



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**July 24, 2019**



Michael Mirra  
*Executive Director*

# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS

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

## REGULAR MEETING Board of Commissioners

**WEDNESDAY, JULY 24, 2019**

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

The meeting will take place at:

**Ludwig  
5425 S. Lawrence Street  
Tacoma, WA 98409**

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

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I, Sha Peterson, certify that on or before July 19, 2019, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123 email: <a href="mailto:CityClerk@cityoftacoma.com">CityClerk@cityoftacoma.com</a>
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	email: <a href="mailto:tips@q13fox.com">tips@q13fox.com</a>
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274

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

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Sha Peterson  
Executive Administrator



# TACOMA HOUSING AUTHORITY

## AGENDA

### REGULAR BOARD OF COMMISSIONERS MEETING

July 24, 2019, 4:45 PM

Ludwig, 5425 S. Lawrence Street, Tacoma, WA 98409

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1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
  - 3.1 Minutes of June 26, 2019—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Administrative Services
  - 7.3 Client Support & Empowerment
  - 7.4 Rental Assistance
  - 7.5 Property Management
  - 7.6 Real Estate Development
8. **NEW BUSINESS**
  - 8.1 2019-07-24 (1) GCCM-Amendment for the Crisis Residential Center and Off-Site Improvements
  - 8.2 2019-07-24 (2) Amend Resolution to Authorize THA to Apply for Financing to Develop 1120-1124 MLK Jr. Way
  - 8.3 2019-07-24 (3) Supplemental Resolutions Regarding RAC Conversions
  - 8.4 2019-07-24 (4) Updating THA's Administrative Plan: CHAP Changes
  - 8.5 2019-07-24 (5) Property Based Subsidy Contract Extension for Highland Flats, **WALK-ON**
9. **COMMENTS FROM THE COMMISSIONERS**
10. **EXECUTIVE SESSION, if any**
11. **ADJOURNMENT**



# **TACOMA HOUSING AUTHORITY**

## **MINUTES**



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, JUNE 26, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L. Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, June 26, 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 4:46 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Minh-Anh Hodge	
Vice Chair Derek Young	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at 4:47 pm)	
Commissioner Shennetta Smith	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
	Frankie Johnson, Property Management Director
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Hodge declared there was a quorum present @ 4:47pm and proceeded.

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

Chair Hodge asked for any corrections to, or discussion of minutes for the Special Session of the Board of Commissioners on Wednesday, May 22, 2019. Vice Chair Young moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

AYES: 3  
NAYS: None  
Abstain: None  
Absent: 2 (Commissioner Rumbaugh was not yet in attendance)

**Motion approved.**

Chair Hodge asked for any corrections to, or discussion of minutes for the Special Session of the Board of Commissioners on Monday, June 17, 2019. Vice Chair Young moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

### 4. GUEST COMMENTS

#### **James Moore, Former THA Tenant**

James Moore and his wife lived at EB Wilson in 2012. He said that he and his wife are good people and did a lot of good things for EB Wilson. He recounted how his wife was accused of threatening a man at the building and that there was police investigation. They eventually got evicted because, according to Mr. Moore, a few tenants did not like them. They ended up moving in with their daughters in Arizona due to illness, but returned to Washington in 2017. He and his wife are hoping the board will evaluate the incident in some way so the eviction does not appear on their record. ED Mirra stated that he received Mr. Moore's email asking if THA can do that to make it easier for them to find another place. He said that Director Johnson is inquiring into the matter.

### 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***

Nothing to report.

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

Executive Director (ED) Michael Mirra directed the board to his report. Pertinent to a resolution the board will review today, ED Mirra and DED Black would like the board to continue the discussion begun last month about the budget challenge THA faces because it is being more successful than it budgeted to be in leasing up vouchers. He recounted that the board budgeted that THA would serve 95% of its HUD assigned baseline number of families. (HUD gave THA permission to do this.) Because of staff's hard work, THA's utilization rate is at 99%. This is good news. But it does mean that THA faces some serious budget deficits in two years. This deficit will be \$1.4 million in 2021 and \$2 million in 2022. He also said that the problem is solvable and asked DED Black to present the options. She then did so, with a powerpoint.

In general, the possible solutions include:

- Congress will appropriate a budget increase for HUD that will give THA enough new money to solve the problem. The House version of the HUD budget does that.
- THA can withdraw some of its commitments of rental assistance from partners that are not using it or that are serving populations that THA will serve in other ways. For example, THA has already agreed with TCC to do that with the vouchers TCC is not using for the College Housing Assistance Program. This withdrawal is really only a redirection of housing resources to property based subsidies that serve the same college population. Those property based subsidies already feature in THA's calculation of the deficit.
- Starting next year THA will be receiving about \$750,000 to \$1 million in new operating income from its RAD refinancing.
- THA can discontinue its Family Self-Sufficiency program, which is due for a review anyway.

A resolution on the agenda would have THA commit additional property based subsidies. Staff recommends that THA do this. These commitments will allow THA to provide 400 more hard units to serve the city's neediest households and to strengthen THA's partnerships. These new commitments will not prevent THA from addressing the coming budget deficits.

Staff also recommend that it present the board with a semi-annual update on the deficit picture.

Commissioner Rumbaugh asked if other housing authorities have explored Faircloth. DED Black responded that Vouncover, King County, and other housing authorities have done that. Vice Chair Young asked when THA would be notifying partners of the plan. DED Black stated that if funding stays stable, THA can notify partners by the end of the year.

## **7. ADMINISTRATIVE REPORTS**

### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to the expense and cash reports. Things are going well. THA has adequate cash and received additional funding from HUD. Non MTW Cash Restrictions is at \$15M and HUD Restricted funds is at \$8.9M. Unencumbered is at \$5M.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,984,292 for the month of May 2019. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

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

<b>Motion Approved.</b>
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### **Policy, Innovation and Evaluation**

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. This is her bi-monthly report focused on education. PIE is in the process of using funds recently secured from Foundation for Tacoma Students to fund a position for post secondary education. Her report focuses primarily on Tacoma Schools Housing Assistance Program (TSHAP). THA and TPS are planning the expansion of TSHAP to all schools and all grades. This expansion will have THA fund the housing assistance through Pierce County's rapid rehousing program. To do this, THA will need Pierce County and the City of Tacoma to contribute. THA needs Pierce County to waive its 15% "administrative fee." THA also needs Pierce County to use the McKinney-Vento definition of homeless and not the narrower HUD definition. THA will need the City of Tacoma to increase its funding for the program's staff support from \$125,000 to \$250,000. Discussion are underway.



DED Black gave a brief update on the review underway of the Childrens Savings Account (CSA) program and the book distribution program. DED Black took a moment to recognize Brandon Wirth who arranged a great celebration for the Alberta Canada ribbon cutting. It was a well-attended.

## **Client Support and Empowerment**

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. CSE hired Robert Lewis as the final supervisor on the CSE team. His previous position is now open and posted. Director Hanauer referred to her discussions with state staff to make the state funding for Arlington Drive permanent. She is also spending some time assisting the Real Estate Development team. CSE team is working closely with Korsmo to get young people, especially formally homeless young people, into the construction jobs and apprenticeships that building Arlington will create. Ten young people have already applied. Commissioner Rumbaugh asked if staff are tracking how many of those Section 3 students go on to finish their apprenticeships. Director Hanauer said “not yet,” but they are working on it. Commissioner Rumbaugh asked for regular updates. Chair Hodge asked if the program is related to the City’s 253 project. It is not, but CSE is also working with them. Nourish Food Bank will be spending a day a week for 2 hours at Salishan handing out food, which is great news.

## **Rental Assistance**

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Utilization crept up a little and THA still has a few shoppers out. Property Based Vouchers are doing well and staff are working with partners as problems arise. RA is seeing a bit of change with property management companies that take THA’s vouchers. Those companies experienced a lot of staff turnover. RA’s new focus through the Landlord Engagement Specialist (LSE) is to educate them.

Director LaRocque reviewed some of the property based properties. Commissioner Rumbaugh asked if there have been further engagement with the Department of Corrections (DOC) and Tacoma Community College (TCC). According to ED Mirra, TCC has undertaken to fix the problem by the beginng of the fall term. Commissioner Rumbaugh stated that according to DOC 35 people are coming out of prison on early release, which obliges them to attend some sort of school. If TCC cannot fix this problem to use THA’s vouchers for these students; he wants THA to partner with other educational institutions. Chair Hodge agreed. DED Black responded that TCC has offered to come and speak with the board, and she will ask them to come when they have a proposal.

## **Property Management**

Property Management (PM) Director Frankie Johnson is on vacation this week. DED Black addressed the board on her behalf. PM has seen a decrease in unit turn days which is 34, and are projecting closer to 20 in July. Director Johnson talked last month about

updating the reports on work orders on a quarterly basis. Staff is working on this and it can be expected at the August board meeting. She also talked about changing the format of the board reports. THA's goal is to start presenting the reports to the board in paper and electronic format; PM will be the first to do this. Chair Hodge suggested providing individual laptops to board members.

## **Real Estate Development**

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. The RED team is focused on closing and funding 1800 and Arlington. Commissioner Rumbaugh recalled that THA received offers for some odd lots at Salishan. According to Director McCormick it was for the 7 lots at Salishan where 18 units can be developed.

### **8. OLD BUSINESS**

None.

### **9. NEW BUSINESS**

#### **9.1 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.

**Comments:** ED Mirra, DED Black and TPS's Superintendent Carla Santorno will take this request and resolution to Bruce Dammaier and Mayor Woodards showing that \$400K is contingent to their contribution. He is optimistic and would like to start the discussion with the resolution.

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

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

**Motion Approved:** June 26, 2019

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

**9.2 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.

**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 26<sup>th</sup> 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 26<sup>th</sup> day of June, 2019.

\_\_\_\_\_  
Michael Mirra, 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:** June 26, 2019

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

**9. COMMENTS FROM COMMISSIONERS**

Commissioner Rumbaugh attended the summer meeting of the Council of Large Public Housing Authorities (CLPHA) in Puerto Rico. The take away is that if there is an

emergency, call other agencies besides Federal Emergency Management Agency (FEMA).

Vice Chair Young commented that one housing authority reported a good experience with FEMA. He reported on what he saw in Puerto Rico of the damage.

#### **10. EXECUTIVE SESSION**

None.

#### **11. ADJOURNMENT**

There being no further business to conduct, the meeting ended at 6:19 PM.

**APPROVED AS CORRECT**

**Adopted:** July 24, 2019

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



# **TACOMA HOUSING AUTHORITY**

## **Real Estate Development Committee**

Commissioner Stanley Rumbaugh

## **Finance Committee**

Chair Minh-Anh Hodge

Vice Chair Derek Young

## **Citizen Oversight Committee**

Commissioner Arthur C. Banks

## **Education Committee**

Chair Minh-Anh Hodge



**TACOMA HOUSING AUTHORITY**

**COMMENTS FROM THE  
EXECUTIVE DIRECTOR**



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
**From:** Michael Mirra, Executive Director  
**Date:** July 18, 2019  
**Re:** Executive Director's Monthly Report

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

## 1. A BUSY TIME FOR THA

The Board will hear from the department reports some very good news that is worth my emphasis here. Within the past two weeks, I spent some hours signing small mountains of documents that closed on the financing for two long pending and exciting projects:

- Arlington Drive Campus for Homeless Youth and Young Adults
- Hillside Terrace 1800 Block

Our contractors will start on each site shortly!

These projects share some important themes that THA tries to emphasize in its work:

- *Serve the Neediest*  
THA's mission is to focus on the neediest. These projects do that. Arlington Drive will serve homeless young people. They count as the neediest for three reasons. They are homeless. Their homelessness shows in afflictions peculiar to them because they are young: fleeing family abuse; selling sex for shelter; sex trafficking; drug addiction; developmental and educational delays. They count among the neediest as well because, with help, they still have time to recoup a reasonable adolescence and a reasonable adulthood, an education, an occupation, and a life without fear. Arlington Drive also fortifies THA's focus on serving young people. Hillside Terrace 1800 Block will reserve 14 of its 64 units for persons coming out of homelessness. Another 14 will be reserved for persons with disabilities.
- *Matches THA Housing with Services from Other Organizations*  
The residents of both projects will need services in addition to the housing. These are services that THA does not provide, does not know how to provide and does not wish to learn. Instead, we will do this work in partnership with partner organizations that know how to do this hard work. It is a very good way for THA to spend and extend its housing dollars.
- *Strengthen the City's Homelessness Strategy*  
Both projects will add units to the City's supply of supportive housing. The lack of these units has been the singular weakness in the City's strategy to address its homelessness crisis.



**2. HUD's PROPOSED WORRISOME RULE ON "MIXED-FAMILIES"**

HUD has proposed a new rule that would grievously affect immigrant families in the nation's federal assisted housing programs. Under present law, families are eligible for federally funded housing assistance as long as one family member is a lawful resident of the country. If other members are not lawful residents, the law directs housing authorities to reduce the amount of the rental assistance or raise the rent in a proportionate amount. This proration means that the undocumented family member does not receive the benefit of the subsidy. The law directs this proration expressly:

If the eligibility for financial assistance of at least one member of a family has been affirmatively established under this section, and the ineligibility of one or more family members has not been affirmatively established under this section, any financial assistance made available to that family by the applicable Secretary *shall be prorated....*

[42 U.S.C. §1436a(b)(2)(emphasis supplied)]

Doing this proration has also been HUD's well understood interpretation for more than twenty years.

The statute has not changed. Instead, HUD is proposing a new interpretation of that statute. Under this new proposal, housing authorities must ask all participants in federally funded housing programs to prove their lawful residence in the country. If a household member cannot do that, the housing authority must do one of two things: (i) remove that person from the household; (ii) terminate the rental assistance for the entire household or, if the household is a housing authority tenant, evict the household.

HUD, in its own assessment about the proposal, acknowledges that it will not save but cost money and that it will harm families. The most common type of household that this rule would harm will be one with a citizen child and an undocumented parent.

The proposal has elicited a large and lively amount of comments from a national community of housing authorities, local governments, social service providers, and advocates. THA has submitted comments. I attach comments from the following:

- THA
- City of Tacoma
- Seattle Housing Authority
- King County
- King County Housing Authority
- HomeForward (Portland Housing Authority)
- Council of Large Public Housing Authorities
- Columbia Legal Services

These comments raise an array of concerns about HUD's proposal. These concerns include:

- The proposal will inflict grievous harm on families, especially those with children.
- The proposal will send families into homelessness that will burden local services.
- Implementing this proposal will be expensive for housing authorities at a time when HUD is proposing to cut our already inadequate funding by 40%.
- Housing authorities do not know enough about immigration law to determine with adequate accuracy who is and is not a lawful resident.
- The HUD proposal is unlawful for three reasons:
  - (1) It violates the present governing statute.
  - (2) It constitutes unlawful discrimination under the Fair Housing Act on the basis of national origin, race, ethnicity, and familial status.
  - (3) It is an unconstitutional deprivation of the interest a citizen child has in his or her relationship with a parent and in the integrity of his or her family.

The proposal has also come to the attention of Congress. The House of Representatives has passed its version of HUD's budget. That version contains a provision that would preclude this rule change.

I also attach a letter dated July 16, 2019, from HUD to Representative Maxine Waters. She had written to HUD stating her concerns about the proposal. In this reply to her, HUD appears to state its intention to adopt the proposal.

If HUD does adopt this rule we should expect widespread litigation challenging its legality. The litigation may affect THA in one or both of two ways. **First**, a family threatened by this new rule may sue THA. **Second**, if THA, in compliance with the new rule, tries to evict a mixed-family, that family may challenge the rule as an affirmative defense in the unlawful detainer action. In either case, the cost of responding to these claims or defenses will add to the cost the rule will impose on housing authorities.

Stay tuned!

### 3. HOUSING OPPORTUNITY PROJECT REVIEW

Six years ago, in 2013, the Tacoma Housing Authority (THA) began its Housing Opportunity Program (HOP). It is one of THA's rental assistance programs. It helps clients pay the rent on the private rental market. As of 2013, HOP replaced THA's Section 8 Housing Choice Voucher (HCV) program for newly assisted households. THA undertook HOP after close community consultation.

The HOP differs from the HCV program in the following main ways:

(1) *Fixed Subsidies: Incentive to Work; Serving More Households; Ease of Administration and Use by Clients and Landlords*

Under the HCV program, the amount of the rental subsidy depends on family income. As the family income increases, the subsidy decreases. As the family income goes down, the subsidy goes up. In these ways, HCV provides a subsidy tailored to the need. Yet this formulation is a disincentive to work. In contrast, the HOP subsidy is based upon family size, and its amount is fixed. This serves two purposes. **First**, it provides an incentive for a household to increase its income since the household can keep all of the increase. **Second**, the fixed subsidies are on average smaller than the subsidy that the HCV program provides. This allows THA to serve more households. HOP allows THA to serve 117 more households in a year than would have been possible under the HCV. That is an important advantage in Tacoma where so many households have trouble paying the rent.

Fixed subsidies also makes the program less expensive for THA to administer and easier to market and explain to tenants and landlords.

(2) *Time Limits for Work-Able Households: Incentive to Work; Giving Others a Turn*  
The HCV has no time limits. In contrast, HOP imposes a five year time limits for work-able households, with provisions for extensions. Households that are elderly or disabled have no time limits. This time limit for work-able households serves two purposes. **First**, it provides work-able households another incentive to increase their earned income so they can be ready for the unsubsidized rental market after their 5 years expire. **Second**, a term limit gives other needy people a turn to receive THA's rental assistance.

The HOP offers two types of extensions to the 5-year term. **First**, HOP grants a household three months of additional assistance to account for an unexpected loss of income within 90 days prior to exiting the program. **Second**, HOP offers up to one year of additional assistance if an adult member of a household is or becomes actively engaged in a qualified self-sufficiency activity such post-secondary education or training or participates in THA's Family Self-Sufficiency Program.

(3) *Enhanced Community Services to Help Households Increase Earnings and Assets*  
HOP offers enhanced services to help households increase their income and assets. These services include credit and employment coaching, tax assistance, GED classes, employment readiness, job training, post-secondary educational resources, and behavioral health supports. For example, by contract with THA, Sound Outreach gives THA clients a priority on receiving its excellent financial coaching services.

HOP does not require households to engage with these services. Forty percent (40%) of time-limited HOP households with less than one year remaining on the program have received supports. On average, work-able HOP families exiting the program increased their household by 32% over their time on the program.

Last year was the beginning of the expirations of the 5-year terms. The Board may recall that we used that moment to question whether to persist with the 5-year limit. We engaged the community in a robust consultation. That effort gave the program a strong endorsement. The Board decided then to stick with the program model.

We have just reviewed the program again. I attach a report on how it is doing. In short, we think it is fulfilling our goals for it, with some areas for concern:

- HOP families are not bearing an undue rent burden (30%).
- It has allowed us to serve more families than otherwise (117).
- Families are increasing their earned income over their participation in HOP (32% increase). We note that this increase, although impressive, is not enough to keep up with the rent increases in Tacoma's rental market. Families who leave HOP probably assume a rent burden of nearly 50%.
- HOP is easier to administer, explain and market.
- It is giving other families a turn.

We also note that HOP families tend to be higher income than regular voucher families. One reason for this may be that with the lower HOP subsidy the lower income households have a harder time finding landlords to rent to them. So they do not lease up as much. This income variance bears watching. It weakens HOP's focus on serving the neediest households, which is THA's mission.

In last year's community consultation, we asked our community if we should increase the value of the HOP subsidy. This increase would make the HOP voucher more competitive. But it would have us serve fewer families. The community did not favor doing this, and we have not proposed it to the Board.

We also note that in recent years THA has invested heavily in other programs that focus more precisely on the neediest. *E.g.*, Rapid Rehousing investment for homeless families and young adults; the College Housing Assistance Program for homeless college students; the Tacoma Schools Housing Assistance Program for homeless public school students; vouchers for homeless veterans; vouchers for families who need housing to prevent or shorten their children's foster care placement; and vouchers for persons who need housing to get out of nursing homes. In these ways, and others, THA's mission to serve the neediest is quite intact.



**Tacoma  
Housing  
Authority**

**Executive Director**  
Michael Mirra

**Board of Commissioners**  
Dr. Minh-Anh Hodge, Chair | Derek Young, Vice Chair  
Dr. Arthur C. Banks | Stanley Rumbaugh | Shennetta Smith

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June 26, 2019

Submitted via [www.regulations.gov](http://www.regulations.gov)

Office of General Counsel  
Department of Housing and Urban Development  
Rules Docket Clerk Department of Housing and Urban Development  
451 Seventh Street SW, Room 10276  
Washington, DC 20410-0001

Re: HUD Docket No. 2019-0044, RIN: 2501-AD89, Comments in Response to  
Proposed Rulemaking: Housing and Community Development Act of 1980:  
Verification of Eligible Status

Dear Sir or Madam:

Thank you for inviting comments on the Department of Housing and Urban Development's (HUD) proposed rule, "Housing and Community Development Act of 1980: Verification of Eligible Status," published in the Federal Register on May 10, 2019. This is the proposal to require housing authorities to verify whether each member of its client households are in the country legally and, if a household has an person who cannot do this ("mixed family"), to remove that person from the household or evict the entire household or terminate its assistance. I submit these comments on behalf of the Tacoma Housing Authority (THA). I hope these comments help you. And I hope they help you to decide that HUD should withdraw this proposed rule.

THA urges this withdrawal strongly. We do so for several reasons. I list them below. I will not elaborate much on them. Some of them arise from HUD's own analysis of the proposed rule. They also will feature in the many comments HUD will receive from other people better equipped than I am to explain them. I will conclude my list, however, with some legal reasons that others may not emphasize but that may be reason enough for HUD to drop this whole proposal.

**1. Grievous Harm**

The proposed rule will inflict grievous harm on people, especially children. As a result of this rule, children will lose their housing or their parents.

The proposed rule will weaken nearly every other civic interest:

- welfare of children
- welfare of families
- physical and behavioral health
- school success
- wage progression

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- reducing homelessness
- reducing the strain on emergency services
- fiscal responsibility and efficiency
  
- allowing HUD and public housing authorities to earn and keep the trust and confidence of its clients and its communities
  
- racial justice.

## **2. Grievous Harm to American Citizens, Especially American Children**

Even if HUD is concerned only with the welfare of American citizens and lawful residents, please be clear inside your own understanding of what this rule would do to them. It will hurt them as well, also grievously. The most likely victim of the rule will be an American citizen child living with an undocumented parent. This proposed rule will require THA to evict the parent or remove the parent from the assisted household, and divide the family in that way, or evict the whole family or terminate its rental assistance.

## **3. Dogs But Not Mothers**

It is disquieting to contemplate that, while state and federal laws oblige THA to allow that child to have a service dog in the household when necessary for her needs related to a disability, under this proposed rule THA would not allow the child to have her mother.

## **4. Disruption and Expense for Landlords**

Some of these mixed-families use Housing Choice Vouchers to rent their homes from private landlords. The landlords have an important interest in the stability and reliability of that tenancy and that subsidy. The rule will disrupt both.

## **5. No Money Savings, Only Costs; With Inadequate Funding**

The proposed rule will save no one any money. Instead, it will cost everyone, in these ways:

- *Rule Will Not Avoid Subsidy to Undocumented People Because They Get No Subsidy*  
Such a rule is not necessary to prevent housing authorities from subsidizing undocumented people. We presently do not subsidize them. Every single household we serve has an American citizen or lawful resident. If the household also has an undocumented person, we prorate the subsidy to exclude that person. We do that because doing so is what present statutory law directs. In fact, that has been HUD's long standing interpretation of that law.

If there is a subsidy at play in this whole business it comes not from HUD to the mixed-family but from the undocumented person in that family who is working.

Her wages support both the family and the housing authority, which then is able to charge more in rent or pay less in subsidy. HUD's own analysis acknowledges that replacing mixed households with non-mixed households will result in the expenditure of additional housing assistance dollars because "replacement households would likely receive a higher subsidy than the current mixed households."<sup>1</sup>

- *Cost of Implementation*

The proposed rule will also cost THA the money and staff necessary to implement the rule. THA will have to verify the status of everyone in its programs. That is a lot of work. We also note that many of our residents are elderly or disabled. Many of them, mostly native born citizens, will have trouble finding or getting the documentation of their status this rule will require of them.

The rule will require us to evict some families. Doing that would not only be a repugnant thing to do to a good tenant, especially one with children. Doing that would also be expensive.

It is not easy to consider this added administrative burden and cost without noticing what HUD proposes for the 2020 federal budget. The operating budget that HUD gives to housing authorities is already inadequate even by HUD's calculation of what it takes to manage our programs. For 2020, HUD asks Congress to cut it by nearly 40%. This proposed rule will worsen that shortfall.

- *Cost to Civic Services From Newly Homeless the Rule Would Create*

The proposed rule will cost our city money because the rule will make people and families homeless. The City of Tacoma is already struggling to serve residents who are homeless. Our City Council has declared homelessness to be a public health emergency. Serving this population is straining every public system: shelters, public schools, child welfare agency, behavioral health services, police services, and the judiciary. The proposed rule would burden these efforts further by adding more homeless households. In the middle of a homelessness emergency, our city cannot consider your proposed rule with any complacency.

- *Legal Costs of Defending the Rule*

Housing authorities must anticipate litigation should HUD adopt this rule. See the next section below. This litigation will arise either as challenges to the rule or as affirmative defenses to the evictions that the rule would have housing authorities initiate. Housing authorities do not have the time or the money for this litigation. And we surely do not have the money to pay the attorneys' fees of opposing parties when we lose.

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<sup>1</sup> Regulatory Impact Analysis Housing and Community Development Act of 1980: Verification of Eligible Status Proposed Rule Docket No: FR-6124-P-01. (2019, April 15).

## 6. The Law

The law will likely have something decisive to say about this proposed rule if HUD adopts it. I expect that you will receive many comments about this from people with more legal expertise than I do. I know enough, however, to anticipate the following legal issues:

### 6.1 *Present Law Does Not Require the Rule; Instead Present Law Precludes It*

HUD justifies this proposed rule as necessary to implement the underlying statute. This is clearly wrong. Two things are clear from the underlying statute: (i) it does not require excluding mixed-households from federally subsidized programs as the proposed rule would do; (ii) in fact it contemplates allowing them as long as the housing authority prorates the rent or rental subsidy so the programs do not subsidize the undocumented household member. We know this about the present law because it says so directly:

If the eligibility for financial assistance of at least one member of a family has been affirmatively established under this section, and the ineligibility of one or more family members has not been affirmatively established under this section, any financial assistance made available to that family by the applicable Secretary *shall be prorated*....

[42 U.S.C. §1436a(b)(2)(emphasis supplied)]

There is another reason we know this is what the law means: HUD's own interpretation has long said so.

### 6.2 *The Fair Housing Act*

The Fair Housing Act applies to the situation in ways that require close attention. It applies because the unlawful immigration status of some persons hurt by this proposed rule does not excuse its otherwise unlawful discrimination. This is true for two reasons. **First**, the Fair Housing Act protects people without regard to their immigration status. HUD's own General Counsel has made this clear in its published guidance: "[A] requirement involving citizenship or immigration status will violate the [Fair Housing Act] when it has the purpose or unjustified effect of discriminating on the basis of national origin."<sup>2</sup> **Second**, the rule also harms American citizens and legal residents of this country.

The Fair Housing Act applies in three possible ways. **First**, that law does not permit HUD or housing authorities to discriminate intentionally on the basis of protected characteristics, including "national origin". Yet such discrimination appears to be the proposed rule's animating intention. Other legitimate reasons for the rule are not easy to see. HUD acknowledges that the rule will not save money, but instead it will cost money. The rule is not necessary to avoid subsidizing undocumented persons, who presently get no subsidy. Instead, its primary purpose

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<sup>2</sup> HUD Office of General Counsel, Guidance on Fair Housing Act Protections for Persons with Limited English Proficiency 3 (September 15, 2016)(cited in *Reyes v. Waples Mobile Home Park Limited Partnership*, 903 F.3<sup>rd</sup> 415, 432 (4<sup>th</sup> Circuit 2018)).



appears to be the displacement of some American citizens who are children of undocumented parents in favor of other American citizens who are children of parents who are citizens or legal residents. The main distinction between these two groups of American children will be their “national origin”, derived as it is from their parents, or their associational interest in their parents. It is true that the rule will not affect other citizen children with the same national origin of those affected but whose parents are lawful residents. Yet a discriminatory law is not saved just because it does not harm everyone in the targeted category. This is especially the case if the undocumented status is a proxy designation for “national origin”. Housing authorities and HUD must expect that extensive litigation challenging the rule will scour its origins for this evidence.

**Second**, even if HUD did not intend those effects or if those intentions somehow do not count as unlawful, the Fair Housing Act restricts policies that nevertheless impose an unintended but disparate discriminatory effect. In the case of the proposed rule, the disparate effect seems clear on the basis of not only “national origin” but also on the basis of at least three other characteristics protected under the Fair Housing Act: “race”, “color”, and “familial status”. Under standard Fair Housing Act jurisprudence, HUD will have the burden of showing that this proposed rule serves a legitimate nondiscriminatory purpose that would justify the rule despite its discriminatory effect. HUD already reports that the rule will cost and not save money. We know that it is not necessary to stop assistance to noncitizens, who presently get nothing. The rule certainly will not improve anyone’s wellbeing. In fact, its effect will be destructive. If there is a legitimate nondiscriminatory purpose that could justify such a discriminatory effect, I look forward to learning of it. Even with such a purpose, the rule would fail if the evidence shows that HUD can serve that purpose another way that has a less discriminatory effect. In this case, that other way would be the present rule that HUD has been using for years.

**Third**, the Fair Housing Act goes beyond forbidding HUD from adopting discriminatory policies, whether by intention or by effect. The law also obliges HUD to “administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies of” of the Fair Housing Act. 42 U.S.C.A. §3608(e)(5). The proposed rule will instead be affirmatively destructive of those policies.

### 6.3 *Privacy Laws*

Under 42 U.S.C. §1436a(d)(3)(B), when a housing authority uses information about someone’s immigration status, the housing authority must protect the person’s privacy in that information “to the maximum degree possible.” Fulfilling this obligation under the proposed rule would be challenging.

### 6.4 *A Child’s Constitutional Right of Association with a Parent and the Right to Family Privacy*

The proposed rule would inflict grievous harm on the American child’s interest in her family. The child has two related but distinct interests at stake: the child’s interest in her association and relationship with her parent; the child’s privacy interest in the integrity of her family. The United States Constitution confers very strong protections on both interests against an

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unjustifiable governmental intrusion. I am not a constitutional lawyer. I know enough, however, to strongly recommend that you think this through.

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Even if, despite these problems, we credit the rule with an honorable and legitimate intention, we recall a 243-year-old observation from Edward Gibbon that seems to fit the situation:

[I]n the prosecution of a favored scheme, the best of men, satisfied with the rectitude of their intentions, are subject to forget the bounds of moderation; . . .<sup>3</sup>

This proposed rule exceeds the bounds of moderation. Housing authorities do not spend its housing dollars on undocumented people. We operate our housing programs in accordance with 42 USC §1436a(d). HUD as long interpreted that law to allow for our current practice. HUD's proposed reinterpretation of that law is unnecessary for legitimate public purposes. Instead it will threaten a variety of important civic interests. It will harm American citizens. It will cost money we do not have. It is legally suspect. And it will far exceed the bounds of moderation because of what it will do to children.

Thank you for this chance to submit these comments. I hope you find them helpful.

And I hope you rescind this proposed rule.

Cordially,

TACOMA HOUSING AUTHORITY



Michael Mirra  
Executive Director

Cc: Mayor Victoria Woodards, City of Tacoma  
Senator Patty Murray  
Senator Maria Cantwell  
Congressman Derik Kilmer  
Congressman Denny Heck  
Congressman Adam Smith  
HUD Regional Director Jeff McMorris

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<sup>3</sup> Gibbon, THE DECLINE AND FALL OF THE ROMAN EMPIRE, Vol. I, Chapter XII (1776)(page 362 1909 ed.)



## City of Tacoma

Mayor Victoria Woodards

July 8, 2019

SUBMITTED VIA [WWW.REGULATIONS.GOV](http://WWW.REGULATIONS.GOV)

Office of General Counsel, Rules Docket Clerk  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 10276  
Washington, DC 20410-0500

**Re: HUD Docket No. FR-6124-P-01, RIN 2501-AD89 Comments in Response to Proposed Rulemaking: Housing and Community Development Act of 1980: Verification of Eligible Status**

To Whom it May Concern:

Thank you for the opportunity to provide comments on the Department of Housing and Urban Development's (HUD) proposed rule changes regarding "verification of eligible status," published in the Federal Register on May 10, 2019 (RIN 2501-AD89; HUD Docket No. FR-6124-P-01). I write to express the City of Tacoma's deep concerns regarding this proposed rule. This rule will result in disruption to both families and landlords while increasing costs to governments and housing authorities as they deal with implementation, legal defense of the rule, and the support of residents who will experience homelessness if the rule is implemented. Additionally, this rule will not avoid subsidies to undocumented people because such subsidies are already prohibited by law. I strongly urge the rule to be withdrawn in its entirety, and that HUD's long-standing regulations remain in effect.

Tacoma is the second largest city in the Puget Sound metropolitan area; only Seattle maintains a larger population. Since 2015, Tacoma has been a Welcoming City. As a Welcoming City, we have pledged to foster a culture and policy environment that makes it possible for newcomers of all backgrounds to feel valued and to fully participate alongside their neighbors in the social,

civic, and economic fabric of their adopted hometowns. In a 21st century world, the strongest communities are the ones where all people can take part in economic, civic, and social life.

To require public housing authorities to verify whether each member of its client households are in the country legally is not a practice consistent with the vows we have taken as a Welcoming City, nor is it supported by our Tacoma Housing Authority.

I stand with Tacoma Housing Authority who, like all housing authorities, does not spend its housing dollars on undocumented people. To quote the closing paragraph of the Tacoma Housing Authority (THA) comment to you on this topic, “We operate our housing programs in accordance with 42 USC §1436a(d). HUD as [sic] long interpreted that law to allow for our current practice. HUD’s proposed reinterpretation of that law is unnecessary for legitimate public purposes. Instead it will threaten a variety of important civic interests. It will harm American citizens. It will cost money we do not have. It is legally suspect. And it will far exceed the bounds of moderation because of what it will do to children.”

HUD’s own analysis shows that more than 55,000 children, who are U.S. citizens or who are otherwise eligible to receive housing benefits, could face eviction under the proposed rule. THA has identified that the most likely victim of the rule will be an American citizen child living with an undocumented parent. HUD’s own assumption is that smaller households consisting of parents and children are unlikely to separate in order to retain housing assistance. By this assumption, most mixed households (households which contain an ineligible individual) are likely to leave assisted housing together. THA nor the City of Tacoma will abide by a policy that pushes families out of their homes.

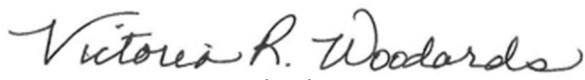
HUD’s analysis further shows that the one economic effect of the rule would be to transfer subsidies from mixed families to non-mixed families. The aggregate increase in HUD’s budget to provide subsidies to the replacement households would range from \$193 million to \$227 million annually. Blaming struggling families will not fix the long waitlist for housing assistance. The real issue is the lack of funding to ensure that every family who is eligible for HUD assistance has access to one of the most basic of human needs—a safe, accessible, and affordable place to call home.

In addition to the costs of implementation and legal defense of this rule should it be adopted, this rule will have a cost impact on local governments as well. Implementation of this rule would result in some people and families to be displaced and become homeless. The City of Tacoma has declared homelessness to be a public health emergency in our community, and vast resources have been directed to this complex issue. The City of Tacoma allocated \$7.25 million in the 2019-2020 Biennium to provide homelessness services and programs including emergency shelter, case management, job training, mental health services, domestic violence services, food banks and more. However, these resources are not enough to provide shelter and services to the people and families currently experiencing homelessness. Local governments across the country are strained in providing for the emergent needs of homelessness, and the proposed rule would exacerbate this crisis, the impacts on our most vulnerable residents, and its costs to our community.

In addition to the impact on families and children, some of the families who would be impacted by this rule use Housing Choice Vouchers to rent their homes from private landlords. To quote Tacoma Housing Authority, “The landlords have an important interest in the stability and reliability of that tenancy and subsidy. The rule will disrupt both.”

As stated above, I urge HUD to immediately withdraw its current proposal, and dedicate its efforts to advancing policies that strengthen—rather than undermine—the ability of immigrants to support themselves and their families in the future. If we want our communities to thrive, everyone in those communities must be able to stay together and get the care, services, and support they need to remain healthy and productive.

Sincerely,

A handwritten signature in cursive script that reads "Victoria R. Woodards".

Victoria R. Woodards  
Mayor



**Seattle Housing Authority**

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July 8, 2019

Office of General Counsel  
Rules Docket Clerk  
U.S. Department of Housing and Urban Development  
451 Seventh St. S.W.  
Room 10276  
Washington, DC 20410-0001

Re: HUD Docket No. FR-6124-P-01, RIN 2501-AD89 Seattle Housing Authority's comments in response to Proposed Rulemaking: Housing and Community Development Act of 1980: Verification of Eligible Status

Submitted online via <http://www.regulations.gov>

The Seattle Housing Authority (SHA) respectfully objects to the U.S. Department of Housing and Urban Development's (HUD) proposed rule change regarding "verification of eligible status," published in the Federal Register on May 10, 2019 (RIN 2501-AD89; HUD Docket No. FR-6124-P-01), which would prohibit ineligible non-citizens from residing with eligible residents, many of whom are children, in federally-supported housing. We are very concerned about the impact this change would have on the communities we serve, as well as residents' ability to maintain housing stability and increase self-sufficiency.

The proposed rule is a solution in search of a problem that does not exist. HUD states that the rule is necessary to prevent undocumented immigrants from benefiting from federal housing assistance. However, existing law already accounts for this. Currently, per federal regulation, public housing authorities prorate a household's federal rent subsidy to deduct for household members who are ineligible for assistance based on immigration status.

The proposed rule would separate families or force them out of housing, harming mostly U.S. citizens, American-born children and legal immigrants. We strongly urge that the proposed rule change be withdrawn in its entirety.

### **Hurts families and communities**

SHA provides low-income rental housing and rental assistance to more than 35,000 people in Seattle. Nearly 80 percent of those we serve are children, elderly and disabled. While the number of ineligible non-citizens in SHA-supported housing is very small, the impact of the proposed rule change would be significant for the households affected.

### **Commissioners**

Deborah Thiele, *Chair*

Dr. Paula Houston, *Vice-Chair*

Emily Abbey

Ahmed Abdi

Robert Crutchfield

Paul Purcell

Gerald Smiley

Andrew Lofton, *Executive Director*

The proposed rule would jeopardize housing stability for entire families nationwide. Children who are eligible cannot remain housed in federally-subsidized housing if the parent or guardian is removed. As a result the proposed rule would foreclose the possibility of U.S. citizen and legal permanent resident children with ineligible parents/guardians from receiving essential housing assistance. Also, adult eligible household members who rely on ineligible residents for caretaking, such as family members with disabilities or who are elderly, would face the prospect of losing their housing.

HUD's regulatory impact analysis has determined that implementation of the proposed rule would result in more than 100,000 people, including 55,000 children, becoming unstably housed and potentially homeless. Many of those impacted would be American citizens or legal immigrants. It is well substantiated in research that having safe and stable housing is crucial to a person's good health, sustained employment and overall self-sufficiency. Children's progress in school, adults' livelihoods, people's physical health and the prospects of being productive, contributing members of our society would be dashed for these families in direct contrast to HUD's goals of housing stability and financial self-sufficiency.

Not only is the proposed rule cruel to families made up mostly of citizens and legal immigrants, it is also detrimental to entire communities that would be strapped even further for affordable housing, increased health care costs and homeless services to help struggling families that previously were stably housed.

### **Threatens survivors of gender-based violence**

It is important to note that an individual who is deemed ineligible for federal housing assistance is not necessarily an undocumented immigrant. There are many immigrants with legal status in the United States, such as individuals with employment, work or domestic violence-related visas, who are not eligible for HUD assistance. As such, certain immigrant survivors of gender-based violence, such as those impacted by human trafficking, sexual assault and domestic violence, would be severely and disproportionately harmed by HUD's proposed rule.

Traumatized and vulnerable, survivors are also often indigent and face numerous challenges to their basic well-being. As a result, ready access to safe, affordable housing is critical to their ability to flee abusive situations. For some, their basic survival hangs in the balance. For example, under current law, a mother with a U Visa who has suffered trafficking, assault or domestic violence and her U.S. citizen child living in a public housing apartment, receive housing subsidy only for the citizen child. The mother is allowed to live in the apartment with her child, but subsidy is reduced by the difference between one and two people in the household. This is true even though her earnings count in determining the total household income that subsidy is based on. The proposed rule would force this mother and child out of their home, most likely into homelessness.

If the proposed rule goes into effect, people who are ineligible and their eligible children who are trying to escape violent situations may be trapped by a "choice" between homelessness or remaining in an abusive situation. Survivors already living in subsidized housing who are evicted as a result of the proposed rule could be forced to

return to a violent situation. The proposed rule is counter to the Violence Against Women Act.

### **Has a chilling effect on voucher landlords**

While the proposed rule is focused on immigrants and citizens in mixed status households, these families are not the only groups that will be harmed if the rule is adopted. The proposed rule creates red tape that threatens housing security for the more than 9.5 million U.S. citizens currently receiving HUD assistance.

The proposed new rule could potentially affect tens of thousands of voucher landlords who may choose to drop out or avoid participating in the Housing Choice Voucher program rather than risk losing current tenants when the rule goes into effect, or experiencing long delays while designated proof of citizenship or immigration status documents are collected for every member of their existing and incoming voucher tenant households. Private nonprofit project-based voucher housing providers may similarly shift away from serving otherwise eligible families in need of housing.

### **Catches fully eligible families and seniors in the net**

Tenants of public housing already must provide a declaration signed under penalty of perjury attesting to their citizenship or immigration status.

The proposed rule would require that individuals also provide documentary proof of citizenship or nationality such as a birth certificate, which can be extremely difficult for certain segments of the population. Obtaining such documentation can be particularly difficult for U.S. citizens over the age of 50, citizens of color, citizens with disabilities and citizens with low incomes. For example, older individuals face many challenges in getting this kind of documentation such as lack of access to government offices in their place of birth or coming up with the funds to replace or issue these records, and some may never have been issued a birth certificate in the first place.

Those who are unable to produce the required documents within the required time period under the proposed HUD rule would lose their housing even though they may be eligible. Many could be evicted from their homes and significant share could become homeless.

### **Reduces public housing authority resources**

The proposed rule calls for each PHA to establish new policies and criteria to determine whether a family should receive continued or temporary deferral of assistance. These requirements will place a significant cost burden on housing authorities and other subsidized housing providers as they struggle to meet the new HUD rule requirements with little guidance from the agency itself. Furthermore, these costs are completely unaccounted for in the rule and it appears that HUD will not be providing any additional funding to offset these costs.



HUD estimates that formally evicting and terminating the assistance of thousands of mixed status families would cost PHAs \$4.4 million. Other anticipated costs for PHAs and other subsidized housing providers include:

- Administrative costs accrued in the collection and verification of documentation of citizenship or eligible immigration status.
- The loss of rent revenue due to delays in housing people off the wait list caused by potentially lengthy document verification processes.
- Increased staff training and call/office visit volume by tenants and applicants confused by the requirements or fearful of implications for themselves and their families.
- Updating forms, notices, websites and other materials and communications to inform tenants of the new requirements and reflect accurate information for applicants.

These burdensome costs are not addressed in the proposed rule and thus, if the rule were to take effect, PHAs and other providers will be expected to absorb them by diverting funds from existing programs, services and staffing resources.

In addition, HUD estimates that housing assistance payment costs would increase by up to \$227 million annually as households with pro-rated subsidies are replaced with fully-eligible households. To pay for the higher costs, HUD admits that the agency could be forced to reduce the quality and quantity of assisted housing, including “fewer households served under the housing choice vouchers program.”

### **In conclusion**

The proposed rule amounts to a family separation policy fraught with moral and ethical implications. It threatens entire communities already struggling to keep up with housing, health care, education, safety and other resident needs. It could deter housing providers from participating or continuing to participate in low-income housing programs, which would significantly decrease the affordable housing supply in housing markets across the nation. The proposed rule would require already overburdened public housing authorities and housing providers to take on additional administrative costs, while compromising waitlist times and the quality of public housing. HUD has failed to account for these costs and the impact the proposed rule would have on housing providers and local housing markets more generally.

The households that SHA and other housing authorities across the country serve are fighting each and every day to live decent lives, escape poverty and increase self-sufficiency. We urge HUD to withdraw its current proposal and dedicate its efforts to advancing policies that strengthen, rather than undermine, communities and residents of this country.

Thank you for the opportunity to submit comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Lofton". The signature is fluid and cursive, with a large initial "A" and a stylized "L".

Andrew J. Lofton  
Executive Director  
Seattle Housing Authority

AJL: lw

cc: Senator Patty Murray  
Senator Maria Cantwell  
Representative Pramila Jayapal  
Mayor Jenny Durkin, City of Seattle  
Seattle City Council



## **King County**

### **Dow Constantine**

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July 9, 2019

John Gibbs

Senior Advisor, Office of the Secretary

Department of Housing and Urban Development

451 7th Street, SW, Room 10282

Washington, DC 20410

### **Re: FR-6124-P-01, Comments in Response to Proposed Rulemaking: Housing and Community Development Act of 1980: Verification of Eligible Status**

Dear Mr. Gibbs:

I am writing in response to the Department of Housing and Urban Development's (HUD's) "Housing and Community Development Act of 1980: Verification of Eligible Status" proposed rule published in the Federal Register on May 10, 2019. King County strongly opposes this proposed rule and urges the Department to withdraw this rule in its entirety.

King County, including Seattle, is one of the largest regional governments in the United States, and the most populous county in Washington State with a metropolitan population of 2.25 million people. Nearly half of our region's population increase since 2010 has been from people not born in this country. We value our new neighbors and are very concerned that HUD's proposed rule would explicitly deny housing assistance to eligible low-income individuals on the basis of their family's mixed-immigration status. We urge HUD to reconsider its approach because the proposed rule:

- increases the likelihood of homelessness for families and children;
- further exacerbates our existing homelessness crisis;
- forces families into an impossible decision – separate from their loved ones or risk homelessness; and
- is at moral odds with who we are as a County and in conflict with HUD's core mission.

I am providing additional detail regarding each of these points in the remainder of this letter.

**The proposed rule increases the likelihood of homelessness for families and children.**

HUD's own Regulatory Impact Analysis (RIA) estimates that 25,000 families, including 55,000 children who are U.S. citizens or who have legal status, are at risk of being made homeless with the changes in the proposed rule. These numbers do not account for the additional families with children who would be denied housing as a result of implementation of the rule. Experiencing homelessness as a young person increases your chances of experiencing homelessness again as an adult. As children are displaced from permanent housing, their experiences of trauma and related health disparities will further perpetuate harm and increase homelessness rates, both at the time of displacement and then again as adults.

**The proposed rule further exacerbates our existing homelessness crisis.**

King County is in the midst of a homelessness crisis. Currently, the rate of people newly experiencing homelessness is outpacing the rate in which people exit to permanent housing, despite annual gains in permanent housing placements and targeting of resources to prevention and permanent housing interventions. Locally, homelessness is directly linked with decreases in the availability of affordable housing and increases in rents. Our region is suffering from staggering housing costs which outpace cost of living increases. Coupling this with the proposed rule's impact—the effective loss of affordable housing options for thousands of people across the region—homelessness rates will grow exponentially, setting our community back at a time when concerted systemic changes have been demonstrating significant gains and successes.

These effects from the proposed rule also hamper the ability of our homelessness system to respond to the growing crisis. Project-based vouchers subsidize much of our homeless housing resources. This proposed policy will further limit our community's ability to serve mixed family households even in our homeless system. The result is that more people, including children, will be sleeping outside. Operationalizing this change will effectively decrease the rate in which people can get connected with available resources in the community as additional screening will be needed and the available homeless housing and permanent housing stock will be decreased for a large portion of our community.

**The proposed rule forces families into a cruel and impossible decision – separate from their loved ones or risk homelessness.**

HUD's RIA states that the Department "expects that fear of the family being separated would lead to prompt evacuation by most mixed households, whether that fear is justified. However, an alternative option would be for the household to ask ineligible members to leave." In other words, HUD expects for most families to increase their housing instability out of a fear that they will be separated from their loved ones. The Department estimates that few families will choose the alternative, the separation of parents and children. The two options posed under this rule can only be read as inherently cruel to families faced with this impossible scenario. To choose either option is to put the entire household's well-being at risk.

Given that within impacted households over 70% of members are eligible for assistance (95% of whom are American citizens),<sup>1</sup> HUD's proposal is unnecessarily cruel to a large population of low-income individuals in need of housing assistance. The disruption to these families and their stability will be significant.

**The proposed rule is at moral odds with who we are as a County and in conflict with HUD's core mission.**

This policy shift is not justified, and runs counter to our values in King County where we proudly uphold the American promise that we are a nation that welcomes those fleeing oppression, seeking opportunity, and yearning for freedom. We know from our own history that immigrants bring extraordinary skills and vigor to our region. They spark innovation, fuel our economy, and make our communities more dynamic, vibrant places to live. The proposed rule not only fails to recognize the positive benefits our community receives from immigrants, but also inhibits immigrant families' ability to contribute by needlessly pushing them into housing instability.

Further, these proposed changes are in direct opposition of HUD's mission to create strong, sustainable and inclusive communities that provide quality affordable housing for all. For two decades, HUD has implemented consistent regulations for Section 214 of the Housing and Community Development Act of 1980. The existing regulations allowed HUD and its partners to continue to provide needed affordable housing to families, by implementing the existing proration requirements. To veer from this established path is to hamper HUD's core mission and that of its partners.

Given these impacts to HUD's mission and programs, we strongly request that the Department withdraw the proposed rule. If you have any questions regarding this letter, please do not hesitate to reach out to Mark Ellerbrook, Division Director for Housing, Homelessness, and Community Development, at (206) 263-1117 or [Mark.Ellerbrook@kingcounty.gov](mailto:Mark.Ellerbrook@kingcounty.gov).

Sincerely,

A handwritten signature in black ink that reads "Dow Constantine". The signature is fluid and cursive, with the first name "Dow" being more prominent and the last name "Constantine" following in a similar style.

Dow Constantine  
King County Executive

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<sup>1</sup> Center for Budget and Policy Priorities. CBPP analysis of HUD administrative data.



*Board of Commissioners*  
Doug Barnes, *Chair*  
Susan Palmer, *Vice-Chair*  
Michael Brown  
TerryLynn Stewart  
John Welch

*Executive Director*  
Stephen J. Norman

**June 25, 2019**

Regulations Division  
Office of General Counsel  
Department of Housing and Urban Development  
451 7th Street SW, Room 10276  
Washington, DC 20410-0500

**RE: FR-6124-P-01: Housing and Community Development Act of 1980: Verification of Eligible Status**

To Whom It May Concern:

The King County Housing Authority (KCHA) strongly opposes the Department of Housing and Urban Development's (HUD's) proposed rule, "Housing and Community Development Act of 1980: Verification of Eligible Status," published in the Federal Register on May 10, 2019.

KCHA houses more than 50,000 individuals each night – 20,000 households – through a variety of low-income and workforce housing programs, including through HUD's Housing Choice Voucher (HCV) and Public Housing (PH) programs. KCHA's mission is to ensure that all residents of King County have access to quality affordable housing. Our region is home to a diverse population and we work diligently to ensure broad access to our services. We are very concerned that HUD's proposed rule would explicitly deny housing assistance to eligible low-income individuals on the basis of their family's mixed-immigration status. The detrimental impacts of this policy are clear: families breaking up to preserve their subsidies or risking being forced into homelessness; and immediate and long-term negative impacts on life outcomes for those impacted.

**HUD's Rule Contradicts Existing Statute**

HUD's proposal is in direct conflict with the plain language of the statute and the intent of Congress in enacting Section 214 of the Housing and Community Development Act of 1980. In fact, 42 U.S.C. § 1436a (b)(2), plainly states that housing assistance may be provided on a prorated basis for mixed-eligibility households:

*"If the eligibility for financial assistance of at least one member of a family has been affirmatively established under this section, and the ineligibility of one or more family members has not been affirmatively established under this section, any financial assistance made available to that family by the applicable Secretary shall be prorated..."*

By ignoring the language in Section 214 mandating the proration of assistance, HUD is attempting to circumvent the legislative process through administrative rulemaking. Congress clearly envisioned mixed-status families receiving federal housing subsidies, and provided the formula for how the subsidies are to be provided in such cases. Given that Congress has not amended the statute to eliminate this option, HUD should continue to provide a pathway for individuals living in mixed-status households to receive housing assistance in accordance with the law.

### **The Proposal Would Force Families to Make Impossible Choices**

The proposed rule overturns nearly 25 years of regulations implementing the provisions of Section 214 of the Housing and Community Development Act of 1980 that have governed housing programs, including admittance of families with mixed-eligibility status. Existing regulations have allowed low-income families with eligible members – many of whom are children who are American citizens or have legal immigration status – to live together with their family members. These rules have enabled the prorating of assistance, allowing public housing authorities (PHAs) to administer housing assistance to mixed-eligibility households so that monetary subsidies only benefit eligible household members.

This proposed rule denies a pathway for mixed-eligibility families to maintain their subsidized housing, except for cases where the leaseholder is over the age of 62. Eliminating services for mixed-eligibility households leaves families with an impossible choice – breaking apart in order to preserve their housing subsidy or staying together and risking homelessness. Given that within impacted households over 70% of members are eligible for assistance (many of whom are American citizens), HUD’s proposal is unnecessarily cruel to a large population of low-income individuals in need of housing assistance. The disruption to these families and their stability will be significant.

HUD’s Regulatory Impact Analysis opined that families are more likely to forgo assistance to preserve their family than break up. In most cases families will have little choice – children cannot be leaseholders and are not eligible for assistance on their own in many cases. As a result, we expect that as households are unable to secure affordable housing on their own, the number of families sleeping on our streets will increase and the strain on our under-resourced homelessness system will be exacerbated.

### **King County’s Constrained Housing Market Leaves Few Other Affordable Options**

HUD purports the continued assistance provisions will allow time for an “orderly transition” to other affordable housing options. The likelihood that households will be able to locate non-subsidized affordable housing options is extremely low, especially in high cost areas of the country like Seattle and King County. The National Low Income Housing Coalition recently reported that a family requires a household income of \$75,120 to be able to afford a two bedroom apartment in King County. This far exceeds the earnings of the low-income households in our programs. Rather than enabling self-sufficiency, this policy is likely to result in housing instability characterized by high rates of shelter burden for those who do find new housing, and homelessness for those who do not. In both cases, the strain on homelessness response system and local resources will be exacerbated.

### **Negative Impact on Health, Stability, and Outcomes for Immigrant Communities**

Stable and affordable housing has been well-documented as a platform for success on a range of indicators, including health and educational outcomes. We are concerned that this rule, like the “public charge” rule before it, will further deter eligible members of our community from seeking public services. The impact of prior proposals aimed at limiting access to services has already led immigrant families to avoid public services. As documented by the Urban Institute, “about one in seven adults in immigrant families (13.7%) reported “chilling effects,” in which the respondent or a family member did not participate in a noncash government benefit program in 2018 for fear of risking future green card status.”<sup>1</sup>

When low-income families avoid services they are legally entitled to, their position can become even more precarious. Of the individuals who would be impacted by HUD’s proposed rule, roughly half are children. Homelessness among children has been shown to increase the likelihood that they will lag behind their peers with delayed literacy, language, and socio-emotional development.<sup>2</sup> Homeless children are also more likely to experience negative health outcomes than their peers. KCHA is committed to lowering barriers for low-income children – not raising them – so they can achieve self-sufficiency as adults. This proposal would hamper our efforts and our region’s future.

### **The Proposed Rule Would be Administratively Burdensome and Cause Housing Uncertainty for Non-Mixed-Status Households**

While we appreciate the Administration’s stated commitment to reducing regulations, we believe the proposal increases the burden of administering federal housing programs that are already administratively underfunded and will create uncertainty for a larger portion of our residents than intended.

First, HUD’s proposal would require PHAs to verify the eligibility of all household members through the SAVE system. Nationally, this would require 9.57 million people to produce documentation even though HUD is interested in removing ineligible individuals comprising only 0.3% of all individuals housed through Section 214 programs. Of the 50,000 individuals KCHA serves each night, over 36,000 receive assistance through a Section 214 program and would require new verification. This is unnecessarily excessive and will have the unintended consequence of putting at risk the housing stability of many people who will struggle to locate proper identification or produce it in a timely period. The elderly, including elderly immigrants, people with disabilities, and formerly homeless individuals are especially at risk of not being able to timely produce materials. Replacing documents will require traveling to government offices (a challenge for mobility-impaired residents) and paying for replacements (a challenge for all extremely low-income households). For PHA staff, these changes would have the cumulative effect of adding time to an already lengthy reexamination process. For residents, these changes and new requirements will add unnecessary stress, out-of-pocket costs, and jeopardize housing stability for many of the populations we serve.

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<sup>1</sup> Hamutal Bernstein, Dulce Gonzalez, Michael Karpman, and Stephen Zuckerman. May 22, 2019. “One in Seven Adults in Immigrant Families Reported Avoiding Public Benefit Programs in 2018.” Urban Institute.

<sup>2</sup> Ziolo Guest, K. M., & McKenna, C. C. (2014). “Early childhood housing instability and school readiness”. *Child Development*, 85(1), 103–113.



Second, the proposed rule requires PHAs to establish criteria for continued housing assistance which would in turn require tracking mixed-eligibility households impacted by the rule. As households attempt to find other housing options, the request for additional six month extensions will undoubtedly require informal hearings and new procedures for verifying that households have made good faith efforts to find housing. For PHA housing caseworkers, these efforts will occupy time that could otherwise be spent providing much needed housing stability services.

Third, HUD has proposed an administrative process for implementing the proposed rule that would impact tenants in unpredictable ways, especially those using tenant-based vouchers. Under the proposal, subsidy termination could begin at a household's next interim or regular reexamination. Given that interim reexaminations are often driven by factors outside the control of households (such as rent increases or changes in income), impacted households will have difficulty planning. A family would have only thirty days to verify eligibility and could see their subsidy terminated mid-lease, leading to early lease-ending fees, inability to pay rent, and potentially eviction -- all occurrences that would exacerbate the challenge of securing new housing.

### **HUD Should Withdraw the Proposed Rule**

HUD's proposal stands in stark contrast to congressional intent and we urge HUD to withdraw the proposed rule in its entirety. The change in policy would decrease housing stability for our lowest-income neighbors, many of them legal residents, strain overstretched local homelessness response systems, and increase the administrative burden required to administer HCV and PH programs. By explicitly denying eligible individuals access to housing assistance, HUD is unnecessarily increasing barriers for low-income individuals already facing strong headwinds as they strive for self-sufficiency.

For these reasons, we strongly encourage HUD to reconsider its proposal and continue to provide housing subsidies to qualified individuals, regardless of family mix.

Sincerely,

A handwritten signature in black ink, appearing to be 'SN' or similar initials, written in a cursive style.

Stephen Norman

Executive Director  
King County Housing Authority



July 9, 2019

SUBMITTED ELECTRONICALLY

Office of the General Counsel  
Rules Docket Clerk  
Department of Housing and Urban Development  
451 Seventh Street SW, Room 10276  
Washington, DC 20410-0001

Re: HUD Docket No. FR-6124-P-01, Verification of Eligible Status

To Whom It May Concern:

At Home Forward, housing is what we do, and people are the reason it matters. We firmly believe in hearing and amplifying the voices of those with a lived experience of homelessness, barriers to housing stability, connections to vulnerable populations, or interactions with various systems addressing poverty. With our mission and values providing firm foundations, we turn to residents, participants, staff, and our community for input on important housing policy issues. We rely heavily on nearly eight decades of experience to inform our approaches. Finally, we turn to our Board of Commissioners for leadership and guidance.

Contained below are comments in response and in opposition to the Department of Housing and Urban Development (HUD) proposal to remove eligibility for thousands of families receiving federal assistance by drastically changing the interpretation of Section 214 of the Housing and Community Development Act of 1980. We have also annexed a resolution passed by Home Forward's Board of Commissioners channeling the sentiments contained in these comments, expressing support for immigrant communities, and opposing this proposed rule.

Our community welcomes and embraces immigrants, their families, and their communities regardless of whether those individuals are considered "documented" under federal rules and regulations. We consider them residents of our state who



strengthen the fabric of our communities. According to estimates, there are 113,000 immigrants in Oregon who do not maintain federal status, and nearly 2 in 3 have resided here longer than a decade.<sup>1</sup> Over 1 in 5 are children or youth aged 24 or below. As the comments below highlight, if this rule were finalized, it would have a harmful impact on Oregon's immigrant community.

**1. The proposed rule would result in significant increases in homelessness, particularly unsheltered homelessness**

We know that families who have stable affordable housing are able to support their household in other ways, by maintaining jobs, accessing health care, providing nutritious foods, and ensuring other necessities. Children can thrive in school. Parents can get to work more easily. Without stable housing, each of these items could be jeopardized.

Our households reside in programs that utilize federal resources like Public Housing and the Housing Choice Voucher program. In Multnomah County, we house 259 families which contain an ineligible non-citizen. Ineligible non-citizens tend to be parents, and they tend to have children who are American citizens. The households that we assist have 1,154 residents including 596 children. The proposed rule puts each household member at risk. This rule change would require that families make difficult decisions that weigh homelessness against splitting up families, and each option carries devastating impacts for families and communities.

As these currently-housed families are broken up, evicted, or terminated from housing programs, families and individuals would be forced onto the streets and homelessness would increase. This will impact our communities in innumerable ways. Most immediately, current counts of homelessness will increase. Local communities, including Continuums of Care, will be placed under additional strain to meet demand. Progress that has been made on reducing or slowing homelessness will yield to increased homelessness due to this proposal.

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<sup>1</sup> Migration Policy Institute analysis of U.S. Census Bureau data from the pooled 2012-16 American Community Survey and the 2008 Survey of Income and Program Participation; <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/OR>



## **2. The proposed rule would have a disproportionate impact on youth and children**

We operate our programs to serve immediate need, but also to prepare youth for their futures. That is all the more important in Oregon, which maintains one of the highest rates of homelessness among families with children. This proposed rule change will exacerbate homelessness, especially among minor children. The vast majority of these children are U.S. citizens.

Terminating housing assistance and evicting families from their homes directly and immediately impacts children, but also results in other long-lasting harm. Trauma and adverse childhood experiences (ACEs) remain with individuals for many years or life. Children experiencing homelessness cannot thrive in schools and increase strains on the educational system. Moves during middle childhood, particularly for low-income children, can reduce future educational attainment, earnings, and work hours; further, without stable housing, children are less able to focus on studies, and parents are unable to engage in their child's education.

Health also matters in this discussion. Young children who have experienced homelessness for longer than six months were significantly more likely to experience developmental delays, fair or poor health, obesity, and be hospitalized than children who never experienced homelessness or did so for less than six months.<sup>2</sup>

Eviction and loss of housing assistance represents only the first level of trauma. We know that for children the negative impacts ripple out in other harmful ways that can take years or decades to heal. This proposed rule would only increase that trauma and increase the long term costs of caring for American children.

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<sup>2</sup> Even Prenatally, Homelessness Harms Children's Health, How Housing Matter, 2015;  
<https://howhousingmatters.org/articles/even-prenatally-homelessness-harms-childrens-health/>



### **3. The proposed rule would have a disparate impact on communities of color**

Let's not mince words or dance around the stated intent: this proposed rule and its disparate outcomes are racist and xenophobic. Though not explicitly stated, this rule will have disparate impacts for families based on race, national origin, and language. In our housing programs, we know that mixed status families are composed overwhelmingly of people of color, migrants from Mexico, Central America, and South America, and households that primarily speak Spanish. Accordingly, the short-term and long-term outcomes negatively impact certain communities more dramatically than others. For Home Forward, as an agency that applies an equity lens to the administration of federal policies, these are unacceptable outcomes.

### **4. The proposed rule would be costly, difficult to administer, and administratively burdensome**

The proposed rule asks housing authorities to take on roles implementing federal immigration policy at a scale not seen previously. Agencies are not equipped for this work. We do not have the capacity or the systems necessary to collect the various documents required by the proposed rule, especially since Housing Authorities currently are not required to collect documents for program participants who indicate they are a citizen or an ineligible non-citizen. Income recertifications already constitute one of the most burdensome aspects of a housing program because of the need to collect various documents, and the proposed rule would only increase document collection within these programs.

Additionally, housing authorities do not necessarily possess the expertise on immigration-related topics or the culturally-specific underpinnings to engage in these difficult conversations on already traumatic topics like immigration status. We will need to increase staffing capacity and build external partnerships to ensure that we are reaching this population in a trauma-informed manner that adequately informs families of their options. Each of the above expectations will require expenditures on additional staff, which will reduce our funding and capacity to house members of our community.



This proposal could also have expensive ripple effects on housing authorities. For example, as individuals leave households and their family sizes reduce, these families may need to be re-housed to comply with subsidy standards. This will result in new vacancies in existing units, and will require that remaining members of households find new housing in which to use their assistance. Each move requires that the housing authority process paperwork. For public housing tenants, the housing authorities will need to find and offer appropriately-sized housing opportunities within their portfolio. This example illustrates just one of the many secondary and perhaps unintended or unanticipated effects of this rule.

In addition to all of the administrative costs outlined above, even HUD's own analysis indicates that imposition of the rule would require additional rent assistance subsidies to maintain current levels of household assistance. HUD estimates this to range from \$193 million to \$227 million annually. Because there is no corresponding increase in funding proposed, housing authorities will be forced to house fewer families in order to absorb the increased rent assistance costs.

## **5. The proposed rule would have a chilling effect on access to various housing programs**

We know that recent proposals from the administration have reduced the likelihood that immigrant populations seek to receive public benefits. For low income households, over 20% refuse government benefits due to fears about detrimental effects on one's immigration status, and this is particularly the case for families with minor children.<sup>3</sup> This added fear and lack of trust in government programs has compounding effects on participation in vital safety net and benefits programs.

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<sup>3</sup> "One in Seven Adults in Immigrant Families Reported Avoiding Public Benefit Programs in 2018," Urban Institute, May 2019, Hamutal Bernstein, Dulce González, Michael Karpman, Stephen Zuckerman.



## Conclusion

Home Forward appreciates the brave, thoughtful, and informed voices of residents, participants, staff, our Board of Commissioners, and the local community. In furtherance of the comments above, and in line with Home Forward's mission and values, we respectfully recommend that HUD advocate that Congress remove existing distinctions related to mixed status families to ensure equal application of federal housing policy. In the alternative, we recommend that HUD scrap this ill-advised approach and maintain the current regulations related to mixed status families.

A handwritten signature in black ink, appearing to read 'Ian Davie', is positioned above the printed name.

Ian Davie  
Chief Operating Officer  
Home Forward





## RESOLUTION 19-06-03

### RESOLUTION 19-06-03 EXPRESSES SUPPORT FOR IMMIGRANT COMMUNITIES AND OPPOSES HUD'S PROPOSED "MIXED FAMILY" RULE

**WHEREAS**, Home Forward's mission is to ensure that the people of the community are sheltered and highlights that Home Forward will promote, operate and develop affordable housing that engenders stability, self-sufficiency, self-respect and pride in its residents;

**WHEREAS**, Home Forward's organizational values indicate that we do our work in support of systemic change for racial and social justice and we use our voice to bring attention to these issues and their impact on our community and advocate for change at a broad scale;

**WHEREAS**, Home Forward's strategic plan "one community" goals emphasize the importance of the agency's work around racial and social justice;

**WHEREAS**, the proposed HUD rule published on May 10, 2019, under Docket Number 2019-09566, is in conflict with Home Forward's mission, organizational values, and strategic plan;

**WHEREAS**, the proposed HUD rule published is administratively burdensome for housing authorities, would not achieve its stated goals of reducing regulatory burden, has a chilling effect on the access to housing services by certain populations, and conflicts with federal law;

**WHEREAS**, the proposed HUD rule will have a racist and disparate impact that break down at the intersection of many protected classes including race, ethnicity, national origin, and familial status;

**WHEREAS**, community partners have indicated a desire to partner with Home Forward to continue advocacy in support of immigrant communities, and in opposition to the proposed rule;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward hereby expresses support for immigrant communities and opposes HUD's proposed "mixed family" rule.



ADOPTED: JUNE 18, 2019

Attest:

A handwritten signature in black ink, appearing to read "Michael Buonocore", written over a horizontal line.

Michael Buonocore, Secretary

Home Forward:

A handwritten signature in blue ink, appearing to read "Mary Ann Herman", written over a horizontal line.

Mary Ann Herman, Chair



SUBMITTED VIA THE FEDERAL RULEMAKING PORTAL AT  
WWW.REGULATIONS.GOV

July 9, 2019

Office of General Counsel  
Rules Docket Clerk  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 10276  
Washington, DC 20410-0001

Re: Docket No. FR-6124-P-01  
Housing and Community Development Act of 1980:  
Verification of Eligible Status

To Whom It May Concern:

The Council of Large Public Housing Authorities (“CLPHA”) and Reno & Cavanaugh, PLLC (“Reno & Cavanaugh”) are pleased to submit comments to HUD’s proposed rule titled “Housing and Community Development Act of 1980: Verification of Eligible Status” (the “Proposed Rule”).

CLPHA is a non-profit organization that works to preserve and improve public and affordable housing through advocacy, research, policy analysis, and public education. Our membership of more than seventy large public housing authorities (“PHAs”) own and manage nearly half of the nation’s public housing program, administer more than a quarter of the Housing Choice Voucher program, and operate a wide array of other housing programs. They collectively serve over one million low income households in the country.

Reno & Cavanaugh represents more than one hundred PHAs throughout the country. Reno & Cavanaugh was founded in 1977, and over the past three decades the firm has developed a national practice that encompasses the entire real estate, affordable housing, and community development industry. Though our practice has expanded significantly over the years to include a broad range of legal and legislative advocacy services, Reno & Cavanaugh’s original goal of providing quality legal services dedicated to improving housing and communities still remains at the center of everything we do.

We are vehemently opposed to the Proposed Rule as it is contrary to current law and public policy.

As a general matter, the Proposed Rule directly conflicts with the shared mission of HUD, CLPHA, and PHAs across the country of providing safe and affordable housing to those in most need in our communities. The Proposed Rule seeks to eliminate all “mixed-status families” in HUD-assisted housing. A “mixed-status family” is a household where one or more member does not have eligible immigration status to receive HUD assistance. Under current law, rental assistance to such mixed-status families is prorated to ensure that only those members with eligible immigration status receive the rental assistance. The ineligible household members do not receive such HUD assistance, instead paying their portion of the rent unassisted, often at market rates.

The Proposed Rule seeks to eliminate mixed-status families by requiring every member of the household, regardless of whether such member receives HUD rental assistance, to have eligible immigration status. In application, the Proposed Rule would leave such mixed-status families two untenable options: (1) leave HUD-assisted housing altogether to avoid eviction or (2) separate those members without eligible immigration status from the household to allow those with eligible immigration status to remain in HUD-assisted housing. According to HUD’s own April 15, 2019, Regulatory Impact Analysis of the Proposed Rule (“HUD’s Impact Analysis”), “HUD expects that fear of the family being separated would lead to prompt evacuation by most mixed households.” HUD’s Impact Analysis at page 7. HUD further notes that the second option of breaking up the household is “a ruthless one” and as such “is unlikely to occur.” HUD’s Impact Analysis at 16.

The fear and uncertainty caused by the Proposed Rule, even in this preliminary stage, strikes at the heart of our communities. CLPHA believes the stability provided by affordable housing is the critical first element of many important and interconnected social determinants that shape life outcomes and contribute to the success of our communities. Housing stability acts as a keystone of individuals’ and families’ abilities to achieve academically, secure and maintain employment, and achieve regular access to needed health services. It is telling that HUD acknowledges that “a household would probably suffer a worse outcome by trying to adapt to the new rules than by leaving.” HUD’s Impact Analysis at page 9. We oppose such action by HUD when its clear purpose is to create fear and force ruthless decisions on our communities.

Furthermore, research has shown that housing stability has a significant impact on children’s school performance and long-term outcomes, such as graduation rates and post-secondary activities. PHAs are actively exploring how they can align with and add value to local approaches that aim to improve educational outcomes. HUD’s Impact Analysis makes it clear that children will be disproportionately impacted by the Proposed Rule. HUD’s acknowledgement on the one hand that growing up in intact households is important to a child’s economic mobility and their cognitive, behavioral, physical, and mental health, *see* HUD’s Impact Analysis at page 9, and its acknowledgement on the other hand that the Proposed Rule is a ruthless one whose goal is to instill fear is proof positive that the Proposed Rule directly contradicts HUD’s own mission and should therefore be withdrawn immediately.

Below are our detailed comments in opposition to the Proposed Rule. Additionally, we have provided at Attachment 1 comments on specific provisions of the Proposed Rule.

## **I. The Proposed Rule is Not Supported by Law.**

As a preliminary matter, we note that HUD fails to articulate valid legal justifications for the significant changes in policy and interpretation contained in the Proposed Rule. Instead, HUD asserts that such proposals are grounded on what HUD “believes” or because HUD “no longer agrees” with certain long-held policies, or else HUD asserts without evidence that its proposals are “more in keeping with” or “better reflects” the provisions of Section 214 of the Housing and Community Development Act (the “HCD Act”). Without a valid legal justification, HUD’s assertions are merely unsubstantiated claims and do not carry the force of law. Further, HUD cites Executive Order 13828, “Reducing Poverty in America by Promoting Opportunity and Economic Mobility” (“Executive Order 13828”) and a Presidential Memorandum of March 6, 2017, “Implementing Immediate Heightened Screening and Vetting of Applications for Visas and Other Immigration Benefits...” (“Presidential Memo 03-06-17”) as justifications for the Proposed Rule. Notwithstanding that neither Executive Order 13828 nor Presidential Memo 03-06-17 have the force of law, both do provide that they “shall be implemented consistent with applicable law...” Given that Section 214 of the HCD Act directly conflicts with numerous provisions of the Proposed Rule, HUD lacks the legal grounds to implement the proposed changes.

### **a. The Proposed Rule Directly Conflicts with Provisions of 42 U.S.C. § 1436a.**

Under the HCD Act, declaration of immigration status and subsequent verification is only required for individuals who either receive or are applying for financial assistance. *See* 42 U.S.C. § 1436a(d). Therefore, persons who do not contend their immigration status and who do not receive financial assistance do not have a statutory obligation to provide declarations or submit documentation for verification. Therefore, the requirement under the Proposed Rule that all household members declare and verify status regardless of whether financial assistance is actually or will be received directly contravenes current law.

Further, the requirement under the Proposed Rule that persons aged 62 years and older submit at least one document for evaluation via the U.S. Citizenship and Immigration Services’ Systematic Alien Verification for Entitlements Program (“SAVE”) exceeds statutory obligations. The HCD Act provides that persons aged 62 years and older who receive financial assistance are subject to a different verification process than younger persons. Specifically, persons aged 62+ need only verify their eligible status by submitting certain documentation to HUD for HUD review only. *See* 42 U.S.C. § 1436a(d)(1)(A).

In cases where financial assistance to an individual is to be terminated (following completion of the applicable hearing process), Section 214 authorizes continued assistance to avoid “division of the family,” provided the head of household or spouse has eligible immigration status. *See* 42 U.S.C. § 1436a(c)(1)(A). Under current law, “family” means the head of household, any spouse, any parents of the household head or the spouse, and also any children of the household head or spouse. The Proposed Rule, which would eliminate all mixed-status families and which would otherwise break up families unless they are receiving assistance under Section 214 on June 19, 1995, therefore directly contradicts existing law.

Restricting leaseholder status to only verified individuals who may serve as the head of household or spouse via the Proposed Rule also directly conflicts with existing law, since no such restriction currently exists. Further, current law specifically recognizes that a child of the head of household or spouse constitutes a family unit that is eligible for financial assistance.

**b. The Proposed Rule Cannot be Applied Retrospectively.**

There is a long-standing presumption against rules with retroactive effect, particularly with regard to legislative rules that implement statutory provisions. The underlying statute does not provide for retroactive application and when HUD implemented the original regulations in 1995, it did so prospectively. Furthermore, it took HUD seven years to implement the original Section 214 regulations. The preamble to the final rule states that HUD determined Section 214 was “too complex ... to be self-implementing as of the date of enactment of the 1987 Act.” After 32 years of only prospective application of Section 214, it is unreasonable for HUD to now insist on retroactive application via the Proposed Rule.

**c. The Proposed Rule Implicates Privacy Rights Concerns.**

The use of immigration records under the Proposed Rule arguably violates privacy interests. Applicants and current program participants consent to the use of their immigration status information for eligibility verification purposes. Under 42 U.S.C. § 1436a(d)(3)(B), when such immigration status information is provided, the individual’s privacy shall be protected “to the maximum degree possible.” The Proposed Rule, however, contemplates the further use of such immigration information beyond eligibility verification. The preamble to the Proposed Rule explains that limiting tenancy to only those with verified eligible immigration status “would better facilitate locating such person and bringing any necessary administrative or legal actions.” Further, the proposed revisions to Section 5.508(d) specifically disclaims any responsibility “for the further use or transmission of the evidence” of eligible immigration status. This conflicts with the underlying statute’s requirement that the individual’s privacy be protected, potentially exposing PHAs and private landlords to liability for violating those privacy rights.

**d. The Proposed Rule Violates the Fair Housing Act.**

The Proposed Rule violates the Fair Housing Act on at least two fronts: it discriminates on the basis of national origin, and it violates HUD’s affirmative obligation to further fair housing. Because the Proposed Rule lacks proper legal authority and HUD has failed to provide a legitimate basis for the rule, housing providers forced to implement its illegal policies risk disparate impact lawsuits brought by aggrieved tenants and applicants. Pursuant to the *Texas Department of Housing and Community Affairs, et al., v. Inclusive Communities Project, Inc.*, 576 U.S. \_\_\_, 135 S.Ct. 2507 (2015) decision and related litigation, citizenship- or immigration-based policies have an illegal and disparate impact on protected classes absent clearly-articulated substantial, legitimate, and non-discriminatory interests. As discussed in detail in these comments, HUD has failed to articulate any legitimate non-discriminatory basis for the Proposed Rule. Forcing housing providers to defend HUD’s illegitimate policy changes would siphon limited financial and administrative resources away from the vital mission of providing affordable housing to needy and otherwise eligible individuals and families. Likewise, the Proposed Rule’s discriminatory effect

violates the mandate that HUD administer its programs and activities in a manner that “affirmatively” furthers fair housing. 42 U.S.C. § 3608(e)(5).

## **II. The Proposed Rule is Not Supported by Public Policy.**

### **a. It is the Intent of Congress to Continue Prorated Rental Assistance to Mixed-Status Families.**

Section 214 prohibits HUD from making “financial assistance” (not just “assistance” as HUD claims) available to ineligible non-citizens, and affirmatively provides for proration of financial assistance in mixed-status families. *See* 42 U.S.C. §§ 1436a(b) & (i)(1). Given that during the statute’s 39 years of existence it has been amended 8 times (most recently in 2016) and protections for mixed-status families persist, Congress clearly intends for mixed-status families to continue to receive prorated assistance.

### **b. The Proposed Rule Would Unduly Frustrate PHA Operations and HUD Programs.**

The Proposed Rule directly conflicts with HUD’s mission to provide decent, safe, and affordable housing to those communities in most need of such housing by imposing significant administrative and financial burdens on PHAs, thereby further taxing their already limited administrative and financial resources.

HUD claims, without proof, that the Proposed Rule would have a “minimal impact” on small owners, mortgagees, and PHAs and will not “impose significant additional costs on responsible entities. To the contrary, the Proposed Rule will have significant impact on PHAs. This is particularly true for the first year of implementation, when PHAs will need to develop policies and procedures for the new verification process as well as the related exemption/waiver processes. Additionally, as the Proposed Rule requires that all members of current households living in Section 214 housing who have not previously provided immigration status information do so at the first regular reexamination after the rule goes into effect, the first year of implementation is expected to have the most terminations and evictions based on ineligible immigration status. Increased terminations and evictions, in turn, will further burden PHAs in the form of additional administrative work in processing such terminations, legal fees and court costs associated with the eviction process, and the additional administrative and financial burden of readying the now vacant units for re-leasing.

Not only would the Proposed Rule significantly increase burdens on housing providers, it would frustrate HUD’s ongoing initiative to attract more private landlords willing to participate in the Housing Choice Voucher program. The Proposed Rule risks exacerbating the very issues that contribute to a shortage of landlords willing to participate, and would further contribute to the shortage of available decent, safe and sanitary affordable housing options, as documented by HUD (<https://www.huduser.gov/portal/pilot-study-landlord-acceptance-hcv.html>).

**c. The Proposed Rule Will Have Significant Economic Impact Across the Country.**

HUD's Impact Analysis correctly concludes that the Proposed Rule is a "significant regulatory action," however it inexplicably claims it is not economically significant. The projected impact on communities should not be underestimated, including the cost of increasing numbers of homeless individuals who will stress communities. HUD's own economic impact analysis, which tends to understate the costs and impacts, admits that costs associated with homelessness range from \$20,000 to \$50,000 per person per year. HUD also estimates that elimination of mixed-status families will cost the Federal government an additional \$179-210 million per year, which would require a significant increase in HUD's budget by \$193-227 million to provide subsidies to the replacement households. HUD also admits that its ability to obtain higher budget amounts for these needs is likely limited, leading to decreases in the number of households able to be served, or an overall decrease in the quality of housing across the board. Finally, HUD also acknowledges that certain states with higher concentrations of non-citizens (New York, California, and Texas) are likely to bear the brunt of the costs of these policies. In comments published on July 3, 2019, the Housing Authority of the City of Los Angeles, for example, reported an estimated additional administrative cost between \$24,330,656 and \$49,343,006 for its public housing programs and \$2,265,364 for its Section 8 programs. HUD has made no allowances for such disproportionate regional impacts.

Thank you for the opportunity to comment on the Proposed Rule. We would also like to take the opportunity to adopt and endorse the comments submitted by our PHAs members opposing the Proposed Rule and thank HUD for its consideration of all such comments.

If you have any questions, please do not hesitate to contact us.

Sincerely,



Sunia Zatterman  
Executive Director  
CLPHA



Stephen I. Holmquist  
Member  
Reno & Cavanaugh, PLLC

## **Attachment 1**

### **Part 5, Subsection E – Comments on Specific Rule Provisions**

#### **§ 5.504 Definitions.**

Removes the definition of “Mixed family” from § 5.504(b). HUD must restore this definition because the HCD Act specifically provides for and anticipates provision of financial assistance to mixed-status families. *See* 42 U.S.C. § 1436a(b).

#### **§ 5.506 General Provisions.**

§ 5.506(b)(1) – Family eligibility for assistance. HUD’s requirement that every member of the family must be eligible for assistance, with two exceptions (grandfathering of only those families in residence as of June 19, 1995, or permitting temporary proration of assistance while final determinations of status are pending) conflicts with the HCD Act that permits prorated assistance for mixed-status families. *See* 42 U.S.C. § 1436a(b). The Proposed Rule must be set aside because it violates the statutory provisions.

§ 5.506(b)(2) – Continued Assistance only applies under the Proposed Rule if the family was receiving assistance as of June 29, 1995, the date the original regulations were first published. However, by treating the date of the implementing regulations as a “safe harbor”, HUD is effectively imposing new legislative rule requirements retroactively against current leaseholders who are lawfully housed and abiding by their leases, an apparent violation of the Administrative Procedures Act (APA). HUD’s retroactive application of its Proposed Rule violates long-standing legal principles and presumptions that such rules must be applied prospectively only, if at all.

§ 5.506(b)(3) – The Proposed Rule improperly provides that a family whose head of household has eligible immigration status is eligible for prorated assistance but only until final determinations are reached about the eligibility of other family members. This conflicts with the HCD Act that provides for prorated assistance so long as a single family member has eligible status. *See* 42 U.S.C. §§ 1436a(b)(2) and (d).

#### **§ 5.508 Submission of evidence of citizenship or eligible immigration status.**

§ 5.508(b) Evidence of citizenship or eligible immigration status. The Proposed Rule provides that all family members, regardless of age or whether they are actually receiving financial assistance, must submit evidence of citizenship and a declaration of eligibility. The HCD Act, however, requires only those persons who actually receive or apply for financial assistance to submit declarations and verification materials. *See* 42 U.S.C. § 1436a(d).

§ 5.508(b)(2) – Under the Proposed Rule, noncitizens aged 62 or older who were receiving assistance as of September 30, 1996 or who applied for assistance after that date, must provide proof of age and proof of eligible immigration status. However, the HCD Act provides that collection of documentation from this age group is optional. (*See* 42 U.S.C. § 1436a(d)(1)(A)) It is unclear from the Proposed Rule whether such documentation of citizenship status will be



verified via SAVE, however the HCD Act provides that such documentation, if collected, should only be reviewed by HUD. *See* 42 U.S.C. § 1436a(d)(1)(A).

§ 5.508(c)(1)(ii) Declaration. The Proposed Rule exceeds the statutory requirements and improperly requires citizenship declarations on behalf of a child to be signed by an adult who resides in the assisted dwelling unit and is responsible for the child. The HCD Act only requires that an adult must sign on behalf of a child. (42 U.S.C. § 1436a(d)(1)(A)) The Proposed Rule would place minors whose parents are divorced or who live with non-custodial family members at a disadvantage and constitutes an additional, unnecessary burden.

§ 5.508(d) Verification consent form.

§ 5.508(d)(1) – The Proposed Rule exceeds the statutory requirement that only individuals who receive or are applying for financial assistance must execute forms related to that assistance (42 U.S.C. § 1436a(d)) by requiring all family members to sign the verification forms even if they receive no financial assistance. The Proposed Rule must be ignored and set aside.

§ 5.508(d)(1)(ii) – Similar to the objections raised regarding the proposed citizenship declarations set forth at 5.502(c)(1)(ii), the Proposed Rule improperly requires verification forms executed on behalf of a child to be signed by an adult who resides in the assisted dwelling unit and is responsible for the child. The HCD Act, however, only requires that an adult must sign on behalf of a child. (42 U.S.C. § 1436a(d)(1)(A)). The Proposed Rule would place minors whose parents are divorced or who live with non-custodial family members at a disadvantage, constitutes an additional, unnecessary burden, and must be set aside.

§ 5.508(d)(2) Notice of release of evidence by responsible entity. The Proposed Rule provides that the verification consent form shall include a provision advising individuals that evidence of immigration status may be released to (i) HUD and (ii) DHS to verify immigration status “without responsibility for the further use or transmission of the evidence by the entity receiving it”, which conflicts with the underlying statute’s requirement that the individual’s privacy shall be protected “to the maximum degree possible.” (*See* 42 U.S.C. § 1436a(d)(3)(B))

§ 5.508(d)(3) Notice of release of evidence by HUD. The Proposed Rule also requires that the verification consent form advise individuals that HUD may also release evidence of eligible immigration status [to unspecified parties], and furthermore HUD disclaims any responsibility for the further use or transmission of the evidence or other [unspecified] information by DHS. These provisions also conflict with the underlying statute’s requirement that the individual’s privacy shall be protected “to the maximum degree possible.” (*See* 42 U.S.C. § 1436a(d)(3)(B))

§ 5.508(e) Notification of requirements of Section 214

§ 5.508(e)(1) When notice is to be issued. The Proposed Rule would impose a number of administratively burdensome notice provisions on housing providers, including having to provide notice of the requirement to provide evidence of citizenship status to each applicant at the time of application, and to each tenant who has not submitted evidence of eligible status as of the date of the final rule at the next regular re-examination of income. As previously discussed, the Proposed

Rule would improperly require all applicants and family members to receive such notices regardless of whether such individuals are applying for or actually receive financial assistance, which exceeds HUD's statutory authority under 42 U.S.C. §1436a(d).

§ 5.508(e)(2) Form and content of notice. The Proposed Rule would impose additional administratively burdensome specifications by requiring the notice to, among other things, describe the type of evidence of citizenship that must be submitted and the time period for such submissions, and also state that assistance will be denied or terminated upon a final determination of ineligibility after all appeals, if any, have been exhausted or, if appeals are not pursued, at a time to be specified in accordance with HUD requirements. The Proposed Rule is also impermissibly vague because it fails to specify the appeals time period.

§ 5.508(e)(2)(iv) – Requiring a statement in the notice that assistance may only be prorated to a family whose head of household or spouse has eligible immigration status while final determinations of all other family members is pending incorrectly overstates HUD's authority under the statute. The HCD Act not only provides for proration of assistance for mixed-status families (*See* 42 U.S.C. §1436a(b)), which the Proposed Rule improperly attempts to ignore and invalidate, but it also provides that only those family members who are receiving or applying for financial assistance are required to submit to the verification procedures. *See* 42 U.S.C. §1436a(d).

§ 5.508(e)(2)(v) – Contains a typo that requires correction: “Inform tenant show [sic] to obtain assistance under the preservation of families provisions of §§ 5.516 and 5.518.”

§ 5.508(f) When evidence of eligible status is required to be submitted.

§ 5.508(f)(1) Applicants. Insert the word “financial” before “assistance” to clarify and conform to the statute, which only requires submission of evidence of eligible status if the applicant is applying for financial assistance. *See* 42 U.S.C. §1436a(d).

§ 5.508(f)(3) New occupants of assisted housing. Once again, the Proposed Rule exceeds HUD's statutory authority by requiring all new occupants to submit evidence of citizenship regardless of whether the occupant is receiving financial assistance. (*See* 42 U.S.C. §1436a(d))

§ 5.508(f)(4) Changing participation in a HUD program. Evidence of eligible status is only required to be submitted for those persons who receive or are applying for financial assistance. (*See* 42 U.S.C. §1436a(d)) The Proposed Rule overreaches by attempting to apply to all families, and therefore must be set aside.

§ 5.508(f)(5) One time evidence for continuous occupancy. Contrary to the Proposed Rule provisions, only those family members who are receiving or applying for financial assistance must submit evidence of eligible status. (*See* 42 U.S.C. §1436a(d))

§ 5.508(g) Extensions of time to submit evidence of eligible status

§ 5.508(g)(1) Extensions of time to submit evidence of eligible status. Although the statute provides for an unconditional 30-day extension, the Proposed Rule imposes significant burdens

and would require the family member to certify that supportive evidence is “temporarily unavailable”, additional time is needed and “prompt and diligent efforts will be undertaken to obtain the evidence.” HUD should be blocked from imposing additional administrative burdens particularly those that exceed the statutory mandates.

§ 5.508(g)(3) Grant of denial of extension to be in writing. The Proposed Rule imposes significant burdens on housing providers to document whether an extension request is granted or denied, including explaining the reasons for any denial. No additional funding is proposed or will be made available by HUD to offset the costs of the proposed enhanced notice requirements, leading to imposition of additional burdens on housing providers.

#### **§ 5.512 Verification of eligible immigration status.**

§ 5.512(a) General. The Proposed Rule exceeds HUD’s statutory authority by requiring at least the head of household or spouse to verify eligibility before financial assistance is received, whereas the HCD Act requires that only one family member need be eligible to receive financial assistance. *See* 42 U.S.C. §1436a(b).

§ 5.512(b) Initial verification. Although the statute restricts the review of the verification documentation of persons aged 62 years or older to only HUD, the proposed rule erroneously requires the use of DHS’s SAVE system. (*See* 42 U.S.C. §1436a(d)(1)(A)) The Proposed Rule would put many elderly persons at risk of loss of housing in those cases where verification documents are unavailable due to a lack of birth records, or loss of original records due to circumstances outside of the elders’ control.

§ 5.512(c) Additional verification. The Proposed Rule is administratively burdensome and would require housing providers to request additional verification within 10 days of receipt of the initial verification from SAVE, and requires submission of an additional request to SAVE with unspecified “optional additional information”.

§ 5.512(d) Failure to confirm eligible immigration status. The Proposed Rule imposes additional burdens on housing providers by requiring notification to the family if initial verification fails, and describing the process to seek record correction with DHS. The Proposed Rule does not specify how much time the family shall receive to fix the errors, although such circumstances likely are out of their ability to control. We expect HUD’s Proposed Rule, if fully implemented, would further tax an already delay- and error-prone SAVE system to the detriment of lawfully assisted mixed-status families.

#### **§ 5.514      Delay, denial, reduction or termination of assistance.**

§ 5.514(c)(1) Events causing denial or termination of assistance – General.

§ 5.514(c)(1)(ii) The Proposed Rule would deny assistance to an applicant or terminate assistance to a tenant if SAVE does not verify eligible status of a family member, however there are a number of problems with this provision. First, applicants or tenants who do not receive or who do not apply for financial assistance are not subject to verification requirements under the statute. *See* 42 U.S.C

§1436a(d)). Furthermore, the proposal conflicts with the provisions of § 5.512(c)(i) and (d) in the Proposed Rule that specify additional verification requirements and affected individuals' ability to seek DHS record corrections. Furthermore, per § 5.14(b)(1)(i) of the Proposed Rule, assistance may not be terminated while SAVE verification is still pending.

§ 5.514(d) Notice of denial or termination of assistance. The Proposed Rule imposes additional unfunded burdens by requiring housing providers to provide a brief explanation of the reasons for denial or termination of assistance and also notify tenants of the criteria and procedures for obtaining relief under the preservation of families provisions, and that any family member may seek record corrections with DHS.

#### **§ 5.516      Availability of preservation assistance to tenant families.**

§ 5.516(a)(1)(ii) appears to contain a typo: the citation should be to § 5.18(b) instead of (a).

§ 5.516(a)(2)(ii) appears to contain a typo: Should the reference to the 1965 HUD Act actually be to the 1987 Act?

§ 5.516(b) Assistance available to other families in occupancy. HUD improperly attempts to limit temporary deferral of termination of assistance to only those impacted families if they received assistance under a covered Section 214 program on June 19, 1995, the date the original regulations were implemented. However, this amounts to an improper retroactive application of the Proposed Rule and furthermore the proposed restrictions exceed the statutory provisions.

§ 5.516(c) Section 8 covered programs: Discretion afforded to provide certain family preservation assistance –

§ 5.516(c)(1) – Project owners. HUD claims, without support, that it has the discretion to determine under what circumstances families are to be provided one of two statutory forms of assistance to preserve families: either proration of financial assistance to avoid family division, or deferral of termination of assistance to permit an orderly transition to other affordable housing within 18 months.

#### **§ 5.518      Types of preservation assistance to tenant families.**

§ 5.518(a) Continued Assistance.

§ 5.518(a)(1) – HUD proposes to restrict continued financial assistance to only those families who were receiving assistance on June 19, 1995, the date the original regulations were implemented, which would improperly and unnecessarily impose retroactive restrictions on tenants who are complying with the HCD Act and their leasehold requirements.

§ 5.518(a)(2) – HUD improperly seeks to restrict continued financial assistance to only those families whose head of household or spouse has eligible immigration status, however the HCD Act provides that a single family member with eligible status, including a child, is sufficient to constitute a family that is eligible for prorated financial assistance. *See* 42 U.S.C. §1436a(b)(2)).

§ 5.518(a)(3) – HUD improperly seeks to exceed the statutory requirements by requiring that all family members must have eligible immigration status in order to qualify for continued assistance, however the statute provides that a single member, even if only a child, is sufficient to qualify the family for assistance. *See* 42 U.S.C. §1436a(b)(2)).

§ 5.518(b) Temporary deferral of termination of assistance – Both the statute and the Proposed Rule ignore the practical realities that ineligible families will face while attempting to accomplish an “orderly transition” to other affordable housing, particularly because such other affordable housing is defined as unassisted, non-substandard, of appropriate size for the family and the rent cannot exceed what the family currently pays plus 25% more, including utilities. Given the limited supply of affordable housing that would meet HUD’s definition, particularly in high cost urban areas, and the large number of impacted families and individuals, which HUD admits would likely exceed 108,000 individuals, forced evictions of impacted families would cause a crisis of homelessness. *See* HUD’s Impact Analysis at page 7.

July 3, 2019

Submitted via [www.regulations.gov](http://www.regulations.gov)

Office of General Counsel, Rules Docket Clerk  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 10276  
Washington, DC 20410-0500

Re: HUD Docket No. FR-6124-P-01, RIN 2501-AD89 Comments in Response to Proposed Rulemaking: Housing and Community Development Act of 1980: Verification of Eligible Status

To Whom It May Concern:

Columbia Legal Services respectfully submits the following comments opposing the Department of Housing and Urban Development's (HUD) proposed rule regarding "verification of eligible status," published in the Federal Register on May 10, 2019 (RIN 2501-AD89; HUD Docket No. FR-6124-P-01). The proposed rule, if implemented, would eliminate the ability of families with mixed immigration statuses to receive prorated housing assistance. It would also require lawfully present immigrants above the age 62 to provide proof of their immigration status. These new requirements would have the effect of separating families seeking shelter, and harming U.S. citizen children and older U.S. residents in the process.

Columbia Legal Services ("CLS") is a nonprofit legal impact advocacy organization based in Washington State that advocates for laws that advance social, economic, and racial equity for people living in poverty. Through community-centered advocacy we work to create a world where every person enjoys full human rights and economic opportunities. We focus our advocacy on dismantling and transforming two of the key racialized systems that perpetuate poverty, injustice, and dehumanization: mass incarceration and the impacts of the immigration system. We believe that the U.S. immigration system is designed to exclude certain groups from access to protections and benefits; throughout this country's history, this system has been weaponized to target and vilify certain groups. As a result of their immigration status, many people lack basic employment protections, health care, housing and public benefits, and, increasingly, are targeted for civil and criminal sanctions through our legal system. Many immigrants face increasing discrimination in most aspects of civic life. CLS has many years of



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experience working with immigrants in the Latinx<sup>1</sup> community around Washington State, as well as serving the legal needs of elders living in poverty.

The proposed HUD “verification of eligibility” rule is yet another manifestation of this weaponized system, one designed to exclude communities of color from access to basic government protections—in this case, housing. The proposed HUD rule fails to account for how the antiquated U.S. immigration system results in millions of U.S. citizens living in mixed status families. It fails to account for how requiring verification of immigration status can unnecessarily burden older persons who have regularized their status. Most egregiously, the heavy costs of this proposed rule come without a consequent benefit: HUD staff analyzing the proposed rule state that “the likeliest scenario” will be a reduction “of the quantity and quality of assisted housing.”<sup>2</sup> As we detail in the comments below, because the proposed rule hurts families, children, older persons, and Latinx immigrants in the United States, we urge the rule to be withdrawn in its entirety, and that HUD’s long-standing regulations remain in effect.

## **I. The Proposed Rule Will Hurt Tens of Thousands of Immigrant Families, Including U.S. Citizen Children.**

The proposed rule will result in one of two disastrous outcomes: (1) the rule will either tear apart families who need the assistance, or (2) the rule will strip families of the needed assistance, if they stay together. Because these are the only two outcomes, the rule threatens to undermine the well-being of low-income U.S. citizens, immigrants, and their families by creating housing instability for tens of thousands of mixed status and immigrant families – potentially putting them at risk of homelessness.

In Washington, there are 760 households currently receiving HUD assistance that are composed of at least one ineligible person—that means the rule will force 760 households into one of these disastrous outcomes.<sup>3</sup> HUD is expecting that most mixed status households will forgo housing assistance if the rule were to go in effect—that it “would lead to prompt evacuation by most mixed households, whether that fear is justified.”<sup>4</sup>

Current law limits access to federally subsidized housing programs to U.S. citizens and a specific list of lawfully present immigrant categories.<sup>5</sup> Nearly all the children in mixed status families

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<sup>1</sup> The term is a gender-neutral form of Latino and Latina intended to acknowledge and include trans and gender non-conforming community members.

<sup>2</sup> HUD, Regulatory Impact Analysis, *Amendments to Further Implement Provisions of the Housing and Community Development Act of 1980*, Docket No. FR-6124-P-01 (Apr. 15, 2019), at 3, available at <https://www.regulations.gov/document?D=HUD-2019-0044-0002>

<sup>3</sup> *Families Receiving Assistance from Public Housing, Section 8 Project-Based Rental Assistance, Section 8 Moderate Rehabilitation, or Housing Choice Voucher Program*, Center on Budget and Policy Priorities, [https://docs.wixstatic.com/ugd/d97bc4\\_c9d58b0ad9df40f6a4dc63924a65b1a4.pdf](https://docs.wixstatic.com/ugd/d97bc4_c9d58b0ad9df40f6a4dc63924a65b1a4.pdf).

<sup>4</sup> HUD, Regulatory Impact Analysis, *supra* note 2, at 7.

<sup>5</sup> 42 U.S.C. § 1436a(a)(1)-(6) (Noncitizens eligible for Section 214 housing programs: Lawful Permanent Residents, VAWA Self-Petitioners, Asylees and Refugees, Parolees, Persons Granted Withholding of Removal/Deportation, Qualified Victims of Trafficking, Persons granted admission for emergent or public interest reasons, Persons granted lawful temporary residence amnesty under the Immigration Reform and Control Act of 1986, Immigrants

who are receiving HUD assistance considered under this proposed rule are U.S. citizens and lawful permanent residents (LPR) who live with parents or other adults who do not have eligible immigration status. HUD's statistics show that 70% of mixed status families are composed of eligible children and ineligible parents. There are over 38,000 U.S. citizen and otherwise eligible children in these families, and over 55,000 eligible children in mixed status families overall.<sup>6</sup> Since these children lack the legal capacity to sign leases themselves, the adult heads of household, including those who do not receive assistance, must sign these contracts on behalf of their family. However, by prohibiting the ineligible adults from living in subsidized units, the proposed rule forecloses the possibility of these U.S. citizen and LPR children from receiving any housing assistance under the covered housing programs.

If the proposed rule were to go into effect and foreclose HUD assistance to families with mixed status households, they would face disproportionate barriers in accessing affordable housing. Compared to U.S. citizens, immigrant families are more likely to have higher housing costs, more likely to face housing cost burdens, and more likely to report difficulty paying for housing.<sup>7</sup> Many of these additional burdens are attributable to the fact that immigrants disproportionately live in states with high housing costs.<sup>8</sup> Housing affordability is of particular concern in urban areas in Washington State.<sup>9</sup> Due to population growth, increase in land value, and consequent scarcity of housing vacancies, low income families have the lowest number of housing options and are increasingly more vulnerable to homelessness.<sup>10</sup> For example, in Seattle, Washington, though real estate is booming, the majority of the residents cannot afford to live in new developments.<sup>11</sup> For those families living in Seattle's public housing or Section 8 housing, it will be almost impossible to find affordable, multifamily housing in the city.<sup>12</sup>

Through this rule, HUD is expecting to push families with U.S. citizens into housing instability. Studies have shown that unstable housing situations can cause individuals to experience increased hospital visits, loss of employment, and are associated with increased likelihood of

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eligible for registry who entered the U.S. before June 30, 1948, Lawful U.S. residents and individuals who entered the U.S. under the Compacts of Free Association with the Marshall Islands, Micronesia, Palau and Guam. Immigrants admitted for lawful temporary residence prior to January 1, 1982).

<sup>6</sup> See HUD, Regulatory Impact Analysis, *supra* note 2, at 6-8 (73% of eligible family members are children, and there are a total of 76,141 eligible individuals in the covered programs, for a total of 55,582 eligible children; 70% of households are composed of eligible children with ineligible parents, for a total of 38,907 eligible children in households with ineligible parents).

<sup>7</sup> Eileen Diza McConnell, *Who Has Housing Affordability Problems? Disparities in Housing Cost Burden by Race, Nativity and Legal Status in Los Angeles*, 5 *Race & Social Problems* 173, 178 (2013), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3784340/pdf/nihms440365.pdf>.

<sup>8</sup> See Matt Levin, *Fleeing War-Torn Homes for Crippling Rents—California Housing Costs Creating Harsh Reality for Refugees*, CalMatters (July 19, 2018), <https://calmatters.org/articles/refugees-housing-costs-california/>.

<sup>9</sup> 2017 *Affordable Housing Update*, Washington State Department of Commerce 1 (Feb. 2018), available at [https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Commerce-AHAB-annual-report-2018\\_0fe5c4e4-7c44-4032-845e-9cf53a41d18b.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Commerce-AHAB-annual-report-2018_0fe5c4e4-7c44-4032-845e-9cf53a41d18b.pdf).

<sup>10</sup> *Id.*

<sup>11</sup> Ludwig Hurtado, *Housing crisis has Seattle weighing end of single-family zoning: Can the city solve its crisis by doing away with single-family zoning?*, NBC U.S. News (May 19, 2019), <https://www.nbcnews.com/news/us-news/housing-crisis-has-seattle-weighing-end-single-family-homes-n988001>.

<sup>12</sup> *Id.*



mental health problems in children,<sup>13</sup> and can dramatically increase the risk of an acute episode of a behavioral health condition, including relapse of addiction in adults. These effects will be particularly prominent in the children in these mixed status families, nearly all of whom are U.S. citizens. Research has shown that economic and housing instability impedes children's cognitive development, leading to poorer life outcomes as adults.<sup>14</sup> Housing instability is directly correlated to decreases in student retention rates and contributes to homeless students' high suspension rates, school turnover, truancy, and expulsions, limiting students' opportunity to obtain the education they need to succeed later in life.<sup>15</sup> Therefore, having safe and stable housing is crucial to good health, employment, and overall self-sufficiency.

By eliminating the ability of mixed status families to receive prorated assistance on a permanent basis, the proposed rule robs eligible children of housing subsidies because they have parents with ineligible noncitizen status. HUD is effectively punishing U.S citizen and resident children for the immigration status of their parents.

## **II. The Proposed Rule Will Hurt U.S. Citizens and the Aging Population.**

Federal housing assistance programs provide vital support to 1.9 million older adults who would otherwise be unable to afford the cost of shelter.<sup>16</sup> Seniors with fixed incomes are especially at risk of serious harm if they live in mixed status families and lose rental assistance due to the rule because they have such limited resources to spend on other basic needs, including food, medicine, transportation, and clothing.<sup>17</sup> The proposed rule would also make it impossible for many intergenerational families to live together and share resources that enable them to succeed. It ignores the critical roles many grandparents play in caring for their grandchildren and other family members, as well as the role adult children play in caring for their aging parents and relatives.

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<sup>13</sup> See Will Fischer, *Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children*, Center on Budget and Policy Priorities (October 7, 2015), available at <https://www.cbpp.org/research/research-shows-housing-vouchers-reduce-hardship-and-provide-platform-for-longterm-gains>; see also Linda Giannarelli, et al., *Reducing Child Poverty in the US: Costs and Impacts of Policies Proposed by the Children's Defense Fund* (Jan. 2015), available at <http://www.childrensdefense.org/library/PovertyReport/assets/ReducingChildPovertyintheUSCostsandImpactsofPoliciesProposedbytheChildrensDefenseFund.pdf>.

<sup>14</sup> Heather Sandstrom & Sandra Huerta, *The Negative Effects of Instability on Child Development: A Research Synthesis* (2013), available at <https://www.urban.org/sites/default/files/publication/32706/412899-The-Negative-Effects-of-Instability-on-Child-Development-A-Research-Synthesis.PDF>.

<sup>15</sup> See Mai Abdul Rahman, *The Demographic Profile of Black Homeless High School Students Residing in the District of Columbia Shelters and the Factors that Influence their Education* 55 (Mar. 2014) (Ph.D. dissertation, Howard University), available at <http://gradworks.umi.com/3639463.pdf> (citations omitted).

<sup>16</sup> <https://apps.cbpp.org/4-3-19hous/PDF/4-3-19hous-factsheet-us.pdf>.

<sup>17</sup> See Justice in Aging, *Supporting Older Americans' Basic Needs: Health Care, Income, Housing and Food* (Apr. 2018), available at [www.justiceinaging.org/wp-content/uploads/2018/04/Supporting-OlderAmericans%E2%80%99-Basic-Needs-Health-Care-Income-Housing-and-Food.pdf](http://www.justiceinaging.org/wp-content/uploads/2018/04/Supporting-OlderAmericans%E2%80%99-Basic-Needs-Health-Care-Income-Housing-and-Food.pdf).

Furthermore, the proposed rule adds new documentation requirements that will be particularly burdensome on older persons.<sup>18</sup> The proposed rule will require all U.S. citizens to provide proof of citizenship and will also require lawfully present immigrants 62 years old or over to provide additional documentation of their immigration status. Currently, lawfully present immigrants are required to submit a signed declaration of their eligible immigration status and proof of age. The proposed rule would instead require that they provide documentary proof of citizenship or nationality, such as a birth certificate, which can be extremely difficult for certain segments of the population. One survey from 2006 showed that as many as seven percent of citizens did not have citizen documentation readily available.<sup>19</sup> Obtaining such documentation can be particularly difficult for U.S. citizens over the age of 50, citizens of color, citizens with disabilities, and citizens with low incomes. Older individuals face many challenges in getting this kind of documentation, including difficulties getting to government offices to replace lost records, coming up with the funds to replace these records, and some may have never been issued a birth certificate in the first place.<sup>20</sup>

The proposed documentation requirements will be particularly burdensome for recipients of rental assistance who were formerly homeless, as well as for people experiencing homelessness who could be assisted by Section 214 programs in the future. People experiencing homelessness often lose important documents such as photo identification, birth certificates, and social security cards because they have no safe places to store them.<sup>21</sup> Adding more documentation requirements creates more barriers to housing for those who need it most and could cause many people who have gained stability through rental assistance to return to homelessness.

### **III. The Proposed Rule Would Disproportionately Harm Latinx Immigrant Families.**

The proposal to take away critical public or other subsidized housing support from families of mixed immigration status would harm our nation's Latinx community. Today, the U.S. Latinx population stands at more than 55 million, comprising 18 percent of the total U.S. population, and approximately one in five Latinxs are not citizens.<sup>22</sup> By 2050, it is projected that nearly one-third of the U.S. workforce will be Latinx.<sup>23</sup> Among Latinx children, who account for a quarter of

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<sup>18</sup> Housing and Community Development Act of 1980: Verification of Eligible Status, 84 Fed. Reg. 20,589, 20,592 (proposed May 10, 2019) (to be codified at 24 C.F.R. part 5).

<sup>19</sup> Citizens Without Proof: A Survey of Americans' Possession of Documentary Proof of Citizenship and Photo Identification, Brennan Center for Justice (Nov. 2006), [http://www.brennancenter.org/sites/default/files/legacy/d/download\\_file\\_39242.pdf](http://www.brennancenter.org/sites/default/files/legacy/d/download_file_39242.pdf).

<sup>20</sup> Ina Jafe, *For Older Voters, Getting the Right ID Can Be Especially Tough*, NPR: All Things Considered (Sept. 7, 2018), available at <https://www.npr.org/2018/09/07/644648955/for-older-voters-getting-the-right-id-can-be-especially-tough>.

<sup>21</sup> Nat'l L. Ctr. on Homelessness & Poverty, *Photo Identification Barriers Faced by Homeless Persons: The Impact of September 11* (Apr. 2004), available at [https://nlchp.org/wp-content/uploads/2018/10/ID\\_Barriers.pdf](https://nlchp.org/wp-content/uploads/2018/10/ID_Barriers.pdf).

<sup>22</sup> U.S. Census Bureau, American FactFinder: Selected Population Profile in the United States: 2017 American Community Survey 1-Year Estimates.

<sup>23</sup> J. S. Passel & D. Cohn, "U.S. Population Projections: 2005-2050," Pew Research Center (February 2008), available at <https://www.pewhispanic.org/2008/02/11/us-population-projections-2005-2050/>.

all U.S. children, the majority (52 percent) have at least one immigrant parent,<sup>24</sup> and more than half of children of immigrants are Latinx.<sup>25</sup>

Despite hard work and many contributions to the economy by the Latinx community, they continue to face prejudice and discrimination throughout the United States, and many continue to struggle to meet basic needs, including finding a home they can afford. This is not surprising, as there is not a single part of the country where a minimum wage worker working full-time year-round can afford a two-bedroom rental home. For example, in order to afford the fair market rate for a two-bedroom apartment of \$1,397 in Washington, a household would have to earn \$4,657 monthly—meaning that the household would have to earn \$26.87 per hour if they work 40 hours weekly for 52 weeks a year.<sup>26</sup> In 2017, 4.4 million (55 percent) Latinxs who rented their home were cost-burdened – meaning they devoted 30 percent or more of their income towards rent.<sup>27</sup> In Washington, almost 50% of Latinxs are cost-burdened.<sup>28</sup>

Access to federal housing assistance has allowed hundreds of thousands of Latinxs to lift themselves out of poverty. According to an analysis conducted by UnidosUS, federal housing assistance – including public and other subsidized housing – lifted approximately 800,000 Latinxs out of poverty in 2017, including more than 280,000 Latinx children.<sup>29</sup> While research suggests that Latinxs remain underrepresented in these housing assistance programs,<sup>30</sup> the proposed rule would deter many eligible families from participating in public or subsidized housing programs, and increase housing insecurity. As HUD acknowledges, losing housing assistance increases the risk of homelessness, with serious consequences for family well-being and child development. When families have access to housing assistance, they have more resources to cover the cost of nutritious foods, health care, and other necessities.<sup>31</sup> Where families live is also directly tied to where they work. If parents lose access to affordable housing, they may also be at risk of losing their jobs.

In writing a recent report on immigrant youth in Washington, Columbia Legal Services attorneys met a Latinx youth who had been in a shelter in Texas in the custody of the Office of Refugee

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<sup>24</sup> Richard Fry & Jeffrey S. Passel, “Latino Children: A Majority Are U.S.-Born Offspring of Immigrants” (Washington, DC: Pew Research Center, 2009), available at <https://www.pewhispanic.org/2009/05/28/latino-children-a-majority-are-us-born-offspring-of-immigrants/>.

<sup>25</sup> Urban Institute “Part of Us: A Data-Driven Look at Children of Immigrants” (Washington, DC: The Urban Institute, March 2019), available at <https://www.urban.org/features/part-us-data-driven-look-children-immigrants>.

<sup>26</sup> National Low Income Housing Coalition, “Out of Reach: The High Cost of Housing” (Washington, DC: NLIHC, 2018), available at [https://reports.nlihc.org/sites/default/files/oor/OOR\\_2018.pdf](https://reports.nlihc.org/sites/default/files/oor/OOR_2018.pdf).

<sup>27</sup> UnidosUS, “Latinos and the Great Recession: 10 Years of Economic Loss and Recovery” (Washington, DC: UnidosUS, March 2019), available at <http://publications.unidosus.org/handle/123456789/1932>.

<sup>28</sup> Joint Center for Housing Studies of Harvard University, “Renter Cost Burdens by Race and Ethnicity,” available at [https://www.jchs.harvard.edu/ARH\\_2017\\_cost\\_burdens\\_by\\_race](https://www.jchs.harvard.edu/ARH_2017_cost_burdens_by_race).

<sup>29</sup> UnidosUS, “Federal Programs Lift Millions of Latinos Out of Poverty” (Washington, DC: UnidosUS, October 2018), available at <http://publications.unidosus.org/handle/123456789/1894>.

<sup>30</sup> UnidosUS, “Latinos and the Great Recession: 10 Years of Economic Loss and Recovery” (Washington, DC: UnidosUS, March 2019), available at <http://publications.unidosus.org/handle/123456789/1932>.

<sup>31</sup> Nabihah Maqbool, Janet Viveiros, & Mindy Ault, *The Impacts of Affordable Housing on Health: A Research Summary*, Center for Housing Policy, 2015, available at [http://www.housingpartners.com/assets/creating\\_change/http\\_app.bronto.pdf](http://www.housingpartners.com/assets/creating_change/http_app.bronto.pdf).

Resettlement (ORR). He had been there for almost two months when his aunt agreed to take him in. His aunt was a survivor of domestic violence and lived in public housing in Washington. Because the public housing authority allowed mixed-status families to live together, the youth was able to leave ORR to live with his aunt. His aunt enrolled the youth immediately into school and he thrived. If the proposed rule had been in effect at the time, the aunt would have either lost her assistance if she were to help her nephew who had no one else, or she would have been forced to leave him in the shelter. If his aunt would not have taken her nephew in, he would likely have lingered in the ORR shelter until he turned 18, then without available safe housing he would have been forced into homelessness.

For continued progress in the Latinx community and our nation, immigrants should have an opportunity to support the resilience and upward mobility of their families. The proposed changes by HUD fail in this respect as Latinx families of mixed immigration status would be forced to break up to receive housing assistance or face termination from the program and lose critical housing assistance.

#### **IV. The Proposed Rule Will Reduce the Quality and Quantity of Federally Assisted Units.**

Currently three million individuals are on housing voucher waitlists in the United States, with an additional six million who would like to be on these waitlists.<sup>32</sup> The proposed rule would do nothing to reduce these waitlists. Worse, it would increase them. By HUD's own assessment, the proposed rule will likely lead to a *decrease* in the number of assisted families. According to HUD, if the agency were to replace the 25,000 mixed status families currently receiving HUD assistance with households comprising of members who are all eligible, this transition would cost HUD from \$193 million to \$227 million annually.<sup>33</sup>

This massive price tag—and subsequent reduction of available resources to assist families seeking housing—would be due to an increase in subsidies that would go to families that were wholly eligible for assistance instead of mixed status families, where only some members of the family are eligible for subsidies.

HUD describes the impact of these increased subsidies as follows:

[I]t is unlikely that this transfer would occur in the form of increased subsidies from taxpayers to the replacement households. Housing assistance is not an entitlement and the federal budget for housing is not expected to increase because of this rule. Instead, it is likely that the higher per household subsidies would be paid for by reducing average spending on housing assistance for all households[] or reducing the number of households served.<sup>34</sup>

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<sup>32</sup> See Alicia Mazzara, CBPP, *Housing Vouchers Work: Huge Demand, Insufficient Funding for Housing Vouchers Means Long Waits* (Apr. 19, 2017), <https://www.cbpp.org/blog/housing-vouchers-work-huge-demand-insufficient-funding-for-housing-vouchers-means-long-waits>.

<sup>33</sup> HUD, Regulatory Impact Analysis, *supra* note 2, at 11.

<sup>34</sup> *Id.* at 13.

In conclusion, due to the multiple concerns raised above, we urge HUD to immediately withdraw its current proposal. Until Congress addresses the failures of federal immigration law that result in millions of people in the United States living in mixed status households, HUD should work to promote family unity and housing stability for U.S. citizens, lawfully present immigrants, and their family members.

Thank you for the opportunity to submit comments on the proposed rulemaking. Please do not hesitate to contact me for further information.

Sincerely,

A handwritten signature in blue ink, appearing to be 'A. Ginatta', with a stylized flourish at the end.

Antonio M. Ginatta  
Policy Director  
Columbia Legal Services



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-1000

ASSISTANT SECRETARY FOR CONGRESSIONAL  
AND INTERGOVERNMENTAL RELATIONS

JUL 16 2019

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Madam Chairwoman:

On behalf of Secretary Benjamin S. Carson, Sr., thank you for your letter concerning the *Housing and Community Development Act of 1980: Verification of Eligible Status* proposed rule, which requires verification of eligible immigration status for recipients of public and assisted housing funded by the Department of Housing and Urban Development (HUD). The following information is from the Department's Office of Public and Indian Housing (PIH).

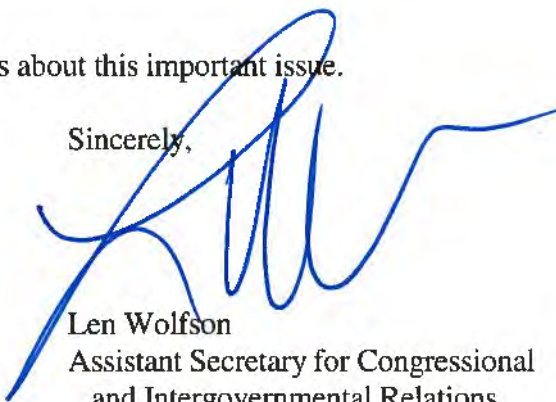
Section 214 of the Housing and Community Development (HCD) Act prohibits the Department from granting financial assistance to persons other than United States citizens, nationals, or certain categories of eligible noncitizens. This has been and continues to be the statutory requirement for HUD programs. The Department's current regulations contain a loophole allowing individuals to declare themselves "ineligible" and not have their immigration status verified. The proposed rule seeks to align HUD regulations with the requirements of the HCD Act and ensure that federal housing assistance is granted based on qualifying residency status.

To ensure this assistance is granted in accordance with the law, the Department intends to improve the process for all applicants and residents of public and assisted housing programs. These improvements include secure and efficient screening using the Department of Homeland Security's SAVE system. HUD will also offer deferments of up to 18 months for families to allow for case processing by the U.S. Citizenship and Immigration Services.

The Department is using all appropriate resources to provide affordable housing to all who are legally entitled to it. With millions of U.S. citizens and legal residents languishing on waitlists for public assistance—some for many years—HUD's proposed rule will ensure housing assistance is targeted towards eligible families.

Thank you for sharing your views about this important issue.

Sincerely,



Len Wolfson  
Assistant Secretary for Congressional  
and Intergovernmental Relations



## **TACOMA HOUSING AUTHORITY**

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### **HOUSING OPPORTUNITY PROGRAM: REVIEW AFTER 6 YEARS**

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**July 17, 2019**

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## 1. SUMMARY

Six years ago, in 2013, the Tacoma Housing Authority (THA) began its Housing Opportunity Program (HOP). It is one of THA's rental assistance programs. It helps clients pay the rent on the private rental market. As of 2013, HOP replaced THA's Section 8 Housing Choice Voucher (HCV) program for newly assisted households. THA undertook HOP after close community consultation.

The HOP differs from the HCV program in the following main ways:

(1) *Fixed Subsidies: Incentive to Work; Serving More Households*

Under the HCV program, the amount of the rental subsidy depends on family income. As the family income increases, the subsidy decreases. As the family income goes down, the subsidy goes up. In these ways, HCV provides a subsidy tailored to the need. Yet it is a disincentive to work.<sup>1</sup> In contrast, the HOP subsidy is based upon family size, and its amount is fixed. This serves two purposes. **First**, it provides an incentive for a household to increase its income since the household can keep all of the increase. **Second**, the fixed subsidies are on average smaller than the subsidy that the HCV program provides. This allows THA to serve more households. HOP allows THA to serve 117 more households in a year than would have been possible under the HCV. That is an important advantage in Tacoma where so many households have trouble paying the rent.

(2) *Time Limits for Work-Able Households: Incentive to Work; Giving Others a Turn*

The HCV has no time limits. In contrast, HOP imposes a five year time limits for work-able<sup>2</sup> households, with provisions for extensions. Households that are elderly or disabled have no time limits. This time limit for work-able households serves two purposes. **First**, it provides work-able households another incentive to increase their earned income so they can be ready for the unsubsidized rental market after their 5 years expires. **Second**, a term limit gives other needy people a turn to receive THA's rental assistance.

The HOP offer two types of extensions to the 5 year term. **First**, HOP grants a household three months of additional assistance to account for an unexpected loss of income within 90 days prior to exiting the program. **Second**, HOP offers up to one year of additional assistance if an adult member of a household is or becomes actively engaged in a qualified self-sufficiency activity such post-secondary education or training or participates in THA's Family Self-Sufficiency Program.

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<sup>1</sup> Riccio, J., Deitch, V., Verma, N., & M. (2017, October). *Reducing Work Disincentives in the Housing Choice Voucher Program: Rent Reform Demonstration Baseline Report* (Rep.). Retrieved July 8, 2019, from U.S. Department of Housing and Urban Development Office of Policy Development and Research website: <https://www.huduser.gov/portal/sites/default/files/pdf/Reducing-Work-Disincentives-Housing-Choice.pdf>

<sup>2</sup> A non-work-able household (elderly and/or disabled) is a household in which all adult members are:

- 57 years of age or older at the time of admission and or
- All adult household members have an income source that is due to the person being classified as senior and or disabled and or
- All adult members of the household are TANF recipients and the Departments of Social and Health Services (DHS) has exempt (exempt, not exempt/deferred) the household member(s) from TANF work requirements for an approved reason



- (3) *Enhanced Community Services to Help Households Increase Earnings and Assets*  
HOP offers enhanced services to help households increase their income and assets. These services include credit and employment coaching, tax assistance, GED classes, employment readiness, job training, post-secondary educational resources, and behavioral health supports. For example, by contract with THA, Sound Outreach gives THA clients a priority on receiving its excellent financial coaching services. THA offer these services at various stages:

- 90 days after the households move into their new housing THA invites them to a briefing with a THA case worker. During this meeting the caseworker completes an assessment, discusses the household's goals for their time on the program, and offers services.
- Annually, THA invites households to meet with a caseworker;
- THA increases the frequency of these invitations after the household reaches 18 months remaining on the program.

HOP does not require households to engage with these services. Forty percent (40%) of time-limited HOP households with less than one year remaining on the program have received supports. On average, work-able HOP families exiting the program increased their household by 32% over their time on the program.

<b>Comparison of Housing Opportunity Program vs. Housing Choice Voucher</b>		
	<b>HOP</b>	<b>HCV</b>
Annual Program Cost (Rental Assistance Dollars Only)	\$3,563,712	\$15,947,100
Average Annual Subsidy Per Household	\$6,624	\$8,460
Average Monthly Subsidy Per Household	\$552	\$705
Number of Households Currently Served	538	1,885
Number of People Currently Served	1,403	4,824
Elderly and/or Disabled Households	52%	58%
Work-able Households	48%	42%
Households with a Time Limit	48%	N/A
Average Market Rent (gross rent)	\$1,017	\$1,070
Average Tenant Rent (tenant portion)	\$462	\$392
Average Rent Burden <sup>3</sup>	30%	29%
Average Age of Head of Household	50	54
Household Size	2.3	2.3
Households with Children	50%	41%
Head of Household Race: Person of Color	35%	50%
Head of Household Race: White	30%	48%
Head of Household Race: Did Not Disclose	35%	1%
Average Annual Income: All Households	\$19,099	\$16,397
Average Annual Income Work-able Households	\$24,119	\$21,322
Work-able Households with Wages	75%	64%

<sup>3</sup> Rent burden refers to the percentage of household income paid towards rent. Rent burden = tenant portion of the rent/gross monthly household income.

As the table above shows, HOP households have a higher average income than the HCV households, even though they both have the same eligibility criteria that focuses on very low-income households. This variation in average income may result from several factors. **First**, the HCV households joined the program and found landlords before 2013; HOP households joined since then. Yet since 2013 the Tacoma rental market has changed. It is now much more expensive and its vacancy rate is a lot lower. This new rental market may afflict HOP households seeking housing since 2013 more than HCV households who may have found their housing under the old rental market. **Second**, in the search for housing, the lower HOP subsidy afflicts lower income households more than higher income households. Whatever its cause, this disparity concerns THA and bears watching. THA's mission is to serve the neediest households in Tacoma. At the same time, THA has greatly increased its investment of housing dollars into its other programs that even more precisely target the neediest households in Tacoma.<sup>4</sup> In the aggregate, THA's focus on the neediest remains intact.

## 2. CALCULATION OF THE HOP SUBSIDY: SOME MORE DETAIL

The HOP subsidy amount is based on household size, not income. The household size determines the amount of subsidy the family receives. THA calculates voucher size/subsidy amount by assigning two persons per bedroom. For example, a three person household would be offered a two-bedroom voucher. Households may choose to rent above their assigned voucher size. The subsidy amount is equal to 50% of THA's payment standards. Payment standards approximate market rents. The following table shows the HOP subsidy amounts by bedroom size.

<b>Bedroom/ Voucher Size</b>	<b>Min / Max Household Size</b>	<b>HOP Monthly Subsidy (average \$552)</b>	<b>Payment Standard</b>
0 bedrooms	1 member	\$430	\$860
1	1-2	\$483	\$966
2	3-4	\$633	\$1,265
3	5-6	\$915	\$1,829
4	7-8	\$1,111	\$2,222
5	9-10	\$1,278	\$2,555
6	11-12	\$1,445	\$2,889
7	13-14	\$1,611	\$3,222
8	15-16	\$1,778	\$3,555

The subsidy amount is fixed; it does not decrease or increase with changes in household income. When a household increases their income, they are able to keep that increase.

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<sup>4</sup> E.g., THA funds Pierce County's Rapid Rehousing Program for homeless families and young adults; expanded College Housing Assistance Program for homeless enrolled college students; Expanded Tacoma Schools Housing Assistance Program for homeless families with children enrolled in Tacoma Public Schools; Project-based rental assistance with partners serving special needs populations (disabled persons, domestic violence victims, elderly).

### 3. **HOP EXITS; INCOME PROGRESSION; RENT BURDEN UPON EXIT**

Since 2013, 276 households have exited the HOP. THA experiences yearly turnover with the HOP regardless of time limits. Most of the exits to date were not time limited households or they were time limited households that exited prior to their final year on the program.

Forty-eight (48) work-able households exited the HOP during their fifth and final year on the program. These HOP exits increased their household income by an average of 19%. Even with this increase, their average rent burden without assistance would be 57%. THA estimates this burden by using the gross rent the household would pay if they continued to rent the same unit.

Most HOP exits were renting units below fair market rent values. On average, HOP exits pay rents that are 27% less than fair market value. If a HOP household relocated and paid a market rent they can expect to see a significantly higher rent burden. 143 work-able HOP households exited prior to their final year on the program. These households exited early for a variety of reasons. These HOP exits increased their household income by an average of 37%.

*Taken together with HOP households that exited in the final year, work-able HOP exits collectively increased their income by 32%.*

<b>Expected Future HOP Exits by Calendar Year</b>	
<b>HOP Exit Year</b>	<b>Number of Households</b>
2019	21
2020	49
2021	40
2022	42
2023	33
2024	71
<b>Total</b>	<b>256</b>

THA is not tracking what happens to households after they exit the program. Doing this is expensive and difficult. THA has consulted other housing authorities with time-limited programs who have also tried to track exiting households, without much success. Some agencies have tried to incentivize exited households to participate in surveys, with mixed results. THA is investigating how to do this.

### 4. **COMMUNITY CONSULTATION**

THA designed the HOP program in 2012 with community consultation. It has continued to consult as it considers changes to HOP. In late 2017 and early 2018 THA met with HOP participants, households on THA's waiting list, proxy voices for those unable to get on our waitlists and over 50 community organizations, community partners and elected officials to seek their advice. The consultation elicited broad support for maintaining the HOP's time limits and the fixed subsidy. Attached is the menu of options THA presented to the community during its consultation.



# TACOMA HOUSING AUTHORITY

## THA Is Considering Changes to its Housing Opportunity Program (HOP): It Seeks Advice

(last revised January 26, 2018)

THA seeks advice. Tacoma's rents are rising. The number of households who need THA's help is growing. Serving them is costing THA more. Yet, THA's funding is flat. In response, THA is considering changes to its programs. THA has written full and summary reports on what we are considering. See them at [www.tacomahousing.net/programchanges](http://www.tacomahousing.net/programchanges). A shorter summary shows below. We welcome your advice. If you have some for us, we need it by **February 15, 2018**. When deciding how you would advise us, please consider at least the following four facts:

1. THA can serve only a small fraction of those in need; 20,000 needy Tacoma households need a turn at the assistance.
2. The present lowered HOP subsidy allows THA to serve 20% more households; the 5-year time limit gives others a turn.
3. In 4 years, HOP work-able households increased their earned income by 45%, but this is not enough to keep up with Tacoma's rising rental market; 68% of them set to exit HOP in 2018 will have a severe shelter burden (>50%).
4. THA's funding for rental assistance has been flat and will likely remain so. Yet Tacoma's rising rental market is costing THA \$600,000 more each year to serve the same number of households. This is not sustainable for THA.

Here is a color clue to the general effect of the proposals that show below.

<b>Green</b>	The proposal will maintain or increase the number of households served but the service will be somewhat less.
<b>Blue</b>	The proposal will decrease the number of households served but the service will be more or will last longer.

### IN TACOMA'S NEW RISING RENTAL MARKET, THA'S RENTAL ASSISTANCE PROGRAMS CANNOT SERVE THE SAME NUMBER OF FAMILIES AT SUCH INCREASING COSTS BECAUSE THA'S FUNDING REMAINS FLAT. WHAT SHOULD THA DO?

<b>1.</b>	Reduce the value of the rental subsidy further to serve more households.
<b>2.</b>	Redirect vouchers to higher income households who cost less to serve, and so serve more of them.
<b>3.</b>	Redirect money from other programs to pay for rental assistance (e.g., <i>reduce building or buying properties, maintaining the portfolio, supportive services, Education Project, Rapid Rehousing, and administrative services</i> )
<b>4.</b>	Maintain rental subsidy levels but serve fewer households ( <i>from 100% to 95%</i> ). (THA is presently at 95%).

### POSSIBLE CHANGES TO THE HOUSING OPPORTUNITY PROGRAM (HOP)

<b>1.</b>	<b>The Fixed Subsidy (THA pays 50% of the payment standard based on bedroom size).</b> The HOP subsidy is fixed based upon household size, not income. This fixed subsidy generally lowers the amount of the rental subsidy. This usually means households pay more in rent; yet it gives them an incentive to increase income because they keep all of any increase in wages; and doing this allows THA to serve 20% more households.
	<ul style="list-style-type: none"><li>• Keep the fixed subsidy and serve more households.</li><li>• Remove it for elderly/disabled households since they cannot increase their income; they would receive an income-based subsidy; work-able households would keep the fixed subsidy.</li><li>• Remove it for all households who would then receive a subsidy based on household income.</li><li>• Offer struggling work-able households a THA apartment, if available, whose rent is based upon income.</li></ul>
<b>2.</b>	<b>The Five-Year Time Limit for Work-Able Households, with Extensions</b> A 5-year time limit gives households a reason to strive; it gives other needy households a turn.
	<ul style="list-style-type: none"><li>• Keep the time limit and keep the present extensions of up to 3 months for hardship and up to one year if a family engages in a qualified job training or education programs.</li><li>• Remove the time limit.</li><li>• Shorten it (e.g., 3 years).</li><li>• Keep the time limit but offer more generous extensions for hardship (e.g., <i>up to another 3 years if rent burdened &amp; engaged with support services</i>).</li></ul>

<b>POSSIBLE CHANGES TO THE HOUSING OPPORTUNITY PROGRAM (HOP) (continued)</b>	
<b>3. Expand Definition of Disability to Exempt More Households From the 5-Year Time Limit</b>	Presently THA exempts from the 5 year time limit only seniors and persons receiving benefits from a program that has determined they are disabled, i.e. Social Security, SSI.
	<ul style="list-style-type: none"> <li>Expand this exemption to those whom DSHS excuses from the TANF work requirement. These would include an adult (55+) caretaker relative providing care for a child, an adult required in the home to care for a child with special needs, and an adult required to be in the home to care for another adult with disabilities. Doing this will increase the number of people without a time limit; that will mean fewer chances for others to have a turn..</li> </ul>
<b>4. More Aggressively Encourage or Require Work-Able Households to Engage in Supportive Services to Increase Their Earned Income.</b>	THA presently offers these services to all work-able households. Few accept them. Encouraging or requiring them to do so means THA will have to provide or find these services in Tacoma and find the money for staff to provide or monitor the services. That will mean less money to pay rent.
	<ul style="list-style-type: none"> <li>Improve THA's identification of struggling households and more aggressively encourage their participation in supportive services.</li> </ul>
	<ul style="list-style-type: none"> <li>Require all work-able households to engage in supportive services.</li> </ul>
<b>5. Expand HOP to the Current Housing Choice Voucher (HCV) Program</b>	Expanding HOP would allow THA to serve 20% more households because the rental subsidy is lower; the rent burden will be higher for most households unless they increase their income; the fixed-subsidy and the time limit will give them an incentive to do that; the time limit will also give more needy households a turn.
	<ul style="list-style-type: none"> <li>Transition all (~2,000) HCV households at once; their time on the HCV program <b>would not</b> count toward the 5-year time limit for work-able households, who would then have another 5 years of assistance.</li> </ul>
	<ul style="list-style-type: none"> <li>Transition all HCV households; their time on the HCV program <b>would count</b> toward the 5-year time limit. Workable households above the time limit will lose their subsidy after reasonable notice.</li> </ul>
	<ul style="list-style-type: none"> <li>Transition all HCV households and if this change would result in severe rent burden stagger the transition over time or allow for a hardship exception for a limited period of time.</li> </ul>
	<ul style="list-style-type: none"> <li>Transition only work-able HCV households to HOP.</li> </ul>
	<ul style="list-style-type: none"> <li>Do not transition HCV households to HOP. At the current rate of natural transition it will take 10 years for all households to be in the HOP program.</li> </ul>
<b>6. When a Work-Able Adult Joins a Senior/Disabled Household</b>	Presently, when this happens, the 5-year time limit applies retroactively. When a child turns 18 years of age present rules consider this to be a work-able adult joining the household.
	<ul style="list-style-type: none"> <li>Start the 5-year time limit anew.</li> </ul>
	<ul style="list-style-type: none"> <li>Keep the existing policy: the 5-year time limit applies retroactively</li> </ul>
<b>7. Limit a Household's Ability to Reapply for HOP</b>	Presently a household leaving the program after its 5-year time limits expires may reapply.
	<ul style="list-style-type: none"> <li>Disqualify households who leave the program after the expiration of its 5-year term.</li> </ul>
<b>8. Prepare Wait List Households to be "Ready to Rent"</b>	
	<ul style="list-style-type: none"> <li>Offer tenants financial assistance to pay application fees, security deposits or utility deposits. This will redirect dollars presently available to pay the rent.</li> </ul>
	<ul style="list-style-type: none"> <li>Provide meaningful training on how to be a good tenant.</li> </ul>
<b>9. Strengthen the Program's Relationship with Landlords</b>	
	<ul style="list-style-type: none"> <li>Improve marketing to landlords.</li> </ul>
	<ul style="list-style-type: none"> <li>Offer limited damage guarantees.</li> </ul>

We would be grateful to receive your comments or advice. We need them by **February 15, 2018**. Please send them to:

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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 \$4,826,736 for the month of June, 2019.

**Approved: July 24, 2019**

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Dr. Minh-Anh Hodge, Chair



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

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Account						
Accounts Payable Checks	Check #'s	93,426	-	93,489		
Accounts Payable EFTs	EFTs	103	-	136		
Business Support Center				348,977	Program Support	
Moving To Work Support Center				33,046		
Moving To Work Buildings (used by Support Center)				20,622		
Tax Credit Program Support Center				25,548		
Section 8 Programs				93,848	Section 8 Operations	
Hillsdale Heights				1,499	Properties	
Salishan 7				65,134		
Salishan Common Areas				306		
Arlington Crisis Residential Center				49,454	Development	
New Look/Alberta J Canada-Development				178		
Arlington Youth Campus-THA Costs				1,382		
Salishan Common Areas				4,663		
Salishan Developer Fee				400		
Hilltop Redevelopment				41,695		
Bus Development Activity				1,598		
SAFE/TRAC				795	Client Support	
Community Services MTW Fund				9,488		
Education Private Grants (Gates, etc.)				190		
Education-Local Gov't Grants (County, City)				4,000		
AMP 6 - Scattered Sites				18,533	Public Housing	
AMP 7 - HT 1 - Subsidy				4,964		
AMP 8 - HT 2 - Subsidy				3,157		
AMP 9 - HT 1500 - Subsidy				953		
AMP 10 - SAL 1 - Subsidy				12,096		
AMP 11 - SAL 2 - Subsidy				13,150		
AMP 12 - SAL 3 - Subsidy				10,114		
AMP 13 - SAL 4 - Subsidy				10,113		
AMP 14 - SAL 5 - Subsidy				15,352		
AMP 15 - SAL 6 - Subsidy				13,099		
THA SUBTOTAL				804,357		
Hillside Terrace 1 through 1500				4,552	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility				2,092		
Alberta J Canada Bldg				710		
Arlington Youth Campus				92,303		
Court F (HT 1800 Block)				138,287		
Renew Tacoma Housing				5,236		
Salishan 1 - Salishan 6				9,395		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				252,575	1,056,932	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	482,814	-	482,851	30,148	
	EFTs	90	-	118	3,044,552	\$ 3,074,700
Payroll & Payroll Fees - ADP						\$ 695,104
TOTAL DISBURSEMENTS					\$	4,826,736

TACOMA HOUSING AUTHORITY			
CASH POSITION - June 2019			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		4,215,914	0.55%
Section 8 Checking		4,189,938	0.55%
THA Affordable Housing Proceeds-Salishan		3,455,740	0.55%
THA Scattered Sites Proceeds		5,839,326	0.55%
FSS Escrows		160,141	0.55%
CSA Escrows		44,134	0.55%
Note Fund Account		102	0.55%
Credit Card Receipts		438	0.55%
Key Bank Security Deposits		3,025	0.55%
Relocation Account		19,528	0.55%
THA Investment Pool		335	0.55%
THDG - Tacoma Housing Development Group		788,879	0.55%
Salishan 7 Operations		1,526,376	0.55%
Salishan 7 Security Deposit		27,762	0.55%
Salishan 7 Replacement Reserve		312,889	0.55%
Salishan 7 Operating Reserve		202,024	0.55%
Highland Crest Operations		578,496	0.55%
Highland Crest Replacement Reserve		226,120	0.55%
Highland Crest Security Deposit		41,947	0.55%
Outrigger Operations		269,558	0.55%
Outrigger Replacement Reserve		139,977	0.55%
Outrigger Security Deposit		25,627	0.55%
Prairie Oaks Operations		85,618	0.55%
Prairie Oaks Replacement Reserve		23,668	0.55%
Prairie Oaks Security Deposit		3,338	0.55%
Payroll Account		7,189	0.55%
HOME STREET BANK			
James Center North Operations		520,321	0.00%
James Center North Security Deposit		55,801	0.00%
WASHINGTON STATE			
Investment Pool		\$ 102	2.50%
<b>1. TOTAL THA CASH BALANCE</b>		<b>\$ 22,764,316</b>	
Less:			
<b>2. Total MTW Cash Balance</b>		<b>\$ 726,000</b>	
<i>Less Minimum Operating Reserves</i>			
2.01 Public Housing AMP Reserves (4 months Operating Exp.)			
2.02 S8 Admin Reserves (3 months Operating Exp.)		726,000	
2.09 Less Total Minimum Operating Reserves		\$ 726,000	
<b>2.1. MTW Cash Available (Lines 2-2.09)</b>		<b>\$ -</b>	
<b>3. MTW Cash Held By HUD</b>		<b>\$ 2,301,630</b>	

# TACOMA HOUSING AUTHORITY

## CASH POSITION - June 2019

<b>4. Non MTW Cash Restrictions/Obligations</b>					
<i>4.1 Non MTW Operational Restrictions</i>					
4.10 HUD Restricted - Lot and Property Sales				\$	9,295,066
4.101 Area 2B Sales Proceeds (Afford Hsg)		3,455,740			
4.102 Scattered Sites Proceeds (Afford Hsg)		5,839,326			
4.20 THA Property Accounts Reserved				\$	2,306,035
4.201 Security Deposit Accounts		157,501			
4.202 Highland Crest Operations Reserves		320,000			
4.203 Highland Crest Replacement Reserves		226,120			
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		139,977			
4.208 Prairie Oaks Operations Reserves		77,000			
4.209 Prairie Oaks Replacement Reserves		63,668			
4.210 Salishan 7 Operations Reserves		354,000			
4.211 Salishan 7 Replacement Reserves		312,889			
4.30 Rental Assistance Reserves				\$	605,730
4.301 Mod Rehab Operating Reserves		101,734			
4.302 VASH, FUP & NED HAP Reserves		309,605			
4.303 FSS Escrows		194,391			
4.40 Prepaid Grants				\$	1,056,190
4.401 Gates Foundation		267,311			
4.402 THDG		788,879			
4.50 BFIM Buyout LOC Collateral-Potential Tax Credit Loss				\$	2,500,000
<b>4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)</b>				<b>\$</b>	<b>15,763,021</b>
<b>4.70 Agency Contracted or Budgeted Commitments Remaining</b>				<b>\$</b>	<b>-</b>
		-			
		-			
<b>4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)</b>				<b>\$</b>	<b>15,763,021</b>
<b>5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)</b>				<b>\$</b>	<b>6,275,294</b>
<b>6. Development Advances - Project Reimbursement upon closing</b>				<b>\$</b>	<b>1,194,513</b>
6.01 Arlington Crisis Residential Center		169,139			
6.02 Arlington Youth Housing		1,025,374			
6.03 Court F LLLP (1800 Block)					



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATIVE SERVICES**



# TACOMA HOUSING AUTHORITY

**DATE:** July 24, 2019

**TO:** THA Board of Commissioners

**FROM:** Sandy Burgess  
Director of Administrative Services

**RE:** Administrative Services Department Monthly Board Report

## 1. COMPLIANCE UPDATE – OIG Audit

Tacoma Housing Authority (THA) responded to the Office of Inspector General (OIG) Audit Report issued December 21, 2018, outlining findings of the Tacoma Housing Authority's Rental Assistance Demonstration (RAD) Program for Renew Tacoma and Bay Terrace. Staff audited all of the files associated with the Renew Tacoma's nine properties, as well as all of the files associated with Bay Terrace I and Bay Terrace II. As a result of this staff audit, the Tacoma Housing Authority transferred \$17,813.00 of non-federal funds to reimburse the RAD converted Project Based Voucher Program. This reimbursement was necessary due to late tenant re-certifications performed after the closing of the RAD conversion. THA also reimbursed two tenant accounts for the overpayment of tenant rent for the period of time between the conversion and the resident's re-certification's. On October 14, 2019, staff from the Seattle Housing and Urban Development (HUD) Field Office will return to THA for a final file inspection and to close the findings.

## 2. RISK MANAGEMENT

### 2.1 Fire Prevention Initiative:

THA has had no fire claims or households displaced due to fires in 2019 to date. Historical losses are shown in the insurance claims report below. The successful initiative is a result of collaboration between Risk Management; Policy, Innovation, and Evaluation; Property Management; Client Support and Empowerment; and the Tacoma Fire Department (TFD).

In 2018, Federal Emergency Management Agency (FEMA) awarded THA a grant that funded fire stops in every unit and a fire education program. Starting in late 2018, property management installed fire stops in most properties with five properties remaining. Fire stops are small extinguishers positioned under the hood of a stove that will extinguish cooking fires before they spread.

### 2.2 Tacoma Fire Department Program

An estimated 180 youth and adult tenants attended five fire and medical programs in June and July. In May, TFD and THA entered into a Memorandum of Understanding (MOU) to deliver 39 safety education programs to every THA community, including sites managed by 3<sup>rd</sup> parties. FEMA funded workshops

including CPR, medical prevention, fire prevention, national night out attendance, fire fighter career education, and emergency planning programs.

### 2.3 THA Staff Trainings

- **CPR and First Aid Certification:** In April, 12 maintenance staff completed a 6-hour CPR, AED and first aid certification course.
- **Online Safety Learning Management Program:** During the last quarter, 22 maintenance staff completed seven safety trainings on THA's new online learning management system. Implemented in February 2019, this program is now fully functioning. This program helps THA to systematically meet OSHA training requirements for maintenance staff. This comprehensive system is sponsored by our broker, Alliant Insurance Services, as a risk management program.
- **Safety Training and Equipment:** The risk manager trained 23 maintenance staff about working in wildfire air quality and heat conditions, fall protection and back safety. The risk manager distributed new types of summertime personal protection equipment such as;
  - breathable mesh caps; and
  - wrap around tinted safety goggles for protection from the sun and other hazards

### 2.4 Emergency Preparedness

THA staff and tenants increased their emergency response capabilities in June and July through the activities below. Our table top drill with the City of Tacoma set a milestone in our capabilities and number of trained staff and tenants.

- **Evacuation Leaders at Senior/Disabled Buildings:** Nine tenants and six THA staff met to re-fresh the 2-year old, volunteer evacuation leader program at the senior/disabled buildings. The evacuation leader program is a volunteer program in which the building rep, or another strong leader, leads tenants at the evacuation assembly area and communicates with emergency responders or THA staff. Evacuation leaders discussed the success and challenges of the evacuation program at their building. The program will continue.
- **Table Top Emergency Communication Drill with the City of Tacoma:** The City of Tacoma's emergency coordinator facilitated a table top emergency response drill for THA's emergency team and essential personnel. They practiced emergency communications and other responses while tenant evacuation leaders and other THA staff observed. At the conclusion, all 33 attendees identified improvements and key policy needs that will be addressed in the future.

- **High Risk Population Disaster Planning Summit:** Two Salishan community health advocates, who are tenants, joined the Risk Manager for a 7-hour emergency planning summit. The focus was inclusive emergency planning for populations with access and functional needs. It was delivered by Pierce County Emergency Management, Cities of Tacoma and Puyallup Emergency Management, and the county health department.

THA was able to put their Emergency Preparedness Plan to use this winter when Tacoma had severe weather. We were able to communicate with clients and staff about our operating hours.

## 2.5 Insurance Update

Historically, THA obtained builders risk insurance policies for large scale remodeling and new construction projects, in two ways. Either the contractor purchased a policy or THA bought different policies per project. The Arlington and 1800 Hillside projects gave us the opportunity to establish a master builders risk program. The benefits of a master builders risk program include: 1) consistently better premiums and coverage; 2) primary coverage; 3) faster, easier procurement of builders risk policies; and 4) long term relationship with an underwriter who will support our projects and claims. Alliant, our insurance broker, procured Tokio Marine Group after a competitive market search. Tokio Marine insured our builders risk for Arlington and 1800 Hillside and is in position for future projects.

The insurance industry is experiencing unprecedented financial losses because of the catastrophic climate events. Consequently, underwriters are increasing premiums for property policies by double digits. Even risk retention pools, such as HAI, are experiencing the cost impact. THA is protected from premium rate increases for one more renewal providing that our claims are within the limits outlined in our 3-year rate lock agreement. We can anticipate premium increases after our rate lock expires in this market environment.

**THA's INSURANCE CLAIMS REPORT  
2019 YTD**

	FIRE		WATER		AUTO		BODILY INJURY		PROPERTY - MISC		Annual Total Claims	Annual Insurance Payout
	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout	Number	Ins Payout
2014	2	\$ 145,930	3	\$ 37,171	2	\$ 865	0		0		7	\$ 183,966
2015	1	\$ 60,709	8	\$ 154,615	4	\$ 2,566	2	\$ 3,154	3	\$ 32,995	18	\$ 254,039
2016	4	\$ 434,500	2	\$ 12,368	4	\$ 32,051	0		4	\$ 45,550	14	\$ 524,469
2017	6	\$ 311,996	1	\$ 32,508	0	\$ -	1	\$ 6,284	1	\$ 26,297	9	\$ 377,085
2018	3	\$ 79,418	5	\$ 229,633	2	\$ 2,568	0		0	\$ -	10	\$ 311,620
2019 YTD	0	\$ -	1	\$ 15,441	3	\$ 4,884	1	\$ 1,000	0		5	\$ 21,325
Totals	16	1,032,553	20	481,736	15	42,934	4	10,438	8	104,842	63	1,672,504



**TACOMA HOUSING AUTHORITY**

**CLIENT SUPPORT  
& EMPOWERMENT**





# TACOMA HOUSING AUTHORITY

**DATE:** July 24, 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**

This month has included a concerted focus on lining up services, financing, and contracts related to Arlington Drive as we coordinate with Real Estate Development's closing on Arlington. In conversation with the Office of Homeless Youth (OHY), it has been determined that THA will hold the contract for services and will then subcontract with the YMCA and Community Youth Services who will be on site providing services. We are still working through the details of reporting requirements and payment schedule with OHY, but the biggest puzzle pieces are in place: We have funding for services in this current biennium; and we have two of the region's best social service providers secured to support the future youth and young adult residents at Arlington Drive.

In addition to Arlington, we have been in conversation with local providers to ensure that the 28 set-aside units at 1800 will have appropriate services available on site. This effort has included consultation with individual agencies as well as with groups of area experts, ensuring that THA is thinking through the needs of the residents of the entire building. We are also in preliminary discussions around the need for services at the potential Permanent Supportive Housing building on the hilltop. All of these discussions are going well and we are confident that services will be on site and fit the needs of the residents at each location.

Client Support and Empowerment staff continue to increase and refine collaboration with Property Management and Risk Management staff to both mitigate and manage

incidences in THA buildings. This has included a focus on ensuring that letters to residents use trauma-informed language and that all of our communication with them centers on the collective goal of keeping them safely and happily housed at THA.

Finally, Client Support and Empowerment has been busy hiring for two new case workers. Interviews took place on July 11<sup>th</sup> and July 12<sup>th</sup>, and we hope to be ready to announce two new staff at the Board of Commissioners meeting.

### **3. CLIENT SUPPORT & EMPOWERMENT**

#### **3.1 LEADERSHIP UPDATE**

Data Management Program Manager, Kendra Peischel, continues to improve the information contained in the monthly report. Kendra is in the process of reviewing the department's metrics around income progression, banking, both children and adults' educational achievement, and work force development.

Program Supervisor Robert Lewis and Program Specialist Martha Matthias attended the Art of Hosting (AoH) in Portland, OR in June. At its core AoH is a leadership training designed to facilitate conversation in groups of all sizes. It attempts to "maximize collective intelligence, integrate and utilize diversity, and minimize and transform conflict." AoH holds that having meaningful conversations, within an environment where it is safe to do so can lead to thoughtful actions. AoH utilizes participatory leadership as a way to host meetings and conversations that can lead to new solutions. Using participatory leadership will help make meaning of our work by introducing varying perspectives to address and overcome barriers. CSE is excited to implement and expound upon these ideas as a way to bring all voices forward.

#### **3.2 TWO-GENERATIONAL SERVICE DELIVERY**

Creating a two-generational approach to programming is an essential component of breaking the cycle of generational poverty and CSE is committed to expanding our service model to include and leverage opportunities for children. As a small example of THA's commitment to engaging young people, a kids table and tablet was recently added to the lobby of the Family Investment Center, making the space more inviting and accessible for kids who live at Salishan. CSE will continue to cultivate relationships with community-based organizations designed to support the needs of children. Building a future focused culture, with an emphasis on educational attainment will continue to inform programming offered to our residents and their children.

### **3.3 PROGRAM METRICS**

#### **3.3.1 ASSET BUILDING PROGRAMS**

##### **3.3.1.1 CENTER FOR STRONG FAMILIES (CSF)**

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

THA has renewed its services agreement with Sound Outreach for a fourth year of embedded financial coaching and income supports services at the Family Investment Center. Additionally, this agreement ensures that THA households will continue to be prioritized at the Hilltop Neighborhood Financial Opportunity Center.

Financial coaching and income support services from Sound Outreach are an integral part of THA's commitment to the United Way of Pierce County-supported Centers for Strong Families (CSF) integrated service delivery model. The core components of the evidence-based CSF model are aimed at 1) helping working families increase their earning potential through job training or education (provided by THA staff), 2) retain those earnings through better financial management, and 3) grow their income using specially tailored financial products. Sound Outreach will provide the core components related specifically to financial management and access to financial products.

THA and Sound Outreach have solid data to support renewed investment in this partnership. Between June 1, 2018-May 31, 2019, individuals who participated in financial coaching services saw significant results. As an example, of those who participated in credit repair, credit scores increased by an average of 46 points and debt was reduced by an average of \$5,600!

##### **3.3.1.2 FAMILY SELF-SUFFICIENCY (FSS)**

Family Self-Sufficiency has been busy recruiting new participants. In June, 4 new households were enrolled in the program.

### NEW ENTRIES

Voucher Programs	Number of New Entries
Project Based Vouchers	2
Tax Credit	1
HCV	1

\*Two of the newly enrolled FSS participants are currently employed full-time, one is pursuing her Associates degree and working part-time, and one is working part-time.

### Family Self-Sufficiency Graduates

So far, in 2019, eight families have graduated from the Family Self-Sufficiency Program. All of these graduates have completed their individual goal plans and have varying plans for how they will use the money that they received in escrow incentives. For example, one family plans on sharing the money with their children to pay for the expenses associated with college; another participant plans on putting the money in a savings account in the hopes to buy a home in the near future, and finally purchasing a more reliable vehicle for work. One of the recent graduates income out of HOP after just two years of assistance.

	HOP	Public Housing	PBV	HCV
Total number of adults	1	1	1	5
Total number of dependents	1	3	1	13
Average Escrow Balance	\$3,950	\$7,600	\$5,100	\$6,525
Percentage of change of total income	318%	607%	100%	162%

### **3.3.1.3 CHILDREN'S SAVINGS ACCOUNT PROGRAM (CSA)**

THA Education Specialists, Marty Higgins and Trish Mozo, are working on pulling the middle-school incentives directly from the district's e-Schools Plus database. This process will take some time to pull this data from 193 student records in the district's database. CSE plans to report on the Middle School incentives for the 2018-2019 school year by the end of the 3<sup>rd</sup> quarter.

## **3.2.1 SOCIAL CAPITAL PROGRAM**

### **3.2.1.1 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.*

Martha Matthias, THA's community builder was busy with planning an active June for residents in our Senior and Disabled buildings. There were painting classes during the week of June 10<sup>th</sup> with local artist LeShawn Gamble. Martha reported that residents enjoyed the opportunity to express their artistic side and were extremely proud of their completed paintings. Residents were encouraged to come to a second and third class at a different building and continue to work on their painting or finish a second one! The Community Builder, Martha, started teaching mosaic classes at N.G St. for 5 weeks. Residents, with help from Martha designed a stained glass and tile mirror. Classes are starting for 6<sup>th</sup> Ave in July and N. K St. in August.



*Resident at G Street with her completed mirror!*

The monthly trip to the foodbank, the grocery store, and diabetic foodbank continued and Martha foresees the need for a second volunteer driver to meet the increasing utilization which she is in the process of recruiting.

Tacoma Fire Department Cares Classes teaching fire and medical prevention were held at N. G St, N. K St., and Fawcett Ave. buildings. Fifty-one residents attended the three events held in July, showing a dramatic increase in participation and engagement. The highpoint of the classes was the opportunity for everyone to practice putting out a virtual fire with a virtual fire extinguisher.

Finally, the overall highlight of the month was an all-day potluck picnic BBQ at Owens Beach. Martha said the day at the beach was relaxing, fun, and the food was amazing. There were 35 attendees including five grandchildren. It was wonderful having three generations enjoying the beach together. Residents are excited and busy planning another event that will take place before the end of the summer.

#### **Community Wellness**

	June	Annual Total
New Participants	17	151
Duplicated Participants for the month	92	398
Resource Connections	127	449
Hours spent on Skill Building	200	236.5

### **3.2.2 HOUSING STABILITY PROGRAMS**

#### **3.2.2.1 EVICTION PREVENTION**

*CSE's aims show the benefit of CSE's interventions for households who are facing housing instability. CSE defines housing instability as any household who is at-risk of a notice for repeated lease violations, rent delinquency, or excessive damages to their unit. We know that it costs THA \$8,000 to process an eviction and re-rent the unit.*

**Eviction Prevention:**

	June 2019 Evictions Successfully Prevented	June 2019 Savings to THA	Year to date evictions successfully prevented	Annual Savings to THA
THA Family Properties	4	\$ 32,000.00	29	\$ 232,000.00
Senior Disabled	8	\$ 64,000.00	46	\$ 368,000.00

**3.4 PROGRAM UPDATES**

**3.4.1 SUMMER PROGRAMMING UPDATE**

The Family Investment Center (FIC) is full of activities for all this summer. THA is hosting classes for community partners, including Tacoma Community House's English Language Acquisition, the Community Development Coalition (work force development), THA's Renter Readiness, and the United Way Pierce County's Business Leader Lunch. This luncheon included a discussion led by Maurice A. Jones the President and CEO of the Local Initiative Support Corporation (LISC) about how our community can work collectively to solve many issues, including and especially, affordable housing.

The staff at the FIC and the Salishan Association also hosted an End of School BBQ in collaboration with the Tacoma Fire Department, YWCA, Tacoma Community House, and KBTC.

On June 25<sup>th</sup> the Salishan community gathered for the "Salishan Reads Summer Learning Kick-Off Parade." Participants were able to get brand-new free books provided by the Book Rich Environment (BRE) partnership, lunch, and summer learning packets. Tacoma Public Libraries, the United Way Pierce County, KBTC, and First Creek Middle School joined the festivities too.

**3.4.2 ELEMENTARY HOUSING ASSISTANCE PROGRAM UPDATE**

In June, CSE staff, in collaboration with Rental Assistance Housing Specialist, Sherri Tift and the Policy, Innovation and Evaluation team successfully transitioned the remaining Elementary School Housing Assistance Program (ESHAP) participants to their Housing Opportunity Program (HOP) vouchers. CSE caseworker Byron Williams met with

individual households to discuss their time on ESHAP and their goals for their time on HOP.

The average income of the households that transitioned to HOP is \$27,786. At entry the same families averaged \$11,455. This represents a 143% increase in their incomes since they started in ESHAP.

### **ESHAP Participant Highlights**

One participant chose not to accept the HOP voucher. This participant was able to move into a home without subsidy.

Finally, ESHAP staff shares this email received from a thankful participant:

*Since I have been able to join the Housing Program my life has changed. When I was accepted. I was currently homeless and staying in a shelter with three children. Really just trying to get back on my feet. Since we have been able to get a home. Our whole life completely changes. From us struggling to now being able to provide children with some stability. Their Academics started to get a lot better. My oldest daughter went from reading at 1st grade level for reading, to 5th grade. She also got a Most Improved award this year. To walking out of the 5th grade feeling confident and believing in herself again. My middle daughter went from not know willing or wanting to learn. Not knowing how to do adding and subtracting, to being able to do it now. To be excited about learning, I am blessing that I received Housing alone!! Along the way got meet some pretty nice people. Every case worker I have ever had, has been nothing but understanding and helpful. This program is very helpful, in more ways than one! Financially I am able to do so much more. Being able to pay rent, cable, lights, cell phone, and everything else, with no worries. Is the best feeling in the world, which now I am able to follow my own dreams. Currently a full time student, going for my ECE [Early Childhood Education]. Hopefully in two years I'll be able to have my own daycare center. Work full time at a daycare center, I love it. Came to see that children are my passion.*

*Thank you so much!"*





**TACOMA HOUSING AUTHORITY**

**RENTAL ASSISTANCE**



# TACOMA HOUSING AUTHORITY

**DATE:** July 24, 2019

**TO:** THA Board of Commissioners

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

**RE:** Department Monthly Board Report

## 1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

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

## 2. DIRECTOR'S COMMENT

The Rental Assistance Department and Policy, Innovation and Evaluation Department have begun the process for negotiating contracts for the new Property Based Subsidy partnerships approved at last month's board meeting. This process will involve rent negotiation, inspections and rent reasonableness reviews. All 4 of the properties are excited to get started on our partnerships.

June was an exciting month for Landlord Engagement. THA, along with Pierce County Housing Authority and Associated Ministries' Landlord Liaison Project, hosted the first annual Housing Provider Landlord Appreciation event. Over 60 landlords attended. Based on comments from those attending, it was a great success. During this event the Weinman Excellence Award (Landlord of the Year) was presented to Spinnaker Property Management. This award was in recognition of the late Steve Weinman's work with each agency and the impact he has had on the community. Steve's family was there to present the award.

THA has been contacted by several developers regarding ways they can comply with various affordable housing requirements the City is imposing in exchange for tax exemptions and increased density. This is an opportunity for THA to introduce our voucher program and special programs such as VASH, FUP and CHAP to new properties. We are initiating meetings and beginning discussions regarding our programs with these developers.

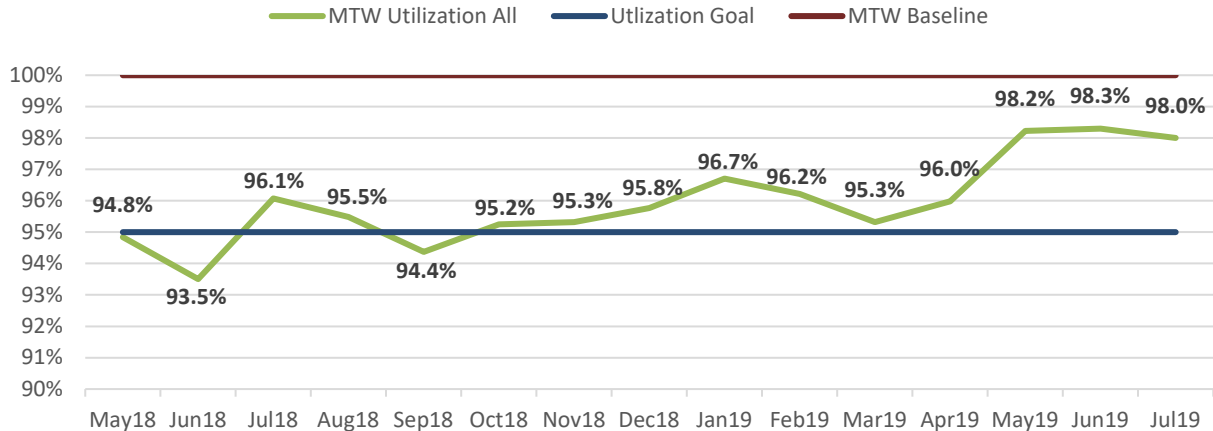
## 3. RENTAL ASSISTANCE AND LEASING

### 3.1 Overall Utilization Report

The overall Housing Choice Voucher utilization is reported at 98% as of July 1, 2019. THA receives a report on utilization on a quarterly basis for Rapid Rehousing (RRH) and Property Based Subsidies (PBS). Therefore, averages are used to forecast utilization to the current date for these specific programs. The most recent RRH update was on May 15, 2019, and reflects actuals through February

2019. The most recent PBS updates were in April. As new information is reported for both RRH & PBS, this utilization report is updated accordingly.

### Overall MTW Utilization as of 7/1/2019



### 3.2 Project Based Voucher Report

Overall utilization for project-based vouchers continues to be strong. THA staff are still in weekly communication with Pacific Courtyard site staff to ensure the remaining units are filled as soon as possible. However, as this has been an ongoing occurrence, Rental Assistance leadership is working to schedule a meeting with senior leadership at Metropolitan Development Council (MDC) in order to 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 continue to add new units to both contracts as they become available.

### Project Based Voucher Utilization as of 7/1/2019



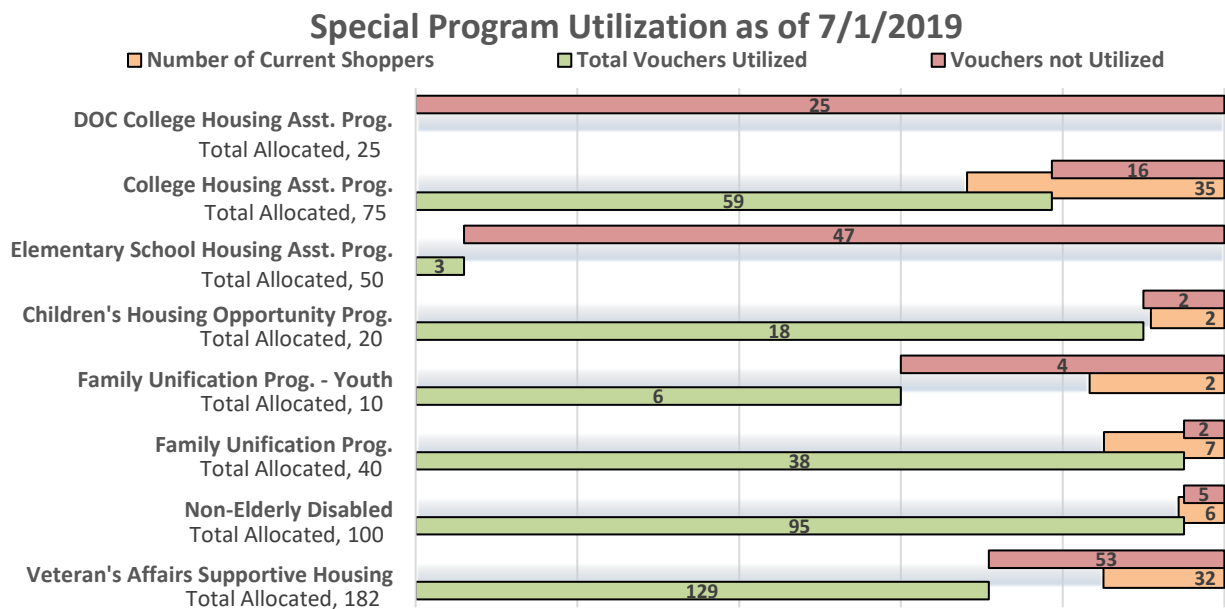
### 3.3 Special Program Report

Below is a breakdown on the utilization of THA's special programs. The chart has been updated to include shoppers for each program. A shopper is a client who has a voucher and is looking for a unit. A voucher is not considered utilized until the client is residing in a unit with a signed lease.

The Department of Corrections (DOS) program with Tacoma Community College (TCC) has now been added as a separate bar. Currently this program is in the early stages and has not been utilized. The chart will be updated once the program begins.

Based on budget needs and the addition of PBS units for the CHAP program, we have lowered the allocated number of units to an estimate of 75. This is reflected in the chart below. Due to the large number of CHAP shoppers we are no longer adding any new participants to the program. We will honor all of the shoppers we currently have in place and as they lease up we will adjust the total allocated. We will review adding new participants as future vacancies arise.

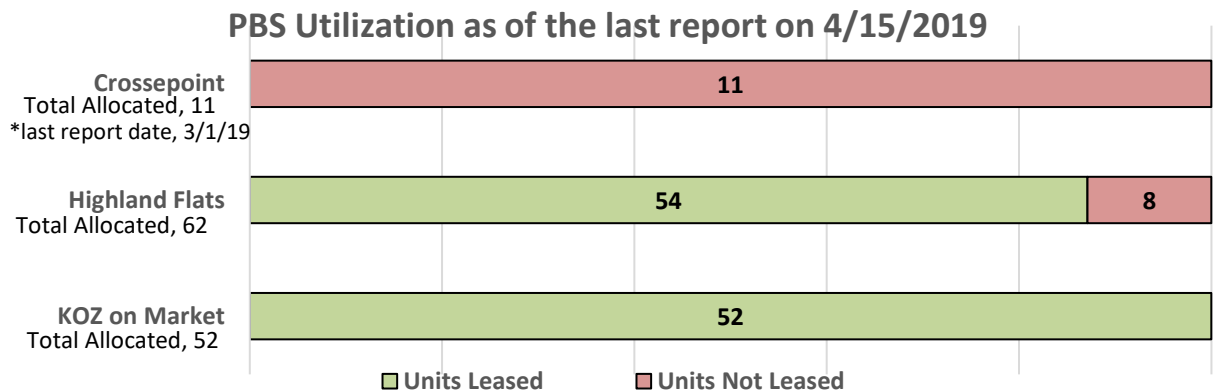
At the writing of this report, the Elementary School Housing Assistance Program (ESHAP) participants are in the process of transitioning to HOP. This serves as an explanation of the numbers in the chart. By the next report, ESHAP will no longer be reflected in the Special Program report.



The Veteran's Affairs (VA) has exhausted its waitlist, 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 may have difficulty leasing up. As stated in the Director's report, we will work to match landlords that need help finding qualified residents to meet City of Tacoma requirements with our partners in need of landlords for their clients.

Since the last Board meeting, THA staff have continued to meet with the Department of Social and Health Services (DSHS) staff regarding referrals. The utilization for Family Unification Program (FUP) and Children’s Housing Opportunity Program (CHOP) has continued to increase. 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.

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 Crossepoin. 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. We have received a report regarding Crossepoin and are currently working with the new staff to reconcile it. Based on the current information we should be able to begin payment to Crossepoin soon. We will continue to show this property as un-utilized until we begin to make payments. THA staff have met with the new managers, reviewed the program and is confident they are understand their roles in this process.

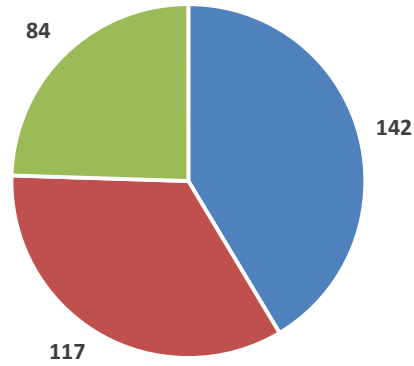
### 3.4 Shopper Report

The chart provided below shows a breakdown of the number of current shoppers by program. A shopper is a client who has a voucher and is looking for a unit. 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. We are no longer pulling applicants from the waiting list due to our increased utilization.

As of July 1, 2019, there are 343 total clients shopping down from 374 from the previous month.

### Current Shoppers as of 7/1/2019

■ HOP   ■ HCV   ■ Special Programs





**TACOMA HOUSING AUTHORITY**

**PROPERTY MANAGEMENT**



# TACOMA HOUSING AUTHORITY

**Date:** July 24, 2019

**To:** THA Board of Commissioners

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

**Re:** Property Management Monthly Board Report

## 1. STRATEGIC OBJECTIVE

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

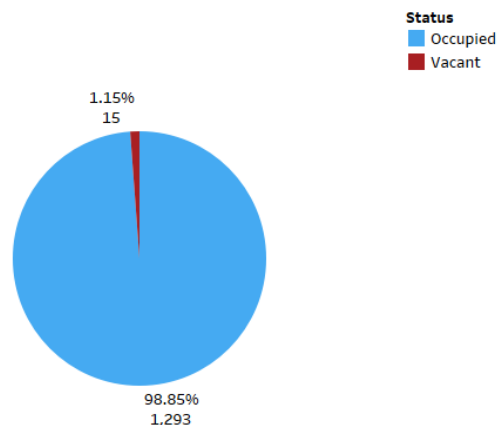
## 2. DIRECTOR'S COMMENTS

June was a month of preparation and planning across the portfolio with an emphasis on safety, compliance, curb appeal and fun. More detail has been provided in **Section 4** on current projects, as well as some upcoming events on the horizon.

You will notice some new charts and graphs have been added to this month's report. They were created compliments of one of our new programs, Tableau and the assistance of Anastasia Cale with the Policy Innovation and Evaluation (PIE) department.

## 3. OCCUPANCY OVERVIEW

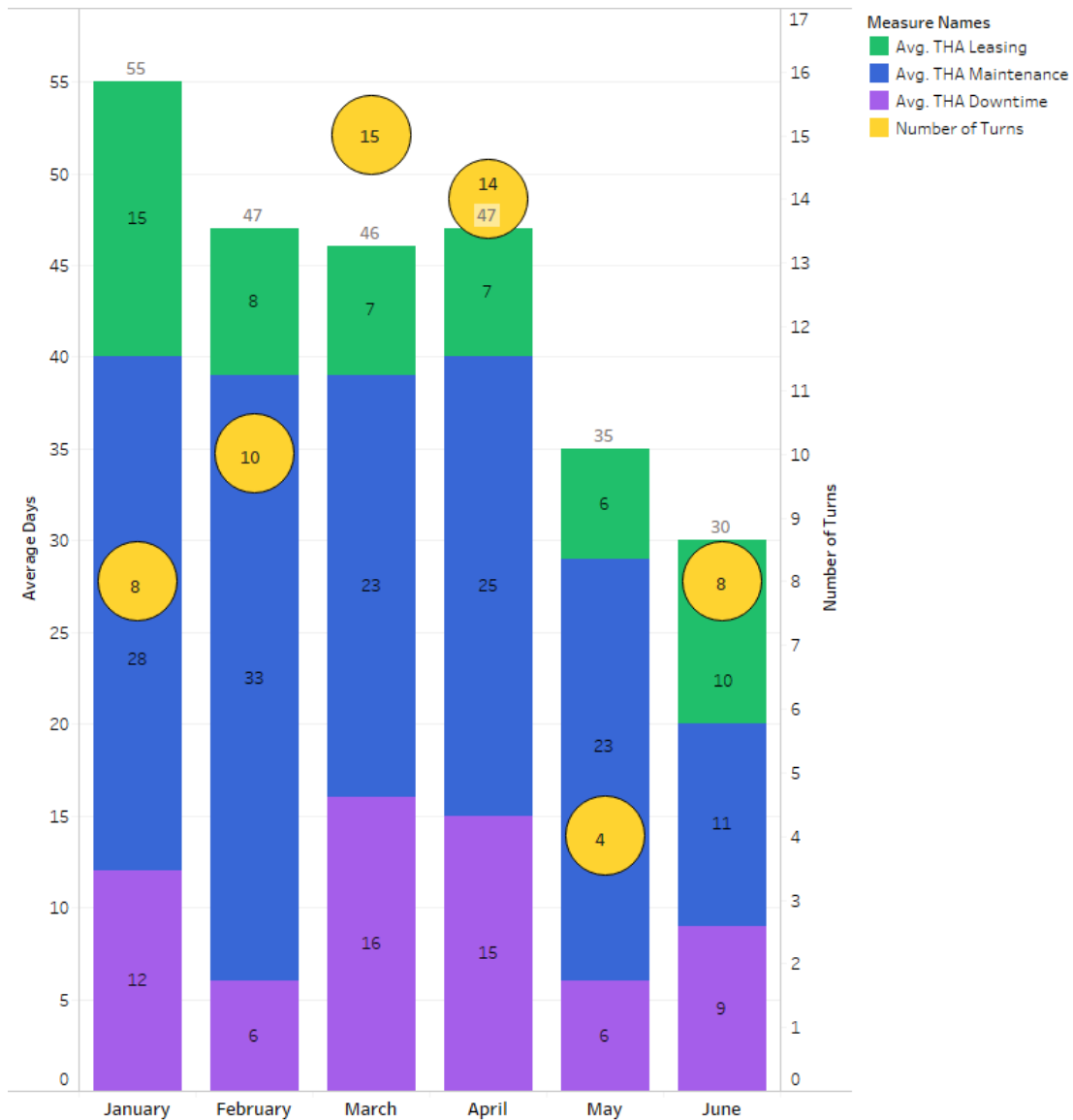
### 3.1 Occupancy





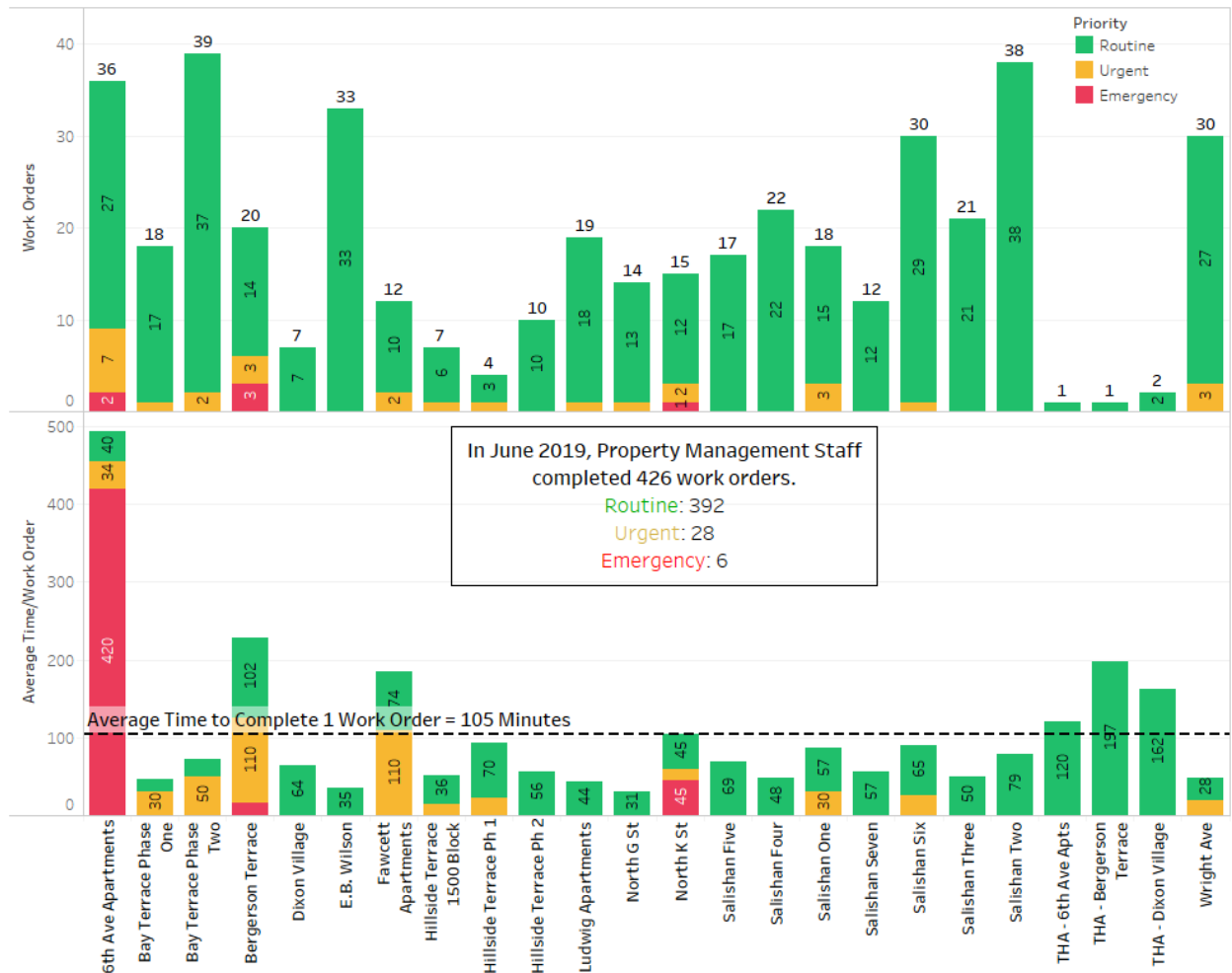
Unit Occupancy is reported for the first day of the month. This data is for the month of June, 2019. The chart above reflects Tacoma Housing Authority's (THA) current portfolio of 1,308 units with 15 vacates and an occupancy percentage of **99%**.

### 3.2 Vacant Unit Turn Status



This data reflects the continued effort of the Turn Team to bring the numbers to the target of 20 days. Turns have been trending downward since January, with 30 days for the month of June. The goal is to reach the target of 20 days within the next two months and maintain that target through year end.

### 3.3 Work Orders



In the month of June, 100% of emergency work orders (a total of 6) were completed within 24 hours; maintenance staff completed 28 urgent work orders and 392 (routine work orders, with a timeline to be addressed within 10 days). The average time for work order completion is 1 hour and 45 minutes (105 minutes). 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.

#### 4. PROJECTS AND PLANNING

- **Maintenance**

1. Preventive Maintenance Plan – the focus for June
  - a) Dryer vents
  - b) GFCIs (Ground Fault Circuit Interrupters)
2. Lead Pilot Project
  - a) Phase one of this pilot began in June with the first tech, JC James, and was successful.
  - b) Phase two will begin on July 15<sup>th</sup> with Afutoto (Afu for short) Tagelo'o
3. Window Washing Schedule for senior buildings

LOCATION	DATE
6 <sup>th</sup> Avenue	July 25 <sup>th</sup>
North G	July 31 <sup>st</sup>
North K	July 31 <sup>st</sup>
Fawcett	August 1 <sup>st</sup>
Wright	August 2 <sup>nd</sup>
Ludwig	August 7 <sup>th</sup>

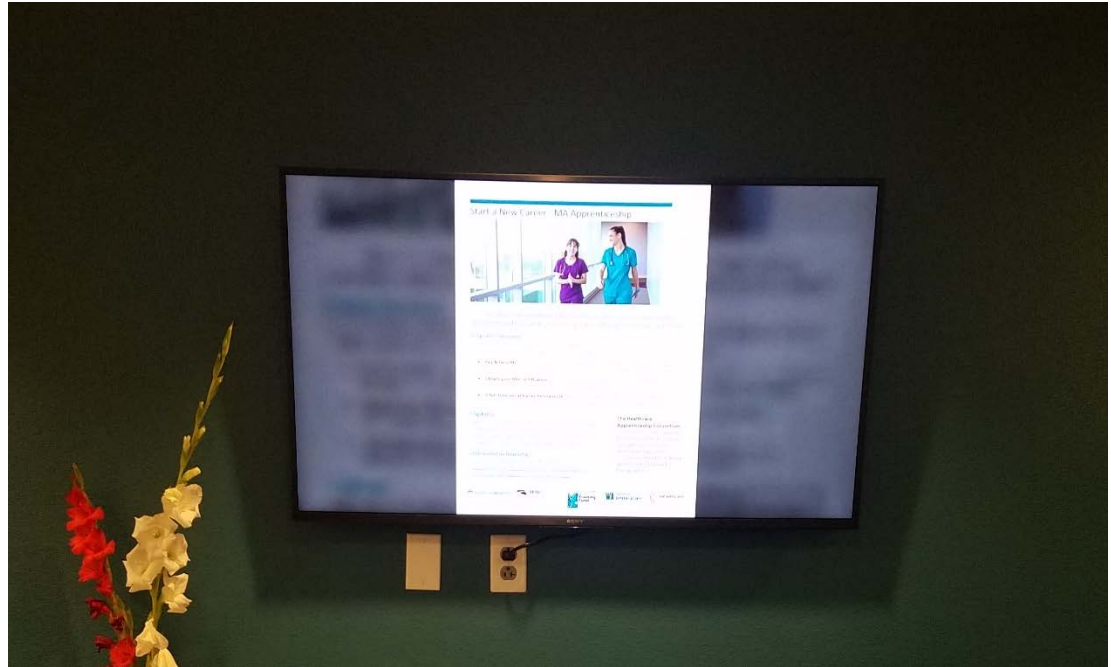
*\*Bay Terrace I, II and EB Wilson will require contracts due to height restrictions.*

- **ReNew Tacoma**

1. Resident Engagement – National Donut Day! June 7<sup>th</sup> – Great turn out, good conversation and lots of donuts! (see pictures below)
2. The Pet of the Month competition began this month at Hillside, Dixon Village and Bergerson Terrace. This is a chance for residents to showcase pictures of some of the most important members of their families and be crowned winners.

- **Salishan**

1. Streaming Information at the Family Investment Center (FIC) – In partnership with the Client Support & Empowerment (CSE), the FIC now has information and events streaming in the lobby for view. This project has been many months in planning and will serve as an additional toll for informing residents of who to contact and upcoming events in their neighborhood.



2. The Little Reading Corner – is a new area in the lobby of the FIC, the vision of Michael, created by Trish Mozo, to give space for children to read, craft, draw, design and be creative with their time while they wait for their parents. (See photos below).



3. Town Hall Meeting – this is a partnership meeting of PM and the Association that gives voice to resident questions, with invited guests and a brief demo of home triage of some of the most common work order calls after-hours.

- **Compliance**

1. Successful completion of the RADPBV training for Property Specialist – Certificates were delivered this month.
2. WSHFC (Washington State Housing Finance Commission) Training Wednesday, July 17th and Thursday, July 18<sup>th</sup>.

Day 1: Tax Credit Fundamentals

An introduction to the essentials required to preserve low-income housing tax credit compliance for Washington State compliance professionals. Topics include federal regulations, state regulations and a case study.

Day 2: Tax Credit Advanced Training

A focused look at and discussion of challenging issues faced by Low-Income Housing Tax Credit compliance professionals in Washington State. Several case studies will be covered in-depth. Topics will include self-employed applicants, special-needs issues, and common area unit clarification. Bring your calculator. To be eligible to take the advanced workshop you must have hands-on experience of at least one year; and, you must have taken a Commission-taught compliance workshop.

3. Successful Investor Inspection – RBC for Salishan IV, V and VI and ReNew Tacoma.

## **5. SPECIAL FOLLOW UP**

During the May Board meeting, a resident from G Street asked whether or not the windows were on a cleaning schedule. In response to the question, the maintenance team developed a cleaning schedule, which has been included above (page 4), for most of the properties. An alternate schedule will be announced for those properties requiring contracted services.



**National Donut Day photos**







**TACOMA HOUSING AUTHORITY**

**REAL ESTATE DEVELOPMENT**





# TACOMA HOUSING AUTHORITY

**DATE:** July 24, 2019

**TO:** THA Board of Commissioners

**FROM:** Kathy McCormick  
Director of Real Estate Development

**RE:** Real Estate Development Department Monthly Board Report

## 1. SALISHAN/HOPE VI

### 1.1 Phase II Construction

#### **Area 2A, Community Core Development**

Staff continue to explore options and partnerships to complete the Salishan Core. While Bates is interested in an Eastside presence, they are undertaking several large capital projects at this time. Because their funding is linked to the State, Bates doesn't believe it would be able to raise the capital dollars needed to pay for a building.

### 1.2 Sale of Salishan Lots

Tacoma Housing Authority (THA) received an offer from TAC Build LLC to purchase the 7 lots designated for market rate rental units. TAC Build LLC is owned by Michael Hopkins, local Master of Built Environment (MBE) firm. THA and TAC Build LLC have signed a Purchase and Sale Agreement. The disposition request has been submitted to Housing and Urban Development (HUD). Staff has received preliminary comments and are working through the issues raised by HUD. An updated Environmental Review is needed by the City. In order to expedite the Environmental Assessment (EA), THA hired a third party consultant to conduct the EA for this project as well as the disposition for Arlington and 1800 Hillside. The Environmental Assessment process 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. The sale price will be \$575,000.

## 2. NEW DEVELOPMENT

### 2.1 1800 Hillside Terrace Redevelopment

#### **Scope**

The redevelopment of 1800 Hillside Terrace will incorporate a single building with 4-stories of affordable housing. The housing units are programmed as one and two-bedroom units serving individuals and small families earning less than 60% of Area Median Income (AMI) with 50% of the units @ 30% AMI, 25% of the units @ 40% AMI and 25% of the units @ 60% AMI.

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

Revised Distribution by BR and Set Aside

	<b>1-BR</b>	<b>2-BR</b>	<b>TOTAL</b>
Low Income	24	12	36
Homeless	8	6	14
Disabled	8	6	14
<b>TOTAL</b>	<b>40</b>	<b>24</b>	<b>64</b>

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

**Financing**

The total development cost is currently budgeted at \$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 presented 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 June 26, 2019, the closing for financing of 1800 Hillside Terrace was completed.

**Procurement**

None to report.

**Construction**

Staff issued Marpac Construction a Notice to Proceed to begin constructing the project. Marpac will be mobilizing immediately with construction due to be completed by October 2020.

### **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 up to five years depending on location 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. A separate license has been executed to a group for temporary access to the empty lot where the former C and D Lounge was located. The group will organize a food truck market place on a temporary basis throughout the summer. If successful, THA will explore options to allow food trucks on a semi-permanent basis until redevelopment begins. Food trucks will serve food not currently offered by existing James Center North restaurants.

##### **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 (JCN). 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.

In an effort to continue activating the property, THA is cohosting an outdoor movie night with the Tahoma Audubon Society. The event is August 2<sup>nd</sup> and will be free to the public. There will also be a food truck market event on the property July 12<sup>th</sup>.

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.

#### **3.2.3 Summary of the Scattered Sites Sales**

A total of 33 homes were sold. The final two (2) houses closed on June 13<sup>th</sup> and 15<sup>th</sup>. The following chart shows the total amount of sales. The THA grant is the amount of funds that were credited to the buyer to ensure that the home was affordable for them to purchase. The value of the individual grant varied, depending on the income of the buyer and price of the home. A five-year restriction is placed on the home that secures the value of the THA grant and requires the home to be owner occupied. Each year the buyer lives in the home, the value of the restriction is reduced 20% and is fully forgiven in the fifth year the buyer remains in the home. If they sell the home prior to the five years, THA will receive whatever funds remain per the formula in the grant.

All the homes required rehabilitation. Those costs are reflected in the construction cost column. Sales fees are those paid to Realtors and related closing costs. The chart on the following page provides more detailed information about the sales and buyers.



**TACOMA HOUSING AUTHORITY**  
**Scattered Site Sales Results (2019-07-23)**

Gross Sale	THA Grant	Other Grants	Cost to Purchaser	Construction costs	Sales Fees (Realtor/Broker/Title pay off utilities/recording fees/warranty/etc..)	Total Net Profit	Closing Date	Race	Ethnicity
\$180,001.20	\$5,500.00	\$0.00	\$174,501.20	\$125.00	\$12,378.42	\$161,997.78	10/5/2016	Asian	not-hispanic
\$190,000.82	\$5,970.00	\$0.00	\$184,030.82	\$37,800.00	\$12,888.28	\$133,342.54	11/1/2016	White	Hispanic
\$239,000.00	\$63,670.00	\$12,918.89	\$162,411.11	\$42,080.00	\$10,988.00	\$122,262.00	11/28/2016	White	not-hispanic
\$215,000.00	\$8,600.00	\$0.00	\$206,400.00	\$6,000.00	\$14,680.00	\$185,720.00	1/26/2017	other multiple race	Hispanic
\$174,950.00	\$40,238.50	\$0.00	\$134,711.50	\$42,080.00	\$12,225.30	\$80,406.20	3/3/2017	White	not-hispanic
\$240,000.00	\$45,500.00	\$4,827.80	\$189,672.20	\$73,278.00	\$15,875.91	\$105,346.09	3/3/2017	White	not-hispanic
\$169,000.00	\$5,855.80	\$0.00	\$163,144.20	\$1,780.00	\$11,912.20	\$149,452.00	4/12/2017	White	not-hispanic
\$168,000.00	\$32,600.00	\$59,255.80	\$76,144.20	\$11,800.00	\$11,922.04	\$111,677.96	4/17/2017	White	not-hispanic
\$175,000.00	\$22,768.43	\$0.00	\$152,231.57	\$6,000.00	\$16,261.54	\$129,970.03	4/20/2017	White	not-hispanic
\$219,000.00	\$39,100.00	\$0.00	\$179,900.00	\$6,500.00	\$14,764.94	\$158,635.06	4/27/2017	African American	
\$269,000.00	\$51,572.00	\$7,831.75	\$209,596.25	\$40,000.00	\$18,483.83	\$158,944.17	5/9/2017	White	not-hispanic
\$218,000.00	\$32,500.00	\$20,662.88	\$164,837.12	\$42,350.00	\$19,298.13	\$123,851.87	5/22/2017	Native Hawaiian	not-hispanic
\$225,000.00	\$40,250.00	\$0.00	\$184,750.00	\$5,000.00	\$13,500.00	\$166,250.00	5/25/2017	White	not-hispanic
\$189,003.76	\$13,000.00	\$9,599.75	\$166,404.01	\$18,000.00	\$13,024.57	\$144,979.19	5/26/2017	Asian/White	not-hispanic
\$235,003.41	\$30,500.00	\$5,199.75	\$199,303.66	\$22,750.00	\$15,845.57	\$165,907.84	6/16/2017	other multiple race	Hispanic
\$195,003.41	\$2,500.00	\$41,070.00	\$151,433.41	\$24,990.00	\$13,731.48	\$153,781.93	6/16/2017	White	not-hispanic
\$155,000.00	\$4,371.76	\$0.00	\$150,628.24	\$8,000.00	\$10,949.21	\$131,679.03	6/30/2017	White	not-hispanic
\$232,002.00	\$50,000.00	\$0.00	\$182,002.00	\$42,350.00	\$15,828.36	\$123,823.64	7/12/2017	White	not-hispanic
\$225,000.00	\$56,000.00	\$9,601.75	\$159,398.25	\$5,000.00	\$10,460.00	\$153,540.00	10/3/2017	White	not-hispanic
\$225,000.00	\$30,000.00	\$0.00	\$195,000.00	\$35,825.00	\$15,388.32	\$143,786.68	10/2/2017	Asian	None given
\$227,000.00	\$34,210.00	\$16,816.50	\$175,973.50	\$38,300.00	\$15,417.95	\$139,072.05	10/27/2017	White	not-hispanic
\$199,900.00	\$4,188.00	\$20,000.00	\$175,712.00	\$34,650.00	\$13,704.86	\$147,357.14	5/24/2018	None given	None given
\$229,004.00	\$4,000.00	\$31,879.66	\$193,124.34	\$34,650.00	\$15,531.20	\$174,822.80	5/25/2018	White	not-hispanic
\$219,000.00	\$3,675.00	\$43,585.00	\$171,740.00	\$30,000.00	\$15,194.45	\$170,130.55	4/14/2018	American Indian(Asakan)	not-hispanic
\$239,000.00	\$36,827.00	\$0.00	\$202,173.00	\$37,126.28	\$16,197.20	\$148,849.52	6/22/2018	White	not-hispanic
\$219,000.00	\$5,433.38	\$19,573.75	\$193,992.87	\$37,126.28	\$15,001.24	\$161,439.10	8/1/2018	African American	not-hispanic
\$269,000.00	\$28,600.00		\$240,400.00	\$34,950.00	\$23,355.00	\$182,095.00	12/31/2018	None given	None given
\$280,000.00	\$56,000.00	\$24,597.10	\$199,402.90	\$59,811.50	\$23,725.68	\$140,462.82	10/29/2018	African American	None given
\$269,000.00	\$31,000.00	\$67,939.27	\$170,060.73	\$34,950.00	\$18,517.12	\$184,532.88	11/16/2018	None given	None given
\$215,000.00	\$14,000.00	\$12,200.00	\$188,800.00	\$61,263.20	\$15,060.82	\$124,675.98	4/5/2019	White	not-hispanic
\$249,000.00	\$49,800.00	\$7,447.00	\$191,753.00	\$43,764.75	\$21,733.33	\$133,701.92	4/10/2019	White	Hispanic
\$219,000.00	\$23,219.70	\$0.00	\$195,780.30	\$64,859.25	\$14,937.11	\$115,983.94	6/13/2019	None given	None given
\$269,000.00	\$53,800.00	\$3,200.00	\$212,000.00	\$45,596.90	\$21,001.08	\$148,602.02	6/15/2019	None given	Hispanic
<b>Total</b>	<b>\$7,240,868.60</b>	<b>\$925,249.57</b>	<b>\$418,206.65</b>	<b>\$5,897,412.38</b>	<b>\$1,028,756.16</b>	<b>\$509,783.14</b>	<b>\$4,777,079.73</b>	RACE: Of purchasers with known races = 32% persons of color	
<b>Average</b>	<b>\$219,420.26</b>	<b>\$28,037.87</b>	<b>\$12,672.93</b>	<b>\$178,709.47</b>	<b>\$31,174.43</b>	<b>\$15,447.97</b>	<b>\$144,759.99</b>	ETHNICITY: Of purchasers with known ethnicity = 19% Hispanic	
Scattered Sites Sales Results									7/23/2019

### **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**

#### **3.4.1 Crisis Residential Center**

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 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.

Bids for the CRC came in higher than projected. This is due to the increased amount of site work to be completed for the CRC portion of the Arlington Campus, as well as general construction cost increases. The additional allocated cost is \$515,000. The City of Tacoma, TCRA has graciously agreed to consider a THA request to fund the additional cost. The TCRA board will consider this request at its July 25<sup>th</sup> meeting.

Because of the increased cost, staff will bring forward a resolution for the Board's consideration that would increase the General Contractor/Construction Manager (GC/CM) contract with Korsmo Construction.

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 3<sup>rd</sup> 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. Subsequent bids accepted by Korsmo have brought the apartment construction cost in line with the budget. THA will execute a construction contract to build the apartments with Korsmo as part of the Arlington Apartment closing.

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

#### **4.1.1 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 30<sup>th</sup>. 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 1<sup>st</sup> floor of THA's 902 Office Building. The North side of the 1<sup>st</sup> floor was not included in the 2012 Tenant Improvement and staff changes on the south side of the 1<sup>st</sup> 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 were interviewed with a recommendation to the Executive Director to award a contract to Ferguson Architects. Negotiations are in process for the feasibility phase of the contract. Ferguson Architects 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 2019-07-24 (1)

**Date:** July 24, 2019  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** GCCM- Amendment for the Crisis Residential Center and Off-Site Improvements

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*This resolution would authorize an increase to \$2,550,000 for the GCCM contract previously approved by the Board of Commissioners for up to \$2,300,000 with Korsmo Construction for the development of the Crisis Residential Center.*

### Background

On May 22, 2019, the THA Board of Commissioners (BOC) approved Resolution 2019-05-22 (13) authorizing THA's Executive Director to negotiate and enter into a Construction Management/General Contractor (CM/GC) agreement with Korsmo Construction, Inc. for a not-to-exceed \$2,300,000 in construction and related costs to build the Arlington Crisis Residential Center.

At this time staff is requesting authorization for THA's Executive Director to increase the total not-to-exceed agreement with Korsmo Construction to \$2,400,000 for construction of the Crisis Residential Center, plus \$150,000 for sales tax, resulting in a Guaranteed Maximum Price (GMP) of \$2,550,000. This is an increase of \$250,000 over the previously approved GCCM amount.

THA will have a separate owner's contingency of \$100,000.

### Recommendation

Approve Resolution 2019-07-24 (1) authorizing THA's Executive Director to negotiate and award the contract to Korsmo Construction to build the Crisis Residential Center in an amount not-to-exceed the base bid of \$2,550,000, including taxes.



# TACOMA HOUSING AUTHORITY

## **THA BOC RESOLUTION 2019-07-24 (1) (GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES (GCCM) for the Crisis Residential Center)**

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

**WHEREAS**, Resolution 2018-11-14(3) authorized THA's 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 revised the development budget for the Crisis Residential Center to \$3,400,000. 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 including City of Tacoma Funds, Community Development Block Grant Dollars and Pierce County Funds; and

**WHEREAS**, 2019-05-22(13) authorized THA's Executive Director to negotiate a not-to-exceed agreement with Korsmo Construction for \$2,300,000 and subsequent bid results resulted in increased construction costs; now, therefore, be it

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

Approve Resolution 2019-07-24 (1) authorizing THA's Executive Director to negotiate and execute a Construction Management, General Contractor Services for GMP not-to-exceed amount \$2,550,000 with Korsmo Construction, Inc.

**Approved: July 24, 2019**

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Dr. Minh-Anh Hodge, Chair

# **Resolution 2**





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-07-24 (2)

**DATE:** July 24, 2019

**TO:** THA Board of Commissioners

**FROM:** Michael Mirra  
Executive Director

**RE:** Resolution to amend resolution 2016-12-14(11) and authorize THA to apply for financing to develop the site located at 1120-1124 Martin Luther King Jr Way

### Purpose

The purpose of this resolution is to authorize Tacoma Housing Authority's Executive Director to:

(1) Prepare, execute and submit funding applications, agreements and other documents necessary to secure funding to include, but not limited to, the City of Tacoma, Pierce County, the Washington State Housing Trust Fund, and the Washington State Housing Finance Commission for HOME, CDBG, 2060, trust fund, low income housing tax credits and other funding that might be applicable for the redevelopment of this site; and

(2) Expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

### Background

In 2016 the Board approved resolution 2016-12-14(11) for redevelopment of 1120-1124 Martin Luther King Jr Way (aka "Mr. Mac"). This resolution formed the limited liability limited partnership (Hilltop Lofts LLLP) and authorized application to the WSHFC for low income housing tax credits for the new construction of one and two bedroom units. THA was not successful in being awarded the funds necessary to develop the building at that time.

Since then, THA has embarked on a community engagement process to gather community input for how the four parcels THA owns on the Hilltop should be redeveloped. The current plan calls for up to 250 units of affordable housing and approximately 50,000 sq. ft. of commercial space across the four parcels. At this time, THA is proceeding to assemble financing for this redevelopment, the first of which is for the property located at 1120-1124 MLK. The plan calls for approximately fifty (50) units of permanent supportive housing units for single adults experiencing homelessness, associated common areas and approximately 4,000 sq. ft of commercial space.

THA is exploring partnering with another non-profit to deliver the units and services to this clientele. THA expects to lease the land and improvements to the LLLP for up to 99 years.

The financing structure is expected to include, but not limited to the following sources of funding: tax credit equity, City of Tacoma and Pierce County funds and Housing Trust Fund dollars.

### **Recommendation**

Approve Resolution No. 2019-07-24 (2).



# TACOMA HOUSING AUTHORITY

## THA BOC Resolution 2019-07-24 (2)

### (Amend Resolution 2016-12-14(11) to Authorize THA to Apply for Financing to Develop 1120-1124 MLK Jr Way)

A **RESOLUTION** of the Housing Authority of the City of Tacoma authorizing (i) submission of applications for funding from sources to include but not limited to, Pierce County, City of Tacoma, Housing Trust Fund and Washington State Housing Finance Commission for an affordable rental housing project located at 1120-1124 Martin Luther King Jr Way in the City of Tacoma WA; and (ii) expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

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

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

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

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

**WHEREAS**, The Authority has formed Hilltop Lofts LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”), for the purpose of acquiring and constructing a multifamily housing facility to be located at 1120-1124 Martin Luther King Jr Way in the City of Tacoma (the “Project”). The total financing for this project will require the use of various funding sources, which may include low income housing tax credits, HOME, CDBG, Housing Trust Fund, and 2060 funds and loans from public and private lenders and/or grants; and

**WHEREAS**, The Board finds and determines that both the Partnership and the Project will provide for the necessary support of the por within the City Authority anticipates that the Borrower will request that the Authority issue and sell its revenue bonds for the purpose of assisting the Borrower in financing the Project; and

**WHEREAS**, the Authority desires to provide such assistance, if certain conditions are met; now therefore, be it

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

1. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, an allocation of low income housing tax credits from the Washington State Housing Finance Commission, Washington State Housing Trust Fund grant and /or loan, Pierce County, the City of Tacoma and other federal, state and local funds (ii) seek and approve investors to serve as subsequent limited partners in the Partnership in connections with the receipt of low income housing tax credits for the Project (iii) negotiate with potential investors regarding their acquisition of limited partnership interest in the Partnership and (iv) prepare all appropriate resolutions for Board review

2. The Authority is authorized to expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

3. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.

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

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

**Approved: July 24, 2019**

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Dr. Minh-Anh Hodge, Chair

## CERTIFICATE

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

1. That the attached Resolution No. 2019-07-24 (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 July 24, 2019, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on July 24, 2019.

HOUSING AUTHORITY OF THE CITY OF  
TACOMA

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

# **Resolution 3**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-7-24(3)

**Date:** July 24, 2019

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Supplemental Authorizations Regarding RAD Conversions

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*This resolution authorizes the combination of the Hillside Terrace Phase I and II Projects, terminates the land lease for Hillside Phase I and amends the land lease for Hillside Phase II in order to accomplish the combination. This change was requested by Housing and Urban Development (HUD) in order to simplify the Rental Assistance Demonstration (RAD) transaction for these two properties.*

### Background

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

THA is the general partner of Hillside Terrace Phase I Limited Partnership (the “HTI Partnership”), which limited partnership developed an affordable rental housing project located on the 2300 Block of South G Street in Tacoma, Washington (the “HTI Project”). The HTI Project is encumbered by deeds of trusts and restrictive covenants in favor of THA, the State of Washington Department of Community, Trade and Economic Development, Office of Community Development (“Commerce”), and the Tacoma Community Redevelopment Authority.

THA is the general partner of Hillside Terrace Phase II Limited Partnership (the “HTII Partnership”), which limited partnership developed an affordable rental housing project located on the 2300 Block of South G Street in Tacoma, Washington (the “HTII Project”). The HTII Project is encumbered by deeds of trusts and restrictive covenants in favor of THA and Commerce.

THA is the managing member of Salishan One LLC, which limited liability company developed an affordable rental housing project located at 1724 East 44<sup>th</sup> Street, Tacoma, Washington (the “Salishan One Project”). The Salishan One Project is encumbered by deeds of trusts and restrictive covenants in favor of THA and Commerce (including a deed of trust securing a re-loan of Federal Home Loan Bank’s Affordable Housing Program grant proceeds).

THA is the managing member of Salishan Two LLC, which limited liability company developed an affordable rental housing project located at 1725 East 44<sup>th</sup> Street, Tacoma, Washington (the

“Salishan Two Project”). The Salishan Two Project is encumbered by deeds of trusts and restrictive covenants in favor of THA and Commerce (including a deed of trust securing a re-loan of Federal Home Loan Bank’s Affordable Housing Program grant proceeds).

THA is the managing member of Salishan Three LLC, which limited liability company developed an affordable rental housing project located at 1726 East 44<sup>th</sup> Street, Tacoma, Washington (the “Salishan Three Project”). The Salishan Three Project is encumbered by deeds of trusts and restrictive covenants in favor of THA and Commerce (including a deed of trust securing a re-loan of Federal Home Loan Bank’s Affordable Housing Program grant proceeds).

THA also has purchase options and rights of first refusal with respect to each of the HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project and the Salishan Three Project, which purchase options and rights of first refusal were obtained by THA to control the disposition of the projects. In September 2018, THA obtained the investors’ interests in the HTI Partnership, the HTII Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC, and caused Tacoma Housing Development Group to be admitted to each such entity, thereby rendering the purchase options and rights of first refusal unnecessary.

The HTI Partnership, the HTII Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC each lease their respective housing projects from THA pursuant to a long-term lease.

THA applied to HUD to allow the HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project, and the Salishan Three Project to be converted from public housing projects to a project-based Section 8 projects under HUD’s Rental Assistance Demonstration (“RAD”) program. In connection with HUD’s review of the various RAD transaction documents, HUD has suggested that the HTI Project and the HTII Project be combined, that the lease of the HTI Project be terminated, and that the lease of the HTII Project be amended to include the HTI Project. THA’s staff concurs in such suggestion.

Resolution No. 2019-7-24(3) will authorize THA to (1) execute releases with respect to certain of the encumbrances relating to THA loans to the HTI Partnership, the HTII Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC; (2) terminate the lease with the HTI Partnership; (3) amend the lease with the HTII Partnership to include the HTI Project; and (4) to unwind the HTI Partnership.

## **Recommendation**

Approve Resolution No. 2019-7-24 (3).





# TACOMA HOUSING AUTHORITY

## **THA BOC RESOLUTION 2019-07-24 (3)** **(Supplemental Resolutions Regarding RAD Conversions)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority to execute releases with respect to certain of the encumbrances relating to its public housing properties, to terminate the existing lease of the Hillside Terrace Phase I project, to amend the existing lease of the Hillside Terrace Phase II project, to unwind the Hillside Terrace Phase I limited partnership; 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 (the “HTI Partnership”) and Hillside Terrace Phase II Limited Partnership (the “HTII Partnership”), and is the managing member of Salishan One LLC, Salishan Two LLC and Salishan Three LLC; and

**WHEREAS**, In September 1, 2018, the Authority obtained the investors’ interests in the HTI Partnership, the HTII Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (collectively, the “Owner Entities”), and caused Tacoma Housing Development Group to be admitted to each such entity as a limited partner or member, as applicable; and

**WHEREAS**, By Resolution No. 2018-10-24(2), adopted by the Authority’s Board of Commissioners on October 24, 2018, the Board authorized the Authority to forgive loans made by the Authority to the Owner Entities; and

**WHEREAS**, The Authority obtained purchase options and rights of first refusal from the Owner Entities that are no longer necessary to preserve the Authority’s ability to prevent the disposition of the affordable housing projects developed by the Owner Entities; and

**WHEREAS**, The Board finds it necessary and desirable, in connection with the conversion of the Hillside Terrace Phase I and Hillside Terrace Phase II public housing projects under HUD’s Rental Assistance Demonstration (“RAD”) program, to (1) combine such projects, (2) terminate the lease pertaining to the Hillside Terrace Phase I project, (3) amend the Authority’s lease with respect to the Hillside Terrace Phase II project, and (4) unwind the HTI Partnership; and

**WHEREAS**, The Board has been advised that the Authority's staff and counsel have prepared omnibus releases between the Authority and each of the Owner Entities that release certain loan agreements, regulatory agreements, deeds of trust, purchase options, rights of first refusal and other title encumbrances, all in connection with the proposed RAD conversion; now, therefore, be it

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

1. Omnibus Releases. 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 and each of the Owner Entities an omnibus release that releases such loan agreements, regulatory agreements, deeds of trust, purchase options, rights of first refusal and other title encumbrances such Authorized Officer, or either of them, determines is necessary of desirable.
2. Amendment to Hillside Terrace Phase II Lease. 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 of the HTII Partnership): (i) an amendment to the existing Lease Agreement between the Authority and the HTII Partnership to include the property currently leased by the Authority to the HTI Partnership, and to make such other revisions to said lease as are necessary or desirable in connection with the RAD program requirements; (ii) an amendment to the Memorandum of Lease Agreement between the Authority and the HTII Partnership to reflect such amendments to the Lease Agreement.
3. Termination of the Hillside Terrace Phase I Lease. The Authorized Officers (and each of them acting alone) are authorized to 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 of the HTI Partnership), such documents as are necessary to terminate the existing Lease Agreement and Memorandum of Lease Agreement between the Authority and the HTI Partnership.
4. Unwind of the HTI Partnership. The Authorized Officers (and each of them acting alone) are authorized to 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 of the HTI Partnership), such documents as are necessary to unwind and terminate the HTI Partnership after the existing Lease Agreement between the Authority and the HTI Partnership is terminated.
5. 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.
6. 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.
  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: July 24, 2019**

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Dr. Minh-Anh Hodge, Chair

## 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. 2019-07-24(3) (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 July 24, 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 July 24, 2019.

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Michael Mirra, Secretary and Executive Director of  
the Authority

# **Resolution 4**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-07-24 (4)

**Date:** July 24, 2019

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Updating THA's Administrative Plan: College Housing Assistance Program (CHAP) Changes

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*THA's College Housing Assistance Program (CHAP) is a time-limited program for homeless or near-homeless college students. This resolution would approve some program changes to CHAP. The program changes do not apply to CHAP participants assisted through the Property Based Subsidy program.*

### Background and Summary Recommendations

Tacoma Housing Authority's (THA) College Housing Assistance Program (CHAP) helps homeless and near-homeless low-income students and their families pay rent on the private market. CHAP participants receive a Housing Opportunity Program (HOP) subsidy. The subsidy amount is fixed and the housing assistance payment is time-limited.

CHAP began in 2014 as a pilot program that provides housing assistance to homeless and near-homeless students at Tacoma Community College (TCC). In comparison to students of other colleges, TCC students are older, lower income, more likely to be parents, more likely to be working and more likely to be their family's first to attend college. A notable number of TCC students do not have stable housing.

The CHAP pilot housed 47 homeless TCC students and their children. The pilot's evaluation tracked their retention/graduation rates and grade point average and compared them to the homeless TCC students who did not fit in the pilot. The results after two years were very encouraging and impelled CHAP's expansion to up to 150 vouchers. Twenty-five of the 150 vouchers are set-aside for a program that is under development to serve students who are exiting corrections. THA expects the completion of a third party evaluation of CHAP in the fall of 2019.

THA and TCC have shared information about CHAP with Portland Community College, The Affordable Housing Alliance of Central Ohio, Seattle Housing Authority and several national publications. THA has received requests to consider expanding CHAP to additional Tacoma-area institutions such as Clover Park Technical College and University of Washington (UW) Tacoma.

In 2018, the CHAP program expanded to include housing assistance that is tied to a property. THA partners with property owners near the campuses of TCC and the University of Washington (UW) Tacoma to reserve apartments for homeless or near homeless students. THA pays down the rents to levels affordable to students. This property based rental assistance is tied to the unit, whereas the CHAP voucher assistance is tied to the student.

Today, THA's CHAP program provides or finances housing in three ways:

- THA provides rental assistance to help pay rent on the private rental market;
- THA provides apartments it purchased near campus;
- THA signs long term contracts with private developers near the campuses to reserve apartments for homeless or near homeless college students. THA pays down the rents to levels affordable to the students.

The City of Tacoma is experiencing an affordable housing crisis. Rent increases over the past several years have made finding affordable housing difficult. It is even more difficult for households who may be homeless, have criminal backgrounds or weak rental history. THA's data, participants and post-secondary partners tell us that CHAP participants struggle to secure housing on the program. Fifty percent of CHAP applicants are unable to find housing. Since 2017, 71 CHAP participants have been housed on the program and 75 were unable to use their voucher.

Responding to CHAP's poor lease up rates, THA developed a new innovative housing program to serve students. THA's Property Based Subsidy (PBS) program buys down the affordability in privately owned units to make them affordable to homeless or near-homeless college students. THA has reserved 73 units for CHAP eligible households within walking distance of TCC. THA has also reserved 52 units for UW Tacoma students at a property adjacent to the university. Although students housed at PBS properties are not participants in the CHAP tenant based voucher program, they realize affordable rents and THA considers them participants in the CHAP.

Responding to program expansion inquiries and the barriers faced by participants, THA's Policy, Innovation & Evaluation (PIE) team initially proposed a redesign of CHAP to achieve four goals:

1. to support the program's future expansion to other public post-secondary institutions;
2. to promote continuing education, more specifically the completion of a Bachelor's degree;
3. to expand a warm welcome to students who are exiting from corrections who are or will engage with post-secondary education; and
4. to increase the successful lease up rates of students who receive a voucher.

The recommended changes reflect the first three goals. To achieve the fourth goal, THA considered increasing the CHAP subsidy amount as an intervention to increase successful lease-ups. Due to budget constraints, THA cannot spend additional HAP dollars at this time. If THA receives flat funding from Congress in 2020 and beyond, the agency projects a deficit beginning in 2021 of \$1.5 million. These deficits arise from the claims on the agency's use of its rental assistance

dollars. As a result, the recommended changes do not include any strategies to increase the successful lease up rates of students who receive a voucher.

Based on community consultation and discussions with THA's Cabinet, we recommend the following be implemented immediately:

**1. Program Expansion**

- The College Housing Assistance Program has expanded beyond a tenant based voucher program operated by TCC. The program now includes student households paying affordable rents at PBS properties as a result of THA subsidies. THA seeks to formalize this expansion and prepare for a future when CHAP may be implemented with other education partners. To do so, THA will revise its Administrative Plan and program documents to reflect that CHAP is a program that may be implemented at other partner institutions.

**2. Extend the Time Limit To Promote the Completion of a Bachelor's Degree**

- If the CHAP expands to a public four year institution a student will need more time to complete a degree. PIE recommends changing the CHAP time limit from up to 3 years to up to 5 years.
- Graduation from a post-secondary institution does not guarantee immediate employment in a living wage job. For this reason, PIE recommends granting graduate households that have not reached the five year time limit up to an additional year of housing assistance. Students can use this income building year (not to exceed 1 year or the five year time limit) to use their new degree to secure a living wage job. Most student loans have a six month grace period before repayment begins. An income building year may allow students to receive housing assistance as they adjust and make changes to accommodate loan repayment.

**3. Students May Transfer Between Participating Institutions.**

**4. Expand the Definition of Homelessness to Include Students Exiting from Corrections**

- THA and TCC are in the design stages of developing a CHAP sub-cohort for formerly incarcerated individuals who are enrolled or will enroll in a degree program. PIE recommends expanding CHAP's definition of "at serious risk of homelessness." The expanded definition will include those who have exited corrections without a housing discharge plan or with a housing discharge plan that provides housing for 6 months or less. This expanded definition will provide housing assistance for households exiting corrections with or without a time limited early release voucher. Individuals exiting into a transitional housing facility are included in the existing definition of homeless.



## Public Consultation

THA consulted and offered to confer with a wide array of interested persons and community voices, including:

- CHAP voucher participants
- CHAP property based subsidy participants
- students who were unable to find housing with a CHAP voucher
- prospective CHAP participants
- post-secondary partners including Tacoma Community College and UW Tacoma
- the general public

On May 22, 2019, THA hosted a public hearing at TCC to seek advice about the proposed changes. In attendance were approximately 30 people representing the interests listed above. In general, most people who expressed views supported the recommendations in this resolution.

## Recommendation

Authorize THA's Executive Director to make program changes to the College Housing Assistance Program as outlined in resolution 2019-07-24 (4). This would change THA's Administrative Plan Chapters 18 and 19.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-07-24 (4)** **(Updating THA's Administrative Plan: CHAP Changes)**

**WHEREAS**, The Administrative Plan relates to the administration of the College Housing Assistance Program and is required by HUD; and

**WHEREAS**, The purpose of the Administrative Plan is to establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives contained in THA's Moving to Work plan; and

**WHEREAS**, Tacoma Housing Authority's College Housing Assistance Program (CHAP) has a three-year time limit it seeks to change; and

**WHEREAS**, Tacoma Housing Authority seeks to promote the completion of a post-secondary degree; and

**WHEREAS**, Tacoma Housing Authority seeks to support students who wish to transfer between participating institutions; and

**WHEREAS**, Tacoma Housing Authority seeks to reduce barriers for people exiting corrections who intend to enroll in post-secondary education; and

**WHEREAS**, Staff consulted a wide array of community members; and

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

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

THA's Executive Director is authorized to revise THA's Administrative Plan Chapters 18 and 19, related to the College Housing Assistance Program in the following ways:

Policy Proposal	Administrative Plan Section Requiring Revision
<p><b>CLARIFY THE CHAP TENANT-BASED VOUCHER PROGRAM AND THE CHAP PROPERTY BASED SUBSIDY PROGRAM</b></p> <p>The Administrative Plan governs the tenant-based voucher CHAP program.</p>	<p>19.I. “Introduction”</p>
<p><b>REVISE THE TIME LIMIT</b></p> <p>The College Housing Assistance Program time limit is five (5) years.</p> <p>Participants who complete the credits required to graduate with an Associate’s or Bachelor’s degree may receive up to one year of additional housing payment assistance or five (5) total years of assistance. The additional time (up to one year) will begin at the time the credits were completed.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>• A participant receives an Associate’s degree after receiving 18 months of CHAP assistance. The participant may receive an additional 12 months of assistance. The time limit for the additional 12 months will begin at the time the credits were completed.</li> <li>• A participant receives a BA degree after receiving 52 months of CHAP assistance. The participant may receive an additional 8 months of assistance. The time limit for the additional 8 months will begin at the time the credits were completed.</li> </ul>	<p>18.XVI.C “Program Term”</p> <p>18.XXIII “Family Obligations”</p> <p>19.I. “Introduction”</p> <p>19.XVIII “Termination of Assistance and Tenancy”</p> <p>19.XXII “Hardship Policy”</p>
<p><b>PROGRAM EXPANSION</b></p> <p>Remove some references to “Tacoma Community College” and replace them with “partner institution”.</p> <p>Remove the requirement to be enrolled and replace it with a requirement to intend to enroll in college level classes or be enrolled.</p>	<p>18.XXIII “Family Obligations”</p> <p>19.I. “Introduction”</p> <p>19.IV. “Overview of Participant Criteria”</p>

Policy Proposal	Administrative Plan Section Requiring Revision
<p><b>DEFINITION OF HOMELESSNESS AND AT SERIOUS RISK OF HOMELESSNESS</b></p> <p>Change the definition of homelessness to include:</p> <ul style="list-style-type: none"> <li>• <i>Has been discharged or is facing discharge from a public institution (e.g. incarceration, hospital etc.) without a housing discharge plan.</i></li> </ul> <p>Change the definition of at serious risk of homelessness to include:</p> <ul style="list-style-type: none"> <li>• <i>Has been discharged or is facing discharge from a public institution (e.g. incarceration, hospital etc.) with a housing discharge plan that provides housing assistance for 6 months or less.</i></li> </ul>	<p>19.IV. “Overview of Participant Criteria”</p>
<p><b>ALLOW PARTICIPANTS TO TRANSFER BETWEEN PARTICIPATING PARTNER INSTITUTIONS</b></p> <p><i>A CHAP tenant-based voucher holder may transfer among participating post-secondary partner institutions.</i></p>	<p>19.VII. “College Housing Assistance Program Transfers”</p>

Approved: July 24, 2019

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Dr. Minh-Anh Hodge, Chair



## **TACOMA HOUSING AUTHORITY**

### **WALK-ON RESOLUTION**

**THA BOC Resolution 2019-07-24 (5)  
Property Based Subsidy Contract Extension  
for Highland Flats**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2019-07-24 (5)

**Date:** July 24, 2019

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Property based Subsidy Contract Extension for Highland Flats

*This resolution would authorize the Executive Director, in the exercise of his discretion, to negotiate, and if those negotiations are successful, execute an agreement to extend by up to another 4 years the present 7 year Property Based Subsidy contract with CWD Investments for Highland Flats.*

### Background

In October 2018, Tacoma Housing Authority (THA) and CWD Investments finalized a contract for Property Based Subsidy at Highland Flats. This contract is for 62 units set aside for households earning below 30% of area median income. The first priority for occupancy in those units is homeless Tacoma Community College students.

The existing contract is for a term of seven years. The owner is requesting an extension for up to an additional four years in order to align the contract terms with the property's permanent financing.

THA staff are still assessing the success of the contract to date. This assessment will occur between the July and August board meetings. This resolution would authorize the Executive Director, in the exercise of his discretion, to negotiate, and if those negotiations are successful, execute an agreement to extend by up to another 4 years the present 7 year Property Based Subsidy contract with CWD Investments for Highland Flats. In those negotiations the Executive Director would determine if an extension to the contract is in the best interest of the Highland Flats tenants and THA.

### Recommendation

Staff recommend adopting this Resolution 2019-07-24 (5).



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2019-07-24 (5) (Extension of Highland Flats Contracts)**

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

**WHEREAS**, THA finalized a contract with CWD Investments on October 31, 2018; and

**WHEREAS**, The owner has requested an extension for up to four (4) years; now, therefore, be it

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

The Executive Director is authorized, in the exercise of his discretion, to negotiate, and if those negotiations are successful, execute an agreement to extend by up to another 4 years the present 7year Property Based Subsidy contract with CWD Investments for Highland Flats.

**Approved: July 24, 2019**

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Dr. Minh-Anh Hodge, Chair