	829,601			
6.03 Court F LLLP (1800 Block)	764,006			

		March, 2019			Thru 12/31/2019		
		YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service						
36	Tenant Service - Salaries	206,664	253,785	-18.57%	926,655	1,015,139	-8.72%
37	Tenant Service Personnel - Benefits	86,669	112,348	-22.86%	386,674	449,392	-13.96%
38	Relocation Costs	5,619	1,396	302.58%	22,476	5,583	302.58%
39	Tenant Service - Other	53,379	71,063	-24.88%	213,517	284,250	-24.88%
40	Total Tenant Services	352,331	438,591	-19.67%	1,549,323	1,754,364	-11.69%
	Project Utilities						
41	Water	20,917	28,625	-26.93%	83,667	114,500	-26.93%
42	Electricity	23,203	19,862	16.82%	92,810	79,446	16.82%
43	Gas	1,211	1,982	-38.90%	4,843	7,927	-38.90%
44	Sewer	42,630	43,987	-3.09%	170,519	175,949	-3.09%
45	Total Project Utilities	87,960	94,456	-6.88%	351,840	377,822	-6.88%
	Ordinary Maintenance & Operations						
46	Maintenance Salaries	63,459	43,103	47.23%	253,838	172,411	47.23%
47	Maintenance Personnel - Benefits	18,842	16,978	10.98%	75,369	67,913	10.98%
48	Maintenance Materials	28,995	33,850	-14.34%	115,981	135,400	-14.34%
49	Contract Maintenance	126,397	143,826	-12.12%	505,589	575,303	-12.12%
50	Total Routine Maintenance	237,694	237,757	-0.03%	950,777	951,027	-0.03%
	General Expenses						
51	Protective Services	18,598	35,200	-47.16%	140,800	140,800	0.00%
52	Insurance	53,786	55,254	-2.66%	215,142	221,016	-2.66%
53	Other General Expense	305,754	458,449	-33.31%	1,523,017	1,833,795	-16.95%
54	Payment in Lieu of Taxes	3,596	3,096	16.15%	14,385	12,384	16.15%
55	Collection Loss	0	12,767	-100.00%	40,854	51,067	-20.00%
56	Interest Expense	74,612	132,332	-43.62%	298,448	529,328	-43.62%
57	Total General Expenses	456,346	697,098	-34.54%	2,232,645	2,788,390	-19.93%
58	TOTAL OPERATING EXPENSES	\$ 4,297,994	\$ 5,242,316		\$ 19,143,212	\$ 20,969,263	
	Nonroutine Expenditures						
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	7,750	27,025	-71.32%	75,000	108,100	-30.62%
60	Casualty Losses	0	1,250	-100.00%	5,000	5,000	0.00%
61	Sec 8 HAP Payments	8,696,401	9,328,983	-6.78%	37,285,605	37,315,930	-0.08%
62	Total Nonroutine Expenditures	8,704,151	9,357,258	-6.98%	37,365,605	37,429,030	-0.17%
63	TOTAL EXPENDITURES	13,002,145	14,599,573	-10.94%	56,508,817	58,398,293	-3.24%
64	OPERATING SURPLUS/(DEFICIT)	(445,338)	1,106,199	-140.26%	3,921,116	4,424,795	-11.38%
65	Debt Service Principal Payments	0	(18,282)	-100.00%	0	(73,128)	-100.00%
66	Surplus/Deficit Before Reserve Appropriations	(445,338)	1,087,917	-140.93%	3,921,116	4,351,667	
67	Reserve Appropriations - Operations	0	19,750	-100.00%	0	79,000	-100.00%
68	Surplus/Deficit Before Capital Expenditures	(445,338)	1,107,667		3,921,116	4,430,667	
69	Capitalized Items/Development Projects	(15,327)	(3,827,500)	-99.60%	(7,225,000)	(15,310,000)	-52.81%
70	Reserve for Replacement	(43,163)	(43,163)	0.00%	(172,650)	(172,650)	
71	Revenue - Capital Grants/Sale of Property	223,372	2,597,500	-91.40%	4,800,000	10,390,000	-53.80%
72	Reserve Appropriations - Capital	0	587,500	-100.00%	1,250,000	2,350,000	-46.81%
73	THA SURPLUS/(DEFICIT)	(280,456)	422,004		2,573,466	1,688,017	

Motion

**THA Board of Commissioners
2019 Meeting Schedule**



TACOMA HOUSING AUTHORITY

Motion

Date: May 22, 2019
To: THA Board of Commissioners
From: Sha Peterson
Executive Administrator
Re: THA Board of Commissioners 2019 Meeting Schedule

Motion

Move to approve the remainder of the 2019 Tacoma Housing Authority (THA) Board of Commissioners' (BOC) meeting schedule.

Intent

Approve the remainder of the 2019 THA BOC meeting schedule to comply with THA Bylaws and RCW 42.30.070.

THA Bylaws Section 4.1.2

Regular meetings of the Authority are held on a schedule and at locations that the board shall determine in advance.

RCW 42.30.070

The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body. Unless otherwise provided for in the act under which the public agency was formed, meetings of the governing body need not be held within the boundaries of the territory over which the public agency exercises jurisdiction. If at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day. If, by reason of fire, flood, earthquake, or other emergency, there is a need for expedited action by a governing body to meet the emergency, the presiding officer of the governing body may provide for a meeting site other than the regular meeting site and the notice requirements of this chapter shall be suspended during such emergency. It shall not be a violation of the requirements of this chapter for a majority of the members of a governing body to travel together or gather for purposes other than a regular meeting or a special meeting as these terms are used in this chapter: PROVIDED, that they take no action as defined in this chapter.

Implementation

After the Board adopts the remainder of the meeting schedule, changes to dates and/or locations have to be submitted to the board for approval.

Rationale

According to a recent discussion with Foster Pepper, the yearly THA BOC meeting schedule with dates and locations of the meetings have to be adopted by the board.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair



TACOMA HOUSING AUTHORITY

2019 Board of Commissioners Meeting Schedule

Regular Meetings		Special Sessions	Location
Monthly Meetings	Study Sessions		
January 23			Fawcett 3201 S. Fawcett Street, Tacoma, WA 98418
February 27			E.B. Wilson 1202 South M Street, Tacoma, WA 98405
		March 15 Environmental Remediation Contractor for Wright and K Street	902 South L. Street, Tacoma, WA 98405
March 27			Bay Terrace 2550 South G Street, Tacoma, WA 98405
April 24			Wright Street 602 S. Wright Avenue, Tacoma, WA 98418
		May 22 (see agenda)	North G 401 North G Street, Tacoma, WA 98403
June 26			6th Avenue 2302 6th Avenue, Tacoma, WA 98403
	July 12		902 South L. Street, Tacoma, WA 98405
July 24			Ludwig 5425 S. Lawrence Street, Tacoma, WA 98409
August 28			Salishan FIC 1724 E 44th Street, Tacoma, WA 98404
	September 13		902 South L. Street, Tacoma, WA 98405
September 25			Bergerson Terrace 5303 S. Orchard St., Tacoma, WA 98467
October 23			Dixon Village 5420 S. Stevens, Tacoma, WA 98409
	November 1		902 South L. Street, Tacoma, WA 98405
November 13			North K 911 North K Street, Tacoma, WA 98403
December 11			902 South L. Street, Tacoma, WA 98405

Regular Meetings begin at 4:45 pm.

Study Sessions begin at 12:00 p.m. and end at approximately 1:00 p.m.

Meeting dates, locations, and times are subject to change.

Up-to-date information is posted on the Tacoma Housing Authority (THA) [website](#). You may contact the THA office the week prior to the scheduled meeting to confirm this information. The sites are accessible to persons with disabilities. Persons requiring special accommodations should contact Sha Peterson at (253) 207-4450, before 4:00 p.m. the day before the scheduled regular meeting.



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: May 22, 2019

TO: THA Board of Commissioners

FROM: Cacey Hanauer
Client Support & Empowerment Director

RE: Client Support & Empowerment Department Monthly Board Report

1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

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

2. DIRECTOR'S COMMENT:

Client Support & Empowerment (CSE) has welcomed two new staff into the team in the month of May. Byron Williams and Jemimah Kayihura started the week of May 6th and have both joined the team nicely. Byron is the new case worker working with families through the Whole Family Services contract with the City of Tacoma. He comes to THA with great experience engaging families in the school system and brings a ton of positive energy to our team. Jemimah is the new Office Assistant for CSE and will spend about half of her time working at the front desk at the Family Investment Center, and the other half supporting CSE's administrative needs.

CSE is also hiring for a new Program Supervisor who will sit at the space THA shares with Sound Outreach. Interviews for this position took place the week of May 13th, with a second round scheduled for the week of May 20th. This new supervisor will take over supervision of staff that Kendra and Caroline have been supervising since their positions have each shifted to focus more on data quality, contracts and partnerships.

Early in the month, Cacey attended the Corporation for Supportive Housing's annual conference in Indianapolis, IN along with staff from the Accelerator YMCA. The conference was fruitful in helping us learn more about how to intertwine support services and property management functions at Arlington Drive Apartments. Best-practice tells us not to engage in a "good cop, bad cop" mentality, but instead join property management and support service staff together to fully support the young adults who will live there

while also holding them accountable for their actions. We also learned that adopting a “harm reduction” approach has been integral in the success of supportive housing programs throughout the country.

3. CLIENT SUPPORT & EMPOWERMENT

3.1 DATA QUALITY & INTEGRITY UPDATE

CSE leadership has met together regularly since the hiring of Director Cacey Hanauer to discuss ways to represent the work of CSE staff using thoughtful, quality data metrics. Kendra Peischel was hired as the Data Quality & Integrity Program Manager in March, 2019 to operationalize the work discussed in those meetings.

Leadership aims to develop performance metrics designed to accurately reflect the impact of our programs and services, rather than simple output data of entries, exits and unduplicated participation.

While this is a continuous process, CSE leadership has identified metrics below that start to tell the data-specific story of our strengths-based programming.

3.2 PROGRAM METRICS

3.2.1 ASSET BUILDING PROGRAMS

3.2.1.1 CENTER FOR STRONG FAMILIES (CSF)

Center for Strong Families is an integrated services delivery model that supports families in earning, growing and keeping their assets. Clients build assets through employment, financial coaching, and accessing income supports. Families in the Family Self-Sufficiency (FSS) program in Salishan are also engaging in this integrated model. THA now employs via the new CSF located at the Family Investment Center. In partnership with Sound Outreach, a Financial Empowerment Coach is embedded at Salishan to provide the financial coaching and income supports. THA receives a report from Sound Outreach for individuals who receive services from the Financial Coaches at Sound. Below is the report for the contract year 2018-2019. The report below shows data about individuals who engaged in services, the dollar amount of debt reduced, the increase in credit score and families accessing low-interest loans to further reduce debt. These are important indicators for families because this builds their credit confidence. Also, credit is an asset. Through this asset families have the ability to navigate

systems without engaging in predatory lending and paying higher interest rates. Avoiding these common lending practices for low-income/low credit individuals allows them to keep more money in their pocket and ultimately pay rent and fees on time and creates asset building culture.

Sound Outreach Annual Report

REPORTING METRICS	QUARTER 1 JUNE-AUG 2018	QUARTERS 2 SEPT-NOV 2018	QUARTER 3 DEC-FEB 2018-2019	QUARTER 4 MAR-MAY 2019	TOTAL
TOTAL SERVED	61	55	84	30	230
Engagement Rates for THA Referrals	47%	54%	48%	100%	62%
Individuals Receiving Financial Coaching	59	55	55	32	201
Household Budgets Created	29	17	10	2	58
Number of Persons with Reduced Debt	8	6	14	5	33
Total Debt Reduced	\$36,220.00	\$9,117.00	\$56,225.00	\$41,440.00	\$143,002.00
Number of Increased Credit Scores	9	7	19	5	40
Average Increase in Credit Scores	47	21	73	44	46
Number of New Checking and Savings Accounts	12	3	0	4	19
Number of Previously Unbanked w/ New Checking/Savings Accounts	2	1	0	0	3
Households Receiving Tax Prep	N/A	N/A	11	13	24
Households Receiving Tax Return Coaching	N/A	N/A	12	13	25
Average Total Tax Return Per Household	N/A	N/A	\$5,470.27	\$1,303.62	\$6,773.89
Number of Households Accessing Low-Interest Auto Loans	4	1	2	2	9
Number of Households that Accessed Micro-Loans	2	1	0	1	4
Number of Households that Purchased a Home	0	0	0	2	2

3.2.1.2 FAMILY SELF-SUFFICIENCY (FSS)

Previously, FSS was reported through simple outputs: the number of people entering and exiting the program. In the new report, we aim to capture the outcomes of FSS in a quarterly report that reflects the level of engagement and progress of families over time, as well as the value of this self-sufficiency program to the agency. We continue to work with the Salesforce team to improve this snapshot by showing the data for household incomes at time of FSS entrance and exit, percentages of change in shelter/rent burdens, quarterly incentives and developing a tiered system tied to participation in an FSS phase. We define FSS phases in the following way:

Phase 1: Years 0-3

Families engage with Case Worker to identify and begin to remove barriers to stability. Families also engage with their Financial Coach, Employment Coach and Education Navigators with the goal of enrollment in an education or job-training program.

Phase 2: Years 4-5

Families continue to work with Case Worker to identify supports as they transition off of Temporary Assistance for Needy Families (TANF) and focus on obtaining full-time employment with a living wage.

Quarterly FSS Incentives: By sharing the types of incentives earned on a quarterly basis, we aim to show the activities that are being completed by FSS participants. The chart below shows the incentives earned in the first quarter of 2019. Common goals include completing a GED (\$600) or Bachelors of Arts (\$2000), maintain 32 hours of employment for six consecutive months (\$2,000), increased earned income by 10% over the course of the contract (\$1500), financial literacy certificate (\$100), and employer provided health benefits (\$500) and homeownership certificates(\$50).

First quarter 2019:

Goal Type	Individuals who achieved this goal	Total incentives earned by participants
Education	6	\$6,850
Employment	10	\$6,150
Financial	6	\$1,500
General	5	\$775
Health	4	\$2,000
Homeownership	4	\$200
Transportation	16	\$7,700
Total	51	\$25,175

3.2.1.3 CHILDREN’S SAVINGS ACCOUNT PROGRAM (CSA)

The PIE team, in collaboration with CSE, is engaging in an evaluation and redesign of the CSA program. Previously, as with FSS, the data that was reported for the CSA was monthly and based on numerical outputs. These outputs do not accurately represent the value of the CSA program, and while we continue the work to track outcomes of the program, below is a larger snapshot of the program, including account balances, and the number of individuals who earned incentives. We will report on middle school incentives earned, highlighting the type, quantity and value of incentives earned twice each year. We will report on participation in financial literacy at the end of each school year.

Elementary School Stage

THA’s CSA has two stages, an elementary school stage and a middle through high school stage. Both stages are linked to schools. The elementary school stage encourages families to save for their children’s education. When a Salishan student enrolls in kindergarten, THA opens a savings account in his or her name. THA deposits \$50 deposit into the account to get it started. THA will match the family’s deposit into the account up to \$400 per year. This match will last through fifth grade.

Matched Savings Account Balances to date:

Total Count of Savings Accounts	91
Balances of all Savings Accounts	15,986.79
Total THA Deposits	12,089.40
Family Deposits:	\$3,897.39
Average CSA Account Balance:	\$176

Middle and High School Stage

The next stage of the CSA takes the student from 6th grade through high school. It is for students who live in Salishan and who enroll in 6th grade at First Creek Middle School. These 6th graders and their counselors will devise individualized plans to take the students through high school. The plan will set milestones along the way, largely of an academic nature. Upon hitting a milestone, the program will make a deposit into the account, up to \$700 per year.

Count of unduplicated middle school students who earned incentives by calendar year:

Year	Count
2016	17
2017	43
2018	72

3.2.2 SOCIAL CAPITAL PROGRAM

3.2.2.1 COMMUNITY WELLNES PROGRAM

In March of 2019, CSE hired Martha Matthias to fill the role of the Community Builder at the THA portfolio. Martha's addition to the team in this role allowed CSE to more accurately report on the community engagement work carried out in the THA properties. The Community Wellness program funded by the City of Tacoma builds a stronger community focused on improving healthy lifestyles, general safety, parenting, healthy relationships, prosocial activities, and decreasing isolation through culturally relevant services and activities.

Community Wellness

	April 2019	Annual Total
New Participants	68	120
Duplicated Participants for the month	107	264
Hours spent on Skill Building	1	14

The table above mirrors the monthly report to the city, showing the increase in number of residents engaging in activities in our buildings.

CSE is working on methods to track and report the hours spent skill building with residents. A few examples of skill building activities would include Fall Prevention classes, diabetes management, CPR and first aid.

CSE will report to the City of Tacoma increases in the Social Wellness pillar scores that are based off of the CSE Bridge to Economic Stability quarterly. These indicators include social networks, physical and emotional health. CSE is currently working on gathering and analyzing data from the survey conducted by the Community Builder to show increases in these indicators. The questions in that survey pertained to resident's sense of "community" in their buildings, their awareness of community resources, their emotional and physical well-being, and the activities that they would like to see brought to the buildings.

3.2.2.2 FALL PREVENTION CLASSES

In partnership with Eric Davis at hybrED Fitness, THA hosted a successful series of Fall Prevention and Fitness classes at five of our seven Senior & Disabled apartment communities. This series was funded by a generous \$7,500 grant from Multicare. Eric held classes two days a week for 10 weeks. In total, there were 32 unduplicated participants who attended a total of 148 classes.

One of the participants at E.B. Wilson had this to say about the class: "I'm using fitness classes with Eric Davis and want to say thanks to him, my pain shoulder is completely gone, I had that problem a year and I can't sleep at night and now no pain and I can sleep and I'm so happy! Thank you!"

3.2.3 HOUSING STABILITY PROGRAMS

EVICTION PREVENTION

CSE's aims show the benefit of CSE's interventions for households who are facing housing instability. CSE defines housing instability as any household who is at-risk of a notice for repeated lease violations, rent delinquency, or excessive damages to their unit. CSE is researching ways on how other eviction prevention programs show their value and monetize their work. We estimate that it costs THA \$8,000 to process an eviction and re-rent the unit. CSE is interested in looking at methods to show the amount of time after preventing an eviction residents stay in housing and pay rent on time.

CSE used established cost of an eviction to THA of \$8,000 to build the table below showing the monthly and annual savings.

Eviction Prevention:

	April 2019 Evictions Successfully Prevented	April 2019 Savings to THA	Year to date evictions successfully prevented	Annual Savings to THA
THA Family Properties	7	\$ 56,000.00	16	\$ 128,000.00
Senior Disabled	6	\$ 48,000.00	27	\$ 216,000.00

3.3 PROGRAM UPDATES

3.3.1 VITA TAX ASSISTANCE

The Family Investment Center proudly served Eastside taxpayers through our annual VITA site. This year 85 taxpayers received assistance, which is an increase from the 67 served last year. Most of taxpayers we served live in East Tacoma, with roughly 30% living within the Salishan community.

The 2018 tax season, proved to be unpredictable for taxpayers. Changes in tax laws and deductions benefited a few families as they received slightly larger returns than last year. There was also an increase in taxpayers applying for extensions because they didn't qualify for a refund. This was the first time for many of these taxpayers not receiving a return or owing debt to the IRS.

Qualified EITC	33
Total EITC	\$64,605.00
Qualified Child Tax Credit	15
Total Child Tax Credit	\$21,868.00
Average Income	\$23,799.00
Average Refund Amount	\$2,075.00
Total Refund Amount	\$166,017.00
Total Taxpayers Served at the FIC	85

3.3.2 ELEMENTARY HOUSING ASSISTANCE PROGRAM UPDATE

CSE interviewed and selected a new candidate to fill the position that was vacated by Martha Matthias when she accepted the Community Builder role. Our new caseworker, Byron Williams, started May 6th. Byron previously worked at the YMCA as their Family Engagement Director. Byron was located in the Eastside Family Center and worked in after school programming at First Creek Middle School. During his time at the Y he worked closely with the Tacoma Public School District to implement their The Whole Child Initiative (TWCI). TWCI proactively supports youth socially, emotionally and academically. This work is employed in a systems-building approach using data driven problem solving to maximize growth for all. His work with TWCI and TPS gave him the opportunity to build relationships with the school district and families. CSE is excited to have him join our team and continue our work in partnership with the City of Tacoma.

As PIE continues their evaluation and proposed redesign of TSHAP, CSE has partnered with the city of Tacoma to expand the services we provide to homeless families and families at risk of homelessness who have children in TPS. The working title for these supports is Whole Family Services. CSE staff are now able to leverage resources to assist in housing stability for families in the THA portfolio. If a family who is at risk of eviction has child in TPS, they are eligible for casework support, work with our Behavioral Health Engagement Coordinator at Hope Sparks, and our Family School Engagement Specialist, Marty Higgins.



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: May 22, 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

The Request for Proposal (RFP) for the expansion of PBS (Project Based Subsidy) reached the end of its first thirty-day application period. We have received 6 applications from a diverse group of applicants—assisted living provider, nonprofit housing provider, large developer, small business owner, etc. The Review Committee will begin the first review of applications on May 14th. The committee will consist of staff from Real Estate Development, Finance and the Administration department. We are hopeful that there will be a walk-on resolution at the May 22nd Board meeting with recommendations for contract awards.

Interest in the Property Based Subsidy program continues to grow. Our Landlord Engagement Specialist (LES) has several more interested applicants that are currently working on applications to be considered during the next review in early June.

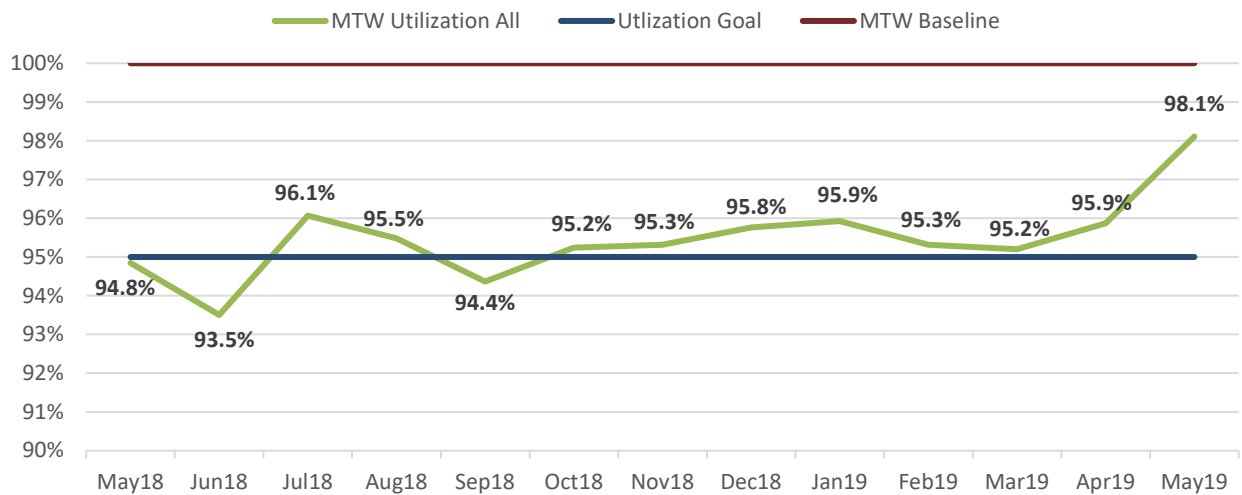
The Landlord Engagement Specialist (LES) continues to work with our landlords regarding improving communication with THA. Our landlords are still having problems understanding and implementing new Tenant Protections established earlier in the year. Our LES has scheduled meetings with landlord groups to help them understand these new policies. Landlords seem reluctant to reach out for this information due to fear of doing something wrong. We are fielding many questions from landlords and tenants looking for clarification to these rules. Staff from the City of Tacoma have been helpful with getting the message out to both landlords and tenants.

3. RENTAL ASSISTANCE AND LEASING

3.1 Overall Utilization Report

The overall Housing Choice Voucher utilization is reported at 98.1% for the month of April 2019. THA receives a report on utilization on a quarterly basis for Rapid Rehousing (RRH) and Property Based Subsidies (PBS). The last update was on January 23, 2019 for RRH and May 7, 2019 for PBS. As this information is reported, this utilization report is updated accordingly.

Overall MTW Utilization as of 5/1/2019

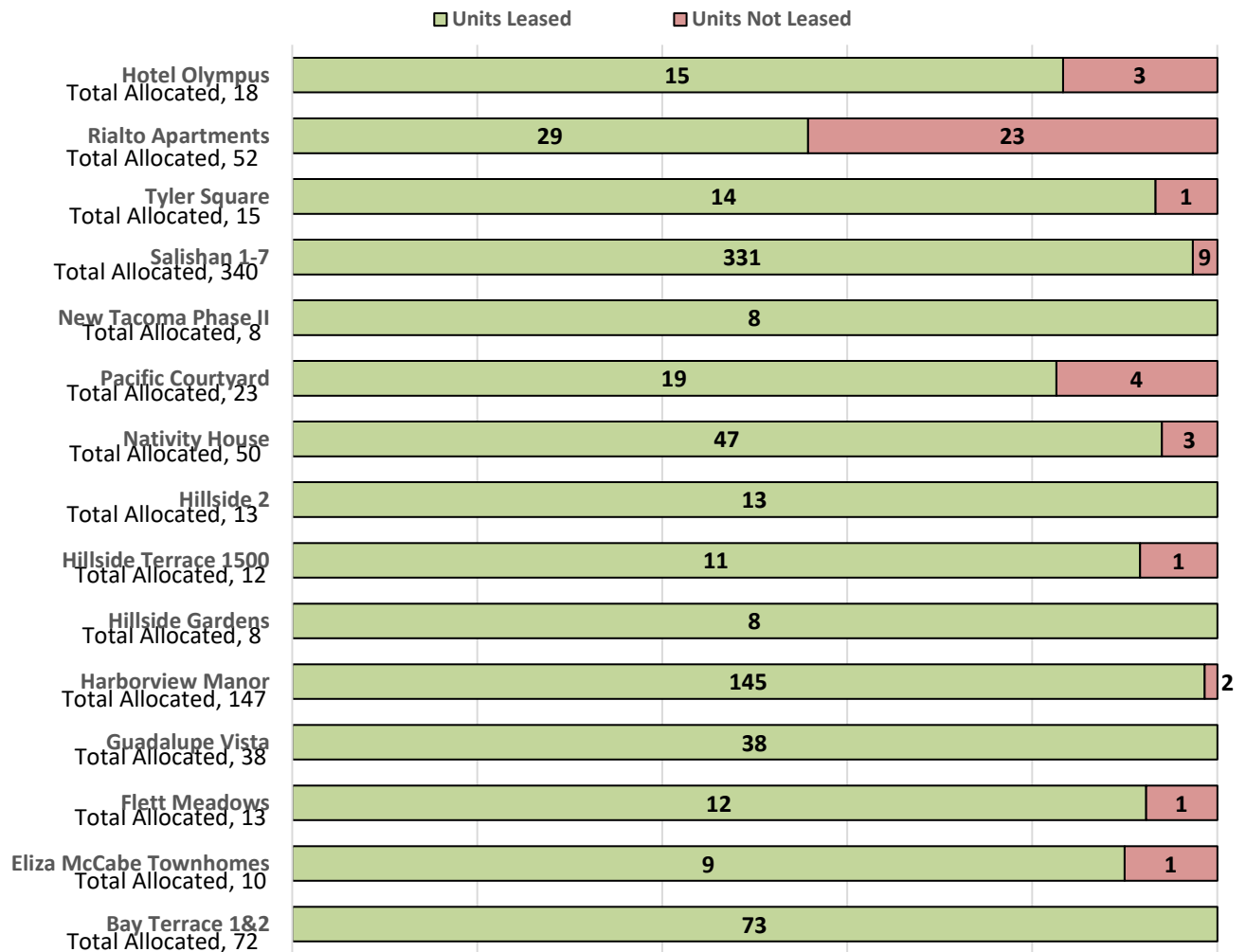


3.2 Project Based Voucher Report

Overall utilization for project-based vouchers continues to be strong. Pacific Courtyard has leased two vacant units, bringing the vacancy total from 6 to 4. THA staff is in weekly communication with Pacific Courtyard site staff to ensure the remaining four units are filled as soon as possible. If these remaining 4 vacancies remain through next month, THA staff will notify senior leadership at Metropolitan Development Council (MDC) and work toward a possible solution.

THA continues to work closely with its newest PBV partners at Olympus Hotel and Rialto Apartments. Utilization remains strong at both properties, and THA is ready to add new units to both contracts as they become available.

Project Based Voucher Utilization as of 5/1/2019

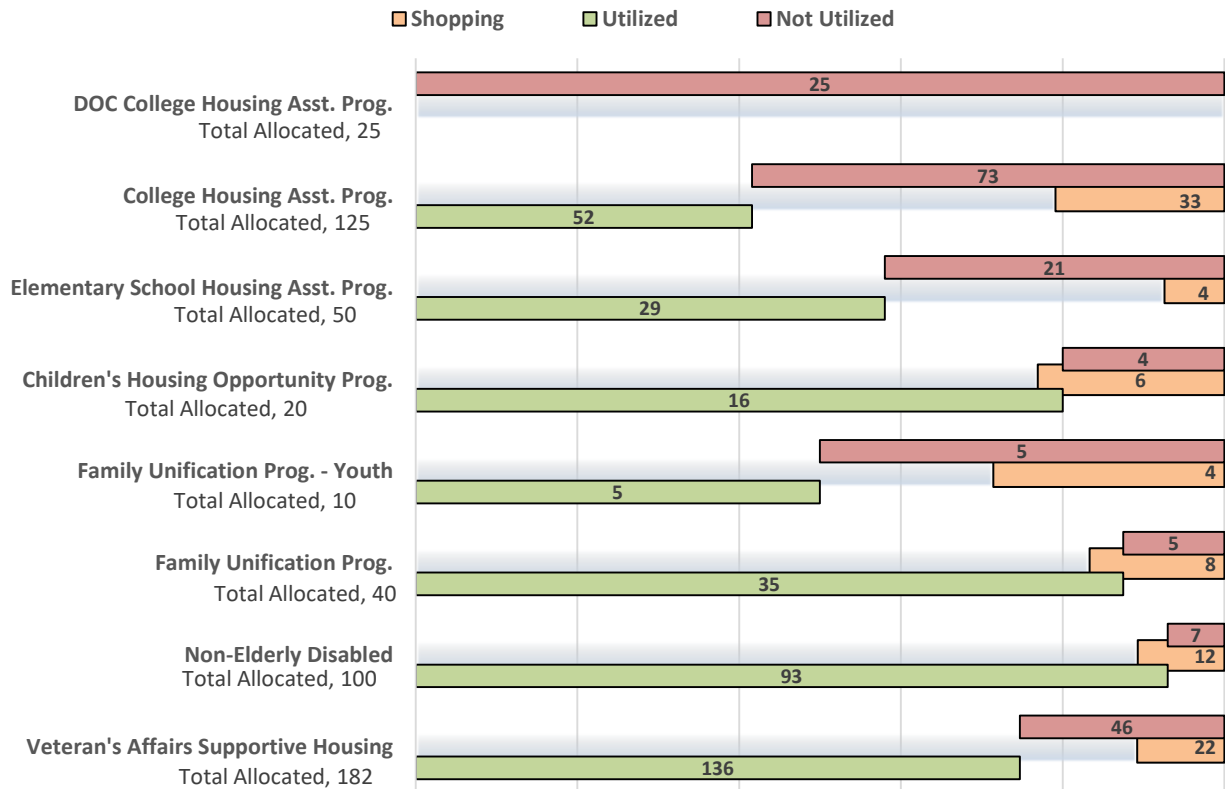


3.3 Special Program Report

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 in the early stages and has not been utilized. This chart will be updated once the program begins.

Utilization for Veteran's Affairs Supportive Housing (VASH) and College Housing Assistance Program (CHAP) continues to be lower than desired. THA staff work closely with partners from both agencies to receive as many referrals as possible, and process anything received quickly. In addition, THA staff conducts briefings for new participants on a weekly basis to issue vouchers and place shoppers in the rental market. We expect to see an increase in referrals in both programs in next month's report. The VA has exhausted its waitlist, and is now pulling referrals from the Coordinated Entry System. This population tends to have additional barriers associated with renting, and resources are limited to assist prospective tenants in leasing a unit.

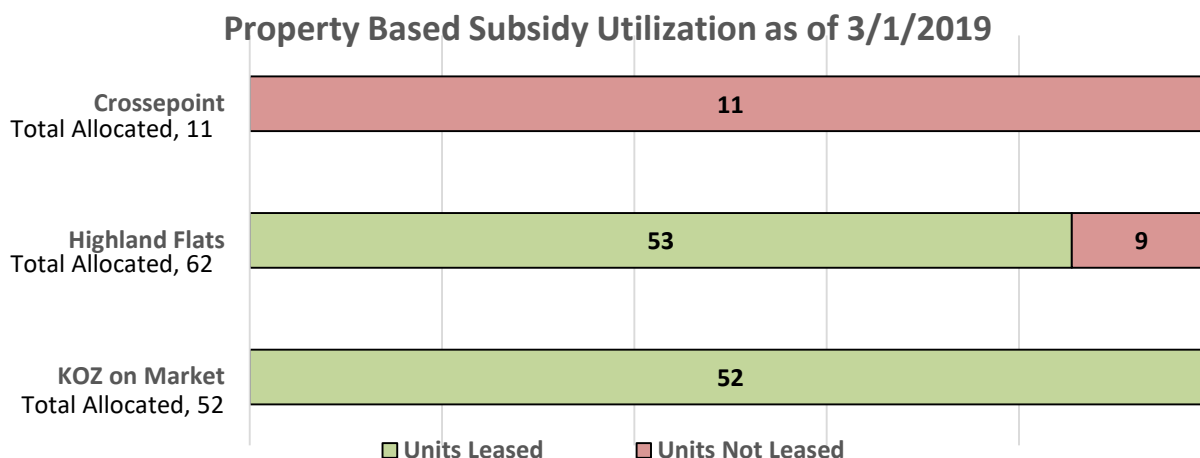
Special Program Utilization as of 5/1/2019



In last month's Board report, we addressed the current issues with the Family Unification Program (FUP) and Children's Housing Opportunity Program (CHOP), and its impact on utilization. Since the last Board meeting, THA staff has continued to meet with the Department of Social and Health Services (DSHS) staff regarding referrals. The utilization for FUP has slightly increased, with 8 active shoppers to account for the remaining vouchers and any other unexpected turnovers. FUP Youth vouchers had four participants leave the program in the last month, and new referrals have already been received to account for these losses. The CHOP program's utilization has also increased slightly, with 2 expected leases this month among the shoppers listed in the chart above.

While the utilization has only increased slightly in two months, we have received over-referrals for both programs, which we anticipate will continue to lead to an increase in utilization over the next few months. THA believes that the staff changes at DSHS have had 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.

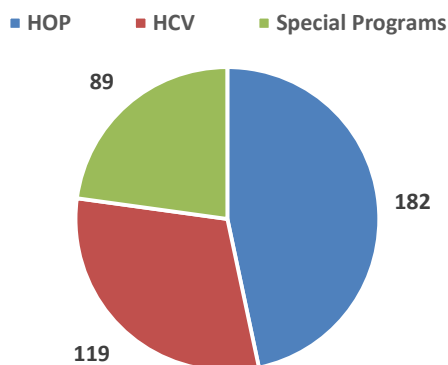
There is a lag in reporting for this program because of the reporting requirements for Property Based Subsidy program. During the lease up period, owners are required to report monthly for units that were leased in the preceding month. Once a property is fully leased, owners are only required to report monthly.



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 390 total clients shopping.

Current Shoppers as of 5/1/2019

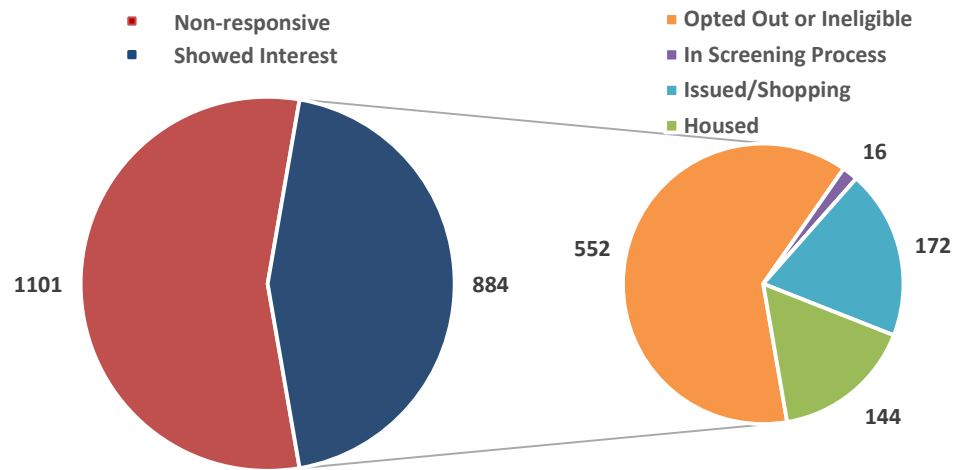


3.5 Leasing Report

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 from March 23, 2018 through November 29, 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 14 HOP subsidies were issued in April. Currently there are 22 RFTAs (Request For Tenancy Approval) being processed that should be added to the “Housed” total for next month’s report.

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: May 22, 2019

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

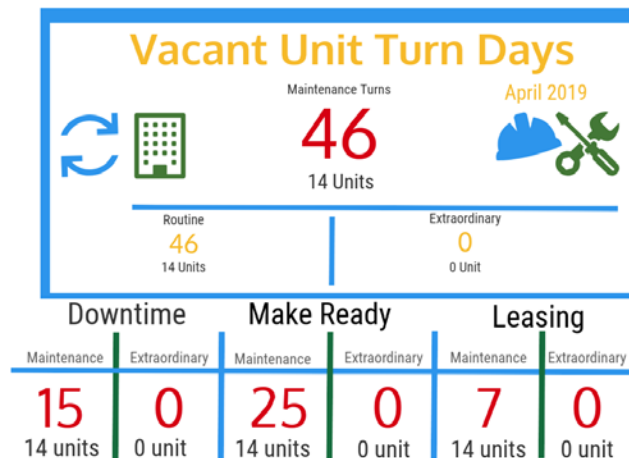
1. OCCUPANCY OVERVIEW

1.1 Occupancy

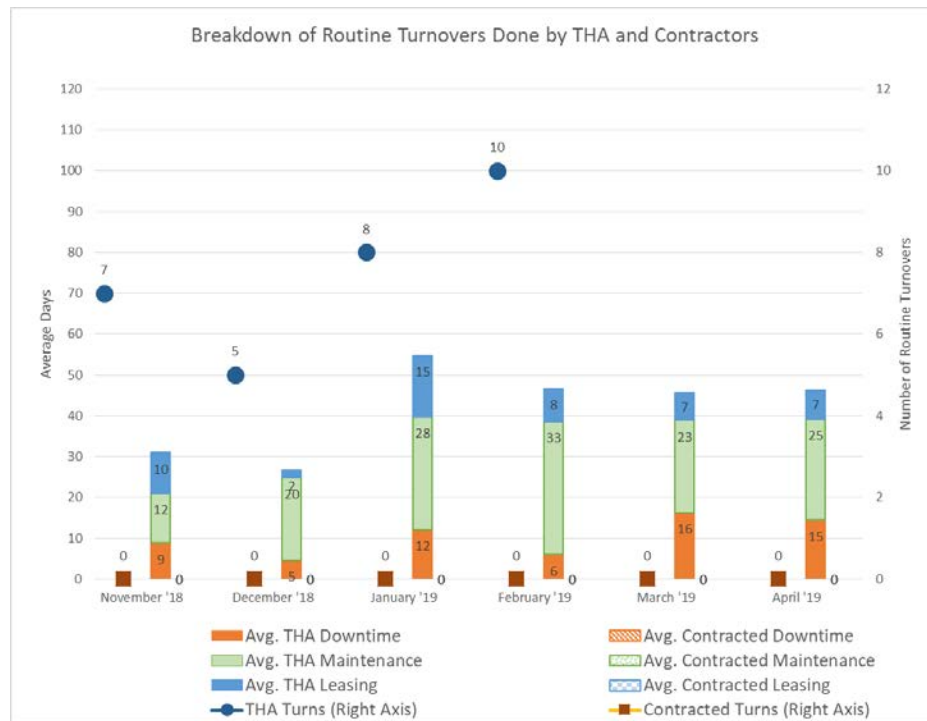
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	0	0	206	100%	99%
Family Properties	118	0	0	118	100%	99%
Salishan	631	7	1	623	98%	99%
Senior/Disabled	353	5	0	348	98%	99%
All Total	1,308	12	1	1,295	99%	99%

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

1.2 Vacant Unit Turn Status



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



All Turns - Performed by THA and Contractors

Select End Month & Year	April	4	2019
	March	3	2019
	February	2	2019
	January	1	2019
	December	12	2018
Beginning Month	November	11	2018

6-months - based on month and year selected from orange cell

		All THA Turnover Information						
Year	Month	Total Number of Turns	Total THA Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2019	April	14	14	0	46.2	14.5	24.7	7.0
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

		All Contracted Turnover Information						
Year	Month	Total Number of Turns	Total Contracted Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2019	April	14	0	0	0.0	0.0	0.0	0.0
2019	March	15	0	0	0.0	0.0	0.0	0.0
2019	February	10	0	0	0.0	0.0	0.0	0.0
2019	January	8	0	0	0.0	0.0	0.0	0.0
2018	December	5	0	0	0.0	0.0	0.0	0.0
2018	November	7	0	0	0.0	0.0	0.0	0.0

The average unit turn time for the month of April was 46 days. This turn time included work on fourteen (14) 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, casualty loss that cannot be repaired in less than 30 days and VAWA transfers, which usually occur with without notice.

Routine Unit Turns extending beyond 20 days:

All units turned for the month of April rolled over from February and March. 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.

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

1.3 Work Orders

Completed WO's by Priority For Month Ending April 30, 2019

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	45	5	5	55
Bay Terrace Phase One	17	1		18
Bay Terrace Phase Two	22		1	23
Bergerson Terrace	11	7	1	19
Dixon Village	10	4	1	15
E.B. Wilson	24	1		25
Fawcett Apartments	2			2
Hillside Terrace 1500 Block	18			18
Hillside Terrace Ph 1	3			3
Hillside Terrace Ph II	10	2		12
Ludwig Apartments	7	2	2	11
North G St	18	4		22
North K St	3			3
Salishan Five	56	1		57
Salishan Four	31			31
Salishan One	17			17
Salishan Seven	28			28
Salishan Six	36			36
Salishan Three	42	2		44
Salishan Two	69	1		70
Wright Ave	18	3		21
Grand Total	487	33	10	530

**Open Work Orders by Priority BR
For Month Ending April 30, 2019**

Property Name	Priority		Grand Total
	Routine	Urgent	
6th Ave Apartments	10	4	14
Bay Terrace Phase One	5	0	5
Bay Terrace Phase Two	7	2	9
Bergerson Terrace	4	0	4
Dixon Village	1	0	1
E.B. Wilson	36	0	36
Fawcett Apartments	4	0	4
North G St	24	2	26
North K St	24	0	24
Salishan Five	18	0	18
Salishan Four	6	0	6
Salishan One	50	0	50
Salishan Seven	34	0	34
Salishan Six	20	1	21
Salishan Three	64	0	64
Salishan Two	32	0	32
Wright Ave	12	0	12
Grand Total	351	9	360

In the month of April, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 487 and 1,012 for the calendar year. The year-to-date average number of days to complete non-emergency work orders is 8 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 work order completion time. A report was generated in January with a promise to revisit quarterly. The chart belows shows a breakdown of work orders for the 1st quarter.

% Complete Work Orders - Quarterly

		Date Completed			Grand Total
Days Open		Jan-19	Feb-19	Mar-19	
<5 Days	%	100%	100%	100%	100%
	# of WOs	239	177	274	690
6-10 Days	%	100%	100%	100%	100%
	# of WOs	73	32	90	195
11-15 Days	%	100%	100%	100%	100%
	# of WOs	39	36	55	130
16-20 Days	%	100%	100%	100%	100%
	# of WOs	16	20	28	64
20+ Days	%	100%	100%	100%	100%
	# of WOs	117	121	175	413
Grand Total	%	100%	100%	100%	100%
	# of WOs	484	386	622	1,492

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.

1.4 New Business

Maintenance Specialist Lead (Pilot)

Over the past few years, our Maintenance Specialists have expressed a desire to grow within the agency and have requested more opportunities to apply their skills in new and innovative ways. Well, we have been listening and with the assistance of our Leads, we will be launching a Maintenance Specialist Lead Pilot Program that offers any interested and eligible person the opportunity to show us what they've got! This will simultaneously help us develop our own talent and provide more promotional strength internally. The pilot will begin at Salishan and so far we have identified three specialists to participate in this program.

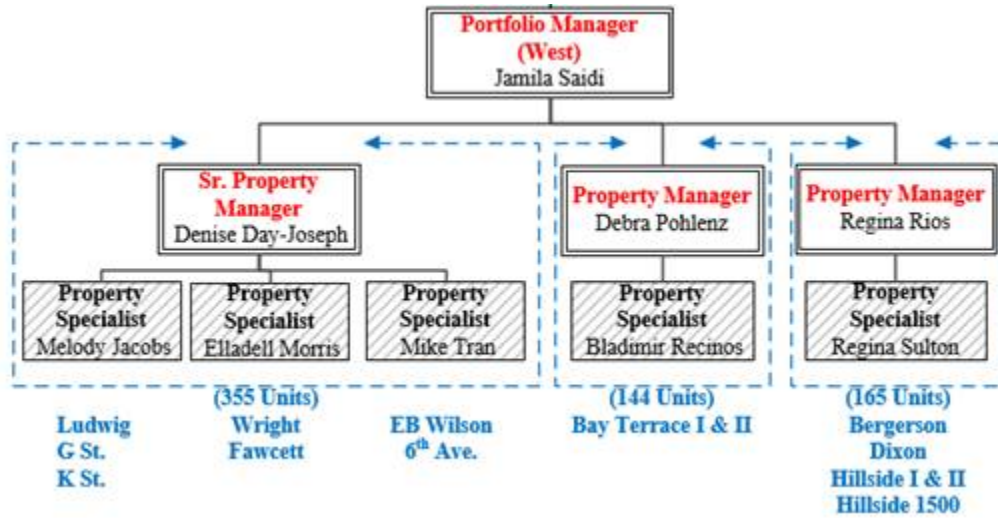
Effective June 1st, JC James, will be the first specialist to begin a 6-week interim role as Interim Maintenance Specialist Lead at Salishan. Each specialist will take on the responsibilities of the role, which will give us a real-life view of their skillset as a Lead. This will also give each of them a chance to see if it's a good fit. The other two specialists who have volunteered to participate are Afu Tagaleo'o and Charles Banks.

West Portfolio Restructure

When Jamila came onboard, she immediately searched for ways to contribute. She offered some suggestions and support about how the West portfolio could benefit from a new structure. Among other things, a restructure allows for an opportunity to break the monotony that may result from working in the same area for long periods of time. In addition, she shared her thoughts to improve consistency when responding to tenant concerns and questions. Below is an updated organizational chart for the West portfolio. However, here are a few notable changes:

1. Denise Day-Joseph has been promoted to Senior Property Manager. Denise will manage the entire Senior Housing portfolio (Ludwig, G Street, K Street, Wright Ave, Fawcett, EB Wilson, and 6th Ave). Denise will lead this effort with the assistance of three Property Specialists, Melody Jacobs, Elladell Morris and a new hire, Mike Tran.

Mike comes to us with 10+ years of housing experience, most with Seattle Housing Authority. He is Tax Credit Certified and has worked within communities similar to ours, so he is very familiar with our world. Mike is also trilingual (Vietnamese, Chinese and English).
2. Bladimir Recinos is the new Property Specialist at Bay Terrace.
3. Regina Rios is the Property Manager for our family properties at Bergerson, Dixon and Hillside 1500 & 2300. Regina R and Regina S (Regina²) will add the Hillside properties to their list.
4. Melody Jacobs is the new Property Specialist for K Street, Ludwig and G Street.
5. Elladell Morris is the new Property Specialist for Fawcett and Wright Ave.





TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: May 22, 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 \$12,741,856.00 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. A lease with a flexible commitment term is being explored with a local nonprofit organization.

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.

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.

The final master planning report is currently being drafted. The report will summarize the community engagement activities conducted, the design options recommended, and ideas for future collaboration.

One of the ideas that has been discussed as part of the redevelopment process is the creation of design guidelines. These guidelines would allow THA to better communicate and implement the design vision to potential development partners.

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

The last public housing site was recently sold. 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 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 and recently approved another \$800,000 in capital funds.

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 contractor began bidding May 3rd and is prepared to begin work in early July. 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.

Korsmo Construction is the General Contractor for this project. Korsmo has provided initial bid estimates that are in alignment with the projected budget. Korsmo 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 to KWA 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. THA has hosted four (4) homework groups and three (3) design labs. The homework groups reviewed the findings from the 2016 Housing Hilltop process and looked at macro level issues. Invitees included some neighborhood residents and those representing businesses, community organizations, and institutions in the Hilltop. The Design Labs were larger community events where specific design elements were addressed (i.e., the resident experience; exterior; community space). In addition, the community engagement specialists conducted outreach to traditionally under-represented communities to gather their input. Based on the feedback from these sessions, as well as input from staff and the THA internal design working group, a concept plan has been identified for the four buildings as well as activating the alley. Mithun will finalize the Concept Framework Plan this month. The current plan calls for approximately 250 units of housing in a mix of studio, 1-, 2- and 3-bedroom units. Each building has at least one floor of commercial uses; two of the buildings could have two floors of commercial use if sufficient interest is generated to support the commercial square footage. Three of the buildings are 6-stories and one is 4-stories tall. Approximately 84 on-site parking spots have been identified as well.

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.

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 the *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 worked with the investor and lender and were able to convert its construction loan to a permanent loan and release the majority of the equity on April 30th. The investor and lender agreed to escrow \$548,000 of the equity funds until the work is complete and \$3,452,000 in developer fee until THA receives the No Further Action Letters from Ecology.

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 reached an agreement with the owner to compensate them \$75,000 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 2019-05-22 (1)

Date: May 22, 2019
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Extension of Project Based Voucher Contract: Salishan Six

This resolution would extend the Project Based Voucher Housing Assistance Payments (PBV HAP) contract for Salishan Six, LLC's property Salishan Six for fifteen (15) years.

Background

Tacoma Housing Authority (THA) has subsidized Salishan Six, LLC's property Salishan Six through PBV assistance since August 17, 2009. The project currently provides PBV housing assistance to 45 units at this property. The original PBV HAP contract will expire on July 31, 2019.

Recommendation

Authorize an extension of THA's PBV HAP Contract with Salishan Six, LLC for fifteen (15) years. With this extension, THA will provide project-based housing assistance for 45 units at Salishan Six. All other terms of the original HAP Contract will remain in effect.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (1) **(Extension of Project Based Voucher Contract: Salishan Six)**

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

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

WHEREAS, A fifteen year extension will allow THA and Salishan Six 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 Six, LLC for fifteen (15) years.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY

HOUSING CHOICE VOUCHER PROGRAM
PROJECT-BASED ASSISTANCE
NEW CONSTRUCTION OR REHABILITATION

HOUSING ASSISTANCE PAYMENT CONTRACT
between

TACOMA HOUSING AUTHORITY

and

SALISHAN SIX, LLC

A Washington Limited Liability Company

for

SALISHAN SIX

Tacoma, WA

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EXHIBITS

Exhibit A	Description of Contract Units and Initial Rents
Exhibit B	Services, Maintenance and Utilities that Owner Shall Provide
Exhibit C	Assignment of Vouchers and Occupancy of Units Voucher Holder Mobility Use of Lease Addendum Termination of Tenancy HAP Contract Extension Discrimination Prohibition
Exhibit D	Lease Addendum
Exhibit E	Memorandum of Contract [for recording]

The Tacoma Housing Authority (“PHA”) and SALISHAN SIX, LLC, a Washington Limited Liability Company (“Owner”) agree as follows:

PART 1

CONTRACT INFORMATION

A. *Contents of Contract*

This is a housing assistance payments contract (HAP Contract) between the PHA and the Owner. The HAP Contract consists of Part 1 and Part 2 and the contract exhibits listed in paragraph B.

B. *Contract Exhibits*

Exhibit A	Description of Contract Units and Initial Rents
Exhibit B	Services, Maintenance and Utilities that Owner Shall Provide
Exhibit C	Assignment of Vouchers and Occupancy of Units Voucher Holder Mobility Use of Lease Addendum Termination of Tenancy HAP Contract Extension Discrimination Prohibition HAP Contract Application to Successors
Exhibit D	Lease Addendum
Exhibit E	Memorandum of Contract [for recording]

C. *Effective Date and Term of HAP Contract*

Paragraph (i) below only applies for single-stage project.

Paragraph (ii) below only applies for a multi-stage project.

If no box is checked, this is a single-stage project.

☒ (i) Single-Stage Project

This is a single-stage project.

Effective date of HAP Contract: For all contract units, the effective date of the HAP Contract is the date this agreement is signed unless a different date is indicated here: August 1, 2019

[PHA enters the effective date, and executes the HAP Contract, after completion and PHA acceptance of all units in the single-stage project.]

☐ (ii) Multi-Stage Project

(1) Designation of Units.

This is a multi-stage project. The units in each completed stage are designated in Exhibit A.

(2) Effective date of HAP Contract: The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage on the signature page for that stage.

(3) Anniversary date of HAP Contract for Multi-Stage Project

The anniversary date of the HAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the HAP contract for the contract units included in the first stage.

D. *Term of HAP Contract*

(i) Beginning of Term: The term of the HAP Contract for any unit begins on the effective date of the HAP contract for that unit.

(ii) Length of Term

(1) Subject to paragraph (2) of this section, the length of the term of the HAP Contract for all contract units is: 15 years.

(2) Notwithstanding paragraph (1), the length of the term of the HAP Contract may not be less than one year, nor more than fifteen years.

(3) The length of the term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funds (budget authority), as provided in appropriations acts and in the PHA's Annual Contributions Contract (ACC) with HUD, to make housing assistance payments in accordance with the HAP Contract.

- (4) If sufficient appropriated funds are not available, the PHA may terminate the HAP Contract upon notice to the Owner.

E. *Occupancy and Payment*

(i) Payment for Occupied Unit

The PHA makes housing assistance payments to the owner for the months during which a contract unit is leased and occupied by an eligible family during the term of the HAP contract.

[Except for vacancy payments if any as provided in paragraph E(ii) of this section] If an assisted family moves out of the contract unit occupied by the family, the PHA will not make any housing assistance payments to the owner for any month after the month when the family moves out.

(ii) Vacancy Payment

Check one. If no box is checked, PHA will not make vacancy payments.

☐

PHA will not make any vacancy payments.

☒

PHA will make vacancy payments as follows: If an assisted family vacates the contract unit leased and occupied by the family, the PHA agrees to continue housing assistance payments to the owner for a vacancy period of up to thirty (30) days from commencement of the vacancy, if:

- (1) The owner gives the PHA prompt notice of the vacancy;
- (2) The vacancy is not the fault of the owner, and
- (3) The owner has taken every reasonable action to minimize the likelihood and length of vacancy.

PHA in its sole discretion shall determine the length of the vacancy payment in any instance subject to the maximum period set forth above.

(iii) PHA is Not Responsible for Family Damage or Debt to Owner

Except as provided in this paragraph E (Occupancy and Payment), the PHA will not make any other payment to the Owner under the HAP Contract. The PHA will not make any payment to Owner for any damages to the unit, or for any other amounts owed by a Family under the Family's lease.

(iv) Income-Mixing Requirement

(1) Except as provided in paragraph E(iv)(2), the PHA will not make housing assistance payments under the HAP Contract for more than 25 percent of the total number of dwelling units (assisted or unassisted) in any building, except for buildings with four or fewer units.

(2) In referring eligible families to the Owner for admission to the number of Contract Units in any building exceeding the 25 percent limitation under paragraph E(iv)(1), the PHA shall give preference to elderly or disabled families, or to families receiving supportive services, for the number of Contract Units designated for occupancy by such families.

(3) The following specifies the number of contract units (if any) designated for occupancy by elderly or disabled families, or designated for occupancy by families receiving supportive services.

☐ Check this box if any Contract Units are designated for elderly or disabled families. The following number of Contract Units shall be rented to elderly or disabled families: _____.

☐ Check this box if any Contract Units are designated for families receiving supportive services. The following number of Contract Units shall be rented to families receiving supportive services: _____.

[Signature Pages Follows]

EXECUTION OF HAP CONTRACT FOR SINGLE STAGE CONTRACT
--

The effective date of the Contract is: August 1, 2019

SALISHAN SIX, LLC

TACOMA HOUSING AUTHORITY

Michael Mirra, Executive Director

Michael Mirra, Executive Director

Date: _____

Date: _____

STATE OF WASHINGTON)
COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of _____ [Owner] to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this ____ day of _____.

_____(Print Name)
Notary Public in and for the state of Washington,
Residing at _____
My appointment expires _____

STATE OF WASHINGTON)
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Michael Mirra is the person who appeared before me and acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Executive Director of the Housing Authority of the City of Tacoma, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal this ____ day of _____.

_____(Print Name)
Notary Public in and for the state of Washington,
Residing at _____
My appointment expires _____

PART 2

DEFINITIONS

Agreement Agreement to enter into Housing Assistance Payment contract (AHAP) between the Owner and PHA. This HAP contract was entered following new construction or rehabilitation of the contract units by the owner pursuant to an AHAP.

Contract Units. The housing units covered by this HAP Contract. The Contract Units are described in Exhibit A.

Family. The persons approved by the PHA to reside in a contract unit with assistance under the program.

PHA. Tacoma Housing Authority. The agency that had entered into the HAP Contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

HAP Contract. This housing assistance payments contract between the PHA and the Owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in paragraph 1(B) of the HAP Contract.)

Housing Quality Standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based assistance under the housing choice voucher program assisted under the PBA program.

HUD. U.S. Department of Housing and Urban Development.

HUD Requirements. HUD requirements that apply to the housing choice voucher program (42 U.S.C. 1437f(o)). HUD requirements are issued by HUD headquarters, as regulations, Federal register notices or other binding program directives.

Premises. The building or complex in which a contract unit is located, including common areas of grounds.

Principal or Interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the Agreement or the HAP Contract, or in any proceeds or benefits arising from the HAP Contract.

Program. Project-based assistance under the housing choice voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

Rent to Owner. The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Tenant Rent. The portion of the Rent to Owner payable by the Family, as determined by the PHA in accordance with HUD requirements. The PHA is not responsible for paying any part of the tenant rent.

PURPOSE

- (4) This is a HAP Contract between the PHA and the owner.
- (5) The purpose of the HAP Contract is to provide housing assistance payments for eligible families who lease Contract Units that comply with the HUD HQS from the owner.
- (6) The PHA must make housing assistance payments to the Owner in accordance with the HAP Contract for Contract Units leased and occupied by eligible families during the HAP Contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

COMPLETION AND ACCEPTANCE OF CONTRACT UNITS

The Owner certifies that the contract units have been completed in accordance with the Agreement to Enter into Housing Assistance Payments Contract ("Agreement"). Completion and acceptance of the units is subject to the provisions of the Agreement.

RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

- F. *Amount of Initial Rent to Owner*
The initial Rent to Owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP Contract. At the beginning of the HAP Contract term and until Rent to Owner is adjusted in accordance with section 5 of the HAP Contract, the Rent to Owner for each bedroom size (number of bedrooms) shall be the initial Rent amount listed in Exhibit A.

G. *HUD Rent Requirements*

- (1) Notwithstanding any other provision of the HAP Contract, the Rent to Owner may in no event exceed the amount authorized in accordance with HUD Requirements.
- (2) The PHA has the right to reduce the Rent to Owner, at any time, to correct any errors in establishing or adjusting the Rent to Owner in accordance with HUD Requirements. The PHA may recover any overpayment from the Owner.

H. *PHA Payment to Owner*

- (1) Each month the PHA must make a housing assistance payment to the Owner for a unit under lease to and occupied by an eligible Family in accordance with this HAP Contract.
- (2) The monthly housing assistance payment to the Owner for a contract unit is equal to the amount by which the permissible Rent to Owner exceeds the Tenant Rent.
- (3) Payment of the Tenant Rent is the Family's responsibility. The PHA is not responsible for paying any part of the Tenant Rent, or for paying any other claim by the Owner against a Family. The PHA is only responsible for making housing assistance payments to the Owner on behalf of a Family in accordance with the HAP Contract.
- (4) The Owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the Owner and the PHA agree on a later date.
- (5) To receive housing assistance payments in accordance with the HAP Contract, the Owner must comply with all the provisions of the HAP Contract. Unless the Owner complies with all the provisions of the HAP Contract, the Owner does not have a right to receive housing assistance payments.
- (6) If the PHA determines that the Owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due to the Owner, including amounts due under any other housing assistance payment contract.

- (7) The Owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.

I. *Termination of Assistance to Family*

The PHA may terminate assistance for a Family in accordance with HUD requirements. The PHA must notify the Owner in writing of its termination decision in such a case, and that housing assistance payments for the Family under the HAP Contract will terminate at the end of the calendar month that follows the calendar month in which the PHA gives such notice to the Owner.

ADJUSTMENT OF RENT TO OWNER

J. *PHA Determination of Adjusted Rent*

At each annual anniversary during the term of the HAP Contract, the PHA shall adjust the amount of Rent to Owner, upon request to the PHA by the Owner, in accordance with law and HUD requirements. The amount of the Rent to Owner may be adjusted up or down, in the amount determined by the PHA.

K. *Maximum Rent*

Rent to Owner for each contract unit, as adjusted from time to time by the PHA in accordance with this section, may at no time exceed reasonable rent, as determined by the PHA, charged for comparable units in the private unassisted market.

L. *No Special Adjustments*

The PHA will not make any special adjustments of the Rent to Owner.

M. *Owner Compliance with HAP Contract*

The PHA shall not approve, and the Owner shall not receive, any increase of Rent to Owner unless all Contract Units are in accordance with the HQS, and the Owner has complied with the terms of the assisted lease and this HAP Contract.

N. *Notice of Rent Adjustment*

Rent to Owner shall be adjusted by written notice by the PHA to the Owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

OWNER RESPONSIBILITY

The Owner is responsible for:

- (1) Performing all management and rental functions for the Contract Units.
- (2) Enforcing tenant obligations under the lease.
- (3) Paying for utilities and housing services (unless paid by the family under the lease as set forth in Exhibit B).
- (4) Collecting from the tenant:
 - (a) Any security deposit;
 - (b) The tenant rent;
 - (c) Any charge for unit damage by the Family.

OWNER CERTIFICATION

The Owner certifies that at all times during the term of the HAP Contract:

- (1) All Contract Units are in good and tenantable condition. The Owner is maintaining the premises and all Contract Units in accordance with HQS.
- (2) The Owner is providing all the services, maintenance, and utilities as agreed to under the HAP Contract and the leases with assisted families.
- (3) Each Contract Unit for which the Owner is receiving housing assistance payments is leased to an eligible Family referred by the PHA and the lease is in accordance with the HAP Contract and HUD requirements.
- (4) To the best of the Owner's knowledge, the members of the Family reside in each Contract Unit for which the Owner is receiving housing assistance payments, and the unit is the Family's only residence.
- (5) The Owner (including a Principal or other Interested Party) is not the parent, child, grandparent, sister, or brother of any member of a Family residing in a Contract Unit.
- (6) The amount of the housing assistance payment is the correct amount due under the HAP Contract.
- (7) The Rent to Owner for each Contract Unit does not exceed rents charged by the Owner for other comparable unassisted units.
- (8) Except for the housing assistance payment and the Tenant Rent as provided under the HAP contract, the Owner has not received and will not

receive any payments or other consideration (from the Family, the PHA, HUD, or any other public or private source) for rental of the Contract Unit.

- (9) The Family does not own, or have any interest in the Contract Unit. If the Owner is a cooperative, the Family may be a member of the cooperative.
- (10) The contract units and premises have an automatic sprinkler system or smoke detectors in proper condition in compliance with the Fire Administration Authorization Act of 1992.
- (11) The contract units and premises are in compliance with the Lead-Based Paint regulations at 24 C.F.R. Part 35.

CONDITION OF UNITS

O. *Owner Maintenance and Operation*

- (1) The Owner must maintain and operate the Contract Units and Premises to provide decent, safe, and sanitary housing in accordance with the housing quality standards, including performance of ordinary and extraordinary maintenance.
- (2) The Owner must provide all the services, maintenance, and utilities set forth in Exhibit B, and in the lease with each Family.

P. *PHA Inspection*

The PHA may inspect the Contract Units and the Premises annually, and any time the PHA deems necessary to assure that the Contract Units and Premises are in accordance with the HQS and that the Owner is providing the maintenance, utilities, and other services in accordance with the leases and the HAP Contract. The PHA shall give the Owner reasonable notice of the annual inspection.

Q. *Violation of Housing Quality Standards*

- (1) If the PHA determines a Contract Unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the HAP Contract for all or any Contract Units. Such remedies include termination, suspension or reduction of housing assistance payments. The PHA may exercise any such contractual remedy respecting a Contract Unit even if the Family continues to occupy the unit.

- (2) The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the Owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the Owner must correct the defect within no more than twenty-four (24) hours. For other defects, the Owner must correct the defect within no more than thirty (30) calendar days (or any PHA-approved extension.)

R. *Maintenance and Replacement – Owner’s Standard Practice*
Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the Owner.

LEASING CONTRACT UNITS

S. *Selection of Tenants*

- (1) During the term of the HAP Contract, the Owner may maintain its own waiting list in accordance with PHA policies.
- (2) The Contract Unit leased to each family must be appropriate for the size of the family under the PHA’s subsidy standards.
- (3) If a Contract Unit was occupied by an eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized Contract Unit with assistance under the HAP Contract.
- (4) The Owner is responsible for screening and selecting tenants.

T. *Vacancies*

- (1) The Owner must promptly notify the PHA of any vacancy in a Contract Unit. After receiving such notice, the Owner shall make every reasonable effort fill the vacancy.
- (2) The Owner must rent vacant Contract Units to eligible Families on the waiting list.
- (3) The PHA and the Owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.
- (4) If vacancies occur, the PHA may give notice to the Owner amending Exhibit A of the HAP Contract to reduce the number of

Contract Units by subtracting the number of Contract Units (by number of bedrooms) that have been vacant for a period of one hundred and twenty (120) or more days after Owner provides notice of vacancy.

TENANCY

U. *Lease*

The lease between the Owner and each assisted Family must be in accordance with HUD Requirements. The lease must include word-for-word all provisions required by HUD.

V. *Termination of Tenancy*

- (1) The Owner may only terminate a tenancy in accordance with the lease and HUD Requirements.
- (2) The Owner must give the PHA a copy of any Owner eviction notice to the tenant at the same time that the Owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

W. *Family Payment*

- (1) The portion of the monthly rent to Owner payable by the Family (“Tenant Rent”) will be determined by the PHA in accordance with HUD Requirements. The amount of the Tenant Rent is subject to change during the term of the HAP Contract. Any changes in the amount of the Tenant Rent will be effective on the date stated in a notice by the PHA to the Family and the Owner.
- (2) The amount of the Tenant Rent as determined by the PHA is the maximum amount that the Owner may charge the Family for rent of a Contract Unit, including all housing services, maintenance, and utilities to be provided by the Owner in accordance with this HAP Contract and the lease.
- (3) The Owner may not demand or accept any rent payment from the tenant in excess of the Tenant Rent. The Owner must immediately return any excess rent payment to the tenant.
- (4) The Family is not responsible for payment of the portion of the Contract Rent covered by the housing assistance payment under

this HAP Contract. The Owner may not terminate the tenancy of an assisted Family for nonpayment of the PHA's housing assistance payment.

X. *Other Owner Charges*

- (1) The lease may not require the Family to pay charges for meals or supportive services. Nonpayment of such charges is not ground for termination of tenancy.
- (2) The Owner may not charge the Family extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenants in the premises.

Y. *Security Deposit*

- (1) The Owner may collect a security deposit from the Family.
- (2) The Owner must comply with HUD and PHA requirements, which may change from time to time, regarding security deposits from a Family.
- (3) When the Family moves out of the Contract Unit, the Owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the Family owes under the lease. The Owner must give the Family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Owner, the Owner must promptly refund the full amount of the balance of the Family.
- (4) If the security deposit is not sufficient to cover amounts the Family owes under the lease, the Owner may seek to collect the balance from the Family.

OVERCROWDED AND UNDEROCCUPIED UNITS

If the PHA determines that a Contract Unit is not decent, safe and sanitary because of an increase in the Family size which causes the unit to be overcrowded, or that a Contract Unit is larger than appropriate, under the PHA's subsidy standards, for the size of the Family in occupancy, the Owner must offer the Family a suitable unit as soon as one becomes vacant and ready for occupancy, and the Owner must require the Family to move.

PROHIBITION OF DISCRIMINATION

- (5) The Owner may not refuse to lease Contract Units to, or otherwise discriminate against any person or family in leasing of a Contract Unit, because of race, color, creed, religion, sex, national origin, disability or familial status (i.e. because the family includes children).
- (6) The Owner must comply with the following requirements: the Fair Housing Act (42 U.S.C. 3601 et seq) and implementing regulations at 24 CFR parts 100 et seq; Executive Orders 11063, 12259, and 12892 (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 USC 2000d-2000d-4) (prohibition of discrimination in Federally-assisted programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 USC 6101 -6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 USC 794)(prohibition of discrimination because of disability) and implementing regulations at 24 CFR part 8; Executive Orders 11625, 12138, and 12432 (promoting minority and women's' business enterprise); title II of the Americans with Disabilities Act (42 USC 12101 et seq)(prohibition of employment discrimination because of disability) and the fair housing advertising poster guidelines at 24 CFR part 110.
- (7) The PHA and the Owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

PHA DEFAULT AND HUD REMEDIES

If HUD determines that the PHA has failed to comply with this HAP Contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under the HAP Contract, HUD may assume the PHA's rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under this HAP Contract.

OWNER DEFAULT AND PHA REMEDIES

Z. Owner Default

Any of the following constitutes the Owner's default under this HAP Contract:

- (1) The Owner has failed to comply with any obligation under the HAP Contract, including the obligations to maintain all Contract Units in accordance with the HQS.

- (2) The Owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 USC 1437f).
- (3) The Owner has committed fraud or made any false statement to the PHA or HUD in connection with this HAP Contract.
- (4) The Owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing assistance program.
- (5) If the property where the Contract Units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD:
 - (a) The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage note, or with the regulatory agreement, or
 - (b) The Owner has committed fraud, bribery, or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
- (6) If the Owner has engaged in any drug-related criminal activity or any violent criminal activity.

AA. *PHA Remedies*

- (1) If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP Contract.
- (2) The PHA must notify the Owner in writing of such determination. The notice by the PHA to the Owner may require the Owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
- (3) The PHA's rights and remedies also include recovery of over-payments or reduction of housing assistance payments.

BB. *PHA Remedy Is Not Waived*

The PHA's exercise or non-exercise of any remedy for Owner breach of this HAP Contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

**TERMINATION OF HAP CONTRACT FOR WRONGFUL
SELECTION OF CONTRACT UNITS**

The HAP contract may be terminated upon at least 30 days written notice to the Owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

**OWNER DUTY TO PROVIDE INFORMATION AND ACCESS
REQUIRED BY HUD OR PHA**

CC. *Required Information*

The Owner must prepare and furnish any information pertinent to the HAP Contract as may reasonably be required from time to time by the PHA or HUD. The Owner shall furnish such information in the form and manner required by the PHA or HUD.

DD. *PHA and HUD Access to Premises*

The Owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours, and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner to the extent necessary to determine compliance with the HAP Contract, including the verification of information pertinent to the housing assistance payments of the HAP Contract.

PHA AND OWNER RELATION TO THIRD PARTIES

EE. *Injury Because of Owner Action or Failure to Act*

The PHA has no responsibility for or liability to any person injured as a result of the Owner's action or failure to act in connection with the implementation of the HAP Contract, or as a result of any other action or failure to act by the Owner.

FF. *Legal Relationship*

The Owner is not the agent of the PHA. This HAP Contract does not create or affect any relationship between the PHA and any lender to the Owner or any supplies, employees, contractors or subcontractors used by the Owner in connection with the implementation of this HAP Contract.

- GG. *Exclusion of Third Party Claims*
Nothing in the HAP Contract shall be construed as creating any right of a Family or other third party (other than HUD) to enforce any provision of the HAP Contract, or to assert any claim against HUD, the PHA or the Owner under the HAP Contract.
- HH. *Exclusion of Owner Claims Against HUD*
Nothing in the HAP Contract shall be construed as creating any right of the Owner to assert any claim against HUD.

CONFLICT OF INTEREST

- II. *Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body or Other Public Officials*
- (1) No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to the housing choice voucher program, shall have any direct or indirect interest in this HAP Contract, during his or her tenure or for one year thereafter.
- (2) HUD may waive this provision for good cause.
- JJ. *Disclosure*
The owner has disclosed to the PHA any interest that would be a violation of this HAP Contract. The Owner must fully and promptly update such disclosures.
- KK. *Interest of Member of or Delegate to Congress*
No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this Contract or to any benefits arising from the HAP Contract.

EXCLUSION FROM FEDERAL PROGRAMS

- LL. *Federal Requirements*
The Owner must comply with and is subject to requirements of 24 CFR Part 24, concerning debarment, suspension, and limited denial of participation.

MM. *Disclosure*

The Owner certifies that:

- (1) The Owner has disclosed to the PHA the identity of the Owner and any Principal or Interested Party.
- (2) Neither the Owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs; and none of such parties are debarred, suspended or subject to a limited denial of participation under 24 CFR part 24.

TRANSFER OF THE CONTRACT OR PROPERTY

NN. *When Consent is Required*

- (1) The Owner agrees that neither the HAP Contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD Requirements.
- (2) "Transfer" includes:
 - (a) Any sale or assignment or other transfer of ownership, in any form, of the HAP Contract or the property;
 - (b) The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP Contract;
 - (c) The creation of a security interest in the HAP Contract or the property;
 - (d) Foreclosure or other execution on a security interest; or
 - (e) A creditor's lien, or transfer in bankruptcy.
- (3) If the Owner is a corporation, partnership, trust, or joint venture, the Owner is not required to obtain advance consent of the PHA pursuant to this subparagraph (A) for a transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partnership), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP Contract or the property. The Owner must obtain advance consent pursuant to this subparagraph (A) for a transfer of any interest of a general partner.

OO. *Transferee Assumption of HAP Contract*

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP Contract, or to exercise any rights or remedies under the HAP Contract, unless the PHA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PHA in accordance with HUD requirements, to assume the obligations of the Owner under the HAP Contract, and to comply with all the terms of the HAP Contract.

PP. *Effect of Consent to Transfer*

- (1) The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract.
- (2) The PHA's consent to transfer of the HAP Contract or the property does not change the terms of the HAP Contract in any way, and does not change the rights or obligations of the PHA or the Owner under this HAP Contract.
- (3) The PHA's consent to transfer of the HAP Contract or the property to any transferee does not constitute consent to any further transfers of the HAP Contract or the property, including further transfers to any successors or assigns of an approved transferee.

QQ. *When Transfer Is Prohibited*

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE

RR. *Owner Disclosure*

The Owner must disclose to the PHA in accordance with HUD Requirements information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof that is made available or is expected to be made available with respect to the Contract Units. Such related assistance includes, but is not limited to, any loan, grant, guarantee,

insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

SS. *Limit of Payments*

Housing assistance payments under the HAP Contract must not be more than is necessary as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the Owner to compensate in whole or in part for such related assistance.

OWNER LOBBYING CERTIFICATIONS

- (1) The Owner certifies, to the best of Owner's knowledge and belief, that:
 - (a) No Federally appropriated funds have been paid or will be paid, by or on behalf of the Owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of the HAP Contract, or its extension, continuation, renewal, amendment, or modification.
 - (b) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP Contract, the Owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (2) This certification by the Owner is a prerequisite for making or entering into this transaction imposed by 31 USC 1352.

NOTICES AND OWNER CERTIFICATIONS

- (1) Where the Owner is required to give any notice to the PHA pursuant to the HAP contract, such notice must be in writing, and must be given in the form and manner required by the PHA.
- (2) Any certification or warranty by the Owner pursuant to the HAP Contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

HUD REQUIREMENTS

The HAP Contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD Requirements, including amendments or changes in HUD Requirements during the term of this HAP Contract. The Owner agrees to comply with all such laws and HUD Requirements.

ENTIRE AGREEMENT

The HAP Contract, including the exhibits, is the entire agreement between the PHA and the Owner. No changes in the HAP Contract may be made except in writing signed by both the Owner and PHA.

Housing Assistance Payments Contract

Exhibit A **Description of Contract Units and Initial Rents**

This Contract applies to a total of 45 Contract Units in the project or building(s) known as Salishan Six and described legally in the Memorandum of Contract, Exhibit E.

The Contract Units and addresses are listed below. For each one, the initial Rent (rent and utilities) to Owner shall be as designated (subject to HUD's rent requirements as set forth in Section 4, including the rent reasonable limits set pursuant to 24 C.F.R. §928.507).

If the total Contract Units is fewer than the total number of dwelling units in the Premises, the parties may agree in writing to redesignate the units within the Premises provided that no such redesignation shall interfere with any tenancy, that the total number of Contract Units shall not exceed the total indicated above, and that all Contract Units shall comply with all housing quality standards and inspection requirements set forth in Part 2, Section 8.

SALISHAN SIX
Project Based Voucher Units by Unit, Bedroom Size
and Initial Contract Rents

Address or Unit Number of Contract Unit	Number of Bedrooms	Initial Contract Rent
4118 East T Street	3 BR	\$1322
4122 East T Street	3 BR	\$1322
4132 East T Street	3 BR	\$1322
4142 East T Street	3 BR	\$1322
4202 East T Street	3 BR	\$1322
4223 Everett Avenue	3 BR	\$1322
4302 Everett Avenue	3 BR	\$1322
4306 Everett Avenue	3 BR	\$1322
2063 East 44 th Street	2 BR	\$904
2051 East 44 th Street	3 BR	\$1322
2037 East 44 th Street	2 BR	\$904
2029 East 44 th Street	2 BR	\$904
2021 East 44 th Street	2 BR	\$904
2015 East 44 th Street	3 BR	\$1322
2011 East 44 th Street	3 BR	\$1322
2007 East 44 th Street	2 BR	\$904
2002 East 43 rd Street	3 BR	\$1322
2008 East 43 rd Street	3 BR	\$1322
2014 East 43 rd Street	3 BR	\$1322
2020 East 43 rd Street	4 BR	\$1479
2022 East 43 rd Street	4 BR	\$1479
2028 East 43 rd Street	3 BR	\$1322
2038 East 43 rd Street	3 BR	\$1322
2044 East 43 rd Street	2 BR	\$904
4252 Everett Avenue	2 BR	\$904
4258 Everett Avenue	3 BR	\$1322
4262 Everett Avenue	3 BR	\$1322
4268 Everett Avenue	4 BR	\$1479
4270 Everett Avenue	4 BR	\$1479
2021 East 42 nd Street	3 BR	\$1322
2017 East 42 nd Street	4 BR	\$1479
2015 East 42 nd Street	4 BR	\$1479
2007 East 42 nd Street	3 BR	\$1322
2003 East 42 nd Street	3 BR	\$1322
2001 East 42 nd Street	3 BR	\$1322
4303 Everett Avenue	3 BR	\$1322
4301 Everett Avenue	3 BR	\$1322
4271 Everett Avenue	3 BR	\$1322

4255 Everett Avenue	3 BR	\$1322
4221 Everett Avenue	3 BR	\$1322
4215 Everett Avenue	5 BR	\$1699
4209 Everett Avenue	3 BR	\$1322
4207 Everett Avenue	3 BR	\$1322
4201 Everett Avenue	2 BR	\$904
2055 East 44 th Street	3 BR	\$1322

Housing Assistance Payments Contract

Exhibit B
Services, Maintenance and Utilities that Owner Shall Provide

The Owner and Tenant shall pay for the utilities as indicated below. An unmarked box means that the Owner shall pay:

	Owner	Tenant
Electricity		X
Water	X	
Sewer	X	
Garbage	X	

Housing Assistance Payments Contract

Exhibit C

Assignment of Vouchers and Occupancy of Units

Use of Lease Addendum

Termination of Tenancy

HAP Contract Extension

Discrimination Prohibition

Notwithstanding any other provision of this HAP Contract, the parties agree as follows:

1. Assignment of Vouchers and Occupancy of Units

- 1.1 Owner shall offer all vacancies at Contract Units only to eligible persons
- 1.2 In the event the PHA terminates the Family's assistance, the Owner shall terminate the Family's tenancy at the Contract Unit and replace that Family with an eligible Family from the waiting list pursuant to the terms of this HAP Contract.

2. Use of Lease Addendum

Owner shall use the Lease Addendum set forth in Exhibit D for every tenancy in a Contract Unit.

3. Termination of Tenancy

- 3.1 The Owner may only terminate a tenancy of a Family in accordance with the lease and HUD Requirements.
- 3.2 The Owner may not refuse to renew any Housing Voucher tenancy for a Contract Unit unless it has good cause to do so.
- 3.3 If by separate agreement the Family participates in a meal program or other services, the Family's non-payment of any charges under such agreement shall not be grounds for termination of tenancy. The separate agreement governing such meals or services shall make this clear in prominent type on the front of the agreement. The Owner shall not threaten any Family with eviction for failure to pay such charges.
- 3.4 The Owner will not initiate or cause any involuntary displacement of a tenant (except for cause as set out in the tenant's lease) due to its prepayment of any HUD financed subsidy, any financing, Low Income Housing Tax Credits, or state or local agency requirements.

4. HAP Contract Extension

PHA shall have up to eight (8) successive options to renew this Contract each for a term of an additional ten (10) years. PROVIDED at no time shall there be more than ten (10) years left on an unexpired term of the contract. PHA may exercise an option to renew by giving Owner written notice of its intent to renew prior to the expiration of an unexpired term.

5. Discrimination Prohibition

The Owner shall not unlawfully refuse to lease Contract Units to, or otherwise discriminate against, any person or family in leasing of a Contract Unit, because of race, color, creed, religion, sex, familial status (i.e. because the family includes children) national origin, ancestry, marital status, sexual orientation, gender identity, or the presence of any sensory mental or physical disability in violation of federal, state or local law.

7. Transfer of the Contract or Property; Successors in Interest

Pursuant to Part 2, ¶ 21(A)(3), the Owner must obtain PHA's advance consent for the enumerated transfers of any interest of a general partner, except as otherwise provided in the Amended and Restated Operating Agreement, dated _____, 2005.

This Contract shall be binding on the Owner and its successors, assignees, or transferees, including any purchasers of the Premises.

8. Recording

The parties shall execute and PHA shall record the memorandum of contract set forth in Exhibit E.

9. Termination of HAP Contract for Lack of Funds

If PHA terminates this HAP Contract pursuant to Part 1, ¶ 1(D)(4) for lack of sufficient appropriated funds, the Contract shall resume in a subsequent year within the initial term of this Contract upon written notice by PHA to Owner that appropriated funds have become sufficient to make housing assistance payments in accordance with this HAP Contract.

Housing Assistance Payments Contract
Exhibit D

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING VOUCHER PROGRAM
PROJECT-BASED ASSISTANCE

Lease Addendum

This is an agreement between the following parties:

Landlord: _____
Tenant: _____

This agreement is part of the lease between the parties for the dwelling unit at the following address:

1. Housing Assistance Payments Contract

The Landlord has entered into a Housing Assistance Payments contract (“Contract”) with a Public Housing Agency (“PHA”) for project-based assistance under the Section 8 Existing Housing Program of the U.S. Department of Housing and Urban Development. Under the Contract, the PHA will make housing assistance payments to the Landlord to assist the Family, of which the Tenant is the representative, to lease the dwelling unit from the Landlord.

2. Conflict with Other Provisions of Lease

In case of any conflict between the provisions of this section of the Lease and any other provisions of the Lease, the provisions of this section shall prevail.

3. Rent

- 3.1 The amount of the total monthly rent payable to the Landlord during the term of the Lease (called the “Contract rent”) shall be determined in accordance with the Contract between the Landlord and the PHA.
- 3.2 The portion of the contract rent payable by the Tenant (“tenant rent”) shall be an amount determined by the PHA in accordance with HUD regulations and requirements. The amount of the tenant rent is subject to change as determined by the PHA during the term of the Lease. Any change in the amount of the tenant

rent will be stated in a written notice by the PHA to the Tenant and the Landlord, stating the new amount and the effective date of the change. Initially and until such change the Tenant agrees to pay \$_____ per month to the Landlord as the tenant rent.

- 3.3 The tenant rent as determined by the PHA is the maximum amount the Landlord can require the Tenant to pay as rent for the dwelling unit, including all services, maintenance and utilities to be provided by the Landlord in accordance with this Lease.
- 3.4 Each month, the PHA will pay a housing assistance payment to the Landlord on behalf of the Tenant in accordance with the Contract. The monthly housing assistance payment is the difference between the Contract rent and the tenant rent.

4. Term of Lease

- 4.1 The initial term of the Lease shall begin on _____, and shall end on _____. The initial term shall be for at least one year, or the remaining term of the contract if the remaining term of the Contract is less than one year, but in no event less than 6 months.
- 4.2 After the initial term ends the Lease shall continue for successive terms of one year each until a termination of the Lease by the Landlord in accordance with paragraph 6 of this section or other terms.

5. Offer of New Lease

- 5.1 The Landlord may offer the Tenant a proposed new Lease for execution on behalf of the Tenant for a term beginning at any time after the first year of the term of the Lease. The Lease must be in the form approved by the PHA, and in accordance with HUD regulations and requirements.
- 5.2 The Landlord shall give the Tenant written notice of the offer, with copy to the PHA, at least sixty days before the proposed commencement date of the new Lease term. The offer may specify a reasonable time limit for acceptance by the Tenant.

6. Termination of Lease by Landlord

- 6.1 Grounds for Termination. The Landlord shall not terminate the Lease except for:
 - (a) Material noncompliance with the Lease.
 - (b) Material failure to carry out obligations under any State landlord and tenant act, or

- (c) Other good cause.

6.2 Other Good Cause

- (a) Other good cause for termination of the Lease includes, but is not limited to: (i) failure by the Tenant to accept the offer of a new Lease by the Landlord in accordance with section 5; (ii) PHA's termination of the HAP contract or payments for the unit under that contract for lack of appropriated funds, but only after three (3) months have elapsed without such payments.
 - (b) The conduct of a Tenant cannot be deemed other good cause unless the Landlord has given the Tenant prior notice that said conduct shall henceforth constitute a basis for termination of the Lease.
 - (c) A termination of the Lease for other good cause shall only be effective at the end of any initial or successive lease term.
- (d) Expiration of an initial or successive Lease term is not other good cause.

6.3 Material Noncompliance.

Material noncompliance with the Lease includes:

- (a) One or more substantial violations of the Lease, or
- (b) Repeated minor violations of the Lease which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the lease premises and related facilities, interfere with the management of the project or have an adverse financial effect on the project.
- (c) Nonpayment of rent or any other amount due under the Lease (including any portion of such rent or other amount) beyond any grace period under State law is a substantial violation of the Lease. The payment of rent or any other amount due under the Lease after the due date but within the grace period permitted under State law is a minor violation.
- (d) The tenant, members of the household, or their guests shall not engage in criminal activity, including drug-related criminal activity, on or near the premises. Violation of this prohibition shall be a substantial violation of the Lease.

6.4 Termination Notice.

To terminate the Lease, the Landlord must give written notice to the Tenant (with copy to PHA). The notice of Lease termination must state:

- (a) The date the Lease will terminate;
- (b) The reasons for the termination, specified in enough detail for the Tenant to prepare a defense;
- (c) If the Tenant remains in the dwelling unit on the termination date, the Landlord may seek to evict the Tenant by bringing a court action;
- (d) The Tenant has the right to present defenses in the court action.
- (e) In a termination for other good cause, the notice of lease termination must be received by the Tenant at least 30 days before the date of lease termination.
- (f) The notice of the Lease termination may be combined with, or run concurrently with, any notice required by State law.
- (g) In a termination for nonpayment of rent, a notice of lease termination which states the dollar amount of rent due and the date of this computation will satisfy the requirements of section (b) of this subsection.
- (h) The failure of the tenant to object to a notice of Lease termination does not waive the Tenant's right to contest the termination in any court action.
- (i) In a court action for eviction of the Tenant, the Landlord may only rely on the grounds stated in the notice of Lease termination. However, the Landlord may rely on grounds about which the Landlord had no knowledge at the time the termination notice was served.

7. Service of Notice.

Any notices required by HUD shall be served in accordance with HUD requirements governing the manner of service.

8. Termination of Lease by Tenant.

The Tenant may terminate the Lease without cause at any time after the first year of the term of the Lease, on not more than sixty days written notice by the Tenant to the Landlord (with copy to the PHA). (The provisions of this subsection are not intended to limit any right of the Tenant to terminate the Lease where so provided elsewhere in the Lease.)

9. Termination of Assistance by PHA.

If the PHA decides to terminate housing assistance payments to the Owner for the Family, such decision by the PHA shall be other good cause for termination of this Lease by the Landlord.

10. Prohibited Discrimination.

The Landlord shall not discriminate against the Tenant in the provision of services, or in any other manner, on the grounds of age, race, color, creed, religion, sex, handicap or national origin, sexual orientation or gender identity.

11. Security Deposit.

11.1 The Tenant has deposited \$_____ with the Landlord as a security deposit. The Landlord will comply with HUD regulations regarding security deposits from a Tenant, and shall not collect a security deposit with is more than the maximum amount permitted under the regulations.

11.2 The Landlord will hold the security deposit during the period the Tenant occupies the dwelling unit under the Lease. The Landlord shall comply with State and local laws regarding interest payments on security deposits.

11.3 After the Tenant has moved from the dwelling unit, the Landlord may (subject to State and local law) use the security deposit, including any interest on the deposit, as reimbursement for any unpaid tenant rent or other amounts which the Tenant owes under the Lease. The Landlord will give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Landlord, the Landlord shall promptly refund the full amount of the balance to the Tenant.

12. Utilities and Appliances

- 12.1 The Landlord or Tenant shall pay for utilities as checked below. The cost of utilities that Landlord will pay is included in the Contract rent. The utilities that the tenant will pay are not included in Contract rent.

TYPE OF UTILITY	LANDLORD WILL PAY [included in rent]	TENANT WILL PAY [not included in rent]
Electricity		X
Water	X	
Sewer	X	
Garbage	X	

- 12.2 The landlord shall provide the range, oven and refrigerator for dwelling unit unless the boxes below are checked that the tenant shall provide them:

- ☐ Tenant will provide range.
- ☐ Tenant will provide oven.
- ☐ Tenant will provide refrigerator.

The Landlord shall provide the following other appliances for the dwelling unit:

Clothes Washer
Clothes Dryer
Dishwasher (as applicable)

13. Maintenance and Services

The Landlord shall maintain the dwelling unit, equipment and appliances, and common areas and facilities, to provide decent, safe and sanitary housing in accordance with HUD housing quality standards, including the provision of all the services, maintenance and utilities set forth in the Lease.

14. Prohibited Lease Provisions.

Notwithstanding anything to the contrary contained in the Lease, any provision of the Lease which falls within the classifications below shall be inapplicable.

- 14.1. Confession of Judgment. Prior consent by the Tenant to be sued, to admit guilt, or to a judgment in favor of the Landlord in a lawsuit brought in connection with the Lease.
- 14.2. Treatment of Property. Agreement by the Tenant that the Landlord may take or hold the Tenant's property, or may sell such property, without notice to the Tenant and a court decision on the rights of the parties.
- 14.3. Excusing Landlord from Responsibility. Agreement by the Tenant not to hold the Landlord or Landlord's agents legally responsible for any action or failure to act, whether intentional or negligent.
- 14.4. Waiver of Legal Notice. Agreement by the Tenant that the Landlord may institute a lawsuit without notice to the Tenant.
- 14.5. Waiver of Court Proceedings. Agreement by the Tenant that the Landlord may evict the Tenant (a) without instituting a civil court proceeding in which the Tenant has the opportunity to present a defense, or (b) before a decision by the court on the rights of the parties.
- 14.6. Waiver of Jury Trial. Authorization to the Landlord to waive the Tenant's right to trial by jury.
- 14.7. Waiver of Right to Appeal Court Decision. Authorization to the Landlord to waive the Tenant's right to appeal a court decision, or to waive the Tenant's right to sue to prevent a judgment from being put into effect.
- 14.8. Tenant chargeable with Cost of Legal Actions Regardless of Outcome of Lawsuit. Agreement by the tenant to pay lawyer's fees or other legal costs whenever the Landlord decides to sue, whether or not the Tenant wins.

Landlord:

Tenant:

Print Name: _____

Print Name: _____

Address: _____

Sign Name: _____

Date: _____

Date: _____

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (2)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Conversion of Subsidy for Hillside Terrace and Salishan Properties from Public Housing to RAD

This resolution would authorize the conversion of the public housing units in the Salishan and Hillside properties to the Rental Assistance Demonstration (RAD) program. The subsidy would convert from public housing to RAD Project Based Section 8 Vouchers.

Background

Tacoma Housing Authority (THA) and the U.S. Department of Housing and Urban Development ("HUD") are parties to that certain Consolidated Annual Contributions Contract (ACC) (Form HUD-53012A and Form HUD-53012B) Number SF169, dated June 15, 2000, relating to public housing activities administered by THA.

THA is the general partner of Hillside Terrace Phase I Limited Partnership, a Washington limited partnership ("HTI Partnership"). HTI Partnership developed an affordable rental housing project located on the 2300 Block of South G Street in Tacoma, Washington (the "HTI Project"), on property owned by THA that was leased by THA to HTI Partnership. All of the 21 units of rental housing in the HTI Project currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated December 15, 2002, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of December 18, 2002, between THA and HTI Partnership. The initial development of the HTI Project was financed with capital contributed by the partners of HTI Partnership, a loan made by the State of Washington Department of Community, Trade and Economic Development, Office of Community Development ("Commerce"), a loan from the Tacoma Community Redevelopment Authority ("TCRA"), a loan from THA funded by proceeds of a HUD public housing capital grant, and a loan from THA funded by proceeds of bonds issued by THA. The THA loans have been repaid or forgiven.

THA is the general partner of Hillside Terrace Phase II Limited Partnership, a Washington limited partnership ("HTII Partnership"). HTII Partnership developed an affordable rental housing project located on the 2300 Block of South G Street in Tacoma, Washington (the "HTII Project"), on property owned by THA that was leased by THA to HTII Partnership. Of the 25 units of rental housing in the HTII Project, 12 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated March 4,

2003, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of March 4, 2003, between THA and HTII Partnership. The initial development of the HTII Project was financed with capital contributed by the partners of HTII Partnership, a loan made by Commerce, and a loan from THA funded by proceeds of a HUD public housing capital grant. The THA loan has been forgiven.

THA is the managing member of Salishan One LLC, a Washington limited liability company. Salishan One LLC developed an affordable rental housing project located at 1724 East 44th Street, Tacoma, Washington (the "Salishan One Project"), on property owned by THA that was leased by THA to Salishan One LLC. Of the 90 units of rental housing in the Salishan One Project, 55 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated January 13, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of January 13, 2005, between THA and Salishan One LLC. The initial development of the Salishan One Project was financed with capital contributed by the members of Salishan One LLC, a permanent loan from ARCS Commercial Mortgage Co., L.P. ("ARCS"), a loan made by Commerce, and a loan from THA funded by proceeds of a HUD public housing capital grant. The THA and ARCS loans have been repaid or forgiven.

THA is the managing member of Salishan Two LLC, a Washington limited liability company. Salishan Two LLC developed an affordable rental housing project located at 1725 East 44th Street, Tacoma, Washington (the "Salishan Two Project"), on property owned by THA that was leased by THA to Salishan Two LLC. Of the 90 units of rental housing in the Salishan Two Project, 55 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated January 13, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of January 13, 2005, between THA and Salishan Two LLC. The initial development of the Salishan Two Project was financed with capital contributed by the members of Salishan Two LLC, a permanent loan from ARCS, a loan made by Commerce, a loan from THA funded with Federal Home Loan Bank Affordable Housing Program ("AHP") loan proceeds, and a loan from THA funded by proceeds of a HUD public housing capital grant. The THA loans (other than the loan funded with AHP funds) and the ARCS loan have been repaid or forgiven.

THA is the managing member of Salishan Three LLC, a Washington limited liability company. Salishan Three LLC developed an affordable rental housing project located at 1726 East 44th Street, Tacoma, Washington (the "Salishan Three Project"), on property owned by THA that was leased by THA to Salishan Three LLC. Of the 90 units of rental housing in the Salishan Three Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated November 3, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of November 2, 2005, between THA and Salishan Three LLC. The initial development of the Salishan Three Project was financed with capital contributed by the members of Salishan Three LLC, a permanent loan from ARCS, a loan made by Commerce, a loan from THA funded with AHP loan proceeds, and a loan from THA funded by proceeds of a HUD HOPE VI grant. The THA loans (other than the loan funded with AHP funds) and the ARCS loan have been repaid or forgiven.

THA is the managing member of Salishan Four LLC, a Washington limited liability company. Salishan Four LLC developed an affordable rental housing project located at 1727 East 44th Street, Tacoma, Washington (the “Salishan Four Project”), on property owned by THA that was leased by THA to Salishan Four LLC. Of the 90 units of rental housing in the Salishan Four Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated June 28, 2007, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of June 28, 2007, between THA and Salishan Four LLC. The initial development of the Salishan Four Project was financed with capital contributed by the members of Salishan Four LLC, a permanent loan from Bank of America, N.A., a loan made by Commerce, a loan from THA funded by proceeds of a HUD HOPE VI grant, and loans from THA funded with THA program income, TCRA loan proceeds, and Pierce County loan proceeds.

THA is the managing member of Salishan Five LLC, a Washington limited liability company. Salishan Five LLC developed an affordable rental housing project located at 1728 East 44th Street, Tacoma, Washington (the “Salishan Five Project”), on property owned by THA that was leased by THA to Salishan Five LLC. Of the 90 units of rental housing in the Salishan Five Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated June 25, 2008, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of June 26, 2008, between THA and Salishan Five LLC. The initial development of the Salishan Five Project was financed with capital contributed by the members of Salishan Five LLC, a permanent loan from Citicorp Municipal Mortgage Inc., a loan made by Commerce, and loans from THA funded with HUD Neighborhood Initiative grant proceeds, THA program income, United Way grant proceeds and Pierce County loan proceeds.

THA is the managing member of Salishan Six LLC, a Washington limited liability company. Salishan Six LLC developed an affordable rental housing project located at 1729 East 44th Street, Tacoma, Washington (the “Salishan Six Project”), on property owned by THA that was leased by THA to Salishan Six LLC. Of the 90 units of rental housing in the Salishan Six Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated October 14, 2008, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of October 15, 2008, between THA and Salishan Six LLC. The initial development of the Salishan Six Project was financed with capital contributed by the members of Salishan Six LLC, a permanent loan from Washington Community Reinvestment Association, a loan made by Commerce, and loans from THA funded with THA program income, HUD capital funds, United Way grant proceeds, and TCRA loan proceeds.

THA applied to HUD to allow the HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project, the Salishan Three Project, the Salishan Four Project, the Salishan Five Project and the Salishan Six Project (collectively, the “Projects”) to be converted from a public housing project to a project-based Section 8 project under HUD’s Rental Assistance Demonstration (“RAD”) program, and HUD approved of such conversions, subject to the meeting of certain conditions by the various limited partnerships and limited liability companies and by THA.

In connection with the conversion of the Projects from public housing projects to project-based Section 8 projects, certain provisions of partnership agreements, operating agreements, project leases, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered.

Resolution No. 2019-05-22 (2) will authorize THA to execute all documents related to the conversions of any or all of the Projects to project-based Section 8 projects under the RAD program.

Recommendation

Approve Resolution No. 2019-05-22 (2).



TACOMA HOUSING AUTHORITY

RESOLUTION NO. 2019-05-22 (2)

(Conversion of Subsidy for Hillside Terrace & Salishan Properties to RAD)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority's participation in HUD's Rental Assistance Demonstration program with respect to the Hillside Terrace Phase I, Hillside Terrace Phase II, Salishan One, Salishan Two, Salishan Three, Salishan Four, Salishan Five and Salishan Six Projects; authorizing the amendment of agreements to address requirements of HUD's Rental Assistance Demonstration program; and determining related matters.

WHEREAS, RCW 35.82.040 authorizes the Authority to "delegate to one or more of its agents or employees such powers or duties as it may deem proper"; and

WHEREAS, RCW 35.82.070 authorizes the Housing Authority of the City of Tacoma (the "Authority"), among other things, to "prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof," "make and execute contracts and other instruments, including but not limited to partnership agreements," and "make . . . loans for the . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income"; and

WHEREAS, The Authority is the general partner of Hillside Terrace Phase I Limited Partnership ("HTI Partnership"), which limited partnership developed a 21-unit affordable rental housing project commonly known as Hillside Terrace Phase I (the "HTI Project"), on property located on the 2300 Block of South G Street in Tacoma, Washington, that was leased to HTI Partnership by the Authority; and

WHEREAS, To finance the HTI Project, HTI Partnership incurred a loan from the State of Washington Department of Community, Trade and Economic Development, Office of Community Development ("Commerce"), which loan is still outstanding; and

WHEREAS, The Authority is the general partner of Hillside Terrace Phase II Limited Partnership ("HTII Partnership"), which limited partnership developed a 25-unit affordable rental housing project commonly known as Hillside Terrace Phase II (the "HTII Project"), on property located on the 2300 Block of South G Street in Tacoma, Washington, that was leased to HTII Partnership by the Authority; and

WHEREAS, To finance the HTII Project, HTII Partnership incurred a loan from Commerce, which loan is still outstanding; and

WHEREAS, The Authority is the managing member of Salishan One LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan One Project") on property located at 1724 East 44th Street, Tacoma, Washington that was leased to Salishan One LLC by the Authority; and

WHEREAS, to finance the Salishan One Project, Salishan One LLC incurred loans from Commerce and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Two LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Two Project”) on property located at 1725 East 44th Street, Tacoma, Washington, that was leased to Salishan Two LLC by the Authority; and

WHEREAS, To finance the Salishan Two Project, Salishan Two LLC incurred loans from Commerce and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Three LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Three Project”) on property located at 1726 East 44th Street, Tacoma, Washington that was leased to Salishan Three LLC by the Authority; and

WHEREAS, To finance the Salishan Three Project, Salishan Three LLC incurred loans from the Commerce and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Four LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Four Project”) on property located at 1727 East 44th Street, Tacoma, Washington that was leased to Salishan Four LLC by the Authority; and

WHEREAS, To finance the Salishan Four Project, Salishan Four LLC incurred loans from the Bank of America, N.A., Commerce, Tacoma Community Redevelopment Authority (“TCRA”) and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Five LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Five Project”) on property located at 1728 East 44th Street, Tacoma, Washington that was leased to Salishan Five LLC by the Authority; and

WHEREAS, To finance the Salishan Five Project, Salishan Five LLC incurred loans from Citicorp Municipal Mortgage Inc., Commerce, TCRA and the Authority, which loans are still outstanding; and

WHEREAS, The Authority is the managing member of Salishan Six LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Six Project”) on property located at 1729 East 44th Street, Tacoma, Washington that was leased to Salishan Six LLC by the Authority; and

WHEREAS, To finance the Salishan Six Project, Salishan Six LLC incurred loans from Washington Community Reinvestment Association, Commerce, TCRA and the Authority, which loans are still outstanding; and

WHEREAS, The HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project, the Salishan Three Project, the Salishan Four Project, the Salishan Five Project and the

Salishan Six Project (collectively, the “Projects”) currently support the Authority’s public housing activities; and

WHEREAS, THA applied to the U.S. Department of Housing and Urban Development (“HUD”) to allow the Projects to be converted from public housing projects to project-based Section 8 projects under HUD’s Rental Assistance Demonstration (“RAD”) program, and HUD has approved of such conversions, subject to the meeting of certain conditions by the Authority and by HTI Partnership, HTII Partnership, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC and Salishan Six LLC (collectively, the “Owner Entities”); and

WHEREAS, In connection with the conversion from public housing subsidies to project-based Section 8 subsidies for the Projects, certain provisions of the Owner Entities’ partnership agreements, operating agreements, project leases, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered; and

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

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

1. Organizational Documents. The Authority’s Executive Director and the Authority’s Deputy Executive Director (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority an amendment to the existing limited partnership agreement or operating agreement, as applicable, of each Owner Entity to remove references to public housing requirements, to insert references to RAD program requirements, to provide for additional capital contributions by the Authority (to the extent necessary or desirable to finance rehabilitation and other costs) and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of each Project from a public housing project to a project-based Section 8 project.
2. Amendments to Project Leases. The Authorized Officers (and each of them acting alone) are authorized to negotiate, execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable): (i) an amendment to each existing Lease Agreement between the Authority and an Owner Entity, in each case to remove references to public housing requirements, to insert references to RAD program requirements, and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Project from a public housing project to a project-based Section 8 project; and (ii) an amendment to the Memorandum of Lease Agreement

between the Authority and each Owner Entity to reflect amendments made to such Lease Agreement.

3. Existing Loan Documents and HUD Documents. The Authorized Officers (and each of them acting alone) are authorized and directed 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 on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable): (i) those documents described in Exhibit A under the headings “Existing Loan Documents” and “HUD Documents” as they apply to each Owner Entity and Project; (ii) such other documents relating to each Owner Entity’s existing loans as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Owner Entity’s Project from a public housing project; and (iii) any document not described in Exhibit A under the heading “HUD Documents” that HUD requires in connection with such conversion.
4. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or any Owner Entity not to execute or deliver such document; (ii) negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; and (iii) cause the Authority and/or any Owner Entity 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.
5. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person’s absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.
6. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
7. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 22, 2019

Minh-Anh Hodge, Chair

EXHIBIT A
TRANSACTION DOCUMENTS

Existing Loan Documents

- A new priority and subordination agreement for each Project listing the relative priorities of HUD's Rental Assistance Demonstration Use Agreement and existing encumbrances for the Project;
- Amendments to the existing loan documents with Commerce, TCRA, the Authority, Bank of America, N.A. (or its successors in interest), Citicorp Municipal Mortgage Inc. (or its successors in interest), Washington Community Reinvestment Association and any other lender with an outstanding loan relating to a Project, all as necessary or desirable to remove references to public housing requirements and to insert references to RAD program requirements;
- Amendments to the loan or grant agreements, and related documents, for loans and grants underlying the Authority's various loans to the Owner Entities, all as necessary or desirable to remove references to public housing requirements and, where applicable, to insert references to RAD program requirements;

HUD Documents

- Rental Assistance Demonstration (RAD) Conversion Commitment (Public Housing; First Component) among HUD, each Owner Entity and the Authority, together with any amendments thereto deemed necessary or advisable by any Authorized Officer;
- Rental Assistance Demonstration (RAD) for Conversion of Public Housing to the Section 8 Project-Based Voucher (PBV) Program Housing Assistance Payments Contract between the Authority and each Owner Entity;
- Rental Assistance Demonstration Use Agreement among HUD, each Owner Entity and the Authority;
- Consolidated Owner Certification – Rental Assistance Demonstration by the Authority and each Owner Entity;
- Certification and Assurances by the Authority and each Owner Entity;
- Termination of Mixed Finance Amendment to Annual Contributions Contract with respect to each Project between the Authority and HUD; and
- Termination of Regulatory and Operating Agreement between the Authority and each Owner Entity.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and 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 copy of Resolution No. 2019-05-22(2) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a duly noticed special meeting of the Authority held on May 22, 2019, and duly recorded in the minute books of the Authority; and

2. That such meeting was duly convened and held in all respects in accordance with law; 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 May 22, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (3)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: 1800 Hillside Terrace Use of Restricted Funds Additional Request

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to submit a request to Housing and Urban Development (HUD) to increase the use of restricted funds for predevelopment and development expenses associated with THA's 1800 Hillside Terrace Development. The amount to be requested is an increase in funding from \$2 Million to \$2.6 Million.

Background

On October 24, 2018, the Board of Commissioners adopted resolution 2018-10-24 (5) authorizing staff to request \$2 Million in restricted funds from HUD to use for the predevelopment and development expenses associated with building 1800 Hillside Terrace.

THA has finalized the development and financing plan for the 1800 block of Hillside Terrace. The project successfully received an allocation of Low Income Housing Tax Credits (9%), including a 2.9% increase in credits from the initial application. Another \$1.8 Million in Housing Trust Fund has been awarded to the project and \$300,000 in UDAG funds and \$250,000 in CDBG funds are committed from the City of Tacoma Reinvestment Authority. The balance of the project will be financed with long-term debt and a sponsor loan from THA. The use of the restricted funds constitutes the source of funds for the sponsor loan. This loan is currently projected to be \$2,475,000. Rising construction costs and design elements, such as additional community square footage, along with increased operating costs and a lower than projected tax credit equity price have increased the funding gap for this project. Staff is requesting slightly more in restricted funds than may be needed to support the sponsor loan because the project is being bid at this time and final construction costs could be higher than currently projected.

The new units will be affordable to households with incomes between 30% and 60% of area median income. The development will offer one and two bedroom units in a single mid-rise elevator building. Of the 64 units, 20% will be set-aside for individuals with disabilities and another 20% will be available for homeless persons and families.

THA received a revised letter from HUD dated November 30, 2018, approving THA to use \$2,000,000 in restricted funds for the development and predevelopment of 1800 Hillside Terrace. In return for use of these funds, THA committed that at least nine units would be permanently affordable.

Current Request

Based on the expectation that the use of these funds will result in the creation of affordable housing, this resolution approves THA to request HUD to allow THA to use an additional \$600,000 in restricted funds from proceeds of the sale of THA's Public Housing Scattered Sites or land sold to DR Horton in Salishan.

As part of the HUD restriction for these funds, a minimum portion of the resulting units must be dedicated to the creation of affordable housing. Originally, nine (9) units were committed as affordable. If the \$600,000 request is approved, THA will commit three (3) additional units to HUD so the HUD requirement for use of restricted funds for affordable housing can be met for a total of 12 units. The estimated total restricted funds to be used is \$2,600,000.

Recommendation

THA staff recommends applying to HUD for permission to use these funds and commit to providing at least three (3) additional units of affordable housing on these parcel(s).



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (3) (THA's 1800 Hillside Terrace Use of Restricted Funds Additional Request)

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

WHEREAS, THA's Board of Commissioners approved Resolution 2018-10-24 (5) authorizing staff to see permission to use \$2M in restricted fund for the predevelopment and development expenses associated with building 1800 Hillside Terrace; and

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

WHEREAS, THA received approval to use \$2M in restricted funds to develop 1800 Hillside Terrace; and

WHEREAS, THA staff expect to use a total of \$2,600,000 in restricted funds from either the sale of land in Salishan or the sale of Public Housing Scattered site units for predevelopment and development costs associated with the Hillside 1800 project; and

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

WHEREAS, At least three (3) additional and twelve (12) total of the resulting units must be dedicated to the creation of affordable housing with Project Based Vouchers; and

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

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

Apply to HUD for permission to use an additional \$600,000 of restricted funds for the use of predevelopment and development of THA's 1800 Hillside Terrace project for at least three (3) additional units dedicated to affordable housing.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (4)

DATE: May 22, 2019

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: 1800 Hillside Terrace

This resolution will authorize Tacoma Housing Authority (THA) to execute all documents related to the closing with the investor limited partner and various funders, as necessary, in order to carry out the construction of 1800 Hillside Terrace.

Background

Since THA's demolition of the 1800 block of Hillside Terrace during the Bay Terrace Phase I redevelopment, THA has been exploring options to develop new affordable units on that site. THA has now developed a plan pursuant to which a 64-unit multifamily housing facility to be known as the 1800 Hillside Terrace Apartments (the "Apartment Complex") will be constructed on the 1800 block of Hillside Terrace.

In September, 2016, THA's Board of Commissioners (the "Board") adopted Resolution No. 2016-09-28(d) authorizing THA to form Court F LLLP (the "Partnership") for the purpose of acquiring, constructing, equipping, operating and maintaining an affordable multifamily rental housing project located in the 1800 block of Hillside Terrace.

THA will serve as the developer and the general partner of the Partnership. The Partnership will own (for federal tax purposes) and operate the Apartment Complex, and THA will hold a right of first refusal to acquire the Apartment Complex from the Partnership at the end of the 15-year tax credit compliance period. The Partnership's initial limited partner is Tacoma Housing Development Group ("THDG") and the THA staff have negotiated agreements whereby BCCC, Inc., and/or one or more of its affiliates (collectively, the "Investor") will replace THDG as the Partnership's limited partner. In exchange for an expected allocation of federal low-income housing tax credits and other federal tax benefits, the Investor is expected (as of the date hereof) to make capital contributions in the aggregate amount of approximately \$12,740,582, which will be used by the Partnership to establish reserves, pay construction costs, and retire a portion of the Partnership's debt. Heritage Bank will acquire taxable and tax-exempt bonds issued by THA, and the bond proceeds in an amount not to exceed \$16,000,000 will be used to fund a loan to the Partnership to pay construction costs. The bonds are authorized to be issued pursuant to a separate resolution which also will be presented to the Board at its May 22, 2019 meeting. Other public funding sources are TCRA UDAG funds in the amount of \$300,000, TCRA CDBG funds in the amount of \$277,006, and Washington State Department of Commerce Housing Trust Funds in the amount of \$1,800,000. THA will also provide the Partnership one or more additional loans in an amount not to exceed \$2,600,000 for the purpose of financing or refinancing the Partnership's acquisition and construction of the Apartment Complex, which will be repaid from cash

flow after debt service, reserves, and deferred developer fee (if any).

Recommendation

Approve Resolution No. 2019-05-22 (4).



TACOMA HOUSING AUTHORITY

THA BOC Resolution 2019-05-22 (4) (1800 Hillside Terrace)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the lease of Authority property to Court F LLLP, authorizing one or more loans to Court F LLLP, approving the execution and delivery of documents relating to the 1800 Hillside Terrace development project, and determining related matters.

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

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines that:

(a) Statutory Authorization. The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(18)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Court F LLLP, a Washington limited liability limited partnership (the “Partnership”) to be formed by filing with the Washington Secretary of State a certificate of limited partnership on October 11, 2016, and executing a Limited Partnership Agreement with Tacoma Housing Development Group (“THDG”). THDG will withdraw from the Partnership and BCP/1800 Hillside Terrace, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts Corporation (or one or more of its affiliates) (collectively, the “Investor”) is willing to be a limited partner in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Investor as a limited partner of the Partnership, it is necessary to amend and restate the Partnership’s original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Project. The Authority owns the real property located at 1815 South G. Street, Tacoma, Washington (the “Property”). The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to finance, acquire (by lease) and construct a 64-unit affordable rental housing project to be located on the Property, to provide housing

for low-income persons within the Authority's service area and known or to be known as the 1800 Hillside Terrace (the "Project"). In connection with the financing for the Project, the Authority will lease the Project to the Partnership and the Partnership will provide the Authority with a right of first refusal to acquire the Partnership's interest in the Project at the end of the 15-year low-income housing tax credit "compliance period."

(d) Sources of Financing. The total cost of the Project is anticipated to be approximately \$22,316,000, which will be financed by the Partnership with numerous sources of funds, including a Housing Trust Fund loan from the Washington State Department of Commerce ("Commerce") in the anticipated amount of \$1,800,000, one or more loans in an aggregate amount not to exceed \$16,000,000 of proceeds of tax-exempt and taxable bonds issued by the Authority, one or more additional loans from the Authority in an aggregate not to exceed \$2,600,000 (a portion of which may be derived from proceeds of a Community Development Block Grant received by the Authority from Tacoma Community Redevelopment Authority ("TCRA") or the City of Tacoma), a loan of Urban Development Action Grant funds from TCRA in the amount of approximately \$300,000, and capital contributions in an anticipated aggregate amount of approximately \$12,740,000 from the Investor.

(e) Additional Findings. The Board finds and determines that the Property likely would not be developed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor committed to make capital contributions to the Partnership. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm. The Board further finds that the loans to be made by the Authority authorized by this resolution are important for the feasibility of the Project and are necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority's Executive Director, the Chair of the Board and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf, or as the general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the "Transaction Documents") in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer's signature on a Transaction Document shall be construed as the Authority's approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or in its capacities as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). The Authorized Officers (or their designee), and each of them acting alone,

are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 3. Approval of Housing Authority Loans. The Authority is authorized to lend to the Partnership up to \$2,600,000 of available Authority funds, all pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading “Housing Authority Loan Documents” (collectively, the “Housing Authority Loan Documents”). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents. Each loan is intended to be in addition to the loan of Authority bond proceeds to the Partnership authorized by a separate resolution (the “Bond Resolution”). At any Authorized Officer’s discretion, all or any portion of the amount designated in this Section as a loan may be paid to the Partnership as a capital contribution in lieu of being lent to the Partnership.

Section 4. Authorization to Lease Property and Approval of Real Estate Encumbrances. In furtherance of its statutory authority to provide decent, safe and sanitary living accommodations for persons of low income, the Authority is authorized to: (i) lease to the Partnership, for a term not exceeding 100 years, the Property, all improvements located on such Property, and the Authority’s interest in any personal property located on such Property and in such improvements; and (ii) encumber the Authority’s interests in the Property (including its fee interest therein) pursuant to covenant agreements, regulatory agreements, extended use agreements, and other encumbrances that are Transaction Documents.

Section 5. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation, the filing of one or more applications with the Washington State Housing Finance Commission (the “Commission”); and the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i).

Section 6. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority’s rights, if any, under the construction contracts, the architects’ contracts, the geotechnical consultant contracts, and other development contracts, as such rights pertain to the construction of improvements on the Property, and (ii) assigning to lenders and others the Partnership’s interests in such contracts.

Section 7. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based

on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, construction, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or 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. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

Section 8. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various Transaction Documents.

Section 9. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by or capital contribution from the Authority by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans to the Partnership.

Section 10. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Deputy Executive Director of the Authority, respectively.

Section 11. Changes to Titles or Parties. While the titles of and parties to the various Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 12. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership and the selection of the Investor) are ratified and confirmed.

Section 13. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

EXHIBIT A

TRANSACTION DOCUMENTS

“Partnership Documents”

- First Amended and Restated Agreement of Limited Liability Limited Partnership among the Authority, THDG, and the Investor;
- Development Agreement between the Partnership and the Authority;
- Purchase Option among the Partnership, the Authority and the Investor;
- Right of First Refusal Agreement among the Partnership, the Authority and the Investor;
- Tax certification of the Authority;
- Payment Certificates by the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Regulatory Agreement (Extended Use Agreement) among the Commission, the Authority and the Partnership;
- Property Management Agreement between the Authority and the Partnership;

“Bond Loan Documents”

- Loan Agreement between the Authority and the Partnership;
- Regulatory Agreement between the Authority and the Partnership;
- Credit Agreement between the Partnership and the Authority;
- Construction Loan Agreement between the Authority and the Partnership
- Promissory Note (Tax-Exempt Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Heritage Bank (the “Bank”));
- Promissory Note (Taxable Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Bank);
- Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents from the Partnership in favor of the Authority, and assigned by the Authority to the Bank;
- Assignment of Loan and Security Documents from the Authority to the Bank;
- Assignment of Construction Contract, with Contractor’s Consent, in favor of the Bank;
- Assignment or Architect’s Agreement and Plans and Specifications, with Architect’s Consent, in favor of the Bank;
- Certificate and Indemnity Agreement Regarding Hazardous Substances made by the Partnership and the Borrower for the benefit of the Bank;
- Guaranty Agreement by the Authority in favor of the Bank;

- TIN and Foreign Status Certification by the Partnership;
- Federal Tax Exemption Certificate and Agreement between the Authority and the Partnership;

“Housing Authority Loan Documents”

- Master Loan Agreement between the Partnership and the Authority;
- One or more Promissory Note(s) from the Partnership in connection with loan(s) for costs relating to acquisition and/or construction of the Property and/or the Project;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Master Loan – 1800 Hillside Terrace) from the Partnership in favor of the Authority;
- Hazardous Substances Warranty/Indemnity Agreement between the Partnership and the Authority;

“Commerce Loan Documents”

- Specific Terms and Conditions, Housing Trust Fund Contract between the Washington State Department of Commerce (“Commerce”) and the Authority, together with the Housing Trust Fund (HTF) General Terms and Conditions attached thereto;
- Promissory Note by the Authority payable to Commerce;
- Assignment, Assumption and Consent Agreement among the Authority, the Partnership and Commerce;
- Leasehold Deed of Trust by the Partnership and the Authority in favor of Commerce;
- Low Income Housing Covenant Agreement by the Partnership;

“Real Estate Documents”

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership;
- Assignment of Contracts and Intangibles between the Authority and the Partnership;
- Priority and Subordination Agreement among the Authority, the Partnership, the Bank, Commerce, the Commission, and TCRA;

“CDBG Documents”

- Subrecipient Agreement between the City of Tacoma or TCRA and the Authority relating to Community Development Block Grant funds;
- Loan Agreement between the City of Tacoma or TCRA and the Authority;
- Promissory Note by the Authority payable to the City of Tacoma or TCRA;
- Leasehold Deed of Trust by the Partnership in favor of the City of Tacoma or TCRA;

- Affordability Covenant by the Partnership;
- **“UDAG Documents”**
- Loan Agreement between the TCRA or the City of Tacoma and the Partnership;
- Promissory Note by the Partnership payable to TCRA or the City of Tacoma;
- Leasehold Deed of Trust by the Partnership in favor of TCRA or the City of Tacoma;
- Affordability Covenant by the Partnership.

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 copy of Resolution 2019-05-22(4) (the “Resolution”) is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (5)

DATE: May 22, 2019

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: 1800 Hillside Terrace Bonds

This resolution will authorize Tacoma Housing Authority (THA) to issue two bonds in a principal amount of up to \$16,000,000, the proceeds of which will be used to make a loan or loans to Court F LLLP (the "Partnership") to finance a portion of the costs of constructing a 64-unit multifamily housing facility to be known as the 1800 Hillside Terrace Apartments, in Tacoma, Washington (the "Project").

Background

Pursuant to Resolution 2016-09-28(d), the Board approved the creation of the Partnership and application to the Washington State Housing Finance Commission for tax credits for the Project. Pursuant to Resolution 2019-02-027(1), the Authority declared its intent to sell bonds to provide financing for the Project.

The Partnership, of which the Authority is the sole general partner, has requested that the Authority issue revenue bonds (the "Bonds") for the purpose of providing part of the funds with which to pay the costs of the Project. The proceeds of the Bonds will be used to make two loans (together, the "Loan") to the Partnership pursuant to a Loan Agreement (the "Bond Loan Agreement") between the Authority and the Partnership. Pursuant to the Bond Loan Agreement, the Partnership will agree (1) to apply the proceeds of the Loan to pay costs of the Project, (2) to make payments sufficient to pay the principal of and interest on the Bonds when due, and (3) to observe the other covenants and agreements and make the other payments set forth in the Bond Loan Agreement.

Heritage Bank is expected to offer to purchase the Bonds upon terms set forth in its letter dated February 12, 2019, and as it may be further amended from time to time.

Recommendation

Approve Resolution No. 2019-05-22 (5).



TACOMA HOUSING AUTHORITY

THA BOC Resolution 2019-05-22 (5) (1800 Hillside Terrace Bonds)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of revenue bonds in an aggregate principal amount of not to exceed \$16,000,000, the proceeds of which will be used to make a loan to Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to construct an approximately 64-unit apartment complex to provide housing for low income persons in the City of Tacoma, Washington; determining the forms and terms of the bonds; authorizing the execution and delivery of a loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the facility, and other bond and loan documents; providing for the sale and delivery of the bonds to Heritage Bank; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alteration or repair of housing projects; and

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, “lease or rent any . . . lands, buildings, structures or facilities embraced in any housing project and . . . establish and revise the rents or charges therefor” and “sell, lease, exchange, transfer. . . or dispose of any real or personal property or any interest therein . . .”; and

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

WHEREAS, RCW 35.82.070(1) permits a housing authority to “make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority”; and

WHEREAS, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; and

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

WHEREAS, Court F LLLP (the “Partnership”), a Washington limited liability limited partnership of which the Authority is the sole general partner, has applied to the Authority for financial assistance in the principal amount of up to \$16,000,000 for the purpose of providing part of the funds with which to construct a 64-unit multifamily housing facility on certain real property to be leased from the Authority located in the 1800 block of Hillside Terrace, in Tacoma, Washington, to provide housing for low-income persons within the City of Tacoma, Washington (the “Project”); and

WHEREAS, the Partnership has requested that the Authority issue and sell its revenue bonds for the purpose of assisting the Partnership in financing the Project; and

WHEREAS, the Project will be used by the Partnership to provide housing for low-income persons in the City of Tacoma, Washington, and no more than an insubstantial portion of the proceeds of the Tax-Exempt Bond (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used for any other purpose; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue bonds in an aggregate principal amount of not to exceed \$16,000,000, the proceeds of which will be used to make a loan to the Partnership for the purposes described herein; and

WHEREAS, it is anticipated that Heritage Bank will offer to purchase the Bonds on the terms set forth herein; now, therefore, be it

Be it resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, as follows:

1. **Definitions.** As used in this resolution, the following words have the following meanings:
“Assignment of Architect’s Agreement” means the Assignment of Architect’s Agreement and Plans and Specifications, with Architect’s Consent to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership’s interests in the architect’s agreement and plans and specifications with respect to the Project, including any supplements or amendments thereto made in conformity therewith.
“Assignment of Construction Contract, with Contractor’s Consent” means the Assignment of Construction Contract to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership’s interests in the construction contracts with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Loan Documents” means the Assignment of Loan Documents to be executed by the Authority and acknowledged by the Partnership, relating to assignment to the Bank of the Authority’s rights under certain of the Loan Documents, including any supplements or amendments thereto made in conformity therewith.

“Authority” means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officers” means the Chair of the Board, the Executive Director of the Authority, and their respective designees.

“Bank” means Heritage Bank, as Registered Owner of the Bonds, and any subsequent Registered Owner thereof.

“Bank Credit Agreement” means the Credit Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

“Board” means the Board of Commissioners of the Authority.

“Bonds” means, together, the Tax-Exempt Bond and the Taxable Bond.

“Bond Fund” means the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (1800 Hillside Terrace).

“Bond Loan Agreement” means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, including any supplements or amendments thereto made in conformity therewith.

“Bond Registrar” means the Executive Director of the Authority.

“Code” means the Internal Revenue Code of 1986, as amended.

“Construction Loan Agreement” means the Construction Loan Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

“Deed of Trust” means the Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents under which the Partnership will be grantor and the Authority will be the initial beneficiary, encumbering the Partnership’s leasehold interest in the real property, improvements and personal property constituting the Project, including any supplements or amendments thereto made in conformity herewith and therewith, which will be assigned by the Authority to the Bank.

“Draws” means incremental draws on the Bonds.

“Environmental Indemnity Agreement” means the Certificate and Indemnity Agreement Regarding Hazardous Substances to be executed by the Partnership and the Authority in favor of the Bank relating to environmental claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or in the future prohibited from being used for the purpose of paying the Authority’s obligations under the Guaranty or the Environmental Indemnity Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Guaranty” means the Guaranty Agreement executed by the Authority guaranteeing the Partnership’s obligations with respect to the Loan.

“Loan” means the loans from the Authority to the Partnership of the proceeds of Draws on the Bonds.

“Loan Documents” means, collectively, the Bond Loan Agreement, the Assignment of Architect’s Agreement, the Assignment of Construction Contract, the Assignment of Loan Documents, the Construction Loan Agreement, the Bank Credit Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Notes, the Subordination Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Partnership.

“Notes” means the promissory notes evidencing the Loan.

“Partnership” means Court F LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner.

“Project” means, depending on the context (1) the construction of a 64-unit multifamily housing facility located on real property to be legally described in Exhibit A to the Deed of Trust, or (2) the multifamily housing facility so constructed.

“Proposal Letter” means the letter dated February 12, 2019, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Bonds, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the Bank, as registered owner of the Bonds registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Partnership for the benefit of the Authority governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Subordination Agreement” means, collectively, recording, priority or subordination agreements by and among the Authority, the Partnership and certain other parties, providing for the order of priority of various liens and encumbrances on the Project.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Partnership and the Authority in connection with the Tax-Exempt Bond, including any supplements or amendments thereto made in conformity therewith.

“Taxable Bond” means the Revenue Bond, 2019 (Taxable) (1800 Hillside Terrace), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Tax-Exempt Bond” means the Revenue Bond, 2019 (Tax-Exempt) (1800 Hillside Terrace), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

2. Authorization of Bonds and Application of Proceeds. For the purpose of providing financing for a portion of the costs of the Project, the Authority shall issue and sell the Bonds in an aggregate principal amount not to exceed \$16,000,000. Such Bond financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Bonds shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.
3. Description of Bonds. The Bonds shall be designated the Revenue Bond, 2019 (Tax-Exempt) (1800 Hillside Terrace) (the “Tax-Exempt Bond”) and the Revenue Bond, 2019 (Taxable) (1800 Hillside Terrace) (the “Taxable Bond”), of the Authority; shall be dated their date of delivery of the Bank; and shall be numbered R-1. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bonds. The Bonds shall bear interest payable on such dates and at such rates (which may include variable rates based on LIBOR and/or the prime rate and/or a fixed rate or rates), shall mature at such times and in such amounts, shall have such prepayment or redemption provisions, and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the by the Bond Registrar and the execution of the Loan Documents by the Executive Director shall be conclusive evidence of approval by the Authority of the terms set forth therein.
4. Draws on the Bonds. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signers for the Authority, in its capacity as general partner of the Partnership, or their respective designees, to make Draws on the Bonds in such amounts and at such times as he or she may determine, those Draws to be made in accordance with the terms and provisions set forth herein, in the Bonds and in the Loan Documents. Draws shall be recorded in such form as the Partnership and the Bank may agree. Draws on the Taxable Bond shall be limited to an aggregate principal amount of not to exceed \$10,900,000. Draws on the Tax-Exempt Bond shall be limited to an aggregate principal amount of not to exceed \$5,100,000. Total Draws on the Bonds shall be limited to an aggregate principal amount of not to exceed \$16,000,000. In the event that the Authority determines that that it is the best interest of the Authority or the Partnership to convert one or both of the Bonds into fully funded obligations, subject to the provisions of the Credit Loan Agreement and the Construction Loan Agreement, the Authority is authorized to draw all or a portion of the authorized principal amount of the Bonds that have not been drawn to date (the “Remaining Authorized Amount”) and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

5. Bond Register; Registration and Transfer of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bonds by the Bond Registrar (the “Bond Registers”). The Executive Director shall serve as Bond Registrar for the Bonds. The Bond Registers shall contain the names and mailing addresses of the Registered Owners of the Bonds. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bonds in accordance with the provisions of the Bonds and this resolution, to serve as the Authority’s paying agent for the Bonds and to carry out all of the Bond Registrar’s powers and duties under this resolution.

The Bonds may not be assigned or transferred by the Bank without the prior written consent of the Authority (which consent shall not be unreasonably withheld), except that the Bank may assign or transfer the Bonds to a successor to the business and assets of the Bank or to an affiliate of the Bank upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to the Bonds. Any transfer shall be without cost to the Registered Owner or transferee, except for governmental charges imposed on any such transfer or exchange. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the five days preceding any interest payment date, prepayment date or the applicable maturity date.

6. Payment of Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on a Bond, the Registered Owner shall surrender that Bond at the principal office of the Bond Registrar in Tacoma Washington, for destruction or cancellation in accordance with law.
7. Bond Fund; Security for the Bonds. The Bond Fund is hereby established as a special fund of the Authority designated the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (1800 Hillside Terrace). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest and premium, if any, on the Bonds. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from amounts owed or paid by the Partnership under the Loan Documents, amounts sufficient to pay principal of and interest and premium, if any, on the Bonds when due, all of which amounts are pledged to the payment of the Bonds.

Payment of the Bonds shall be further secured by the Loan Documents and the Guaranty. Upon the issuance of the Bonds, the Authority shall cause the Loan Documents to be executed by the Partnership for the benefit of the Authority and/or the Bank, as applicable, and the Authority shall assign certain of its rights under the Loan Documents to the Bank, as security for the Authority’s payment of the principal of and interest and premium, if any, on the Bonds, except that the Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority and the Bond Fund, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bonds, and the

Authority shall have no obligation to make principal and interest payments on the Bonds except from those payments collected by the Bank on the Authority's behalf.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bonds, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Bonds, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium if any, on the Bonds. If the Bonds are assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, interest and premium, if any, payments under the Loan Documents and apply the same to the payment of principal of and interest and premium, if any, on the Bonds.

The Authority pledges its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement, subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with obligations of the Authority under the Guaranty and the Environmental Indemnification Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Guaranty and Environmental Indemnification Agreement with respect to that portion of the General Revenues so pledged.

The Bonds shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the Bonds shall so state on their face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources described herein) shall be liable for payment of the Bonds nor in any event shall principal of and interest on the Bonds be payable out of any funds of the Authority other than the Bond Fund. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

8. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. A Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution unless the Bond bears a Certificate of Authentication manually signed by the Bond Registrar stating "This Bond is the fully registered Housing Authority of the City of Tacoma Revenue Bond, 2019 (Taxable)/(Tax-Exempt) (1800 Hillside Terrace) described in the Bond Resolution." A minor deviation in the language of such certificate shall not

void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on a Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing his or her facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. The Bonds also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bonds, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

9. Lost, Stolen or Destroyed Bond. In case a Bond shall be lost, stolen or destroyed after delivery to the Registered Owner, the Bond Registrar may execute and deliver a new Bond of like date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Bond Registrar evidence, satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity satisfactory to the Authority.
10. Preservation of Tax Exemption for Interest on Tax-Exempt Bond. Subject to the next succeeding paragraph, the Authority covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bond or other funds of the Authority treated as proceeds of the Tax-Exempt Bond at any time during the term of the Tax-Exempt Bond that would cause interest on the Tax-Exempt Bond to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bond, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Bond from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Partnership as payments for those purposes).

The Bond Loan Agreement shall require the Partnership to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Bond Loan Agreement, in so complying.

11. Approval of Sale of the Bonds to the Bank. It is anticipated that the Bank will offer to purchase the Bonds under the terms and conditions contained in this resolution and in the

Proposal Letter. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to purchase the Bonds under the terms and conditions in this resolution and the Proposal Letter. The Bonds will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.

12. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Regulatory Agreement, the Guaranty, the Subordination Agreement, Environmental Indemnity Agreement, the Tax Certificate, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Guaranty, the Subordination Agreements, the Environmental Indemnity Agreement, the Tax Certificate and Agreement and the other Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds. The Board authorizes and directs the Executive Director of the Authority to execute on behalf of the Authority and to deliver to the Bank, the Environmental Indemnity Agreement, the Guaranty and the other Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds or required by the Bank as a condition to purchasing the Bonds.
13. Acting Officers Authorized. Any action authorized or directed to be taken by the Chair of the Board or the Executive Director of the Authority may, in his or her absence, be taken by the duly authorized acting Chair of the Board or the Deputy Executive Director of the Authority, respectively.
14. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
15. 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.
16. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bonds.
17. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 22, 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 copy of Resolution 2019-05-22(5) (the “Resolution”) is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 6



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (6)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: 1800 Hillside Terrace Apartments: Authorization to Establish a Not-to-Exceed Guaranteed Maximum Price and further Negotiate General Contractor/Construction Manager Services Contract

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to establish a not-to-exceed Guaranteed Maximum Price and further negotiate, and if those negotiations are successful, to execute a contract with Marpac Construction for General Contractor/Construction Manager (GC/CM) services for the 1800 Hillside Terrace apartments with a Guaranteed Maximum Price (GMP) not to exceed \$18,500,000.

Background

On September 26, 2018, the Tacoma Housing Authority's (THA) Board of Commissioners (BOC) approved Resolution 2018-09-26 (7) authorizing THA's Executive Director to negotiate and enter into a GC/CM contract with Marpac Construction for the construction of the 1800 Hillside Terrace apartments.

By this resolution, THA's Executive Director seeks authorization to establish a not-to-exceed Guaranteed Maximum Price contract amount and further negotiate, and if those negotiations are successful, to execute a contract with Marpac Construction for GC/CM services to construct the 1800 Hillside Terrace apartments with a Guaranteed Maximum Price (GMP) not-to-exceed \$18,500,000. This includes construction costs, owner's contingency and applicable sales tax.

Recommendation

Approve Resolution 2019-05-22 (6) authorizing THA's Executive Director to establish a not-to-exceed Guaranteed Maximum Price and further negotiate and if those negotiations are successful, to execute a contract with Marpac Construction for GC/CM services to construct the 1800 Hillside Terrace apartments with a Guaranteed Maximum Price (GMP) not-to-exceed \$18,500,000.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (6)
(1800 Hillside Terrace Apartments - Authorization to Establish a Not-to-Exceed
Guaranteed Maximum Price and further negotiate a contract for General
Contractor/Construction Manager Services)

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

WHEREAS, A resolution 2018-09-26 (7) authorized THA's Executive Director to negotiate and execute the contract for the construction Manager/General Contractor for the 1800 Hillside Terrace apartments, and

WHEREAS, The resolution authorized THA's Executive Director to negotiate and execute the preconstruction service, construction management and general contractor services, and

WHEREAS, THA developed a budget of \$18,500,000 for the construction of the project. This amount includes construction, owner contingency and applicable sales tax; and

WHEREAS, The project will be funded through a mix of financing strategies including Moving to Work (MTW) funds, equity contributions, and permanent loans; 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 establish a not-to-exceed Guaranteed Maximum price and further negotiate and, if those negotiations are successful, to execute a contract with Marpac Construction for its services as a General Contractor/Construction Manager for the 1800 Hillside Terrace apartments with a Guaranteed Maximum Price not-to-exceed \$18,500,000.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 7



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (7)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: 1800 Hillside Terrace – Project Based Section 8 Vouchers Revised

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to execute a contract between Tacoma Housing Authority and 1800 Court F LLLP for an additional 11 Project Based Vouchers (PBV). This will revise the total vouchers for the project from fifty-three (53) to sixty-four (64).

Background

The Board of Commissioners adopted Resolution 2018-05-23-5 to execute an agreement between THA and 1800 Court F LLLP for fifty-three (53) Project Based Vouchers. The resolution will increase the number of vouchers for this project from 53 to 64. THA has secured 9% tax credits for the redevelopment of 1800 Hillside Terrace and the project is fully funded. The redevelopment project schedule plans for design and construction completed by the end of 2020. There will be 64 new affordable apartment units; of this number, 14 will be set aside for persons with disabilities and another 14 will be set aside for individuals or households experiencing homelessness. THA plans to provide project based vouchers in all 64 units.

These vouchers are an important part of the overall financing and operating structure for the development. Providing this subsidy will maximize the projects ability to provide housing to households at a range of income. Given the proposed set-asides for homeless and disabled, it was determined that a project that is 100% PBV would ensure that very low-and low-income families could live in the property.

Recommendation

Approve Resolution 2019-05-22 (7) authorizing THA's Executive Director to execute an Agreement to Execute a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with 1800 Court F LLLP.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (7) (1800 Hillside Terrace – Project Based Section 8 Vouchers)

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

WHEREAS, THA has been awarded 9% Tax Credits for the redevelopment of 1800 Hillside Terrace with 64 affordable apartments; and

WHEREAS, 1800 Hillside Terrace will set aside 14 apartments for persons with disabilities and another 14 units for persons experiencing homelessness; and

WHEREAS, Subsidizing rents will provide marketing flexibility and support the financial performance of the project; and

WHEREAS, THA is seeking to subsidize sixty-four (64) units with Project Based Section 8 Vouchers and contract these vouchers to 1800 Court F LLLP; and

WHEREAS, Through THA's Moving-to-Work (MTW) flexibilities, 1800 Court F LLLP is not required to compete for vouchers; and

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

WHEREAS, The contract(s) shall be negotiated with an investor and shall be in effect for up to fifteen years (15); now, therefore, be it

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

Execute an Agreement to Enter into a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with 1800 Court F LLLP to subsidize sixty-four (64) rental units.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 9



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (9)

DATE: May 22, 2019

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Arlington Drive Youth Apartments

This resolution will authorize Tacoma Housing Authority (THA) to execute all documents related to the closing with the investor limited partner and various funders, as necessary, in order to carry out the construction of the Arlington Drive Youth Apartments.

Background

THA has now developed a plan pursuant to which a 58-unit multifamily housing facility to be known as the Arlington Drive Youth Apartments (the "Apartment Complex") will be constructed on Arlington Drive in Tacoma, Washington.

In May, 2018, THA's Board of Commissioners (the "Board") adopted Resolution No. 2018-05-23(2) authorizing THA to form Arlington Youth Campus LLLP (the "Partnership") for the purpose of acquiring, constructing, equipping, operating and maintaining an affordable multifamily rental housing project located on a portion of the land owned by the Authority on Arlington Drive, in Tacoma, Washington.

THA will serve as the developer and the general partner of the Partnership. The Partnership will own (for federal tax purposes) and operate the Apartment Complex, and THA will hold a right of first refusal to acquire the Apartment Complex from the Partnership at the end of the 15-year tax credit compliance period. The Partnership's initial limited partner is Tacoma Housing Development Group ("THDG") and the THA staff have negotiated agreements whereby BCCC, Inc., and/or one or more of its affiliates (collectively, the "Investor") will replace THDG as the Partnership's limited partner. In exchange for an expected allocation of federal low-income housing tax credits and other federal tax benefits, the Investor is expected (as of the date hereof) to make capital contributions in the aggregate amount of approximately \$13,635,693, which will be used by the Partnership to establish reserves, pay construction costs, and retire a portion of the Partnership's debt. Heritage Bank will acquire taxable and tax-exempt bonds issued by THA, and the bond proceeds in an amount not to exceed \$12,200,000 will be used to fund a loan to the Partnership to pay construction costs. The bonds are authorized to be issued pursuant to a separate resolution which also will be presented to the Board at its May 22, 2019 meeting. Other anticipated funding sources include Washington State Department of Commerce Housing Trust Funds in the amount of \$5,090,000, and support from the Federal Home Loan Bank of Des Moines in the amount of approximately \$750,000. THA will also provide the Partnership one or more additional loans in an amount not to exceed \$7,200,000 (which includes amounts expected to be received from the Housing Trust Fund) for the purpose of financing or refinancing the Partnership's acquisition and construction of the Apartment Complex, which will be repaid from cash flow after debt

service, reserves, and deferred developer fee (if any).

Recommendation

Approve Resolution No. 2019-05-22 (9).



TACOMA HOUSING AUTHORITY

THA BOC Resolution 2019-05-22 (9) (Arlington Drive Youth Apartments)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the lease of Authority property to Arlington Youth Campus LLLP, authorizing one or more loans to Arlington Youth Campus LLLP, approving the execution and delivery of documents relating to the Arlington Drive Youth Apartments development project, and determining related matters.

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

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines that:

(a) Statutory Authorization. The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(18)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Arlington Youth Campus LLLP, a Washington limited liability limited partnership (the “Partnership”) to be formed by filing with the Washington Secretary of State a certificate of limited partnership on June 5, 2018, and executing a Limited Partnership Agreement with Tacoma Housing Development Group (“THDG”). THDG will withdraw from the Partnership and BCP/Arlington Youth, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts Corporation (or one or more of its affiliates) (collectively, the “Investor”) is willing to be a limited partner in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Investor as a limited partner of the Partnership, it is necessary to amend and restate the Partnership’s original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Project. The Authority owns the real property located at 3801 East Portland Avenue, Tacoma, Washington (the “Property”). The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to finance, acquire (by lease) and construct a 58-unit affordable rental housing project to be located on the Property, to provide housing for low-income persons within the Authority’s service area and known or to be

known as the Arlington Drive Youth Apartments (the “Project”). In connection with the financing for the Project, the Authority will lease the Project to the Partnership and the Partnership will provide the Authority with a right of first refusal to acquire the Partnership’s interest in the Project at the end of the 15-year low-income housing tax credit “compliance period.”

(d) Sources of Financing. The total cost of the Project is anticipated to be approximately \$24,100,000 which will be financed by the Partnership with numerous sources of funds, including one or more loans in an aggregate amount not to exceed \$12,200,000 of proceeds of tax-exempt and taxable bonds issued by the Authority, one or more additional loans from the Authority in an aggregate amount not to exceed \$7,200,000 (a portion of which may be derived from proceeds of one or more Housing Trust Fund loans or grants from the Washington State Department of Commerce (“Commerce”) in the anticipated aggregate amount of \$5,090,000), financial support from the Federal Home Loan Bank of Des Moines in the amount of approximately \$750,000, and capital contributions in an anticipated aggregate amount of approximately \$13,635,693 from the Investor.

(e) Additional Findings. The Board finds and determines that the Property likely would not be developed and maintained as housing for persons of low income unless the Partnership was formed and the Investor committed to make capital contributions to the Partnership. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm. The Board further finds that the loans to be made by the Authority authorized by this resolution are important for the feasibility of the Project and are necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority’s Executive Director, the Chair of the Board and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf, or as the general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the “Transaction Documents”) in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer’s signature on a Transaction Document shall be construed as the Authority’s approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or in its capacities as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). The Authorized Officers (or their designee), and each of them acting alone, are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 3. Approval of Housing Authority Loans. The Authority is authorized to lend to the Partnership up to \$7,200,000 of available Authority funds, all pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading “Housing Authority Loan Documents” (collectively, the “Housing Authority Loan Documents”). The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents. Each loan is intended to be in addition to the loan of Authority bond proceeds to the Partnership authorized by a separate resolution (the “Bond Resolution”). At any Authorized Officer’s discretion, all or any portion of the amount designated in this Section as a loan may be paid to the Partnership as a capital contribution in lieu of being lent to the Partnership.

Section 4. Authorization to Lease Property and Approval of Real Estate Encumbrances. In furtherance of its statutory authority to provide decent, safe and sanitary living accommodations for persons of low income, the Authority is authorized to: (i) lease to the Partnership, for a term not exceeding 100 years, the Property, all improvements located on such Property, and the Authority’s interest in any personal property located on such Property and in such improvements; and (ii) encumber the Authority’s interests in the Property (including its fee interest therein) pursuant to covenant agreements, regulatory agreements, extended use agreements, and other encumbrances that are Transaction Documents.

Section 5. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation, the filing of one or more applications with the Washington State Housing Finance Commission (the “Commission”); and the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i).

Section 6. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority’s rights, if any, under the construction contracts, the architects’ contracts, the geotechnical consultant contracts, and other development contracts, as such rights pertain to the construction of improvements on the Property, and (ii) assigning to lenders and others the Partnership’s interests in such contracts.

Section 7. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that

such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, construction, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or 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. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

Section 8. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various Transaction Documents.

Section 9. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by or capital contribution from the Authority by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans to the Partnership.

Section 10. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Deputy Executive Director of the Authority, respectively.

Section 11. Changes to Titles or Parties. While the titles of and parties to the various Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 12. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership and the selection of the Investor) are ratified and confirmed.

Section 13. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

EXHIBIT A

TRANSACTION DOCUMENTS

“Partnership Documents”

- First Amended and Restated Agreement of Limited Liability Limited Partnership among the Authority, THDG, and the Investor;
- Development Agreement between the Partnership and the Authority;
- Purchase Option among the Partnership, the Authority and the Investor;
- Right of First Refusal Agreement among the Partnership, the Authority and the Investor;
- Tax certification of the Authority;
- Payment Certificates by the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Regulatory Agreement (Extended Use Agreement) among the Commission, the Authority and the Partnership;
- Property Management Agreement between the Authority and the Partnership;

“Bond Loan Documents”

- Loan Agreement between the Authority and the Partnership;
- Regulatory Agreement between the Authority and the Partnership;
- Credit Agreement between the Partnership and the Authority;
- Construction Loan Agreement between the Authority and the Partnership
- Promissory Note (Tax-Exempt Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Heritage Bank (the “Bank”));
- Promissory Note (Taxable Loan) from the Partnership payable to the Authority (and to be endorsed by the Authority to the Bank;
- Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents from the Partnership in favor of the Authority, and assigned by the Authority to the Bank;
- Assignment of Loan and Security Documents from the Authority to the Bank;
- Assignment of Construction Contract, with Contractor’s Consent, in favor of the Bank;
- Assignment or Architect’s Agreement and Plans and Specifications, with Architect’s Consent, in favor of the Bank;
- Certificate and Indemnity Agreement Regarding Hazardous Substances made by the Partnership and the Borrower for the benefit of the Bank;
- Guaranty Agreement by the Authority in favor of the Bank;

- TIN and Foreign Status Certification by the Partnership;
- Federal Tax Exemption Certificate and Agreement between the Authority and the Partnership;

“Housing Authority Loan Documents”

- Master Loan Agreement between the Partnership and the Authority;
- One or more Promissory Note(s) from the Partnership in connection with loan(s) for costs relating to acquisition and/or construction of the Property and/or the Project;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Master Loan – Arlington Youth Campus) from the Partnership in favor of the Authority;
- Hazardous Substances Warranty/Indemnity Agreement between the Partnership and the Authority;

“Commerce Loan Documents”

- One or more Specific Terms and Conditions, Housing Trust Fund Contract between the Washington State Department of Commerce (“Commerce”) and the Authority, together with the Housing Trust Fund (HTF) General Terms and Conditions attached thereto;
- One or more Promissory Note by the Authority payable to Commerce;
- One or more Leasehold Deed of Trust by the Partnership and the Authority in favor of Commerce;
- One or more Low Income Housing Covenant Agreement by the Partnership;

“Real Estate Documents”

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership;
- Assignment of Contracts and Intangibles between the Authority and the Partnership;
- Priority and Subordination Agreement among the Authority, the Partnership, the Bank, Commerce, the Federal Home Loan Bank of Des Moines, and the Commission;

“FHLB Documents”

- Affordable Housing Program for rental Project (Direct Subsidy) among the Authority, the Partnership, and the Federal Home Loan Bank of Des Moines;
- Agreement for Covenants and Restrictions made by the Partnership and the Authority.

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 copy of Resolution 2019-05-22(9) (the “Resolution”) is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 10



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (10)

DATE: May 22, 2019

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Arlington Youth Drive Apartments

This resolution will authorize Tacoma Housing Authority (THA) to issue two bonds in a principal amount of up to \$12,200,000, the proceeds of which will be used to make a loan or loans to Arlington Youth Campus LLLP (the "Partnership") to finance a portion of the costs of constructing a 58-unit multifamily housing facility to be known as the Arlington Drive Youth Apartments, in Tacoma, Washington (the "Project").

Background

Pursuant to Resolution 2018-05-23(2), the Board approved the creation of the Partnership and application to the Washington State Housing Finance Commission for tax credits for the Project. Pursuant to Resolution 2019-02-027(2), the Authority declared its intent to sell bonds to provide financing for the Project.

The Partnership, of which the Authority is the sole general partner, has requested that the Authority issue revenue bonds (the "Bonds") for the purpose of providing part of the funds with which to pay the costs of the Project. The proceeds of the Bonds will be used to make two loans (together, the "Loan") to the Partnership pursuant to a Loan Agreement (the "Bond Loan Agreement") between the Authority and the Partnership. Pursuant to the Bond Loan Agreement, the Partnership will agree (1) to apply the proceeds of the Loan to pay costs of the Project, (2) to make payments sufficient to pay the principal of and interest on the Bonds when due, and (3) to observe the other covenants and agreements and make the other payments set forth in the Bond Loan Agreement.

Heritage Bank is expected to offer to purchase the Bonds upon terms set forth in its letter dated March 15, 2019, and as it may be further amended from time to time.

Recommendation

Approve Resolution No. 2019-05-22 (10).



TACOMA HOUSING AUTHORITY

THA BOC Resolution 2019-05-22 (10) **(Arlington Drive Youth Apartments Bonds)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of revenue bonds in an aggregate principal amount of not to exceed \$12,200,000, the proceeds of which will be used to make a loan to Arlington Youth Campus LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to construct an approximately 58-unit apartment complex to provide housing for low income persons in the City of Tacoma, Washington; determining the forms and terms of the bonds; authorizing the execution and delivery of a loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the facility, and other bond and loan documents; providing for the sale and delivery of the bonds to Heritage Bank; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alteration or repair of housing projects; and

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, “lease or rent any . . . lands, buildings, structures or facilities embraced in any housing project and . . . establish and revise the rents or charges therefor” and “sell, lease, exchange, transfer. . . or dispose of any real or personal property or any interest therein . . .”; and

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

WHEREAS, RCW 35.82.070(1) permits a housing authority to “make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority”; and

WHEREAS, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; and

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

WHEREAS, Arlington Youth Campus LLLP (the “Partnership”), a Washington limited liability limited partnership of which the Authority is the sole general partner, has applied to the Authority for financial assistance in the principal amount of up to \$12,200,000 for the purpose of providing part of the funds with which to construct a 58-unit multifamily housing facility on certain real property to be leased from the Authority located at 3801 East Portland Avenue, in Tacoma, Washington, to provide housing for low-income persons within the City of Tacoma, Washington (the “Project”); and

WHEREAS, The Partnership has requested that the Authority issue and sell its revenue bonds for the purpose of assisting the Partnership in financing the Project; and

WHEREAS, The Project will be used by the Partnership to provide housing for low-income persons in the City of Tacoma, Washington, and no more than an insubstantial portion of the proceeds of the Tax-Exempt Bond (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used for any other purpose; and

WHEREAS, The Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue bonds in an aggregate principal amount of not to exceed \$12,200,000, the proceeds of which will be used to make a loan to the Partnership for the purposes described herein; and

WHEREAS, It is anticipated that Heritage Bank will offer to purchase the Bonds on the terms set forth herein; now, therefore, be it

Be it resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, as follows:

1. **Definitions.** As used in this resolution, the following words have the following meanings:
“Assignment of Architect’s Agreement” means the Assignment of Architect’s Agreement and Plans and Specifications, with Architect’s Consent to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership’s interests in the architect’s agreement and plans and specifications with respect to the Project, including any supplements or amendments thereto made in conformity therewith.
“Assignment of Construction Contract, with Contractor’s Consent” means the Assignment of Construction Contract to be executed by the Partnership, relating to assignment to the Bank of certain of the Partnership’s interests in the construction contracts with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Loan Documents” means the Assignment of Loan Documents to be executed by the Authority and acknowledged by the Partnership, relating to assignment to the Bank of the Authority’s rights under certain of the Loan Documents, including any supplements or amendments thereto made in conformity therewith.

“Authority” means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officers” means the Chair of the Board, the Executive Director of the Authority, and their respective designees.

“Bank” means Heritage Bank, as Registered Owner of the Bonds, and any subsequent Registered Owner thereof.

“Bank Credit Agreement” means the Credit Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

“Board” means the Board of Commissioners of the Authority.

“Bonds” means, together, the Tax-Exempt Bond and the Taxable Bond.

“Bond Fund” means the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (Arlington Drive Apartments).

“Bond Registrar” means the Executive Director of the Authority.

“Bond Loan Agreement” means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, including any supplements or amendments thereto made in conformity therewith.

“Code” means the Internal Revenue Code of 1986, as amended.

“Construction Loan Agreement” means the Construction Loan Agreement between the Authority and the Partnership, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, and including any supplements or amendments thereto made in conformity therewith.

“Deed of Trust” means the Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents under which the Partnership will be grantor and the Authority will be the initial beneficiary, encumbering the Partnership’s leasehold interest in the real property, improvements and personal property constituting the Project, including any supplements or amendments thereto made in conformity herewith and therewith, which will be assigned by the Authority to the Bank.

“Draws” means incremental draws on the Bonds.

“Environmental Indemnity Agreement” means the Certificate and Indemnity Agreement Regarding Hazardous Substances to be executed by the Partnership and the Authority in favor of the Bank relating to environmental claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or in the future prohibited from being used for the purpose of paying the Authority’s obligations under the Guaranty or the Environmental Indemnity Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Guaranty” means the Guaranty Agreement executed by the Authority guaranteeing the Partnership’s obligations with respect to the Loan.

“Loan” means the loans from the Authority to the Partnership of the proceeds of Draws on the Bonds.

“Loan Documents” means, collectively, the Bond Loan Agreement, the Assignment of Architect’s Agreement, the Assignment of Construction Contract, the Assignment of Loan Documents, the Construction Loan Agreement, the Bank Credit Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Notes, the Subordination Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Partnership.

“Notes” means the promissory notes evidencing the Loan.

“Partnership” means Arlington Youth Campus LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner.

“Project” means, depending on the context (1) the construction of a 58-unit multifamily housing facility located on real property to be legally described in Exhibit A to the Deed of Trust, or (2) the multifamily housing facility so constructed.

“Proposal Letter” means the letter dated March 15, 2019, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Bonds, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the Bank, as registered owner of the Bonds registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Partnership for the benefit of the Authority governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Subordination Agreement” means, collectively, recording, priority or subordination agreements by and among the Authority, the Partnership and certain other parties, providing for the order of priority of various liens and encumbrances on the Project.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Partnership and the Authority in connection with the Tax-Exempt Bond, including any supplements or amendments thereto made in conformity therewith.

“Taxable Bond” means the Revenue Bond, 2019 (Taxable) (Arlington Drive Apartments), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Tax-Exempt Bond” means the Revenue Bond, 2019 (Tax-Exempt) (Arlington Drive Apartments), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

2. Authorization of Bonds and Application of Proceeds. For the purpose of providing financing for a portion of the costs of the Project, the Authority shall issue and sell the Bonds in an aggregate principal amount not to exceed \$12,200,000. Such Bond financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Bonds shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the Bonds for the purposes set forth in this resolution.
3. Description of Bonds. The Bonds shall be designated the Revenue Bond, 2019 (Tax-Exempt) (Arlington Drive Apartments) (the “Tax-Exempt Bond”) and the Revenue Bond, 2019 (Taxable) (Arlington Drive Apartments) (the “Taxable Bond”), of the Authority; shall be dated their date of delivery of the Bank; and shall be numbered R-1. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bonds. The Bonds shall bear interest payable on such dates and at such rates (which may include variable rates based on LIBOR and/or the prime rate and/or a fixed rate or rates), shall mature at such times and in such amounts, shall have such prepayment or redemption provisions, and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the by the Bond Registrar and the execution of the Loan Documents by the Executive Director shall be conclusive evidence of approval by the Authority of the terms set forth therein.
4. Draws on the Bonds. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signers for the Authority, in its capacity as general partner of the Partnership, or their respective designees, to make Draws on the Bonds in such amounts and at such times as he or she may determine, those Draws to be made in accordance with the terms and provisions set forth herein, in the Bonds and in the Loan Documents. Draws shall be recorded in such form as the Partnership and the Bank may agree. Draws on the Taxable Bond shall be limited to an aggregate principal amount of not to exceed \$9,200,000. Draws on the Tax-Exempt Bond shall be limited to an aggregate principal amount of not to exceed \$3,000,000. Total Draws on the Bonds shall be limited to an aggregate principal amount of not to exceed \$12,200,000. In the event that the Authority determines that that it is the best interest of the Authority or the Partnership to convert one or both of the Bonds into fully funded obligations, subject to the provisions of the Credit Loan Agreement and the Construction Loan Agreement, the Authority is authorized to draw all or a portion of the authorized principal amount of the Bonds that have not been drawn to date (the “Remaining Authorized Amount”) and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

5. Bond Register; Registration and Transfer of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bonds by the Bond Registrar (the “Bond Registers”). The Executive Director shall serve as Bond Registrar for the Bonds. The Bond Registers shall contain the names and mailing addresses of the Registered Owners of the Bonds. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bonds in accordance with the provisions of the Bonds and this resolution, to serve as the Authority’s paying agent for the Bonds and to carry out all of the Bond Registrar’s powers and duties under this resolution.

The Bonds may not be assigned or transferred by the Bank without the prior written consent of the Authority (which consent shall not be unreasonably withheld), except that the Bank may assign or transfer the Bonds to a successor to the business and assets of the Bank or to an affiliate of the Bank upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to the Bonds. Any transfer shall be without cost to the Registered Owner or transferee, except for governmental charges imposed on any such transfer or exchange. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the five days preceding any interest payment date, prepayment date or the applicable maturity date.

6. Payment of Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on a Bond, the Registered Owner shall surrender that Bond at the principal office of the Bond Registrar in Tacoma Washington, for destruction or cancellation in accordance with law.
7. Bond Fund; Security for the Bonds. The Bond Fund is hereby established as a special fund of the Authority designated the Housing Authority of the City of Tacoma Revenue Bond Fund, 2019 (Arlington Drive Apartments). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest and premium, if any, on the Bonds. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from amounts owed or paid by the Partnership under the Loan Documents, amounts sufficient to pay principal of and interest and premium, if any, on the Bonds when due, all of which amounts are pledged to the payment of the Bonds.

Payment of the Bonds shall be further secured by the Loan Documents and the Guaranty. Upon the issuance of the Bonds, the Authority shall cause the Loan Documents to be executed by the Partnership for the benefit of the Authority and/or the Bank, as applicable, and the Authority shall assign certain of its rights under the Loan Documents to the Bank, as security for the Authority’s payment of the principal of and interest and premium, if any, on the Bonds, except that the Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority and the Bond Fund, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bonds, and the

Authority shall have no obligation to make principal and interest payments on the Bonds except from those payments collected by the Bank on the Authority's behalf.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bonds, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Bonds, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium if any, on the Bonds. If the Bonds are assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, interest and premium, if any, payments under the Loan Documents and apply the same to the payment of principal of and interest and premium, if any, on the Bonds.

The Authority pledges its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement, subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with obligations of the Authority under the Guaranty and the Environmental Indemnification Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Guaranty and Environmental Indemnification Agreement with respect to that portion of the General Revenues so pledged.

The Bonds shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the Bonds shall so state on their face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources described herein) shall be liable for payment of the Bonds nor in any event shall principal of and interest on the Bonds be payable out of any funds of the Authority other than the Bond Fund. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues to the payment of its obligations under the Guaranty and the Environmental Indemnification Agreement) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bonds.

8. Form and Execution of Bonds. The Bonds shall be in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. A Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution unless the Bond bears a Certificate of Authentication manually signed by the Bond Registrar stating "This Bond is the fully registered Housing Authority of the City of Tacoma Revenue Bond, 2019 (Taxable)/(Tax-Exempt) (Arlington Drive Apartments) described in the Bond Resolution." A minor deviation in the language of such certificate

shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on a Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing his or her facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. The Bonds also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bonds, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

9. Lost, Stolen or Destroyed Bond. In case a Bond shall be lost, stolen or destroyed after delivery to the Registered Owner, the Bond Registrar may execute and deliver a new Bond of like date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Bond Registrar evidence, satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing the Authority with indemnity satisfactory to the Authority.
10. Preservation of Tax Exemption for Interest on Tax-Exempt Bond. Subject to the next succeeding paragraph, the Authority covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bond or other funds of the Authority treated as proceeds of the Tax-Exempt Bond at any time during the term of the Tax-Exempt Bond that would cause interest on the Tax-Exempt Bond to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bond, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Bond from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Partnership as payments for those purposes).

The Bond Loan Agreement shall require the Partnership to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Bond Loan Agreement, in so complying.

11. Approval of Sale of the Bonds to the Bank. It is anticipated that the Bank will offer to purchase the Bonds under the terms and conditions contained in this resolution and in the Proposal Letter. The Board finds that such offer is in the best interest of the Authority,

and therefore approves the offer to purchase the Bonds under the terms and conditions in this resolution and the Proposal Letter. The Bonds will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.

12. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Regulatory Agreement, the Guaranty, the Subordination Agreement, Environmental Indemnity Agreement, the Tax Certificate, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bonds, the Guaranty, the Subordination Agreements, the Environmental Indemnity Agreement, the Tax Certificate and Agreement and the other Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bonds. The Board authorizes and directs the Executive Director of the Authority to execute on behalf of the Authority and to deliver to the Bank, the Environmental Indemnity Agreement, the Guaranty and the other Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bonds or required by the Bank as a condition to purchasing the Bonds.
13. Acting Officers Authorized. Any action authorized or directed to be taken by the Chair of the Board or the Executive Director of the Authority may, in his or her absence, be taken by the duly authorized acting Chair of the Board or the Deputy Executive Director of the Authority, respectively.
14. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
15. 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.
16. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bonds.
17. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 22, 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 copy of Resolution 2019-05-22(10) (the “Resolution”) is a full, 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 May 22, 2019, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the special meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the special meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s administrative office at 902 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the special meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of May, 2019.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 11



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (11)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Arlington Apartments - Authorization to Negotiate General Contractor/Construction Manager Services – Guaranteed Maximum Price

This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to finalize the selection of the General Contractor for the Arlington Drive Youth Campus Apartments.

Background

On November 14, 2018 the THA Board of Commissioners (BOC) approved Resolution 2018-11-14(3) authorizing THA's Executive Director to negotiate and enter into a Construction Management/General Contractor (CM/GC) agreement with Korsmo Construction, Inc. for a not to exceed \$100,000 to provide pre-construction services for the Arlington Apartments and to negotiate a Guaranteed Maximum Price (GMP) for construction at the conclusion of the bidding phase.

At this time staff is requesting authorization for THA's Executive Director to negotiate, and if those negotiations are successful, to execute a contract with Korsmo Construction for the CM/GC services for construction of the Arlington Youth Apartments with a Guaranteed Maximum Price (GMP) not-to-exceed \$18,000,00. This includes \$15,400,000 in construction costs, plus an owner's contingency of \$962,748, and applicable sales tax. Total not-to-exceed \$18,000,000.

Recommendation

Approve Resolution 2019-05-22 (11).



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (11) (GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES (GCCM) FOR Arlington Drive Youth Campus Apartments)

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

WHEREAS, Resolution 2018-11-14(3) Authorized the Executive Director to negotiate and execute a contract for the predevelopment services for Arlington Drive Youth Campus Apartments and to negotiate a separate Construction Manager/General Contractor for Arlington Drive Youth Campus Apartments project; and

WHEREAS, The resolution authorized the Executive Director to negotiate and execute the preconstruction service; construction management and general contractor services; and

WHEREAS, The Authority has developed a budget of \$22,730,700.00 for this project. This includes pre-construction, construction, the owner's contingency, financing, developer fees, related development costs and applicable sales tax; and

WHEREAS, The project will be funded through a mix of financing strategies including THA Restricted Funds, State of Washington Legislative Funds, Affordable Housing Program funds, Equity contributions, and Permanent Loans; now, therefore, be it

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

Approve Resolution 2019-05-22 (11) authorizing THA's Executive Director staff to negotiate, and if those negotiations are successful, to execute a contract with Korsmo Construction for the CM/GC services for construction of the Arlington Youth Apartments with a Guaranteed Maximum Price (GMP) not-to-exceed \$18,000,00. This includes \$15,400,000 in construction costs, plus an owner's contingency of \$962,748, and applicable sales tax. Total not-to-exceed \$18,000,000.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 12



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (12)

Date: May 22, 2019
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Arlington Drive – Project Based Section 8 Vouchers

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to execute a contract between Tacoma Housing Authority and Arlington Drive Youth Campus Apartments, LLLP for fifty-eight (58) Project Based Vouchers.

Background

THA has secured 9% tax credits for the development of Arlington Drive Youth Campus Apartments and the project is fully funded. The project schedule anticipates a financial closing in late June 2019 and for the project to be completely occupied by March, 2021. There will be 58 new apartments that will provide housing for young adults and young adults experiencing homelessness. THA plans to provide project-based vouchers for all 58 units.

These vouchers are an important part of the overall financing and operating structure for the redevelopment by subsidizing rents for a population expected to have limited means upon executing a lease.

Recommendation

Approve Resolution 2019-05-22 (12) authorizing THA's Executive Director to execute an Agreement to Execute a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with Arlington Drive Youth Campus Apartments, LLLP.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (12) **(Arlington Drive Youth Campus Apartments– Project Based Section 8 Vouchers)**

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

WHEREAS, THA has been awarded 9% Tax Credits for the development of 58 units as part of the Arlington Drive Youth campus; and

WHEREAS, THA is seeking to subsidize fifty-eight (58) 8 with Project Based Section 8 Vouchers and contract these vouchers to Arlington Drive Youth Campus Apartments, LLLP; and

WHEREAS, Through THA's Moving-to-Work (MTW) flexibilities, Arlington Drive Youth Campus Apartments, LLLP is not required to compete for vouchers; and

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

WHEREAS, The contract(s) shall be negotiated with an investor and shall be in effect for up to fifteen years (15); now, therefore, be it

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

Execute an Agreement to Execute a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with Arlington Drive Youth Campus Apartments to subsidize rent for 58 apartment units.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 13



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (13)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Arlington Drive Crisis Residential Center - Authorization to Negotiate General Contractor/Construction Manager Services – Guaranteed Maximum Price

This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to finalize the selection of the General Contractor for the Crisis Residential Center at Arlington Drive.

Background

On November 14, 2018, the THA Board of Commissioners (BOC) approved Resolution 2018-11-14(3) authorizing THA's Executive Director to negotiate and enter into a Construction Management/General Contractor (CM/GC) agreement with Korsmo Construction, Inc. for a not to exceed \$100,000 to provide pre-construction services for the Arlington Apartments and Arlington Crisis Residential Center and to negotiate a Guaranteed Maximum Price (GMP) for construction at the conclusion of the bidding phase.

At this time staff is requesting authorization for THA's Executive Director to negotiate the CM/GC services for construction of the Crisis Residential Center and related off-site improvements and to enter into an agreement for a Guaranteed Maximum Price (GMP) not-to-exceed \$2,300,000. This includes \$1,900,000 in construction and related costs, plus an owner's contingency of \$50,000, and applicable sales tax. Total not-to-exceed \$2,300,000.

Recommendation

Approve Resolution 2019-05-22 (13) authorizing THA's Executive Director to negotiate and, if those negotiations are successful, to award the contract to Korsmo Construction to build the Arlington Drive Crisis Residential Center and related site improvements in an amount not-to-exceed the base bid of \$2,300,000, including taxes, plus owner contingency of \$50,000.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (13) (GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES (GCCM) FOR the Crisis Residential Center and Off-Site Improvements)

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

WHEREAS, Resolution 2018-11-14(3) Authorized the Executive Director to negotiate and execute a contract for the predevelopment services for Arlington Drive Youth Campus Apartments and to negotiate a separate Construction Manager/General Contractor for Arlington Drive Crisis Residential Center; and

WHEREAS, The resolution authorized the Executive Director to negotiate and execute the preconstruction service; construction management and general contractor services; and

WHEREAS, The Authority has developed a budget of \$3,130,230 for this project. This includes pre-construction, construction, the owner's contingency, financing, developer fees, related development costs, off-site improvements and applicable sales tax; and

WHEREAS, The project will be funded through a mix of financing including City of Tacoma Funds, Community Development Block Grant Dollars and Pierce County Funds; now, therefore, be it

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

Approve Resolution 2019-05-22 (13) authorizing THA's Executive Director to negotiate and, if those negotiations are successful, to execute a Construction Management, General Contractor Services for GMP not-to-exceed amount \$2,300,000 with Korsmo Construction, Inc. for the construction of the Arlington Drive Crisis Residential Center.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 14



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (14)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra, Executive Director

Re: Approval of Contract for Third Party Evaluation of the Children's Savings Account Program

This Resolution will allow Tacoma Housing Authority (THA) to enter into contract for third party evaluation, research and consultation for the Children's Savings Account Program.

Background

In February 2019, Policy, Innovation and Evaluation (PIE) issued a Request for Proposal (RFP) to seek a services for third-party evaluation of the Children's Savings Account program. Tacoma Housing Authority (THA) received one submission from BERK Consulting Group, a Seattle based firm. PIE staff recommend THA to award BERK Consulting Group with the service contract for third-party evaluation.

PIE and Client Support and Empowerment (CSE) staff interviewed BERK in April and were pleased with the level of familiarity they have with Tacoma, the fields of housing and education, the literature and research of CSAs and asset building initiatives, as well as their knowledge around data collection methods and reporting. Further, they have completed previous work with the City of Tacoma's Community Needs Assessment and are currently lending facilitation assistance to the Post-Secondary Environmental Scan project of Degrees of Change and Graduate Tacoma.

The purpose of this particular evaluation stems from THA's long-term vision for the CSA to be accessible to Tacoma families city-wide. In order to scale the program, THA must contemplate how the CSA should be administered and what THA's role will be in order to expand and sustain the program moving forward.

Third party evaluation will provide THA the analysis and engagement capacity needed to thoroughly investigate the effectiveness of the CSA and help THA define the future expansion plan for the program. THA received a grant from College Spark in 2018 to fund a three-year assessment of the CSA. It plans to use this grant to pay for a third-party evaluator. The evaluation will also build upon the initial research completed by Urban Institute in 2017.

The scope of work for this project includes research and technical supports to evaluate the following key areas of interest:

- Conduct community and family feedback to evaluate challenges related to program engagement and test design assumptions, with specific lens toward racial, cultural or ethnic barriers and inequities. The contractor will conduct focus groups and surveys among participants, prospective participants and community stakeholders that study these challenges and identify gaps and opportunities in program design;
- Literature and data review of the impact of program design elements (e.g. seed, incentives, match and scholarship) and explores the possibilities of integrating the CSA into existing programs such as THA's Family Self-Sufficiency (FSS) program and Washington State's 529 college savings programs;
- Evaluate organizational characteristics and resources necessary to effectively administer and expand the CSA program. The evaluator will provide recommendations on the scope of work for the CSA expansion that addresses strategic and capacity gaps;
- Review and recommend ways THA defines its role in cultivating a college-and-career focused culture that supports Tacoma students enrolling, persisting and completing their post-secondary education;
- Support the identification and implementation of methods to measure short and long-term program outcomes.

The contractor will be eligible to renew service contract annually, up to a total of three years, pending the outcome of the project's deliverables and the decision of THA leadership and Board of Commissioners.

Recommendation

Approve Resolution No. 2019-05-22 (14) allowing THA's Executive Director to negotiate, and if those negotiations are successful, to execute a contract with BERK Consulting Group for third party evaluation services for the Children's Savings Account Program in an amount not-to-exceed \$135,000 over the next three years. This work will begin spring of 2019.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (14)

(Approval to Negotiate and Award a Contract for the Third Party Evaluation Services for the Children's Savings Account Program)

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

WHEREAS, Tacoma Housing Authority's Children's Savings Account (CSA) Program is currently undergoing redesign for expansion in the fall of 2019; and

WHEREAS, On February 1, 2019, Tacoma Housing Authority (THA) Staff issued a Request for Proposal (RFP) from firms interested in providing third party evaluation, research and consultation services for the redesign of the CSA; and

WHEREAS, The RFP was posted on THA's website, the Tacoma News Tribune and shared with THA's local network on February 1, 2019; and

WHEREAS, One (1) firm submitted proposals by the deadline of March 15, 2019; and

WHEREAS, An interview team comprised of PIE and CSE staff interviewed this firm; and

WHEREAS, The evaluation and interview team voted unanimously in favor of awarding a contract to the firm of BERK Consulting, Inc.; now, therefore, be it

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to award a contract with BERK Consulting Group for third party evaluation, research and consultations services for the Children's Savings Account Program in an amount not-to-exceed \$135,000 over the next three years.

Approved May 22, 2019

Dr. Minh-Anh Hodge, Chair