



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

June 26, 2019



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

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

REGULAR MEETING Board of Commissioners

WEDNESDAY, JUNE 26, 2019

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, June 26, 2019, at 4:45 pm.**

The meeting will take place at:

(Change to Meeting Location)
Tacoma Housing Authority
902 South L. Street, Tacoma, WA 98405

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

I, Sha Peterson, certify that on or before June 21, 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

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

Sha Peterson
Executive Administrator



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

June 26, 2019, 4:45 PM

902 South L. Street, Tacoma, WA 98405

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of May 22, 2019—Special Session
 - 3.2 Minutes of June 17, 2019—Special Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
 - 6.1 Budget Landscape
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Policy, Innovation & Evaluation
 - 7.3 Client Support & Empowerment
 - 7.4 Rental Assistance
 - 7.5 Property Management
 - 7.6 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2019-06-26 (1) Tacoma Schools Housing Assistance Program (TSHAP)
Commitment to Pierce County
 - 9.2 2019-06-26 (2) Approval of Property Based Subsidy Contracts
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION WEDNESDAY, MAY 22, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 401 North G. Street, Tacoma, WA 98403 at 4:45 PM on Wednesday, May 22, 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 4:48 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at 4:51 pm)	
Commissioner Shennetta Smith	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Hodge declared there was a quorum present @ 4:48 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, April 24, 2019. Chair Hodge asked for corrections to the Real Estate Development administrative report. Vice Chair Young moved to adopt the minutes with corrections from Chair Hodge; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Karen Scott, G. Street Tenant

Scott addressed the board. She is delighted with many of the changes at North G, but is requesting that the exterior of windows be washed. Director Johnson said THA has not had a schedule in the past for cleaning windows, but property management will create one.

Commissioner Rumbaugh also requested property management to weed and replant the planter in front of the building.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

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 confirmed that THA received funds for Arlington Drive from the legislative session. THA will have discussions with the State to make sure operating funds will be folded into the baseline budget from the Department of

Commerce. Director McCormick reported that subcontractor bids have come in higher than the budgeted (\$1.3M gap), which is normal for a project this size.

With the education project redesign and expansion, THA will spend \$10.4M over the next three years. In order to do that, THA will need \$500K a year for each of the next 3 years for staffing to design, launch and evaluate the programs. The Gates grant funding will expire at the end of the year and THA will need to backfill it. ED Mirra reported good progress in raising the money.

ED Mirra directed the board to page 2 of the Rental Assistance administrative report. He noted the good news that THA's utilization rate is exceeding the 95% rate that THA budgeted to meet. While this is good news it does present budget challenges. The challenge is to sustain this rate while honoring its commitments of rental subsidies to the Education Project and partners. He said that staff will have a proposal for the Board to consider.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the 1st quarter finance report. Financially, THA is in good shape. Currently he is not seeing any budget challenges. Sec 8 Housing Assistance Program (HAP) Payments is at \$8.7M in expenditures against the budgeted \$9.3M. There are excess funds at the end of the 1st quarter because utilization was lower. THA could end up with an excess of \$700K over budgeted, which is not a problem. According to Director Shalik budget discussions are important because they impact the budget in future years. Total Operating Expenses is a deficit of \$445K at the end of March, which is not a concern. The projected actual surplus is at \$4M because THA closed on Renew Tacoma and received \$1M of the \$5M developer fee, and will be receiving the remainder between July and August.

Other Revenue is budgeted at \$4.69M, but may come in at \$1.5M. Renew Tacoma is deferred until closing. THA has been accumulating waterfall payments from the close of Rental Assistance Demonstration (RAD) in 2018 until now. Because THA is not paying debt service, waterfall is higher. Due to the timing of closing, THA may not receive funds until next year, which decreases surplus for the year and will help in 2020. Finance and Real Estate Development are working on rebranding closing with RBC but will not know until the environmental remediation from Wright and K Streets receive the No Further Action (NFA) letters from the Department of Ecology (DOE) in a timely manner.

THA is keeping to its principles of having low MTW balance, which is at \$75K. Director Shalik had to draw down funds on the MTW Cash Held by HUD. THA unencumbered reserve is at \$6.2M, and Development Advances at \$1.7M.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$5,214,674 for the month of April 2019. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Executive

Executive Administrator Sha Peterson provided the board a copy of the 2019 THA Board of Commissioners (BOC) Meeting Schedule. Commissioner Rumbaugh moved to approve the 2019 THA BOC Meeting Schedule. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. THA secured funding for operations at Arlington and Director Hanauer is working with the Office of Homeless Youth to make sure funds are easy to access for the purpose. The CSE report this month looks different—it shows what CSE does, not just outputs, but outcomes. CSE is also hoping to show how its work saves THA in avoided costs of evictions by intervening with tenants who are struggling. This year those savings amount to \$334K. This shows the hard work the team is doing. Commissioner Smith asked what CSE staff are doing to bring people in the senior building working together. Cacey described the work of Martha Matthias hosting art and fall prevention classes.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Utilization is up. THA's Landlord Engagement Specialist (LES) has ignited the Landlord Advisory Group, which now have more interest in THA programs. The LES will keep encouraging landlords to remember THA when they have a vacancy. According to Director LaRocque, it takes everyone's efforts to make this utilization the way it is. Commissioner Smith thanked staff for their work and for helping people who need help. Commissioner Rumbaugh asked if Director LaRocque is seeing less reluctance because

of the LES. She responded that the LES shows up to a lot at the advisory meetings and they are warming up to him to the point that they are not fearful. She is also seeing a thaw in the market and is hopeful with summer coming up that more people can get housed. ED Mirra asked if the new law outlawing discrimination against voucher holders is a factor in the improved utilization. Director LaRocque thought that it is helping. Vice Chair Young noted that there was also a utilization jump of more than 2% in June 2018. Director LaRocque stated that THA sees more vacancies this time of year, which is typical.

Property Management

Property Management (PM) Director Frankie Johnson directed the board to her report. Unit turn days is trending in the right direction; next month will be closer to the 20-day goal. The Unit Turn pilot program and Leasing pilot program did very well and provided opportunity to make two programs work together. The Maintenance Specialist Lead for a new pilot program is tasked with finding efficiencies in the PM department. It will be a good opportunity to look at current staff members to fill vacancies. *“We have skilled staff to promote within and this will give maintenance the chance to show their skills and find out if this is something they are interested in,”* commented Director Johnson.

Total work orders done during the 1st quarter is just under 1500. Commissioner Rumbaugh would like to ensure that the categories show the nature of the work orders, not the time it took for a work order to be completed. According to Director Johnson, when the orders come in, there is a triage process. Chair Hodge suggested categorizing the orders by type of request and number of days to complete. Vice Chair Young asked if the system gives a priority to the orders (i.e. severity from 1-5) as a predetermined thing with a defined budget to finish. Director Johnson responded that there is a priority provided from 1-3, which will be noted on her improved report for the July meeting. ED Mirra mentioned that the Work Orders chart on page 4 of the PM report provides the three categories and the next page provides the time it took to complete the work orders—this information should be in one chart that shows what the expectation is to finish each category and the actual time it took staff to finish the orders. ED Mirra added that there is a notable victory on page 1 of the PM report—the portfolio is 99% occupied. This should be celebrated because in the housing world this is not too common. This also shows that the tenants like where they are living, which in turn translates to a decent rent collection rate. Commissioner Rumbaugh added that the tenants are also receiving great service from staff.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. The RED team met with THA’s attorney and CDK, the contractor for Alberta Canada to seek a settlement agreement on THA’s claim for liquidated damages. Further talks will be necessary. Alberta Canada’s ribbon cutting is scheduled for June 10, and the board will receive notice. Lyle Quasim will be the Master of Ceremonies, Mayor Woodards will be the Lead Speaker, followed by Council Member Keith Blocker, Sound

Outreach Executive Director Bryan Flint, United Way President & CEO Dona Ponепinto, Alberta Canada family and Mosaic Artist Mauricio Robalino.

Director McCormick gave an update on the bidding for the work at Arlington. The bids are coming in higher than budgeted. ED Mirra asked about the effort in getting young people into those jobs. THA and Korsmo met recently to go through Korsmo's Section 3 hiring plan and outreach for minority workers. They are reaching out to different organizations which provide certificates to different kinds of trades. THA and Korsmo will host interviews to prescreen and match individuals with subcontractors. Director McCormick's strong hope is that unions will be actively engaged. Commissioner Smith requested information because she works with the homeless. Director McCormick will send the plan and contact information for Nicole with Korsmo to Commissioner Smith.

There is a series of resolutions for the financial closings for 1800 Block and Arlington Drive Apartments. The guts are the same for both projects; just the dollars shift. Both projects have the same lender and investor.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 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.

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

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.2 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

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.3 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.4 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.

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

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.5 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). 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.

5. 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.
6. 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.

7. 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.

8. 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.
9. 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.

10. 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.
11. 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.
12. 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.

13. 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.
14. 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.
15. 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.
16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

CERTIFICATE

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

1. That the attached 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

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.6 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.7 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.8 ***This resolution was pulled.***

9.9 **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 14. 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 15. 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 16. 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 17. 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 18. 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 19. 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 20. 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 21. 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 22. 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 23. 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 24. 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 25. 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 26. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

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;

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“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

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.10 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). 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.

5. 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.
6. 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.

7. 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.

8. 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.
9. 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.

10. 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.
11. 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.
12. 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.
13. 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.

14. 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.
15. 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.
16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

CERTIFICATE

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

1. That the attached 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

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.11 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 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

\$18,000,000. 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May, 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.12 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

**9.13 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9.14 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.

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

Upon roll call, the vote was as follows:

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

Motion Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

9. COMMENTS FROM COMMISSIONERS

ED Mirra stated that the numerous resolutions denotes a lot of staff work and thanked staff. The commissioners agreed. ED Mirra is also thankful for the board for their support.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:43 PM.

APPROVED AS CORRECT

Adopted: June 26, 2019

Dr. Minh-Anh Hodge, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION MONDAY, JUNE 17, 2019, 9:00 AM

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L. Street, Tacoma, WA at 9 am on Monday, June 17, 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 9:00 am.

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 and Empowerment Director

Chair Hodge declared there was a quorum present @ 9:01 am and proceeded.

3. 2019 THA BOC MEETING SCHEDULE

Tacoma Housing Authority (THA) Executive Administrator Sha Peterson noted the changes to the 2019 THA Board of Commissioners' Meeting Schedule:

- Addition of the June 17 Special Session
- Change in location for the June 26 regular meeting from 6th Avenue to 902 South L. Street

Commissioner Banks moved to approve the changes to the 2019 THA BOC Meeting Schedule. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

4. COMMENTS FROM COMMISSIONERS

None.

10. ADJOURNMENT

There being no further business to conduct, the meeting ended at 9:02 am.

APPROVED AS CORRECT

Adopted: June 26, 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: June 17, 2019
Re: Executive Director's Monthly Report

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

1. **THA BUDGET PUZZLES: THE CHALLENGES THAT COME WITH GOOD NEWS**

If we get flat funding from Congress in 2020 and beyond, we project a deficit beginning in 2021 of \$1.5 million. These deficits arise from the claims on our use of our rental assistance dollars. As a result, THA faces some choices. We previewed these choices at the last month's Board meeting. We would like to discuss those choices this month in more detail.

In the next section, I report on clues for Congress's budget for 2020. Those clues include very good news from the House Appropriations Committee subcommittee on HUD's budget. That subcommittee proposes increases that would eliminate the budget deficit we now anticipate from flat funding. For purposes of this section, however, we presume on flat funding.

While we do not face these choices until 2021, how the Board wishes to approach these deficits will feature in a resolution this month. This resolution would commit property-based subsidies to four important community partners. Staff favor these commitments even though they increase the deficits. We favor this as part of a proposal on how to address the deficits. April will present these resolutions, the deficits we project, our proposal to manage them, and why approval of these resolutions fit that proposal.

I write now to review some themes in the discussion.

1.1 **Good News and its Challenges**

We face these deficits because of some good news. Our efforts to increase our utilization rate succeeded better than we budgeted. As a result, we are serving more households. And we are serving them in ways that fit our general strategy:

- focus on the neediest, including persons experiencing homelessness
- link our housing with services by others to help people succeed
- put a premium on serving children and young people
- finance the construction of new housing
- strengthen other systems like education and the judiciary.

The Board will recall our worry in 2018 about our utilization rate. HUD judges us against a "baseline" number of households we were serving in 2010 when we became an MTW housing authority. The percentage of this number that we serve is called our "utilization rate". MTW rules require us to serve "substantially the same"

as this baseline number. Oddly, HUD has interpreted this “substantially the same” requirement to mean that we must serve “the same” as that number.

Meeting this requirement was easy enough in the old Tacoma rental market. In recent years, however, rents in Tacoma have risen faster than nearly every other American city. In an effort to keep up, we had to increase our rental subsidy to voucher holders. This has been costing us \$600,000 more each year to serve the same number of households. Yet, our funding from HUD was not keeping pace. We cannot serve the same number of families at increasing costs with essentially flat funding. In 2018, we had to face that arithmetic.

After considering other options, all of them unappealing, the Board chose to face the arithmetic and to ask HUD to face it with us. We asked HUD to allow THA to budget in 2019 for a 95% utilization rate. HUD approved our request! When the Board adopted the 2019 budget, it presumed on that 95% utilization rate.

Yet, THA staff continued to work hard to lease up our vouchers and serve as many households as we can. We were more successful than we planned to be. We recruited more landlords to take our tenant based vouchers. We invented a new “property based subsidy” that turned out to be very popular with private developers. We are now at nearly 99% utilization.

As part of this increased utilization, we committed subsidy to important projects:

- Arlington Drive Youth Campus (58 units)
- Hillside 1800 (64 units)
- YWCA's Home at Last (55 units)

And we invited proposals from more partners. At the June Board meeting, we will present resolutions approving commitments for a total of 230 more households for four other important partners:

- Cascade Assisted Living and Cascade Memory Care (These are the county's only remaining nursing home and memory care facilities that take Medicaid patients. Without our assistance they would stop doing that, leaving the county without any such Medicaid beds.
- MDC (permanent supportive housing)
- Koz on Puyallup (housing for homeless TCC and UWT students)

Later on, we anticipate proposing a commitment of at least 10 housing vouchers to the Pierce County Superior Court's Family Drug Court Program.

All these present and pending commitments will create 400 new units of affordable housing for Tacoma's neediest people. *It will do all that without requiring a dollar of THA capital or debt.*

1.2 Deficits

At our present level of funding and at our present 99% utilization rate, and our other uses of our money, we face some notable deficits. This deficit will be \$1.5 million in 2021 and \$1.8 million in 2022.

1.3 Options

We have options that will allow us to manage these challenges without terminating anyone off any of our programs for lack of funding. These options include:

- We will not offer vouchers to people off our general waiting list for several years until our utilization rate lowers to 95%. Instead, since we have a unified waiting list, we will offer them an apartment in our portfolio.
- We had committed 150 vouchers for homeless TCC students. Yet it is using only about 60 of them, with some more students still shopping. We have told TCC that we cannot leave these dollars unused on the shelf. TCC agreed that THA will reduce its commitment and will honor those vouchers in use and vouchers for shoppers and outstanding applicants. We will also honor the 25 vouchers we set aside for TCC students coming from prison, if they succeed in using them.
- Some of our nonprofit partners are not using all the project-based vouchers we committed to their buildings. We can reduce those as well.
- We can decrease the \$1.28 million we presently give the County for Rapid Rehousing of homeless young adults and families. We can understand this reduction as a redirection of our funds to serve the same populations in Arlington Drive and the Education Project.

1.4 Familiar Trade Offs

This discussion will illustrate a familiar theme in THA's work: there is no choice we face or make that will not withhold needed help to someone.

2. CONGRESSIONAL FUNDING IN 2020

Congress faces three important budget related deadlines between now and October 1st. Whether Congress meets them, and in what manner, will affect THA and the nation's housing authority community. We do not know much about what is likely to happen. I attach a New York Times article of June 3rd reporting on the continuing discombobulation in Congress. But some clues are starting to emerge. We are not likely to know the answer until late in the year.

Here are the three budget related deadlines that Congress faces:

- **Raise the Nation's Debt Ceiling: Late 2019 or Early 2020**
Congress has to raise the nation's debt limit. The nation spends more money than it collects in taxes. This deficit spending increases the nation's debt. By common understanding, incurring more debt in this way is permissible only if Congress allows it. Congressional approval of an annual budget that directs such deficit spending apparently does not count as an approval of the increased debt. Instead, Congress has to approve the increased debt separately. This is called "raising the debt ceiling". Congress must do this or the government will default on its debts.

The government has never defaulted on its debt. No one really knows what a default would do to the country. No responsible person wants to find out.

- **Raise the Sequestration Spending Caps: October 1st**
Congress has to raise the "sequester spending caps". In 2011, Congress passed the Budget Control Act of 2011. This law directs automatic spending cuts in defense and non-defense spending unless Congress agrees otherwise. Those automatic spending cuts would be very deep, about 17%. The thought in 2011 was that such cuts in both defense and non-defense spending would be so unappealing to everyone in Congress that it would force Congress to agree. Despite this threat, agreement has been hard for Congress to reach. Congress's last agreement to raise these caps expires on October 1st.
- **Pass a 2020 Budget: October 1st**
Congress has its annual deadline of October 1st to pass a budget of some sort. If it does not do that the government will shut down. That is what happened last year. To avoid a shutdown, Congress must pass either a real budget or at least a "continuing resolution". A continuing resolution directs spending at the same levels of the previous year. It is not clear if such a continuing resolution this time, in the absence of an increase in the sequestration spending caps, would continue last year's spending levels or would direct the automatic spending cuts under sequestration. It probably depends on what the continuing resolution directs on the question.

There is news from Congress. Some of it is very good news. The House Appropriations Committee has been busy. Its subcommittee for the HUD budget has approved its HUD proposal for 2020. That proposal would preserve the increase HUD got in 2019. That gave THA an increase of \$2.9 million over what THA received in 2018. The 2020 proposal would further increase HUD's allocation by a comparable amount. That would likely give THA another comparable increase. That indeed would be very good news. In fact, that increase would solve the budget deficits I discussed in the previous section.

I attach CLPHA's chart showing the various budget proposals. I marked the Committee's proposal on the chart with a ★.

The New York Times

Can Congress Avoid a Debt Default and \$125 Billion in Spending Cuts?

By Emily Cochrane

June 3, 2019

WASHINGTON — A Congress that has struggled all year to legislate returned Monday to face two urgent deadlines that, if not met, could lead to a disastrous default on the federal debt and to automatic spending cuts that would sweep like a scythe through the military, federal health care and other popular programs.

In October or early November, fiscal analysts predict that the Treasury will run out of room to borrow money to keep the government operating, a catastrophe that could damage the stability of the United States economy and force the government to default on its debt.

That is about the same time that back-to-back budget deals would expire and strict spending caps enacted in 2011 would come back into force, automatically cutting military and domestic spending across the board by \$125 billion. Lawmakers say they need to act now, before recesses in July and August, to avert a crisis. But so far, a divided Congress has found even usually easy things hard — like passing disaster relief.

“This has been an issue of great concern,” Representative Steny H. Hoyer of Maryland, the majority leader, said in an interview.

And two wild cards loom: a president who, in his business days, bragged about taking on debt and used debt-default threats and bankruptcies to his advantage, and an acting White House chief of staff, Mick Mulvaney, who led the brinkmanship over the federal debt ceiling as a Republican House member.

“We don’t have a lot of people in government right now who know how to govern or who want to govern,” said Representative John Yarmuth, Democrat of Kentucky and the chairman of the House Budget Committee.

Congress usually has overcome bouts of fiscal brinkmanship to waive the spending caps over the last four years and suspending or raising the statutory limit on federal borrowing.

Under the Obama administration, lawmakers reached multiple agreements to suspend the debt ceiling, including in 2011 and 2013, though Washington came perilously close to the deadline. President Trump, in 2017, bypassed the Republican majorities in place in both

chambers at the time to tie emergency relief for communities devastated by hurricanes to an increase of the federal government's borrowing limit.



Mick Mulvaney, the White House chief of staff, led the brinkmanship over the federal debt ceiling as a Republican House member. Hilary Swift for The New York Times

But the challenge seems particularly fraught now, so soon after the longest shutdown in the country's history. Few bills have made it through both chambers in the first few months of Congress, and Mr. Trump, who has shown himself willing to blow up deals at the last minute, has often shown a lack of concern about the soaring federal debt.

Some lawmakers warn that a monthslong battle over such routine spending as a disaster relief package is an ominous sign for Congress's ability to meet the fiscal deadlines over the next four months. That package did not receive final congressional approval until Monday, even after Mr. Trump promised his support, because House Republicans objected to voting on it over the recess.

"If we can't work this out between us," Senator Richard C. Shelby of Alabama, the Republican chairman of the Senate Appropriations Committee, recalled telling Mr. Mulvaney during the relief negotiations, "how are we going to work the other things out?"

The challenge of resolving the debt ceiling and impending spending limits, he added, "is much bigger."

Still, lawmakers are holding out hope. Congressional leaders emerged optimistic from private discussions last month with White House officials, and Senator Mitch McConnell of Kentucky, the majority leader, said it was possible that a two-year spending deal and a suspension of the debt ceiling could be merged into one deal.

“I don’t want to be too forward-leaning in predicting an agreement, but it seems to me, without exception, everyone would like to,” Mr. McConnell told reporters in between meetings with congressional leadership and White House officials.

Both Mr. Mulvaney, a founding member of the hard-line conservative House Freedom Caucus, and Russell T. Vought, the acting director of the Office of Management and Budget, have demonstrated a penchant for brinkmanship on the debt ceiling and a desire to keep strict spending limits in place.

Mr. Hoyer said Mr. Mulvaney had broached the possibility of adhering to the strict spending limits set under the Budget Control Act of 2011, a law he was instrumental in forcing, instead of raising them the way Congress has done in the past.

“They were alone in that proposition, I think,” Mr. Hoyer said. “For the most part, both sides have interest in getting to an agreement on numbers.”



Senator Richard C. Shelby, Republican of Alabama, called the debt ceiling and impending spending limits a “much bigger” challenge than a disaster relief bill that Congress has struggled to pass. Hilary Swift for The New York Times

Mr. Mulvaney and other White House officials have declined to comment after the meetings with congressional leadership.

Mr. McConnell notably made the distinction that Steven Mnuchin, the Treasury secretary, is taking the lead for the administration in negotiations, noting that few people in Congress want to see the enforcement of what Mr. Shelby has repeatedly referred to as “draconian cuts.”

“A negotiated agreement with the House Democrats is the best of three alternatives,” Mr. McConnell said, pointing out that the other two would be a short-term spending bill or the carrying out of the stringent spending limitations.

Both Speaker Nancy Pelosi and Senator Chuck Schumer, the Democratic leader, have said they are pushing to match increases in military spending, which Republicans want, with equal increases in nonmilitary spending, which Democrats favor.

“Democrats are committed to working on a bipartisan basis to avert devastating cuts of the sequester,” the pair said in a joint statement last month. “We continue to insist that there be parity in increases between defense and nondefense, and that we adequately fund critical domestic priorities, including the census and our commitments to our heroic veterans.”

Although a bicameral agreement on spending levels has not been reached, House lawmakers have begun working on their government funding bills, in what Mr. Hoyer said was an effort to offer their Senate counterparts “a template” for final spending bills.

The House is set to begin voting on those spending bills this month, a goal Mr. Hoyer in particular has pushed, although it is likely the Republican majority in the Senate will object to a number of provisions House Democrats have advocated. The House Rules Committee said on Monday that it would probably meet next week to begin work on a package that includes five spending bills.

Members of both appropriations committees, pressed on the feasibility of avoiding another government shutdown, are also quick to point out that 2018 was the first time in years that about 75 percent of the government was funded by the end of the fiscal year — in the past, Congress has missed that deadline. And there is also some enduring optimism that deals on other matters can be struck between the two chambers and the White House.

A number of other legislative items also require attention, including the annual military policy bill, reauthorization of the Violence Against Women Act and the administration’s demand for about \$4.5 billion for the southwestern border.

“In the end, we have to get our work done,” said Senator Susan Collins, Republican of Maine and a longtime member of the Appropriations Committee. “My hope is that we can identify areas of common ground.”

A version of this article appears in print on June 3, 2019, on Page A19 of the New York edition with the headline: Attention Now Turns to Deadline to Avoid Default and Deep Spending Cuts

READ 358 COMMENTS

Comparative Funding Chart for FY20

June 4, 2019



	FY 2017 Final	FY 2018 Final	FY 2019 Final	FY 2020 CLPHA Request	FY 2020 HUD Request (3-11-19)	FY 2020 House Cmte (6-4-19)
Operating Fund	\$4.4 billion	\$4.55 billion	\$4.653 billion	\$5.40 billion	\$2.863 billion	\$4.753 billion
Capital Fund [Emergency Capital Needs] [ROSS Grants] [Jobs Plus] [Demolition Grants]	\$1.942 billion [\$21.5 million] [\$35 million] [\$15 million]	\$2.75 billion [\$21.5 million] [\$35 million] [\$15 million]	\$2.775 billion [\$30 million] [\$35 million] [\$15 million]	\$5.0 billion [\$30 million] [\$35 million] [\$15 million]	\$0⁶ [\$10 million] [\$0] [\$15 million] [\$30 million]	\$2.855 billion [\$30 million]
Housing Choice Voucher (HCV)	\$20.292 billion	\$22.015 billion	\$22.598 billion	\$24.154 billion	\$22.244 billion	\$23.810 billion
HCV Renewals	\$18.355 billion	\$19.6 billion	\$20.313 billion	\$21.20 billion	\$20.116 billion	\$21.40 billion
HCV Administrative Fees	\$1.65 billion	\$1.76 billion	\$1.886 billion	\$2.5 billion	\$1.738 billion	\$1.925 billion
HUD-VASH Vouchers	\$40 million	\$40 million	\$40 million	\$75 million	\$0	\$40 million
Tenant Protection Vouchers (TPV)	\$110 million	\$85 million	\$85 million	\$130 million	\$130 million	\$150 million
Self Sufficiency Account⁷: Family Self Sufficiency Program (FSS) ROSS Grants⁷ Jobs Plus⁷	\$75 million	\$75 million	\$80 million	\$110 million	\$75 million	\$150 million [\$100 million] ⁷ [\$35 million] ⁷ [\$15 million] ⁷
Choice Neighborhoods Initiative (CNI)	\$137.5 million [\$50 million] ¹	\$150 million [\$75 million] ¹	\$150 million [\$75 million] ¹	\$300 million [\$0.0 million] ¹	\$0	\$300 million [\$150 million] ¹
Rental Assistance Demonstration (RAD)	\$0	\$0 ²	\$0	\$100 million⁵	\$100 million⁵	\$0
Project-Based Rental Assistance [Contract Administration]	\$10.816 billion [\$235 million]	\$11.515 billion [\$285 million]	\$11.747 billion [\$245 million]	\$12.1 billion [\$250 million]	\$12.021 billion [\$345 million]	\$12.590 billion [\$345 million]
Section 811 Mainstream Vouchers	\$120 million	\$505 million	\$225 million		\$259.5 million	\$225 million
Homeless Assistance Grants	\$2.383 billion	\$2.513 billion	\$2.636 billion		\$2.599 billion	\$2.8 billion
Family Unification Program (FUP)	\$10 million ⁴	\$20 million	\$20 million	\$20 million	\$0	\$40 million
CDBG	\$3.0 billion	\$3.3 billion	\$3.3 billion	\$3.8 billion	\$0	\$3.6 billion
HOME	\$950 million	\$1.362 billion	\$1.25 billion	\$1.5 billion	\$0	\$1.75 billion
Mobility Demonstration			\$25 million ³	\$25 million	\$0	\$25 million

¹ Not less than this amount shall be awarded to public housing authorities.

² Increased the cap to 455,000 units.

³ New HCV mobility demonstration program

⁴ New funding for incremental FUP vouchers.

⁵ Eliminates the RAD cap

⁶ Account transferred to Operating Fund

⁷ New Self Sufficiency Program account



Council of Large Public Housing Authorities
455 Massachusetts Avenue, NW, Suite 425
Washington, DC 20001-2621
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TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,984,292 for the month of May, 2019.

Approved: June 26, 2019

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of May 2019

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	93,329	-	93,425	
Accounts Payable EFTs	EFTs	51	-	89	
Business Support Center				439,500	Program Support
Moving To Work Support Center				60,331	
Moving To Work Buildings (used by Support Center)				13,717	
Tax Credit Program Support Center				43,073	
Section 8 Programs				21,418	Section 8 Operations
KeyBank Building				36	Properties
Mr Mac Building				75	
Salishan 7				57,914	
Salishan Common Areas				865	
Arlington Crisis Residential Center				1,188	Development
James Center				26,510	
New Look/Alberta J Canada-Development				29,466	
Arlington Youth Campus-THA Costs				2,675	
Court F (HT 1800 Block)				3,045	
Salishan Common Areas				3,707	
Salishan Developer Fee				62	
Hilltop Redevelopment				130,302	
Bus Development Activity				3,193	
CS General Business Activities				4	
Community Services MTW Fund				4,828	
Education Private Grants (Gates, etc.)				593	
AMP 6 - Scattered Sites				6,190	Public Housing
AMP 7 - HT 1 - Subsidy				4,968	
AMP 8 - HT 2 - Subsidy				3,159	
AMP 9 - HT 1500 - Subsidy				81	
AMP 10 - SAL 1 - Subsidy				10	
AMP 11 - SAL 2 - Subsidy				10	
AMP 12 - SAL 3 - Subsidy				9	
AMP 13 - SAL 4 - Subsidy				9	
AMP 14 - SAL 5 - Subsidy				12	
AMP 15 - SAL 6 - Subsidy				12	
THA SUBTOTAL				856,960	
Hillside Terrace 1 through 1500				5,214	Tax Credit Projects - Reimbursable
Bay Terrace I & II & Community Facility				5,752	
Alberta J Canada Bldg				4,500	
Arlington Youth Campus				194,275	
Court F (HT 1800 Block)				163,465	
Renew Tacoma Housing				12,037	
Salishan 1 - Salishan 6				23,560	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				408,803	1,265,762
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,781	-	482,813	35,048
	EFTs	37	-	70	3,014,798
Payroll & Payroll Fees - ADP					668,684
TOTAL DISBURSEMENTS					4,984,292

TACOMA HOUSING AUTHORITY			
CASH POSITION - May 2019			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		2,358,741	0.55%
Section 8 Checking		4,316,283	0.55%
THA Affordable Housing Proceeds-Salishan		3,454,178	0.55%
THA Scattered Sites Proceeds		5,461,737	0.55%
FSS Escrows		160,068	0.55%
CSA Escrows		44,114	0.55%
Note Fund Account		102	0.55%
Credit Card Receipts		436	0.55%
Key Bank Security Deposits		3,024	0.55%
Relocation Account		19,528	0.55%
THA Investment Pool		334	0.55%
THDG - Tacoma Housing Development Group		747,528	0.55%
Salishan 7 Operations		2,124,100	0.55%
Salishan 7 Security Deposit		27,749	0.55%
Salishan 7 Replacement Reserve		306,748	0.55%
Salishan 7 Operating Reserve		201,932	0.55%
Highland Crest Operations		531,312	0.55%
Highland Crest Replacement Reserve		223,224	0.55%
Highland Crest Security Deposit		41,329	0.55%
Outrigger Operations		266,604	0.55%
Outrigger Replacement Reserve		136,239	0.55%
Outrigger Security Deposit		26,290	0.55%
Prairie Oaks Operations		84,255	0.55%
Prairie Oaks Replacement Reserve		23,173	0.55%
Prairie Oaks Security Deposit		3,763	0.55%
Payroll Account		8,286	0.55%
HOME STREET BANK			
James Center North Operations		473,157	0.00%
James Center North Security Deposit		55,916	0.00%
WASHINGTON STATE			
Investment Pool		\$ 102	2.55%
1. TOTAL THA CASH BALANCE		\$ 21,100,254	
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		\$ 2,544,101	

TACOMA HOUSING AUTHORITY

CASH POSITION - May 2019

4. Non MTW Cash Restrictions/Obligations					
<i>4.1 Non MTW Operational Restrictions</i>					
4.10 HUD Restricted - Lot and Property Sales				\$	8,915,916
4.101 Area 2B Sales Proceeds (Afford Hsg)		3,454,178			
4.102 Scattered Sites Proceeds (Afford Hsg)		5,461,737			
4.20 THA Property Accounts Reserved				\$	2,293,334
4.201 Security Deposit Accounts		158,070			
4.202 Highland Crest Operations Reserves		320,000			
4.203 Highland Crest Replacement Reserves		223,224			
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		136,239			
4.208 Prairie Oaks Operations Reserves		77,000			
4.209 Prairie Oaks Replacement Reserves		63,173			
4.210 Salishan 7 Operations Reserves		354,000			
4.211 Salishan 7 Replacement Reserves		306,748			
4.30 Rental Assistance Reserves				\$	584,513
4.301 Mod Rehab Operating Reserves		92,037			
4.302 VASH, FUP & NED HAP Reserves		298,084			
4.303 FSS Escrows		194,391			
4.40 Prepaid Grants				\$	1,034,780
4.401 Gates Foundation		287,252			
4.402 THDG		747,528			
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)				\$	15,328,543
4.70 Agency Contracted or Budgeted Commitments Remaining				\$	-
		-			
		-			
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)				\$	15,328,543
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)				\$	5,045,712
6. Development Advances - Project Reimbursement upon closing				\$	2,121,984
6.01 Arlington Crisis Residential Center		169,139			
6.02 Arlington Youth Housing		1,025,374			
6.03 Court F LLLP (1800 Block)		927,471			



TACOMA HOUSING AUTHORITY

**POLICY, INNOVATION, AND
EVALUATION**



TACOMA HOUSING AUTHORITY

DATE: June 26, 2019

TO: THA Board of Commissioners

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

RE: Policy, Innovation and Evaluation Department Board Report

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

This report also includes an update about the Alberta J Canada Ribbon Cutting event that took place on June 10, 2019.

1. Tacoma Schools Housing Assistance Program (TSHAP)

THA and the Tacoma Public Schools (TPS) are on task to complete the near term goals of the redesign and expansion of the Tacoma Schools Housing Assistance Program (TSHAP), formerly the Elementary School Housing Assistance Program (ESHAP). Throughout the period of late April through May 2019, the partners have:

- Continued the monthly convening of a workgroup made up of community stakeholders to advise the TSHAP expansion plan;
- Engaged with Pierce County Human Services (PCHS) and TPS to define the roles and responsibilities of partners to facilitate TSHAP's integration into the Coordinated Entry (CE) system;
- Explored financial models and funding options that will allow the program to go live in September 2019 and begin serving families with the current financial capacity and resources already identified.

1.1. Program Name

We have been referring to this program as the Elementary School Housing Assistance Program (ESHAP) as a name to replace the McCarver Elementary School Program because we had intended to move beyond a single elementary school. The program will be called the Tacoma Schools Housing Assistance Program (TSHAP) because we have decided to make the program available to all schools and all grades within TPS. It is a fairly minor

change but will serve as a reference to the redesigned and expanded program throughout this and future documents.

1.2. Workgroup Convening

THA & TPS convenes with the workgroup of stakeholders once a month. The role of this workgroup will be to help define the processes, strategies and tools to administer and operationalize the TSHAP. Attendees include TPS McKinney-Vento liaisons, Coordinated Entry (CE) service providers (Associated Ministries, Catholic Community Services, and Comprehensive Life Resources), ESHAP staff and current ESHAP participants.

The workgroup met in May and focused on identifying the system processes between TPS McKinney-Vento and the CE system (see Attachment A). The outcome of this conversation allowed THA to draft a roadmap listing the services and duties respective to TPS and CE from the household's point of being identified as McKinney-Vento, referred to CE, enrolled into services and exited from program. *See Attachment A for the roadmap visual.*

1.3. Pierce County Human Services (PCHS)

THA, TPS and PCHS met in early May to discuss the challenges around the budget and contract expectations for the TSHAP integration into CE. PCHS informed us that their finance department mandates a 15% administrative fee for all contracts moving forward. The county expressed a willingness to partner to search and apply for funding opportunities to cover this cost.

The county anticipates the search for the TSHAP services provider to go through its public Request for Proposal (RFP) process once THA and PCHS officially enters into a formal partnership. The County will need to have a commitment by THA at the end of June in order to enter into contract negotiations and be processed through county leadership review and approval (which may take about two weeks). Upon the county's leadership approval, the county can then issue a Notice of Funding Availability (NOFA) for the bidding of services by mid-July. Under this timeline, the county anticipates that final selection of the services provider and funding decisions can be made by mid-September. Optimistically, the selected service provider would be able to begin servicing families by October 2019 at the earliest.

The partners spoke about the potential for the CE and Rapid Rehousing administrator to be contracted under one organization. This will allow for efficiency of services and reduce the shuffling of families as they enter CE and enroll into housing services. Currently, the county divides CE services and Rapid Rehousing (RRH) services among two or more providers.

1.4. Tacoma Public Schools

Role of TPS McKinney Vento (MV) Liaisons: TPS Liaison, Thu Ament and TPS Director of Title I, Dr. Rita Chaudhuri, met with THA Deputy Director, April Black and Project Manager, Amy Van, in April to understand more about the MV's department priorities for the school year. TPS expressed their appreciation for the partnership and understood why there is interest among the workgroup for CE to deputize MV liaisons; however TPS emphasized their lack of capacity to take on this additional work. MV liaisons will maintain their existing duties, which includes identifying TPS families who are MV eligible through their annual housing questionnaire, conducting additional outreach to families in need, and referring families needing housing supports to the CE provider.

TPS funding contribution: In April, TPS leadership indicated that their \$125,000 annual investment to THA must go directly to services as part of the TSHAP expansion. Under this directive, TPS dollars will help to fund supportive services within the CE integration. TPS has indicated they have the space available at their MV office at the district headquarters for a service provider to co-locate that would handle CE intake and take referrals from the MV office once the new TSHAP has launched.

1.5. Catholic Community Services (CCS)

THA, TPS, PCHS and CCS met in mid-June to explore the interest of CCS to invest into the TSHAP using their Day One Funds (a four year grant from Jeff Bezos). CCS' intention with the Day One funds is to increase housing supports for families of color, families within harder-to-reach areas of Pierce County and to increase their investment into the rapid rehousing program. CCS saw a natural alignment between their goals and the TSHAP; however it expressed concerns around general challenges of meeting THA's contractual expectations, particularly with spending down rapid rehousing dollars within a given year. THA shared our willingness to look into a possible multi-year contract that would allow the contractor greater flexibility to budget dollars based on observable trends of the program over the course of several years. THA and PCHS encouraged CCS to respond to the future TSHAP RFP and to offer their matched dollars as part of their application.

1.6. Financial Modeling

THA and TPS have recently agreed to scale back the budget to a level that requires minimal future fundraising, starts at a manageable scale to test the theories of the redesign, and does not require additional resources.

THA and TPS will make a combined financial contribution of \$525,000 for the 2019-2020 school year. *This contribution is contingent upon securing the funds necessary to pay for the administrative fee charged by Pierce County to administer this program and other funding for the City of Tacoma.* Refer to Table 1 for the basic budget for the program. THA is requesting the City of Tacoma and Pierce County to contribute to the overhead expenses charged by Pierce County. This amount is *italicized* in the table. THA and TPS will contribute and/or fundraise for the remaining funds in order to utilize \$400,000 in housing assistance dollars for this program.

Based on existing data, the total number of households projected to be served ranges between 125-140 households (as a conservative estimate) and up to 170-190 households (as an optimistic estimate).

Below is the revised budget for the program and the areas where we are still attempting to fundraise:

Table 1. TSHAP Budget for 2019-2020 School Year

Service	Approximate Annual Cost	Description	Funding Source
Housing Dollars	\$400,000*	Dollars for housing assistance	THA
Supportive Services	\$125,000*	Funds needed to manage a coordinated entry system, housing search assistance and generally supportive services to assist with tenant success	TPS
Supportive Services	\$125,000		City of Tacoma (in addition to City's current \$120,000)
Pierce County Administrative fee	\$78,750* (15% of contract value)	This is Pierce County Human Service's fee to administer the contract.	Pierce County (this is a fundraising request)
THA Project Manager	\$100,000	THA staff to oversee of this program, manage the contract with Pierce County, and monitor outcomes to assist THA and TPS in making data-driven decisions.	Currently fundraising
THA Data Analyst	\$45,000	THA staff to oversee the data exchange between THA, TPS and the third party contract administrator and to monitor outcomes of the TPS students assisted with this housing investment.	Currently fundraising

*THA would like to scale up its housing investment when we begin to see positive outcomes from this investment. Scaling up will be dependent upon outcomes and securing additional external resources to pay for supportive services and administrative overhead.

1.7. Update on Current ESHAP Cohort

By the end of July 2019, THA will transition the 29 currently enrolled ESHAP households to the Housing Opportunity Program (HOP) subsidy per the legacy policy approved by the Board in February 2018.

Staff evaluated the potential rent burden of each household assuming the HOP subsidy. THA anticipates that 22 households will be less than 60% rent burdened. Four households will have rent burdens greater than 64% and three households have insufficient household information to determine impacts at the time of this report.

ESHAP staff will meet with each household as they transition to HOP to complete their final bridge assessment and discuss any concerns about their ability to pay their portion of rent. Staff members have also looked into the four households with severe rent burdens and have identified the issues that may be the cause of their rent burden (unemployment, over housed, or no reported income) as well as possible plans to support those households.

2. Children's Savings Account (CSA)

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

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

2.1. CSA Operational & Engagement Strategies

CSA staff members have been working on finalizing an engagement plan that outlines their strategies and methods on applied this year towards their engagement with the community to strengthen access to financial education and college readiness among the Salishan community. Their plan will demonstrate how they've aligned CSA engagement with the mission and efforts of the Family Investment Center and the Center for Strong Families. This plan will also include the activities, events and community partners who have, or will be, contributing to the engagement efforts. This plan will be included in the July board packet.

THA and Heritage Bank met in February, THA had shared with Heritage Bank concerns of identifying funding to maintain existing CSA staff after the 2019 calendar year. As a follow up to that meeting, Heritage recently shared that they are willing to consider flexing

their CSA contributions should THA see it necessary to re-allocate any dollar commitments to meet the needs of program administrative costs. THA will need to consider funding and program design that will allow the program to be sustainable upon expansion. This includes considering a redesign proposal that maintains the existing staff without additional positions needed, as well as reducing administrative inefficiencies and responsibilities that could otherwise be absorbed by community partners. CSE and PIE plan to keep Heritage Bank's dollars intact for CSA participants at this time, but appreciate the Bank's willingness to offer flexibility while we explore the redesign.

2.2. CSA Evaluation RFP

Through board approval in May 2019, THA entered into a service contract with BERK Consulting, INC. in early June. CSA and PIE staff has since engaged in a kick-off conversation in preparation for the data review and community engagement efforts to take place this summer. BERK, CSA staff and PIE have established a phone check-in that will occur every other week. The evaluator and staff worked through a plan for public engagement in early June and will begin initiating consultation as well as a review of program data and research literature in early July.

2.3. Improving Data Exchange And Data Review For Decision Making

THA and TPS continue to work on improving the accuracy and efficiencies of data exchange and reporting. THA received the 2018-2019 mid-year report card for ESHAP and CSA students in mid-April, however PIE has noticed some discrepancies in numbers reported and had brought that to TPS' attention. TPS' data team is addressing those discrepancies and PIE hopes to have an accurate student visual available to the Board at the July meeting.

3. THA Books Initiative

PIE and CSE began meeting earlier this year to improve the management and operational components of THA free books initiative. Each year, THA distributes nearly 10,000 children's books to families throughout the city. THA currently receives books through three main sources, this includes Housing and Urban Development's (HUD) Book Rich Environment (BRE), TPS' donation of their library books that are no longer in circulation, and a small portion from miscellaneous donors. At this time, THA has collected several thousand books and these books are stored at James Center North. The challenge for THA is the rate in which book accumulation is outpacing the capacity of THA staff to organize and distribute the books quickly enough.

To tackle this challenge, THA met with staff from the Foundation for Tacoma Students to discuss how THA can support their Early Learning and Out of School Learning networks efforts to increase access to free books among low-income families throughout the greater Tacoma area. THA staff will be presenting to both networks throughout June and will ask the committee members for input and volunteers who can help with organization, distribution and storage capacity.

In the meantime, CSE's intern, Alyssa Tatro, is coordinating distribution of BRE books with Tacoma Community House and the Tacoma Public Library. CSE Education Program Specialist, Marty Higgins, is managing the weekly replenishment of books at THA properties. Alyssa is also working with Rental Assistance to assemble reusable bags that contain a few age appropriate books for inspectors to hand out as needed, to help ease stressful situations.

Alyssa will also coordinate a book organizing event with volunteers in July and we hope to have a plan in August that outlines the mechanism in which community partners can plug into our book supply and support the expansion of free book access to low-income families throughout Tacoma.

4. Alberta J. Canada Celebration & Art Reveal

On June 10, 2019, the Tacoma Housing Authority, the Hilltop Community and a host of partners celebrated the remodel of the Alberta J. Canada building. It was a good day for the Hilltop, affordable housing, and the City of Tacoma. During the event, we celebrated:

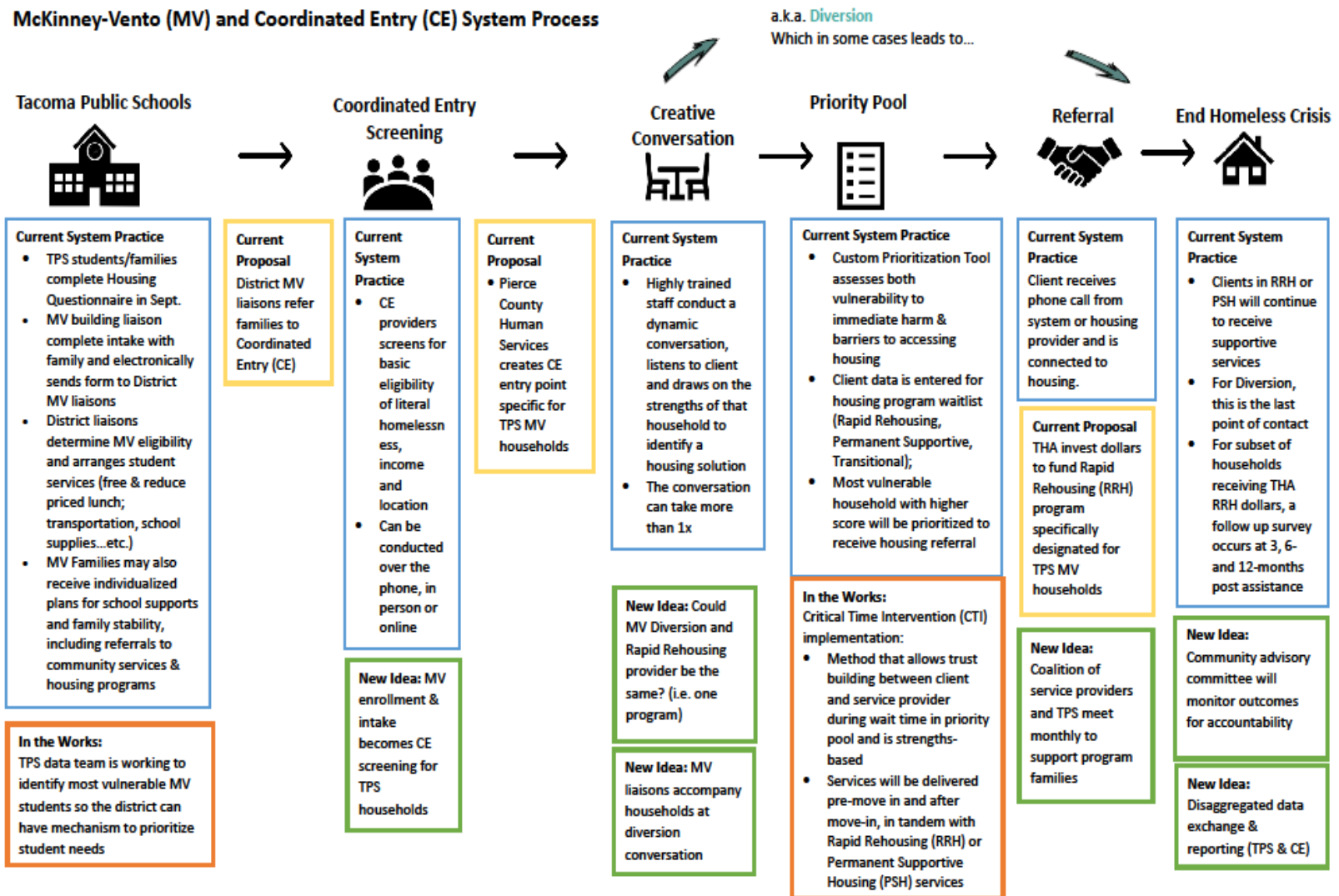
- A newly renovated building. The renovations include a brand new exterior, updated commercial storefronts, and office space, a new tenant courtyard, a lounge and manager's office, six residential ADA accessible units, a community room with courtyard access, a new HCAV system, and a Harborstone Bank ATM, which is the only ATM in Hilltop.
- The life and accomplishments of a Hilltop Hero, Alberta J. Canada. Her three daughters shared compelling stories about their mom's determination and ability to take personal responsibility for the problems she saw in her community. A full transcript of the speech is appended to this packet.
- An art piece in honor of Alberta J. Canada. Mauricio Robalino created a large colorful mosaic, now installed on the corner of 11th and MLK. He presented during the celebration and discussed the importance of each detail in the art work.
- Lastly, THA celebrated its partnerships. Bryan Flint of Sound Outreach, Dona Ponepinto of United Way and Mayor Victoria Woodards all presented on the need for strong partnerships to create stronger communities.

After the ceremony, guests were invited to tour the building and admire the newly installed art.





Attachment A (TPS and CE System Process Roadmap Visual)





TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: June 26, 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

May has been another big month for Client Support and Empowerment (CSE). The leadership team reorganization is now complete with the new hire of Robert Lewis as the new CSE supervisor. Robert is an internal hire and has been a case worker with this department for the last year and a half. He has another eight years of experience in case work with homeless adults along with his JD and experience as a defense attorney. The leadership team could not be happier to have Robert on board! His case worker position is posted and Robert and Kendra will work together to hire his replacement.

Arlington Drive continues to be a focal point with Cacey coordinating with the Office of Homeless Youth to ensure that operating funds are easy to access and flexible so that the YMCA and CYS can run the best programming possible. The Y and THA will get together in early July to work on the transfer of the community engagement process from BDS to the YMCA. This will allow the Y to directly engage and work directly with young people and local service providers to develop and design their programming with feedback from those who will be most impacted.

3. CLIENT SUPPORT & EMPOWERMENT

3.1 DATA QUALITY & INTEGRITY UPDATE

CSE Leadership has met together regularly since May of 2018 to discuss how to represent the work done within CSE using thoughtful data. The Program Manager, Kendra Peischel, continues to work with the Sales Force team to identify the department's needs and priorities, ensuring that THA databases efficiently and effectively support the department's identified data needs. This will increasingly allow CSE to paint a full picture of the work and outcomes achieved within this department.

3.2 LEADERSHIP UPDATE

3.2.1 TWO-GENERATIONAL SERVICE DELIVERY

CSE has an increased focus on creating a true two-generational approach within all programs. As an example, the Child Savings Account (CSA) team held a workshop called "Money Fest" at the Family Investment Center in May. At this event parents and their children engaged in financial education activities, bringing multiple generations together to learn at once.

A new program called Whole Family Services, funded by the City of Tacoma, allows CSE staff to provide targeted and family-focused support to THA households coming out of homelessness and households at risk of eviction who also have children in Tacoma Public Schools (TPS). Education Specialist Marty Higgins and Case Workers Shelly Azabache, Robert Lewis and Byron Williams have been focusing on the development of this program, coming up with new ways to engage multiple generations at once. Specifically, Byron has been working in coordination with Salishan Property Management on a restorative justice approach for children who have caused their families to be in violation of their lease. Families note that they have had a positive experience attending small group sessions focused on social-emotional learning, which aligns the TPS Whole Child Initiative. Additionally, CSE has been a collaborative partner with Bay Terrace staff and security regarding an increase in unattended youth causing disturbances after school, in the evenings and on weekends. Marty and Byron have been working with youth after school every day to learn directly from them what kind of safe afterschool activities they would like present in their community.

3.2.2 CENTER FOR STRONG FAMILIES

Center for Strong Families (CSF) is an integrated services delivery model that supports families in earning, keeping and growing their income and assets. Clients build assets through employment, financial coaching, and accessing income supports.

THA and Sound Outreach partner on two CSF locations: the Salishan Center for Strong Families and the Hilltop Neighborhood Financial Opportunity Center. We are happy to welcome our new embedded Financial Coach, Kenan Hadzic, to the Salishan CSF team! Kenan comes to us with a banking background and is passionate about helping people explore their financial opportunities.

3.3 PROGRAM METRICS

3.3.1 ASSET BUILDING PROGRAMS

3.3.1.1 FAMILY SELF-SUFFICIENCY (FSS)

Family Self-Sufficiency has been busy recruiting new participants. In May, 10 new households were enrolled in the program. This is in large part due CSE teamwork referring households to the program; it is also due to the excellent outreach and employment coaching done by FSS Case Worker Stephanie Hopkins.

NEW FSS ENTRIES

Voucher Program	Totals
Housing Opportunity Program (HOP) Vouchers	1
Elementary School Housing Assistance Program (ESHAP)	3
Project Based Vouchers	2
Traditional Section 8	4
Grand Total	10

Last month, CSE introduced the concept of FSS phases. The phases are below. We will report our FSS participants in these sections on a monthly basis and grouped by their housing program.

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.

Total Number of FSS Phase One participants by voucher program

Voucher Program	Total Phase One Participants
Housing Opportunity Program	15
College Housing Assistance Program	1
Elementary School Housing Assistance Program	7
Project Based Vouchers	24
Public Housing	12
Tax Credit RAD Vouchers	2
Traditional HCV Vouchers	18
Grand Total	79

Phase 2: Years 4-5

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

Total Numbers of FSS Phase Two participants by voucher program

Voucher Program	Total Phase Two Participants
Housing Opportunity Program	14
Family Unification Program	1
Elementary School Housing Assistance Program	1
Project Based Vouchers	27
Public Housing	11
Tax Credit RAD Vouchers	2
Tenant Protection Vouchers	1
Traditional HCV Vouchers	27
Grand Total	84

3.2.1.3

CHILDREN'S SAVINGS ACCOUNT (CSA) PROGRAM

In May, Trish Mozo, the CSA specialist held THA's first "Money Fest" and an amazing total of 64 people attended. Folks in attendance remarked that the event was fun and a good way to spend time learning with their family. In one classroom there were 10 different tables with different money counting games and all were hosted by volunteers. In another classroom, we had two separate workshops for adults. One was about the importance of insurance and the other focused on renters' rights. Sound Credit

Union provided food and gift card incentives to the families who participated. Your Money Matters provided all the supplies for the money games and volunteers.

Money Fest Attendance

- 64 individuals
- 13 CSA students (earning a total of \$325 in incentives)
- 12 Family Self-Sufficiency families

3.2.2 SOCIAL CAPITAL PROGRAM

3.2.2.3 COMMUNITY WELLNES PROGRAM

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 Builder Update

Martha Mathias, THA's community builder, has been collecting wellness surveys in order to assess the needs of the residents in the seven Senior & Disabled apartment communities. She has received 63 responses back presently from the 360 residents who have been given the survey. This survey will help Martha better understand the needs of the individual buildings including what types of activities they would like to engage in, allowing her to build the community residents want.

Martha has also made flyers for events such as foodbank and grocery store runs. With the help of a volunteer driver, Martha and residents all go shopping together, learn how to budget, work on healthy meal planning, and connect with each other in the meantime. In May, Martha took residents on THA's first free zoo outing for the senior and disabled buildings and is planning a second one in June. Martha facilitated another fix-it-fair where, rather than fixing bicycles, volunteers fixed residents' wheel chairs and walkers allowing them to increase their safe mobility. Further, Martha worked with residents at E.B. Wilson to help them complete a SNAP-ED and food insecurity survey, providing residents the opportunity to use their voice and provide feedback on their health and access to nutritious food.

Finally, the resident advisory board (TRAC board) and Treasurer worked with Martha to obtain their 501c3 status back, which they have struggled to do for the last seven months. As a part of her work to assist the TRAC board, there is now a building representative from Fawcett Avenue (La Francis Singleton), meaning that all of the buildings currently have representation.

Martha has planned the following outings for residents in June:

- Zoo trip
- Rainiers Game
- Owens Beach Picnic
- Numerous potlucks and fish fries hosted by residents at their buildings
- Mosaic classes taught by Martha at G Street. Martha's mosaic class is a series of 3 or 4 classes which will allow them time to finish a project. She was also able to get most of the materials donated!
- SNAP- ED cooking and nutrition classes
- Tacoma Cares Classes
- Yoga classes
- Fall prevention classes (July start date)

Community Wellness

	May 2019	Annual Total
New Participants	14	134
Duplicated Participants for the month	42	306
Resource Connections	94	322
Hours spent on Skill Building	22.5	36.5

3.2.3 HOUSING STABILITY PROGRAMS

3.2.3.3 EVICTION PREVENTION

CSE's interventions for households who are facing eviction effectively prevent evictions, helping residents find stability in their units. CSE defines housing instability as any household who has received or is at-risk of receiving a notice for repeated lease violations, rent delinquency, or excessive damages to their unit. Prior data shows that an eviction costs THA \$8,000 in deferred/unpaid rent, unit turn costs, and attorney fees.

Eviction Prevention

	May 2019 Evictions Successfully Prevented	May 2019 Savings to THA	Year to date evictions successfully prevented	Annual Savings to THA
THA Family Properties	9	\$ 72,000.00	25	\$ 200,000.00
Senior Disabled	11	\$ 88,000.00	38	\$ 304,000.00

3.3 PROGRAM UPDATE

3.3.1 PARTNERSHIP UPDATE

Marty Higgins' Education Specialist Update

For the month of May, Marty has been working steadily to shore up programing and free lunches for THA properties as summer approaches and kids will be out of school. Marty enlisted KBTC who will provide programming three days a week during the free lunch program at Bergerson Terrace and an additional two days a week at Hillside Terrace. The program at Hillside will also include outreach and a “walking school bus” at Bay Terrace properties as well. A literacy program called *It Takes a Village* has a vast collection of comic and Young Adult graphic novels for residents to check out and they will be at Hillside and Bay Terrace three days a week. Salishan also has a wealth of summer programing, including KBTC, the Tacoma Library System and Metro Parks, along with the United Way’s summer reading program and Eco Camp.

Marty has also been working to identify and collaborate with creative, developmentally and culturally diverse community partners to provide youth programming across the THA portfolio.

Partnership Agreements

CSE has entered into numerous partnership agreements in May, including:

- Zeta Phi Sigma of Sigma Gamma Rho Sorority - educational, health awareness, leadership development and mentoring activities
- Genesis Housing Community Development Council – pre-apprenticeship training at the Family Investment Center
- It Takes a Village – Summer Comic Book Club at Hillside Terrace
- Renaissance Twenty-One – art classes for seniors and folks with disabilities

- HybrED Fitness – THA has partnered again with Eric Davis of HybrED Fitness to provide another series of fall prevention and core strengthening classes at the Senior & Disabled communities

3.3.2 ELEMENTARY HOUSING ASSISTANCE PROGRAM (ESHAP) UPDATE

In partnership with Rental Assistance, the ESHAP team has begun the Housing Opportunity Program (HOP) transition for all 29 households who will begin on their HOP subsidy July 1, 2019.

ESHAP to HOP by the numbers

- 14 families are at or below 30% rental burden
- 9 families are between 32% and 58% rental burden
- 5 families are above 64% rental burden
- One family is currently shopping

ESHAP Participant Highlight

As THA comes to a close on the original ESHAP program, we want to share a success story from one of our participants.

Sarah Joy was homeless when she relocated to Washington. She was staying with her mother near McCarver Elementary School where her son was in first grade. She enrolled in ESHAP in 2016, quickly found housing and took advantage of the support the program offered. While Sarah was in ESHAP she enrolled in and began taking college classes, earning her Associates in Applied Sciences in Business. Amidst active parenting and taking classes at Tacoma Community College (TCC), Sarah also participated in parenting classes through THA's partnership with HopeSparks, engaged in financial coaching at Sound Outreach and enrolled in THA's Family Self-Sufficiency program. Her perseverance and incredible work ethic along with access to an array of services and supports have helped Sarah come a long way!

Here is Sarah's story in her own words:

My name is Sarah Joy and I am an addict. I say that with pride these days because to me and my personal story, it says that no one person should be defined by their past. I grew up in a house full of addicts and as a teenager using drugs was a norm, and school wasn't as important. Fast forward to my current life, I have 2 years and 9 months clean. I just currently graduated with my Associates in Applied Sciences in Business from Tacoma Community College. I graduated with high honors with a

GPA of 3.86, all while maintaining a part time job and two little ones at home needing mommy. Upon graduation from Tacoma Community College, I enrolled in Southern New Hampshire University and am working towards a Digital Marketing degree. Also, the work study position that I held for 2 years, turned into a full time, classified staff position at TCC. I am now currently employed full time, with a 401k, union benefits, medical/dental plan as well as a paycheck that I can survive on. I am truly blessed in my life today and I owe all this to the program of Narcotics Anonymous and my willingness to take a leap of faith and to change my life around. Thank You to all who helped me along the way!!

There are numerous THA staff and partners who have all worked incredibly hard to ensure that ESHAP was a success. This story is just one of many that show a bit of the impact of their hard work and dedication. THA is filled with an incredible group of staff, amazingly resilient clients, and wholly supported by a Board of Commissioners, all supporting and uplifting this life changing work. We thank you all, and especially Sarah for her perseverance and for sharing her story.



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: June 26, 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 applications for the expansion of the Property Based Subsidy (PBS) have been reviewed and the recommendation for approving four of the applications is being presented at this month's Board Meeting. As stated in last month's meeting, we have had a diverse group of applicants apply that will assist some of the neediest in our community. At the Board meeting we will discuss how these possible contracts partnered with our 2020 project-based voucher commitments impact THA's long-term budget. Subject to the outcome of this discussion, staff will be recommending the Board approve four (4) new PBS contracts at the June meeting.

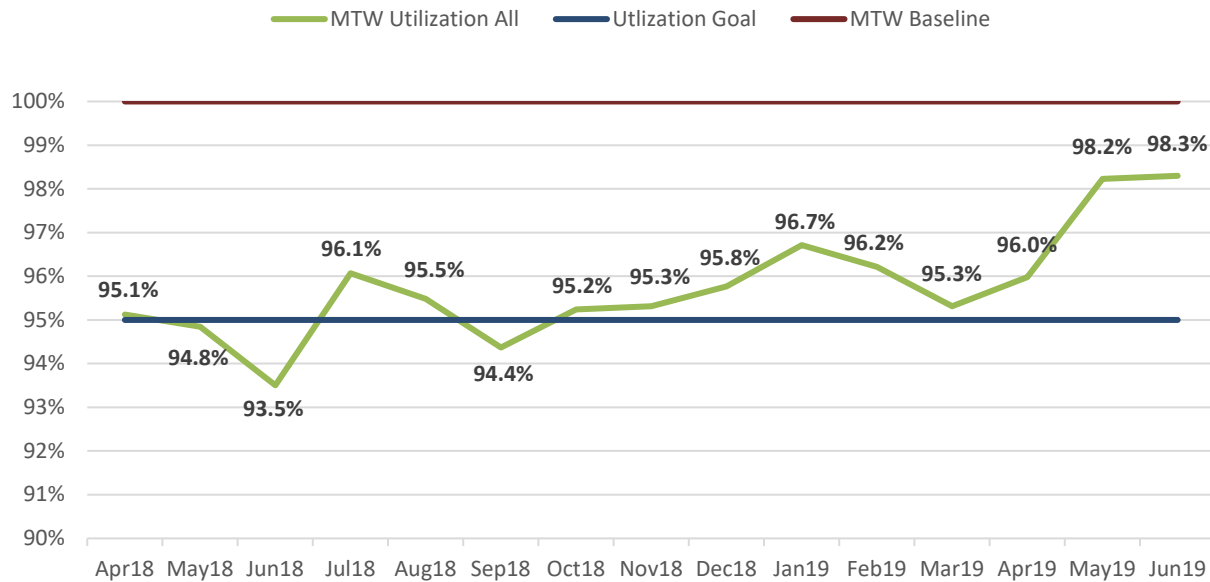
Rental Assistance currently has several staff members out on leave. One is on maternity leave (Welcome Madeline Eileen Beck born on 5/22/19 to Program Manager, Jessie Beck). One was on medical leave and two staff members are on a month long trip of a lifetime to Cambodia. Needless to say, we are a bit short handed but, have made arrangements for coverage. Interim promotions have been made and an intern has been hired. We also had a resignation in the Office Assistant position and were lucky enough to have filled that position prior to the last day of employment allowing for some cross training to occur.

3. RENTAL ASSISTANCE AND LEASING

3.1 Overall Utilization Report

The overall Housing Choice Voucher utilization is reported at 98.3% for the month of June 2019. THA receives a report on utilization on a quarterly basis for Rapid Rehousing (RRH) and Property Based Subsidies (PBS). The RRH update was on May 15th, 2019 and reflects actuals through February 2019. The PBS data is current as of April. As new information is reported for both RRH and PBS, this utilization report is updated accordingly.

Overall MTW Utilization as of 6/1/2019

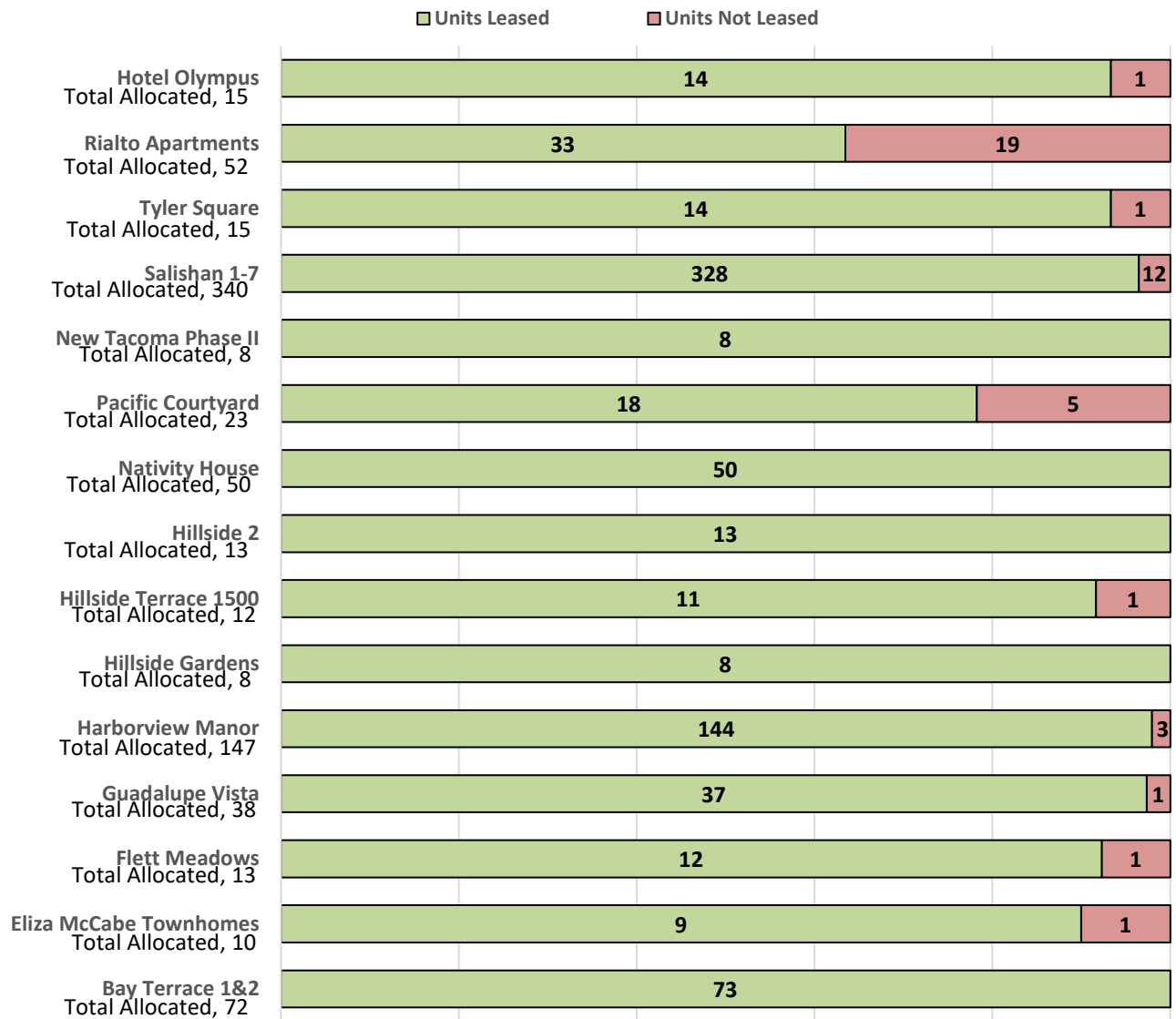


3.2 Project Based Voucher Report

Overall utilization for project-based vouchers continues to be strong. Pacific Courtyard had leased two vacant units in the prior report but a new unit is now vacant, bringing the vacancy total from 4 to 5. THA staff is still in weekly communication with Pacific Courtyard site staff to ensure the remaining units are filled as soon as possible. Staff at Pacific Courtyard are aware of this concern and are working hard to fill these vacancies. MDC is going through leadership change and they are also working on re-organizing their department in order to work more efficiently. If vacancies remain through next month, THA staff will notify senior leadership at MDC and work toward a possible solution.

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

Project Based Voucher Utilization as of 6/1/2019



3.3 Special Program Report

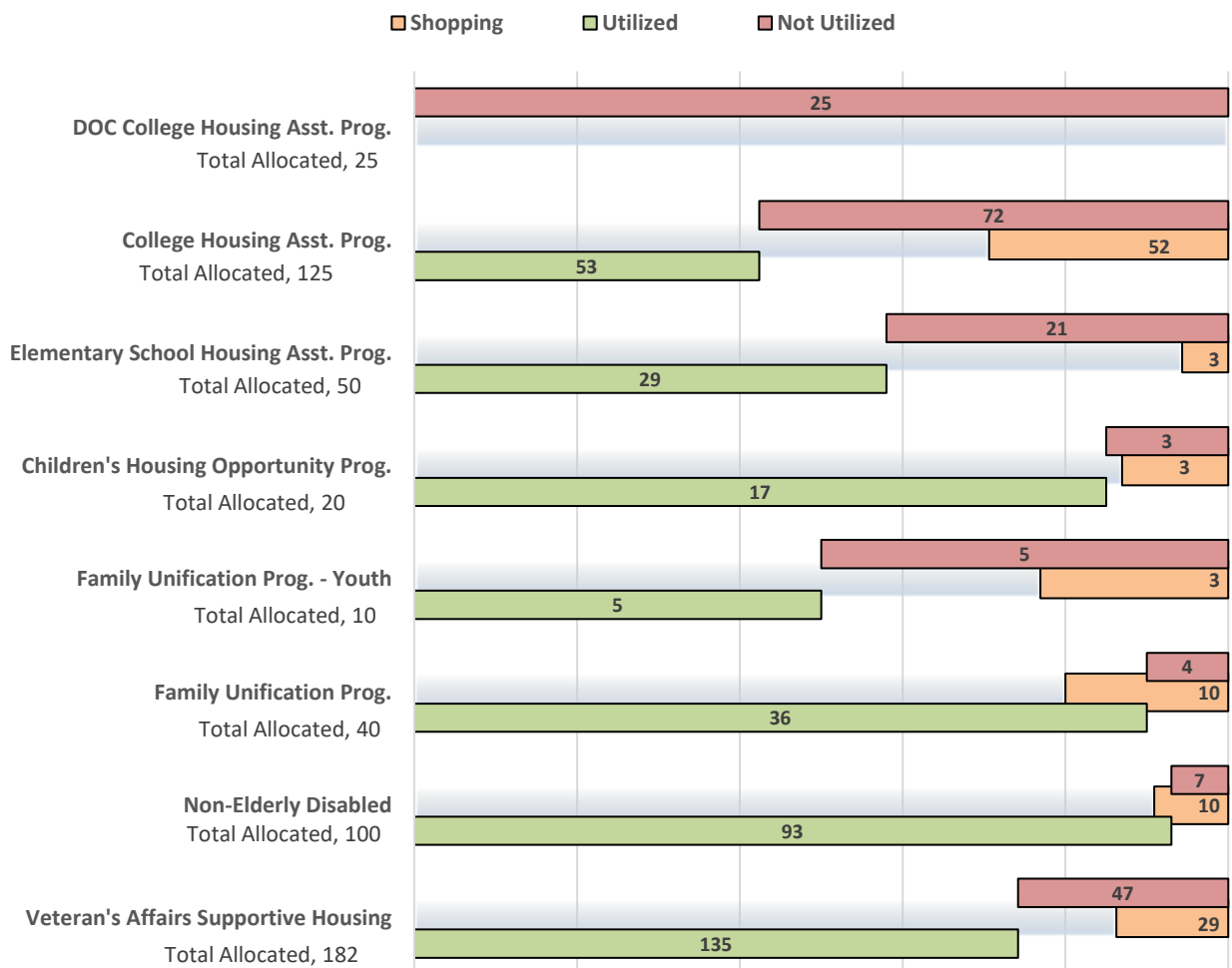
The following page includes a breakdown of the utilization of THA's special programs. The chart below has been updated to include shoppers for each program. The Department of Corrections program with Tacoma Community College (TCC) has now been added as a separate bar. Currently this program is in the early stages of development and has not been utilized. Staff met with TCC on June 14th. TCC agreed to give this program some focus and set a goal to launch the program in fall 2019.

Utilization for VASH and 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. During the THA-TCC meeting on June 14th, we agreed to reduce the commitment to the general CHAP to 75 subsidies effective immediately.

The VA has exhausted its waitlist for VASH, and is now pulling referrals from the Coordinated Entry System. This change is in response to the concerns THA and other agencies are having regarding utilization. The VA is also hoping to improve their access to veterans by having a more up to date list to work from. They estimate the list of veterans from the coordinated entry list could be upward to 450. Keep in mind not all of these veterans will need, want, or qualify for VA services but, it will generate an accurate list that will be updated on a regular basis. This population tends to have additional barriers associated with renting so they could have difficulty leasing up.

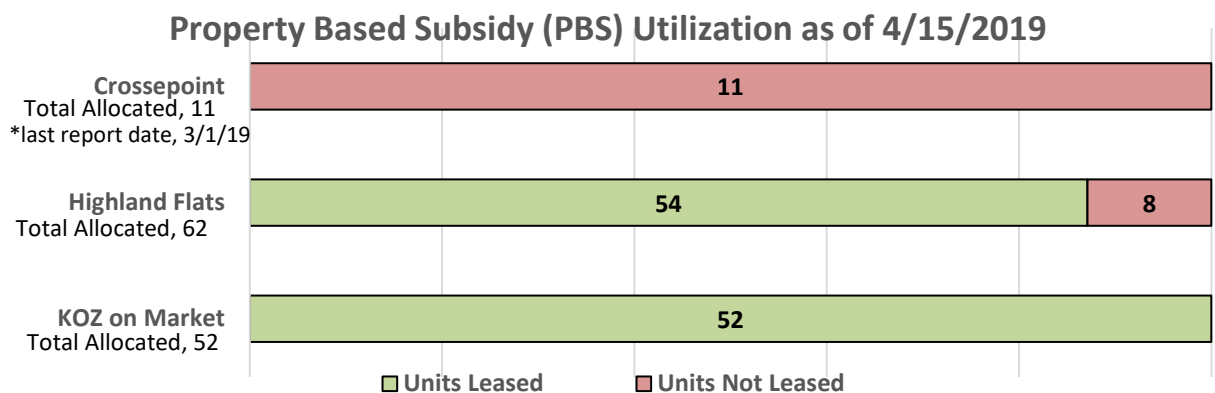
Special Program Utilization as of 6/1/2019



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 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.



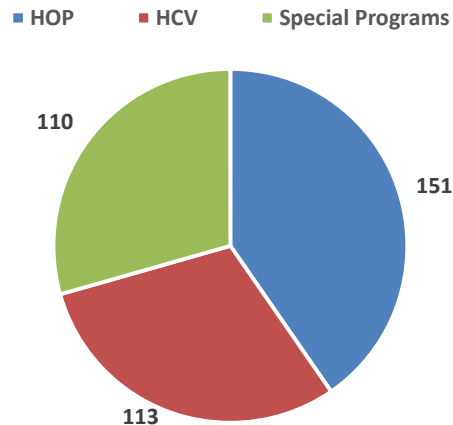
The three properties we have on the PBS are having varied levels of success as far as reporting. The KOZ on Market leased up quickly and began receiving subsidy payments in February 2019. It has been a little more difficult with Highland Flats and Crosspoint. These properties are managed by the same property management company and have gone through three managers and two portfolio managers since January 2019. This has caused a problem with reporting. THA staff have met with the new managers, reviewed the program and is confident they are understanding their roles in this process. Their staff have provided the necessary documents for Highland Flats but still have been unable to provide move in information for Crosspoint. We will continue to address this with the property and should have move information by next month. We have had verbal reporting that the 11 units at Crosspoint have been leased but they are unable to provide the documentation for payment at this time.

Rental Assistance is seeing a large shift in management changes throughout the community. It is typical for staff to change but it seems to be at a higher rate than in the past. We assume that as the market has changed due to new properties being built, renovated and sold, it is creating a greater need for property management staff and the opportunity of experienced staff to change positions. Unfortunately, we are seeing far less experienced staff at the properties we work with causing much more training from THA. The Landlord Engagement Specialist is addressing training as we see changes.

3.4 Shopper Report

The chart provided 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. Clients may or may not be housed during this process. The shoppers in the chart below include clients new to the program from the waiting list and clients moving from one unit to another. As of June 1, 2019, there are 374 total clients shopping.

Current Shoppers as of 6/1/2019



May of 2019 showed 390 shoppers. We are no longer pulling applicants from the waiting list due to our increased utilization. Based on this you would assume this number would drop very quickly. Although clients will drop off of this report, new shoppers will be added. Most of the new shoppers added will be due to relocation. The summer months are the most popular times for moves so we should not expect a significant drop in the number of shoppers until September or October. As always, we will continue to closely monitor this portion of the program.

3.5 Leasing Report

Approximately 5 HOP subsidies were issued in May. Currently there are 14 RFTAs (Request For Tenancy Approval) being processed that should be added to the “Housed” total for next month’s report. These are carryovers from previous waitlist pulls, no new subsidies have been offered. As stated above, now that we have achieved our utilization goals we will suspend pulling applicants from the waiting list and will no longer be absorbing incoming ports. Ports are clients transferring from another agency. If we absorb them, they become ours and if we do not, we bill the agency they come transferred from.

We will continue to monitor 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: June 26, 2019

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

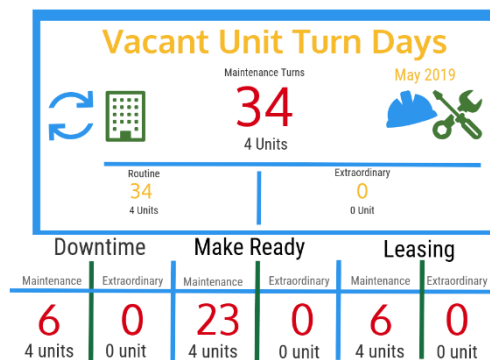
1. OCCUPANCY OVERVIEW

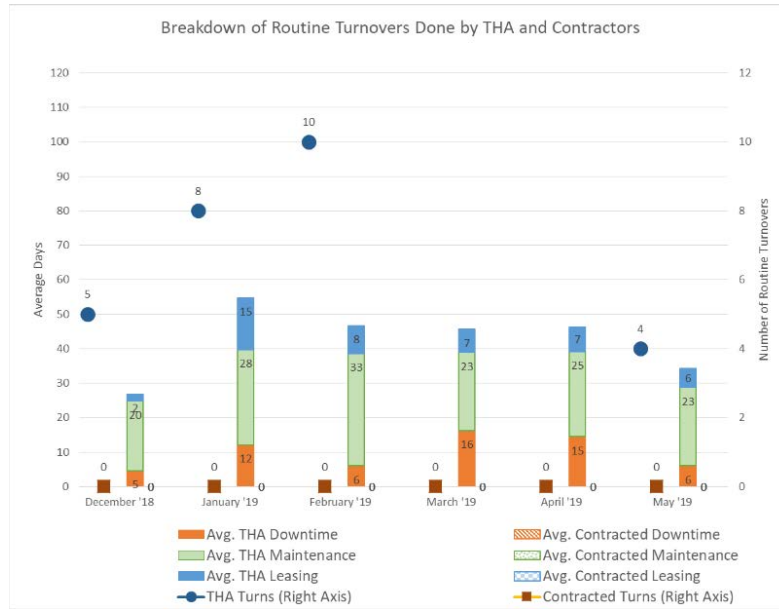
1.1 Occupancy

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	10	1	620	98%	99%
Senior/Disabled	353	5	0	348	98%	99%
All Total	1,308	15	1	1,292	99%	99%

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

1.2 Vacant Unit Turn Status





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	May	4	4	0	34.3	6.0	22.8	5.5
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

The average unit turn time for the month of May was 34 days. This turn time included work on four (4) 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.

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 May 31, 2019

Total Work Orders Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	37	1		38
Bay Terrace Phase One	13	1		14
Bay Terrace Phase Two	21	1	1	23
Bergerson Terrace	6	3	1	10
Dixon Village	8	3	2	13
E.B. Wilson	30	2		32
Fawcett Apartments	6			6
Hillside Terrace 1500 Block	5	2		7
Hillside Terrace Ph 1	4			4
Hillside Terrace Ph II	2			2
Ludwig Apartments	6	1	1	8
North G St	11	2		13
North K St	20	1	1	22
Salishan Five	28	1		29
Salishan Four	31			31
Salishan One	13			13
Salishan Seven	13			13
Salishan Six	12			12
Salishan Three	21			21
Salishan Two	61			61
THA-6th Ave Apts.	1			1
Wright Ave	27	2		29
Grand Total	376	20	6	402

Open Work Orders by Priority BR			
For Month Ending May 31, 2019			
Property Name	Priority		Grand Total
	Routine	Urgent	
6th Ave Apartments	12	6	18
Bay Terrace Phase One	29	0	29
Bay Terrace Phase Two	15	0	15
Bergerson Terrace	24	0	24
E.B. Wilson	4	0	4
Fawcett Apartments	24	0	24
Hillside Terrace 1500 Block	1	0	1
Hillside Terrace Ph 1	2	0	2
Hillside Terrace Ph II	5	0	5
North G St	27	0	27
North K St	1	0	1
Salishan Five	7	0	7
Salishan Four	3	0	3
Salishan One	18	1	19
Salishan Seven	27	0	27
Salishan Six	26	0	26
Salishan Three	49	0	49
Salishan Two	25	0	25
Wright Ave	8	0	8
Grand Total	307	7	314

In the month of May, 100% of emergency work orders (a total of 6) were completed within 24 hours; maintenance staff completed 307 (routine work orders, with a timeline to be addressed within 10 days) and 1,502 for the calendar year. The year-to-date average number

of days to complete non-emergency work orders is 12 days. Property Management (PM) continues to bring down the number of outstanding work orders and improve customer service.

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

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



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: June 26, 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 has been completed. Staff will be resubmitting the disposition application. Based on initial feedback from the staff at the Special Application Center (SAC) a new closing schedule will be set.

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	12	36
Homeless	8	6	14
Disabled	8	6	14
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 \$22,285,582. The 2018 tax credit allocation of \$1,341,248 is projected to generate an estimated \$12,740,582,000 in equity. This estimate reflects a 2.9% 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 previously approved up to \$2M for this purpose. On May 22, 2019 staff is presenting a new resolution 2019-5-22 (3) increasing THA's sponsor loan to \$2,600,000 of which \$227,006 will be reimbursed to THA by an award of CDBG funds available in the Fall of 2019. The CDBG funds are to be used exclusively for right-of-way improvements. The increase in THA Sponsor Loan proceeds is to fill a financing gap created by a State Prevailing Wage increase.

On May 23, 2018 the Board approved resolution 2018-05-23 (3) authorizing the Executive Director to contract for 53 Project Based Vouchers for 1800 Hillside Terrace. Since this authorization it has been determined to place vouchers on all 64 dwelling units for the project. On May 22, 2019, staff is submitting the resolution 2019-05-22 (7) requesting authorization to contract for 64 Project Based Vouchers.

On May 22, 2019 staff submitted a Bond resolution 2019-05-22 (5) requesting authorization for THA to issue two bonds in a principal amount of up to \$16,000,000. The proceeds will be used to make a loan or loans to Court F LLLP (the "Partnership") to finance a portion of the costs of construction.

On May 22, 2019 staff submitted an Omnibus resolution 2019-05-22 (4) authorizing 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.

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. Marpac completed solicitation for sub-contract bids. Marpac submitted a Guaranteed Maximum Price (GMP) of \$18,320,399 including owners contingency and taxes. On May 22, 2019, Resolution 2019-05-22 (6) was approved by the Board authorizing the Executive Director to negotiate and enter into a construction contract not-to-exceed \$18,500,000.

Architecture

SMR Architects has issued bid documents to Marpac. These documents include the City's first round of plan review comments. At the conclusion of the City's plan review the architect will issue a final conformed set.

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. A license for the use of space has been executed with a local nonprofit that serves low income and foster care youth. This license allows for a below market rent in exchange for a flexible lease term and the option to continue advertising the space for lease as needed.

3.1.4 Predevelopment

Community outreach has been completed. 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 have contracted with Tahoma Audubon to host a movie night free to the community at James Center North. Multiple organizations have agreed to help advertise and have a presence for the event. Additional information will be provided as decisions are made for this innovative placemaking process.

Representatives from Fircrest and University Place participated 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. The City of University Place is organizing a subarea planning effort for the area around James Center North. THA has been invited to participate and selected staff plan on attending. Tacoma Community College (TCC) leadership is also participating in the planning process.

THA is coordinating with TCC to explore master lease options for student housing at JCN. THA expects this exploration to extend through the fall.

The final master planning report is completed. The report summarizes 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. 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. On May 17, 2019 staff held discussions with CDK Construction with legal representation to negotiate the Liquidated Damages claim. Staff set-a-side the day for these discussions but, CDK's attorney indicated they only had an hour dedicated to the discussions. There was no resolution to the matter during the shortened meeting.

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's initial bid estimates that are in alignment with the projected budget; however, a subsequent estimate increased the development cost for the CRC and apartments by \$1.8M. Bids from subcontractors are coming in now and are a bit lower than the most recent Korsmo estimate. Staff is working through the bids and design to reduce the cost as much as possible.

The closing for Arlington will likely be the week of July 15th. Negotiations with Boston Capital and Heritage Bank have been respectful and productive. Commerce will include the \$800,000 in the \$4.29MM documents.

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 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 were 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 237 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.

6. Tenant Improvement

6.1 902 First Floor TI

A Request for Qualifications for an Architect to provide interior administrative office space study, feasibility and design services was issued April 30, 2019. The initial phases of services will be focused on the 1st floor of THA's 902 Office Building. The North side of the 1st floor was not included in the 2012 Tenant Improvement and staff changes on the South side of the 1st floor require a fresh look in order to improve workspace and provide efficient work flow. The committee received, reviewed and scored six proposals. The highest scored firms will be interviewed with a recommendation to the Executive Director and Board of Commissioners to begin contract negotiations. The successful architect will conduct a field survey to determine staffing needs and provide a feasibility report with a preliminary construction estimate. THA will make a go or no-go decision at this point. The decision is expected in late July. The time frame for a move forward decision will include concept development, design, drawings and bid specifications to be completed in September 2019. Construction activities should conclude in March 2020.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-06-26 (1)

Date: June 26, 2019

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Contract with Pierce County to Administer Tacoma Schools Housing Assistance Program (TSHAP)

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to enter into contract negotiation with Pierce County to administer the Tacoma Schools Housing Assistance Program (TSHAP).

Background

Tacoma Housing Authority (THA) and Tacoma Public Schools (TPS) plan to build on its positive experience with the McCarver Elementary School Housing Assistance Project and launch a Tacoma Schools Housing Assistance Program (TSHAP). This new program will expand its original program that began in a single TPS elementary school to all schools and all grades within TPS. Any McKinney-Vento (MV) household attending a Tacoma Public School will be eligible for this program. Data from TPS showed that there are an estimated 795 McKinney-Vento households within TPS for the 2018-2019 school year.

The basic components of the program include:

- 1.1 Services and housing assistance will take place within the Tacoma Public Schools catchment area. The household does not need to begin their homeless experience within the City of Tacoma, but the household must have children enrolled in a Tacoma Public School in order to be eligible and must secure TSHAP housing in the Tacoma Public Schools catchment area.
- 1.2 While the regular Pierce County Coordinated Entry system only serves literally homeless families and families fleeing domestic violence, all McKinney-Vento households with children enrolled in a Tacoma Public School will be eligible for this program. A third-party contractor will receive referrals made by TPS MV liaisons and will conduct a vulnerability assessment for those households. This assessment and scoring tool

developed by Pierce County will help determine the appropriate resources and housing intervention for each household. Households will be served based on their vulnerability level, as opposed to solely using literal homeless as a gauge of eligibility and vulnerability.

1.3 THA will contract with Pierce County Human Services to administer this program. They will contract with a third-party provider(s) to operate the program including Coordinated Entry intake and case management. Pierce County has said they will need 15% of the contract value as an administrative fee. Pierce County has also estimated that, based on past history, service providers will need an amount equal to 40% of the housing investment in order to support families in stabilizing housing.

1.4 Tacoma Public Schools has committed \$125,000 to support the THA staff necessary to design and oversee this program.

1.5 TSHAP FUNDING CHART for 2019-2020 School Year:

The chart below details the services, annual costs and committed or anticipated funding sources for TSHAP for the 2019-2020 school year. It is estimated \$400,000 in housing assistance will serve up to 140 TPS McKinney-Vento families.

Service	Approximate Annual Cost	Description	Funding Source
Housing Dollars	\$400,000	Dollars for housing assistance	THA
<i>Supportive Services</i>	<i>\$125,000</i>	<i>Funds needed to manage a coordinated entry system, housing search assistance and general supportive services to assist with tenant success</i>	<i>Requested contribution from the City.</i>
<i>Pierce County Administrative fee</i>	<i>\$78,750 (15% of contract value)</i>	<i>This is Pierce County Human Service's fee to administer the contract.</i>	<i>Request that Pierce County contribute this in-kind</i>
THA Project Manager	\$100,000	THA staff to oversee of this program.	TPS
THA Data Analyst	\$45,000	THA staff to oversee the data exchange between THA, TPS and the third party contract administrator.	TPS and other funders
TOTAL COST:	\$748,750	ESTIMATED HOUSEHOLDS SERVED WITH DIVERSION OR RAPID REHOUSING:	140

This resolution seeks approval for THA to commit \$400,000 per year for the next three years for the Tacoma Schools Housing Assistance Program (TSHAP). THA's contribution is contingent upon securing the funds necessary to pay for the 15% administrative fee charged by Pierce County to administer this program and the supportive services necessary to support households accessing TSHAP. THA is requesting the City of Tacoma and Pierce County to contribute to the overhead expenses charged by Pierce County and for supportive services.

Advisory Group

Beginning in January 2019, Policy, Innovation, and Evaluation (PIE) and TPS staff meet monthly with an advisory group made up of school district McKinney-Vento staff, service providers, community leaders and TPS families to design the process and implementation of the TSHAP. This group has been instrumental in informing the partners on how the TSHAP can best support and help stabilize families experiencing housing instability.

Recommendation

Approve Resolution 2019-06-26 (1) authorizing THA's Executive Director to enter into contract negotiation with Pierce County to administer the TSHAP program. The value of the contract will be up to \$400,000 per year for three years. Approval to execute this contract is contingent upon THA securing other sources to pay for supportive services and administrative overhead.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-06-26 (1)

(Contract with Pierce County to Administer Tacoma Schools Housing Assistance Program (TSHAP))

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

WHEREAS, The Tacoma Schools Housing Assistance Program (TSHAP) seeks to stabilize McKinney-Vento families experiencing housing instability within the Tacoma Public Schools (TPS) by providing an avenue in which McKinney-Vento households who are literally homeless or at risk of homelessness can access Coordinated Entry and receive housing services through Pierce County; and

WHEREAS, THA, TPS and Pierce County Human Services share a vested interest to serve families with children and improve outcomes for students and the schools that serve low-income families; and

WHEREAS, There are an estimated 795 McKinney-Vento households currently enrolled in TPS; and

WHEREAS, THA will invest \$400,000 for the TSHAP beginning in the fall of 2019; and

WHEREAS, THA's investment will be contingent upon securing the funds necessary to pay for the 15% administrative fee charged by Pierce County to administer this program and the funds necessary to provide supportive services necessary to support the households accessing this program; now, therefore, be it

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to enter into a contract with Pierce County to administer the TSHAP program. The value of the contract will be up to \$400,000 per year for three years.

Approved: June 26, 2019

Dr. Minh-Anh Hodge, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-06-26 (2)

Date: June 26, 2019
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Approval of Property-Based Subsidy Contracts

Tacoma Housing Authority (THA) issued a Request for Proposals for Property-Based Subsidies. This resolution will award Property-Based Subsidies to Koz on Puyallup, Cascade Park Vista, Cascade Park Gardens and Metropolitan Development Council's Campbell Court Apartments for total of 230 units.

Background

The Property-Based Subsidy program is different from THA's Tenant-Based and Project-Based voucher programs. It is similar to the Project-Based voucher program in that the subsidy is tied to a property, as opposed to the tenant. Like the Project-Based voucher, THA also regularly inspects units to ensure they are safe for occupancy. Both subsidies also share the same purpose: to make housing accessible and affordable to low-income households for an extended time. The Local Property-Based Subsidy is different from the Project-Based voucher program in three primary ways:

- Like tenants other programs, tenants in the Property-Based Subsidy program must have incomes below set standards. The THA pays down the rents to levels generally affordable to those standards. However, their rents are fixed regardless of the tenant's actual income. In this respect, the program resembles THA's HOP Program. This provides predictable rent amounts for tenants and landlords rather than having tenant rents vary as tenant incomes go up and down. Fixed rents make the program easier to explain, understand and manage for both tenants and landlords. The fixed subsidy also removes a disincentive for tenants to increase their earned income because the tenant's share of the rent will not increase if they earn more. On the other hand, it also means that a tenant's rent share will not decrease if their income goes down.
- The subsidies to the property owner would be set on an annual basis, subject to the property meeting negotiated minimum occupancy rates, rather than varying month-to-month based on tenant rent calculations. This provides a stable, predictable and easy to administer income stream for the owners and predictable expenses for the housing authority. It is also easier for THA to administer.

- The owner is responsible for advertising vacancies, screening its tenants and verifying the income of tenants. The tenants will not have a relationship with the housing authority. Tenants will realize affordable rents at the property level based on the subsidy that THA provides. The arrangement also offers tenants the tenant protections of THA's other programs, such as protection from eviction except for good cause.

On March 29, 2019, THA issued a Request for Proposal (RFP) for up to 200 Property-Based Subsidies (PBS). This RFP will add to the 125 Property-Based Subsidies that THA issued in 2018. The RFP remained open until April 30th, 2019, at 4:00 PM. The RFP stated that THA would score the proposals on the following criteria:

- owner experience;
- units set aside for households below 30% area median income (AMI) received 3 points each;
- units set aside for households below 40% AMI received 2 points each;
- units set aside for households below 50% AMI received 1 point each;
- occupancy for all vacancies restricted to households with at least one student enrolled at a Tacoma Public School or local post-secondary institution received 10 points total;
- occupancy restricted to a special-needs population received 10 points total;
- units within easy walking distance to a Tacoma Public School or local post-secondary institution received 10 points total;
- addition of a PBS contract adds new units to the affordable housing stock in the community; and,
- services are available to THA customers not occupying the housing subject to this application or other PBS units.

THA received six proposals. The RFP review committee scored them as the following chart shows. The Committee and staff recommend awarding Property-Based Subsidies to the top four scoring proposals:

Person/Organization/Company	Score	Units Requested
Cascade Park Vista Nursing Home	248	75
Koz on Puyallup	243	75
Cascade Park Gardens Memory Care	178	70
MDC – Campbell Court Apartments	58	10
Alpine IV*	49	7
Soaring Eagle*	N/A	75
*Property was not selected		

These four proposals would total 230 units. This is higher than the 200 the RFP initially contemplated.

Here is some detail about the four proposals:

- **Cascade Park Vista Nursing Home – 75 units**

Cascade Park Communities started in 1995 and has grown to include two communities in Tacoma: Cascade Park Gardens Vista and Cascade Park Memory Care. Both are the only remaining facilities of their types in Pierce County that accept Medicaid patients. Both will no longer be able to do that without THA's rental subsidy. That would be very serious. Over the past year, two assisted living properties in the area serving low-income seniors closed, displacing over 140 tenants. 99% of Cascade Park Vista are low-income seniors. A Property-Based Subsidy contract for Cascade Park Vista would give it stability and secure 75 affordable assisted living units for very low and extremely low disabled seniors. THA also received an application from Cascade Park Gardens facility (below).

	# of Units	# of 40% AMI	# of 30% AMI
Studio	75	5	70

- **Cascade Park Gardens Memory Care – 70 units**

See above discussion.

	# of Units	# of 50% AMI	# of 40% AMI	# of 30% AMI
Studio	70	16	23	31

- **Koz on Puyallup- 75 units**

Koz on Puyallup is a familiar applicant. Last year THA awarded 52 units for a Property-Based Subsidy contract for Koz on Market to house homeless or near homeless UWT students. That has been a very good experience for THA, UWT and Koz, and, of course, for the students. Koz is first rate developer of high quality, well-designed and affordable housing. Koz also fully shares the values that animate THA's Education Project. This new property will restrict occupancy (75 units) to homeless or near homeless households with at least one member attending UW Tacoma. Koz has provided a letter of commitment from UW Tacoma. TCC is also willing to refer its homeless students.

	# of Units	# of 40% AMI	# of 30% AMI
Studio	52	10	42
1 Bedroom	19	4	15
2 Bedroom	4	1	3

- **MDC – Campbell Court Apartments**

The Metropolitan Development Council (MDC) is applying for the 10 units they operate at Campbell Court Apartments. This property serves mentally disabled homeless adults coming from the streets or the shelters. This property was a recipient of Pierce County's Continuum of Care funding, however they were

informed that they will not be funded starting FY 2019.

	# of Units	# of 30% AMI
Studio	10	10

Each of these properties would be eligible to execute contracts for up to 10 years. THA will determine the duration of the contracts and leasing prioritization in contract negotiations.

Recommendation

Approve Resolution 2019-06-26 (2) authorizing THA's Executive Director to negotiate, and if those negotiations are successful, execute a Property-Based Subsidy contract with the owners of Koz on Puyallup, Cascade Park Vista, Cascade Park Gardens Memory Care, and Campbell Court Apartments.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-06-26 (2) **(Approval of Property-Based Subsidy Contracts)**

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

WHEREAS, Tacoma Housing Authority (THA) has held a competitive process for Property-Based Subsidies; and

WHEREAS, Koz on Puyallup (75 units), Cascade Park Vista (75 units), Cascade Park Gardens Memory Care (70 units), and Campbell Court Apartments (10 units) were the highest scoring respondents and will be awarded their requested units; and

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

WHEREAS, The contract term will be determined through negotiations with each awarded respondent; 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, execute a Property-Based Subsidy payment contract with the owners of Koz on Puyallup, Cascade Park Vista, Cascade Park Gardens Memory Care, and Campbell Court Apartments.

Approved: June 26, 2019

Dr. Minh-Anh Hodge, Chair

CERTIFICATE

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

1. That the attached Resolution No. 2019-06-26 (2) (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on the 26th day of June, 2019, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of June, 2019

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Michael Mirra, Executive Director of the Authority