

# BOARD OF COMMISSIONERS BOARD PACKET

**December 11, 2019** 



#### **BOARD OF COMMISSIONERS**

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

#### REGULAR MEETING **Board of Commissioners**

#### WEDNESDAY, DECEMBER 11, 2019

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on Wednesday, December 11, 2019, at 4:45 pm.

The meeting will take place at:

902 South L. Street, 2<sup>nd</sup> Floor Conference Room **Tacoma, WA 98405** 

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

I, Sha Peterson, certify that on or before December 6, 2019, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma 747 Market Street fax: 253-591-5300

> Tacoma, WA 98402 email: CityClerk@cityoftacoma.com

Northwest Justice Project 715 Tacoma Avenue South fax: 253-272-8226

Tacoma, WA 98402

KCPQ-TV/Channel 13 1813 Westlake Avenue North email: tips@q13fox.com

Seattle, WA 98109

KSTW-TV/CW 11 2211 Elliott Avenue, Suite 200

Seattle, WA 98121

Tacoma News Tribune 1950 South State

Tacoma, WA 98405

PO Box 7185 The Tacoma Weekly

Tacoma, WA 98406

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

Sha Peterson

**Executive Administrator** 

#### **AGENDA**

#### REGULAR BOARD OF COMMISSIONERS MEETING December 11, 2019, 4:45 PM

902 South L. Street, Tacoma, WA 98405

- 1. CALL TO ORDER
- 2. ROLL CALL
- 3. APPROVAL OF MINUTES
  - 3.1 Minutes of September 25, 2019—Regular Meeting
- 4. GUEST COMMENTS
- 5. COMMITTEE REPORTS
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR
- 7. ADMINISTRATION REPORTS
  - 7.1 Finance
  - 7.2 Policy, Innovation and Evaluation
  - 7.3 Client Support & Empowerment
  - 7.4 Rental Assistance
  - 7.5 Property Management
  - 7.6 Real Estate Development
- 8. NEW BUSINESS

8.1	2019-12-11 (1)	THA BOC 2020 Meeting Schedule
8.2	2019-12-11 (2)	2020 Budget-Continuing Resolution
8.3	2019-12-11 (3)	Approval of Account Receivable Write Offs
8.4	2019-12-11 (4)	THA Public Records Request Fee Schedule
8.5	2019-12-11 (5)	Gault School (WALK-ON)
8.6	2019-12-11 (6)	Agency-Wide One Additional Paid Holiday (WALK-ON)

- 9. COMMENTS FROM THE COMMISSIONERS
- 10. EXECUTIVE SESSION, if any
- 11. ADJOURNMENT



# **MINUTES**



#### BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, SEPTEMBER 25, 2019

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Bergerson Terrace, 5303 S. Orchard Street, Tacoma, WA 98467 at 4:45 PM on Wednesday, September 25, 2019.

#### 1. CALL TO ORDER

Commissioner Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:57 pm.

#### 2. ROLL CALL

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

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

Commissioner Hodge declared there was a quorum present @ 4:58 pm and proceeded.

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

Chair Young asked for any corrections to, or discussion of minutes for the Annual Meeting of the Board of Commissioners on Wednesday, August 28, 2019. Commissioner Hodge moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

#### Motion approved.

Chair Young asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, August 28, 2019. Commissioner Hodge moved to adopt the minutes; Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

#### 4. GUEST COMMENTS

There were no guest comments.

#### 5. COMMITTEE REPORTS

*Real Estate Development Committee—Chair Young, Vice Chair Rumbaugh* Chair Young and Vice Chair Rumbaugh were not in attendance.

Finance Committee—Chair Young, Commissioner Hodge
The Finance Committee had an exit conference to go over the audit.

Citizen Oversight Committee—Commissioner Banks, Commissioner Smith Nothing to report.

Education Committee—Commissioner Hodge, Commissioner Smith Nothing to report.

#### 6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. He highlighted the good news from Congress last week. This year THA received \$2.9M more than expected over last year. For next year, the House approved its version of the Housing and Urban Development (HUD) budget which would likely give THA more over this year's allocation than the increase THA received this year over last year. The Senate Appropriations Committee approved its version of the HUD. It would be even more favorable. Both versions reject the President's proposed deep cuts. If Congress does not get the budget done by the time the board needs to adopt a budget in December, THA will, as it customarily does, budget to the worst of the most plausible budget versions working their way through Congress. That worst version is probably flat funding under a Continuing Resolution.

ED Mirra proposed the following changes to the schedule of board reports for the coming months. He explained that these changes would account for the holiday schedules that put some the Board meetings too early in the month to allow staff to gather the data for the previous month. Also, the changes in the schedule will give staff some respite from their own work schedule, which staff will appreciation:

- forego November board reports; directors will still give oral reports;
- December board reports to report on October data;
- January reports to report on November, December and Fiscal Year data;

The board unanimously approved the proposal.

#### 7. ADMINISTRATIVE REPORTS

#### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA will end the year in good shape. The Board's Finance Committee met with the Washington State auditors in an exit conference to discuss the 2018 audit. It went well. The auditors will submit the audit report on time to HUD's REAC system. He explained that the audit will have one finding this year. It concerns furniture that THA purchased for the Family Investment Center. It cost \$40,000. HUD's rules require that for all purchases over \$25,000, the PHA must first check to be sure the vendor is not on HUD's list of banned vendors. For this purchase, THA either did not check or could not document that it checked. The vendor THA used for the purchase was not on the banned list, but still the auditors will issue a finding for THA's lack of compliane with the rule. THA will refine its business process to better ensure compliane. This is the first finding since 2011. Chair Young noted that the auditor was also responding to the fact that it sampled only a few purchases for compliance and the one non-compliance they found was therefore a large percentage of the small sample. ED Mirra stated that although staff may not agree with the finding, THA takes it seriously.

The cash position is in good shape. Director Shalik reviewed the various reserve

balances.

Commissioner Hodge moved to ratify the payment of cash disbursements totaling \$5,269,704 for the month of August 2019. Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

#### **Motion Approved.**

#### Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. April introduced PIE's new staff member for post-secondary education programs, Jess Thompson. Jess jumped right into the work with Tacoma Community College (TCC) to make College Housing Assistance Program (CHAP) stronger. Director Black's report included a review of the Children's Savings Account (CSA) evaluation and an outline on that project prepared by Project Manager, Amy Van.

#### **Client Support and Empowerment**

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. She described continuing efforts to improve the monthly CSE report. Next month's CSE report will include a schedule of data to be included in reports. CSE has been focused on supporting staff and clients. She noted the recent instances of violence in Tacoma. It is affecting staff and clients. CSE organized a retreat to address this issue. The retreat help staff discuss what it takes to preserve one's emotional health. Director Hanauer is proud that THA supports self-help. She thanked Director Kaheiki and Employee Assistance Program (EAP) for the individual and group sessions, which have been helpful. CSE had a retreat with the YMCA of Greater Seattle to plan for the management of Arlington Drive apartment that the Y will serve. She said that CSE is fully hired up, including a therapy dog in training. His name is George.

#### **Rental Assistance**

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. Utilization is good at 95%. The count of shoppers count is going down indicating that voucher holders are finding landlords. THA has begun its audit for Highlind Flats and Crosspointe Apartments. These two apartments participate in THA's CHAP program. Over all programs, RA has seen improvements by our landlord partners. RA staff are working on scheduling inspections for Cascade Vista and Cascade Park, our newest partners in property based subsidies. Director LaRocque hopes to report on the status of

those inspections next month. Chair Young mentioned that he ran into a Cascade staff member who gushed about this work with THA. Director LaRocque responded that THA has had good interactions with them.

Director LaRocque noted that the Summer has been tough for THA staff, including the need to manage the behaviors from our street neighbors in the encampment across the street in People's Park. She said that are very appreciative of the EAP support and the meeting with the Tacoma Police Department (TPD). RA has been working on the waitlist opening scheduled for October 7. Director LaRocque thanked PIE and Administration Services for their assistance. Commissioner Smith asked what effect will the wait list opening have on people already on the waitlist. Director LaRocque said the waitlist opening will not impact them at all. The main reason for the opening is that the present wait list is running low on large families to fill larger units. As soon as the waitlist opening is finished, staff will contact everyone on the waitlist again. Commissioner Smith stated that she is seeing none of the CHAP units being used for people coming from prison. Director LaRocque responded that there have been problems on getting that part of CHAP organized. Director Black noted challenges in getting TCC and the Department of Corrections (DOC) organized and that vouchers are not released to potential students yet.

#### **Property Management**

Property Management (PM) Director Frankie Johnson directed the board to her report. PM continues to trend toward the goal of turning units in 20 days. There is information on rent collection on her report. Chair Young appreciates the constant work on the graphs and visuals. Director Johnson thanked Project Manager Anastasia Cale for the work. PM will include a side-by-side comparison on the report to see the changes.

This is the time of year where PM gears up for year end preventative maintenance, focusing on gutters and winter preparation. Staff are working hard on resident engagement in the properties. PM staff worked with CSE for a back to school backpack event, a huge success largely through the hard work of Case Worker Byron Williams and Portfolio Manager Jamila Saidi and others involved in the project. Property Manager Debra Pohlenz retires this month. To replace her, PM started the hiring process early and has selected an internal candidate, Marquis Jenkins.

#### **Real Estate Development**

Real Estate Development (RED) Director Kathy McCormick was not in attendance. ED Mirra spoke on her behalf. Tacoma Public Schools (TPS) would like to give THA Gault School. He noted that this will take considerable discussion. And if THA takes the property, THA will undertake extension consultation with the neighborhood to plan its use. ED Mirra noted the construction continues of Arlington Drive and The Rise on 19<sup>th</sup>.

#### 8. NEW BUSINESS

# 8.1 RESOLUTION 2019-09-25 (1) (Approval of THA's 2020 Moving to Work Plan)

# **U.S. Department of Housing and Urban Development Office of Public and Indian Housing**

#### Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan\*

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2020), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1)The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4)The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.

- (6)The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.
- (7)The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- (9)In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12)The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13)The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15)The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16)The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17)With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18)The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.
- (21) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (22)All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Housing Authority of the City of Tacoma

WA005

**PHA Name** 

PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Derek Young	<u>Chairperso</u>	<u>n</u>	
Name of Authori	zed Official	Ti	itle
Signature	Date		

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

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

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

Motion Approved: September 25, 2019

Derek Young, Chair

# 8.2 RESOLUTION 2019-09-25 (2) (Emergency Procurement Update to Procurement Policy)

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

**WHEREAS,** RCW 39.04.280 permits a waiver of competitive bidding in an emergency situation, and 2 C.F.R. § 200.320 permits procurement by noncompetitive proposals in the event of an emergency; and

**WHEREAS,** THA's procurement policy, section 7.10, permits the Executive Director or other person designated by THA to declare an emergency and waive competitive bidding; and

WHERAS, RCW 39.04.280(2)(b) permits "the person or persons designated by the governing body of the municipality to act in the event of an emergency may declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the municipality to address the emergency situation"; and

**WHEREAS,** THA believes it is appropriate to authorize the Director of Administrative Services, in addition to the Executive Director, to declare an emergency and waive competitive bidding requirements in the event a qualifying emergency exists; and

**WHEREAS**, Qualifying emergencies under state law may include natural disasters, fires, substantial water damage and methamphetamine contamination; and

**WHEREAS,** THA believes it is appropriate to amend its Procurement Policy to incorporate these changes and provide this additional guidance to staff; 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 (1) update THA's Procurement Policy to authorize the Director of Administrative Services to declare an emergency and waive competitive bidding requirements in the event a qualifying emergency exists, and (2) provide additional guidance on the definition of an "emergency."

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

Upon roll call, the vote was as follows:

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

Motion Approved: September 25, 2019

Derek Young, Chair

#### 9. COMMENTS FROM COMMISSIONERS

Commissioner Smith appreciates all the hard work staff puts in, and appreciates their resilience with what has been going on across the street from 902 South L.

Chair Young went to a Sound Outreach luncheon and heard a lot of good things about THA.

#### 10. EXECUTIVE SESSION

None.

There being no further business to conduct, the meeting ended at 5:42 pm.
APPROVED AS CORRECT
Adopted: December 11, 2019

THA MEETING MINUTES 2019-09-25

11. ADJOURNMENT

Derek Young, Chair



### **Real Estate Development Committee**

Chair Derek Young Vice Chair Stanley Rumbaugh

#### **Finance Committee**

Chair Derek Young Commissioner Minh-Anh Hodge

## **Citizen Oversight Committee**

Commissioner Arthur C. Banks Commissioner Shennetta Smith

#### **Education Committee**

Commissioner Minh-Anh Hodge Commissioner Shennetta Smith



# COMMENTS FROM THE EXECUTIVE DIRECTOR



**To:** THA Board of Commissioners **From:** Michael Mirra, Executive Director

**Date:** December 5, 2019

**Re:** Executive Director's Monthly Report

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

#### 1. BUDGETS: CONGRESS AND THA

In December, the Board must adopt a budget for 2020. At its November Board meeting, the Board approved staff's proposal to present an interim budget in December. That proposal is on this month's agenda. We will present a full budget to the Board in March.

Allow me to recap the two reasons for this schedule. **First**, this year THA purchased budget software to make building and presenting a budget easier. Staff are still wrestling it into shape. We need more time. **Second**, the extra time will allow us to find out Congress's HUD budget. In a better world, by now we would know our likely funding from HUD because by October 1<sup>st</sup> Congress would have passed and the President would have signed a budget for the federal government. This year, as in most years recently, Congress is late.

But the Board must still adopt a budget, or at least approve expenditures. This means we must place our bets on what Congress will do. To make a reasonable bet, THA has used a budget principle that has served us well: we write a budget that presumes on the funding level we would get from the worst of the plausible budget versions then in play in Congress. However, identifying that worst, plausible version has been the challenge. Congress and the President are generally hard to anticipate. It is especially so these days.

To help us place our bets, we consult with the staff of our congressional delegation, our governmental affairs consultant, and CLPHA. As far as we can tell from those consultations, here are the three plausible versions of a HUD budget presently in play in Congress, from "best" to "worst". For the interim budget, we will presume on the worst that shows below – flat funding that preserves the \$2.9 million extra we received in 2019:

Rank	HUD Budget Version	Description	Notes
Best	Senate version:	The full Senate approved a 2020	The main uncertainty about the
	Likely increase	HUD budget. It would give	Senate and House versions of
	for THA of \$5	programs that affect THA a	the HUD budget is whether the
	million over	funding increase over 2019 levels	full Congress will agree and
	2019 funding.	about twice the increase those	the President will sign one
		programs received in 2019 over	version.
		2018. If that same ratio filters	
		down to THA's allocation, we	There are two other
		should get an increase over 2019	uncertainties:
		that is twice the 2019 \$2.9 million	<ul> <li>Congressional leadership</li> </ul>
		increase we received over 2018.	has agreed on an overall

RE: Executive Director's Monthly Board Report

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	<b>HUD Budget</b>		
Rank	Version	Description	Notes
Middle	House version: Likely increase of \$2.5 million	The full House has also approved a HUD budget for 2020. Like the Senate version, the House version also provides a notable increase to the programs THA operates. The House increase is about as good as the 2019 increase over 2018. At that ratio, THA would receive an increase of about \$2.9 million.	spending cap. It must now allocate that cap among the 12 department budgets. The question will be whether the House and the Senate approved spending for HUD fits inside the budget cap allocation that HUD will get.  • Whatever HUD's final appropriation will be must then filter its way through HUD's program funding formulas. Those formulas are complicated.  NOTE: If Congress passes a real HUD budget, its increases will be retroactive back to October 1st.
Worst	Flat Funding: (preserving the \$2.9 million increase THA received in 2019)	Congress may not agree at all on a budget of any sort. The federal government is presently operating under a second Continuing Resolution. It expires at midnight on December 21st. Our advisors and Congressional offices judge that Congress will not by then likely pass a real budget for HUD or any of the other departments. What happens next includes these possibilities:  • a third CR to give Congress more time to pass a real budget.  • a CR that lasts all year long because Congress will have given up trying to pass a real budget.  A CR would mean flat funding for THA at 2019 levels. Importantly, this would at least preserve the extra \$2.9 million we received in 2019 and give it to us again in 2020.	

RE: Executive Director's Monthly Board Report

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	<b>HUD Budget</b>		
Rank	Version	Description	Notes
		ities. Informed people do not consi	
	m Government	The government will shut down on December 22 <sup>nd</sup> if Congress does not pass or the President does not sign either a real budget or another CR. Last year, the government shut down for 35 days. That was a record!  When the government shuts down, all funding to PHAs stops.	If the government shuts down, THA will replay the plan it devised to manage last year's shut down. We should manage well enough for 4 months without disrupting clients, landlords, vendors, or staff. The main elements of that plan include:  • Last year HUD, before it shut out the lights, sent the PHAs a 2 month forward commitment of funds. HUD has said it will do that again this year if the government shuts down. That is good
			news.  • THA has reserves that can safely carry us another 2 months. We judge that HUD will reimburse us once it reopens us.  This 4 month plan should be adequate since a government shutdown longer than that
Trump V	ersion	The President's budget proposal for HUD would have cut its mainline programs by 16%.	seems very unlikely.  Both the House and the Senate proposals firmly rejected the President's proposal. The prospect of Congress reviving it as another way to address the budget impasse is not likely.

I again thank the Board for its patience with all this Congressional uncertainty.

RE: Executive Director's Monthly Board Report

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#### 2. ALL STAFF LUNCH: December 13th 11 AM to 3 PM

I again remind the Board of the annual all staff appreciation lunch:

Friday, December 13<sup>th</sup>; 11 AM to 3 PM Tacoma Elks Lodge, 2013 S. Cedar Street, Tacoma, WA 98405

This lunch is a good time for us all to reflect on a full year of hard work and to thank staff for it. I hope the Commissioners will be able to attend. Your attendance and your own remarks to staff are very meaningful to them.

#### 3. THA THANKSGIVING UPDATE

As the Board knows, every year I send a Thanksgiving update to a long list of "Friends of THA". Those friends are local, elsewhere in the state, and across the nation. THA does have a long reach in its relationships and reputation. It is a good way to let people who matter to us know what THA is doing. It is also a good time to thank them. I attach a copy of my Thanksgiving letter for this year.

#### 4. STAFF THANKS TO THE COMMISSIONERS

This is also a good time of year to thank the Commissioners. Staff know that we have a great Board. The work of THA is hard work. Its pace and its challenges show every day. The staff are continually impressive in their ability to do this work with such quality and commitment. One reason why they can do this is because they feel the Board's support. You are the repository for THA's animating values that attracts and keeps good staff. You are the source of the necessary insistence that this work is important and that our clients are important. We put you to work. We rely on the community relationships, influence, and good will you bring. We rely on your judgment and have full confidence in it. You let us take risks. You share in the risk taking. And when things go wrong, we know you have our back with understanding, patience and encouragement. The staff feel that from you. It means so much.

Thank you!



#### THA Thanksgiving Update 2019 November 27, 2019

#### Dear Friends of THA:

As you may know, I write at this time of the year to report on the news from the Tacoma Housing Authority (THA). Writing you is also a chance to reflect on THA's work, its value, and what it takes to get it done. It takes hundreds of partners like you. So another reason to write is to thank you. Thanksgiving is a good time to do that.

I begin as I usually do by reviewing THA's mission as its Board defines it. I attach a copy. That mission helps me explain the news I relate in this letter, the puzzles we faced this past year, and the choices we made, some of them hard.

THA's mission comes in parts. The main part of our mission is to house low-income people, focused on the neediest of them. THA does that in **four** ways. In 2019, all of them saw expansion, innovation, and challenge.

#### (1) Rental Assistance

THA helps people pay rent to private landlords. Our rental assistance programs do that, in partnership with hundreds of landlords, large and small. Measured by people served and dollars spent, these programs are our largest. We serve about 4,000 households that way. In a tight partnership with Pierce County Department of Human Services, we also help to fund our county's rapid rehousing program for homeless families with children and homeless young adults. That provides rental assistance as well. For all

Hello my name is am looking to get on housing section 8 I am going to become homeless here very soon there are a lot of places I have looked up in the tacoma area its just getting into a place by the end of the month plz say you can help me and my family before the holudays.

[Email to THA, November 16, 2019]

these purposes, every year, we pay over \$30 million to private landlords.

Our rental assistance programs are struggling with Tacoma's new rental market. Tacoma rents are climbing fast. The value of our vouches tries to keep up. Vacancy rates are very low. Our clients have trouble competing with other renters who can pay more or who have stronger rental, credit, or criminal histories. We hope for some improvement from the new state and city laws prohibiting discrimination against voucher holders. But we still must make the program as appealing as possible to our landlord partners. THA is trying to do that, working with our landlord partners. This last year featured our bigger investment in our Landlord Liaison efforts and our Ready to Rent partnerships.

#### (2) Real Estate Development

In other responses to Tacoma's brutal rental market, THA is emphasizing other strategies. There are two main ways to subsidize housing. One way is to subsidize

people. That is what rental assistance does. Yet doing that does not add housing to our city. The other way is to subsidize places and, by ownership or contract, remove housing from the speculative rental market. THA doing more of that.

One way we do that is by building, buying, and rebuilding properties that we then rent. We are one of the largest real estate developers in our city. We are our city's largest

residential landlord. We serve about 1,500 households that way. This year THA's portfolio continued to grow. We broke ground on the construction of The Rise of 19<sup>th</sup>, on the Hilltop. It will have 64 affordable apartments for a range of incomes. We will reserve14 apartments for persons or families coming from homelessness. Another 14 apartments will be for households with a member who has a disability. It will open next year. It will look lovely.



The Rise on 19th

Real estate development also serves other parts of THA's mission. It allows us to invest in neighborhoods that need the investment. We seek to do a good job and in that way encourage other people to invest. THA tries to set a high design bar in our construction. We tell ourselves that both ugly and lovely are contagious. Good design is especially important to THA's job to help our city attain the higher densities that its Comprehensive Plan directs. Higher densities can concern neighborhoods. We think of this as a design challenge. THA's job is to show that higher densities can be very attractive.

As important, what we build or buy helps to create or preserve a neighborhood's economic and racial diversity, especially in the face of gentrification. This is a particular issue in Tacoma right now. THA judges that some Tacoma neighborhoods are changing so fast that in 10 years their only notable measure of affordable housing and racial and economic integration, and

Hello I am a single pregnant mother looking to find any way to help pay my rent this month. My bills have been so tied up and Iv tried everything from asking family/friends to trying to get loans. Nothing is working and my rent is due in 3days.

[email to THA, May 2, 2019]

their main supply of affordable retail space, is what THA and its nonprofit partners can own, buy or build now.

For this purpose, THA is increasing its investment in Tacoma's Hilltop, especially along the extension route of the street car line. We have purchased properties in West Tacoma, especially around the TCC campus. We are also shopping along the route of Pierce Transit's exciting planned Bus Rapid Transit service.

#### **(3)** SUBSIDIZING AND RESERVING PRIVATELY OWNED PROPERTIES

Another way to remove housing from the speculative rental market is by long term contract. THA signs long-term contracts with private owners of apartment complexes, both nonprofit and for-profit. These contracts reserve units for low-income households,

and subsidize the rent to make the units affordable to those households. A common contract of this kind is to "project-base vouchers". THA has been able to do this with many non-profit partners, including Mercy Housing, Catholic Community Services, MDC, YWCA, Pioneer Human Services, KWA, and Human Good. Doing that with them also serves two other purposes. It matches our housing dollars with the supportive services of our nonprofit partners. It also strengthens those partners.

We are also interested in project-basing our vouchers inside market-rate properties. That can provide a measure of economic and racial integration on a more granular scale. To better elicit interest from market rate developers, THA invented a new subsidy contract. Its elements are similar to project-based voucher contracts. It obliges the landlord to rent to tenants under the agreed-upon income limit, usually 30% of A.M.I. Participating units must pass THA inspection. And the landlord must keep them filled. But instead of providing a unit-by-unit subsidy that varies with the tenant income, this new contract sets the tenant rent at a uniform level affordable at the assigned income limit. The contract then pays the landlord a lump sum to pay the rent down to that level. This lump sum has a builtin vacancy payment. This arrangement seems to be more appealing to market-rate developers. It is easier for them and tenants to understand. And it has a lot less paper shuffling for everyone, including THA. THA calls this a "property-based subsidy". Last year THA signed up its first two market-rate landlords. CWD Investments



Koz on Market



Koz on Puvallup



Highland Flats

committed two properties and Koz Development committed one to house homeless students at Tacoma Community College and UWTacoma. We expect shortly to sign up another Koz development for the same purpose.

We also just signed up Cascade Park and its assisted living facility and its dementia care facility. These were the last facilities of their kind in Pierce County that accept Medicaid residents. The rest had gone exclusively private pay and Cascade Park was headed that way. Our property-based contract with Cascade has four elements.



Cascade Park Vista

- THA subsidizes the facilities.
- The facilities will remain in the Medicaid program.
- THA residents who need assisted living or dementia care will have first dibs on any vacancy.

• THA senior or disabled residents can participate in the facilities' day services and activities. The facilities will provide transportation between THA's properties and the facilities.

In all these ways, project-based and property-based subsidies are a very good way to spend a housing dollar. THA is fortunate to have such partners. We are grateful for their willingness to engage with us in such unusual but valuable arrangements. We are grateful for the civic values they show. We also like their good humor and patience.

#### (4) "Shadow Portfolio"

The fourth way THA houses people is to help other nonprofit organizations that share our mission to finance and develop their housing. I think of this as THA's shadow portfolio. We do not own it. We do not manage it. Rather, we help to finance and develop it. That shadow portfolio is about 1,000 units. It too grew this year.

All that is hard work, as our partners know. Yet we do not count it as the harder part of our job. The world knows how to do that work when it wants to. It knows how to finance housing, design it, build it, rent it, and manage it. The world knows how to design and run rental assistance programs. The world does not know nearly as much about the next part of THA's job.

This next part of our job is what makes THA's work particularly challenging, and meaningful. It seeks to spend a housing dollar, not just to house people, but also to get two other things done. **First**, THA seeks to help them succeed, not just as tenants but also, as our mission statement contemplates, as "parents, students, wage earners and builders of assets." We want their time with us to be transforming in these ways, and temporary. We want this for adults. We want this emphatically for children and youth because we do not wish them to need our housing when they grow up. That explains our large and growing investments in educational partnerships. **Second**, we seek to spend a housing dollar to help our

communities succeed, and to help them do so equitably. We seek ways to help neighborhoods be "attractive places to live, work, attend school, shop, and play" and for our city and county to be places that low-income people experience as "safe, vibrant, prosperous, attractive, and just." This is the work that makes us more than a landlord, more than a real estate developer and more than a provider of rental assistance. This work makes us what we strive to be: a social justice agency with a technical mission.

Hi

I am currently homeless and living in my jeep. Can you help me?

Thank you,

5

[email to THA, July 21, 2019]

Yet the world does not quite know how to do this part of our job. What I so admire about THA's staff and our many partners are your efforts to find it out. When it works, it is a very good use of a housing dollar. Here are three examples of what that work looks like, and the challenges it poses.

#### ARLINGTON DRIVE CAMPUS FOR HOMELESS YOUTH AND YOUNG ADULTS

Last year I described THA's innovative and ambitious plans for the Arlington Drive Campus for Homeless Youth and Young Adults. This year I am very pleased to report that we closed on the financing to get it built. Financing comes from tax credit investors, the State of Washington, City of Tacoma, Pierce County, THA, and commercial debt. Korsmo Construction is the General Contractor/Construction Manager. With our partners, we arranged the state funding to operate it. And we broke ground. Construction is underway. Arlington Drive will open by Christmas of 2020!

Hey, I got this email for a resource and they said to get in contact with you about housing. I'm 17 years old and I am currently pregnant. I'm staying in my car and I'm trying to be placed somewhere as soon as possible. If you could contact me back that would be GREAT! Please.

[email to THA, June 11, 2019]

Community Youth Services (CYS) and the YMCA of Greater Seattle will be the service providers. They join SMR Architects, BDS Planning and Urban Design, and Korsmo Construction. THA is lucky to have such talented partners in this hard work. They offer that special mix of technical excellence, team skills, values, and good humor. You cannot buy this mix. You can only hope to recognize it, and choose it when you can.

The Arlington Drive campus will have the following elements:

• Crisis Residential Center/HOPE Facility for Homeless Youth 12 – 17 Years of Age. This Crisis Residential Center (CRC)/HOPE facility will house 12 homeless youth ages 12 to 17 years. CYS will manage this home. CYS is one of the nation's leading service

providers for this hard work. It has a program model that has a 91% rate of success in discharging these youth to safe, permanent housing after an average 12 day stay. At that rate, this CRC will house and save 350 youth a year. For the past three years, CYS has been operating a 6-bed CRC in a single family home THA gave it for the purpose in South Tacoma.



Rental Housing: 58 apartments for Homeless Young Adults 18 to 24 Years of Age.

Arlington Drive will have 58 apartments for homeless adults ages 18 to 24 years. About

30% of them will be parents of babies and toddlers. The YMCA of Greater Seattle will provide the supportive services they will need. The Y is a nationally recognized leader in this work. These young adults will stay at Arlington until they are ready to live on their own. When they leave they will take a THA housing voucher with them to give them a good start.

Hello, my name is single mother and I will be homeless in a few weeks if I don't find a place to go. I have an open eviction from about two years ago from an abusive relationship I was in. Is there anything you can help me with?

Thank you for your time.

In planning Arlington Drive, designing it, and choosing its service providers, THA consulted and enlisted a broad range of community views: city and county leaders, community organizations, nearby homeowners, social service providers, advocates, and formerly homeless young people. We are pleased to report wide and deep community support in Tacoma for the campus and for the young people it will serve. We are especially grateful to Tacoma's Eastside for its embrace. We do not know of another neighborhood that would show such support, and values.

Youth and young adults will come to Arlington Drive from the streets. They will come from sex trafficking or selling sex for shelter. They will come from foster care or juvenile court. The police will bring them. They will come from families who turned them out. Or they will come having made the plausible judgment that the streets are safer than home. Arlington Drive will give them all a second chance at a reasonable adolescence, a second chance at a reasonable adulthood, and a second chance at an education, an occupation and a life without fear.

The Arlington project also matured THA's understanding of where THA fits in service to persons who need more than housing. Homeless youth and young adults, for example, need specialized services that THA does not provide, does not know how to provide, and does not wish to learn. Instead, we partner with high-capacity organizations like CYS and the YMCA that do know how to do this hard work and do it well. Our role is to provide the land, the capital dollars, the real estate development capacity to build it, the property management expertise to run it, and the long-term rental assistance to make it sustainable. We also offer what might be the most significant contribution of all because homeless young people are not accustomed to getting it or feeling it: a warm welcome.

#### **ADVOCACY**

THA is and does many things, as our mission statement makes clear. Included is advocacy. Our job is to speak up, for the work we do and for the people we serve. This last year had its full share of opportunities for THA to do that. Most notably, THA participated in legislative discussions in Olympia about proposals to increase the law's protections for residential tenants. THA helped to represent the Association of Washington Housing Authorities (AWHA). For THA, the state legislative discussions replayed the 2018 discussions on the same topics when the Tacoma City Council adopted meaningful new tenant protections.

THA and AWHA brought the following interests into the discussion of tenant protections. We tried to fashion proposals that reasonably balanced these interests. Doing that probably meant we disappointed most everyone else in the discussion whose interests are not quite so wide-ranging:

- AWHA members are landlords. Some AWHA members are the largest landlord in their communities. This allows us to fully understand the landlord perspective.
- As landlords, AWHA members already use some of the proposed tenant protections, such as a good cause requirement. We make them work. This allows us to expect other landlords can manage with them.
- Private landlords are important business partners to AWHA members. We need them to participate in our housing assistance programs. We must be alert to any change in the law that will make that more or less likely.

Hi I HAVE NOT A CLUE ON WHAT I AM SUPPOSE TO DO IN GETTING SUBIZDIZED housing or any help financially in moving costs? I am 60 yr. f single I work part-time 25 hrs wk @\$12.35 ph . I am facing being homeless come may 5th 2019. I have never faced this ever so hardship in my life. Pplease advise me I have applied for a apt at Westside Estates Tacoma beings min. from work, they have a 1 bdrm available now, but I don't make enough to get in please can you help me?

[email to THA, April 24, 2019]

• AWHA members also have a social justice mission to speak up for the interests of low-income residents, whether or not they are housing authority clients. This makes us support strong tenant protections. But tenant protections need to avoid harming tenants, especially low-income ones. Here are two examples. **First**, if the law makes it too hard to evict a tenant, landlords may be less willing to take a risk on a tenant applicant with

weak credit, rental, or criminal history.

Second, a tenant may live next door to a troublesome or abusive neighbor. Such a tenant shares the landlord's interest in removing that neighbor quickly. This is particularly true of tenants in subsidized housing. Their low income and their dependence on the subsidy mean that they cannot easily escape by moving away. Instead, they

Do you have any 1 bedroom vacancies available? If so, how much is rent? We need very low to low income rates.....thank you...we will become homeless on Sunday.

[email to THA, November 24, 2019]

rely on the landlord's ability to address the situation and at times evict the neighbor.

• Finally, THA and AWHA also have an obligation to our legislators, city, county, or state, to provide our best advice and information to help them do the still harder job of legislating.

In 2019, the Washington State legislature, like the Tacoma City Council in 2018, enacted important new tenant protections. AWHA supported them. In 2020, the legislature is posed to consider additional protections. AWHA, and THA, will participate then as well.

#### THA'S EDUCATION PROJECT: EXPANSION AND REDESIGN

THA's Education Project seeks to spend a housing dollar, not just to house a needy family, but also get two other things done: help them and their children succeed in school or college, and help public schools and colleges educate low-income students. The Project has 12 initiatives in three categories: (i) early childhood education; (ii) K – 12 schooling; (iii) post-high school education or training.

We do this work in innovative and ever elaborating collaborations with Tacoma Public Schools, Tacoma Community College (TCC), University of Washington – Tacoma, City of Tacoma, Pierce

County, Heritage Bank, generous funders, and nonprofit service providers. We are very fortunate to have such interested and capable partners. Click here to learn more about <a href="https://>
THA's Education Project.">THA's</a>

We and our partners have launched a big expansion of three of our education initiatives. That requires their redesign, which is underway. THA can expand its investment of scarce housing dollars in these initiatives because of how we understand these dollars: we would be spending them anyway housing somebody. In that way, they are not a cost of the initiative. The challenge of the Education Project is to spend them in a way that also promotes school success. When it works it is a very good use of those same housing dollars. For that reason, THA's Board of Directors has approved spending \$10.6 million on this expansion. (The harder financial challenge is paying for the staff to redesign, launch, evaluate, and adjust the initiatives, and the supportive services.)

Another challenge in this expansion is to adapt these programs to work in Tacoma's new brutal rental market. We initially designed these initiatives in a market that allowed households, with THA's rental assistance, to find housing reasonably close to their school or college. That is not working anymore. In consultation with many community partners, and especially participating parents and students, THA and its partners have responded in various ways. We are still feeling our way through these puzzles. Here are some details:

Hello,

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 5 grade. She also got a Most Improved award this year. To walking out of the 5th grade feeling confident and believing in her self 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 bout learning, I am blessing that I received Housing alone!! Along the way got meet some petty nice people. Every case worker I have ever had, as been nothing but understanding and helpful. This program is very helpful, in more ways then 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 ill 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 sooooo mcuh

[email from TSHAP parent, June 26, 2019]

#### Tacoma Schools Housing Assistance Program (TSHAP)

THA's Tacoma Schools Housing Assistance Program (TSHAP) seeks to stabilize homeless families with children enrolled in Tacoma public schools. The program began six years ago at McCarver Elementary School in Tacoma's Hilltop which had a student transient rate before our intervention that ranged up to 179% a year. This resulted from widespread family homelessness. Transience has a ruinous effect on school outcomes. After THA's intervention, the transience rate of the cohort children declined to 5%. Their reading scores improved at twice the rate of unassisted peers. The average income

of the cohort families doubled. And the transience rate for the school declined to around 80% - still high but lower than people can remember it being. On the strength of those outcomes, THA and Tacoma Public Schools are planning its expansion to all schools and all grades. We were hoping to get this expansion launched in September 2019. We are still assembling the funding and the partners this will require.

To adapt this program to Tacoma's rental market, we will forego asking parents to commit to a school. Instead, we will subsidize their rents wherever they find housing. This means we will do without the peer support and the easier ability to provide services when parents are grouped in select schools. Instead, we will rely on service partners. We will change the rental assistance to a more flexible rapid rehousing model. These are concessions we make to our rental market, but they will allow us to attain the most important goal of the expansion and the one most important to our community advisors serve and stabilize more homeless Tacoma students in all schools.

#### • College Housing Assistance Program (CHAP)

CHAP began as a pilot program in 2014. In the pilot, THA gave housing vouchers to 47 homeless TCC students, 70% of whom were parents. THA and TCC tracked them alongside a control group of 157 unassisted homeless TCC students who applied but who did not fit inside the pilot. The initial results were very promising: TCC students who received rental assistance maintained higher grade point averages and were nearly four (4) times more likely to remain enrolled or graduate than those without assistance!





In 2016, the University of Wisconsin HOPE Lab surveyed TCC students, as part of a nationwide survey of college students. TCC students stood out: 69% of TCC students answering the survey reported serious housing instability within the 12 months prior to answering the survey; 27% reported being homeless within that time. This alarming result, and the positive outcomes of the pilot program, impelled the THA of Commissioners and the TCC Board of Trustees to expand CHAP. The first expansion was to serve 150 homeless or nearhomeless TCC students. The next expansion included homeless or near homeless students at University of Washington – Tacoma. The present expansion underway will house or pay to house over 300 homeless or near homeless college students.

#### Hello,

I am reaching out to you because I am concerned with my upcoming living situation. I am not sure how the housing assistance process work, but I could really use some advice on what options I can consider. In short, I am a 20 year old single female, I attend college and have two jobs, but still do not make enough money to hold my own in my own place. I have been staying back and fourth with people, but I would like to settle down and actually be comfortable for once in a place I can call my own. If you need anymore information or just have general advice for me that would be appreciated.

Thank you,

[email to THA, November 17, 2019]

Like TSHAP, CHAP must contend with Tacoma's new rental market. A CHAP voucher is no longer enough to allow a student to find housing near campus. THA has responded in several ways. It has purchased apartment complexes in walking distance of the campus. And it has contracted with owners of nearby apartment complexes to reserve its units for homeless or near homeless students. This year saw CHAP's growing partnership in this way with Koz Development and CWD Investments.

THA has also purchased an underused 7-acre retail mall across the street from TCC. It is called James Center North. On that acreage, THA and its partners will build 500 to 700 apartments, with commercial and community space. A portion of those apartments will house homeless or near homeless college students. (In the meantime, THA continues to be what I was pleased to report last year - the only housing authority we know of in the nation that is the proud landlord of a hookah lounge!)

Those new properties and this expansion will also house two interesting subcohorts:

- CHAP will house and serve students who come to college from prison. Some of them will have begun their studies while in prison. After their release from prison, they come to campus and continue their studies. Many are mothers reuniting with children. Their housing problems are worse than most.
- CHAP will also house and serve TPS high school students who are homeless without families. We do not wish to house them with TSHAP. A teenager, even with a TSHAP voucher, would have trouble finding a landlord. Also, TSHAP's goals are focused on stabilizing a family. A homeless teenager without a family needs more than that. In CHAP, we will house them to get them through high school. We will find a way to tell them that we expect them to go to college. TCC and UWTacoma will make that easy. And then we will house them through college. In this way, we will redirect these young lives that need redirection.

Both the college students who come from prison and the high school seniors will need support and peer support. For that reason, we will seek to house them in properties that THA owns or has under contract for the purpose. This will allow service providers to more easily support them. This arrangement also allows for peer support from the other college students living in the same building.

In last year's letter, I mentioned something worth repeating - the Harvard Kennedy School named the CHAP as one of the nation's top 25 most innovative governmental programs for 2018. This is worth repeating because in designing CHAP we and our partners had to invent it.

Hello, my name is A , I am a single mom who needs to get out of the living situation I am in. I am in a domestic violence situation

There is serious alcoholism in my family that has taken an emotional toll on myself and my two young children. I myself am in recovery and need out of this hardship before my sobriety becomes at stake. I am in desperate need to find a place for me and my two children. I am trying to remain strong through this situation while working and attending school. Please email me back or call me at 253-and your earliest convince. Thank you.

[email to THA, June 10, 2019]

We could not find templates from other places. The Kennedy School's acknowledgement and the support of our funders and partners reassure us that our choices are reasonable. Also, I attach to this letter an email from a CHAP student. In a way that no one else could, that student also reassures us. And she reminds us of the lives at stake.

#### • Children's Savings Account Program

THA's Children Savings Accounts (CSA) for the children of New Salishan is now in its fifth year. 190 children are enrolled, 34% of those who are eligible! They have an aggregate account balance of \$93,094. 1,341 students completed financial education.

CSAs are financial accounts for education and training expenses after high school. Research from Prosperity Now reports that when low-to-moderate-income students have such accounts, in comparison to their peers without accounts, they are three times more likely to enroll in college and four times more likely to graduate from college.

Last year we celebrated the opening in Salishan of a branch bank by our wonderful CSA partner, Heritage Bank. This bank will do several things, all of them important. It will help CSA students and their parents make deposits. It will help get unbanked families banked. And it will more firmly imbed the CSA into the visible walking Salishan landscape. When children walk to school and back they will pass by that bank. They can think of it as their bank. And they can think of their money in there. Heritage Bank at Salishan is also the first new bank in the Eastside in many years.

We are seeking to redesign the CSA Project to make it manageable for expansion beyond Salishan, perhaps city-wide. We seek a partner to do that. Such an expansion will require a new design that is not so labor intensive.

I conclude this letter with a word about THA and its staff. THA is a board of five volunteers. Our wonderful Mayor appoints them. The Board defines THA's mission. It is the repository of our animating values. It sets our strategic choices. It is the source of insistence that our work is important and the people and communities we serve are valuable.

Trying hard to fulfill this hard mission is a staff of about 130 people. These include our real estate development staff of project managers, tax credit and financial experts, planners, and construction managers. Their job is to develop, build, buy and rebuild properties so they are well built, sustainable and attractive. THA's staff includes maintenance specialists who keep our properties in good shape. They include property managers who manage long and complex waiting lists, screen applicants, verify income and eligibility, turn and lease units, collect rent, enforce the rules and do the hundreds of things it takes to manage a large and varied portfolio, many of whose residents come to us from very challenging circumstances.

Other staff manage THA's rental assistance programs. They market the program to landlords, manage the waiting lists, certify eligibility, administer lease requests and landlord contracts, inspect units and enforce the rules in a way that accounts for real lives and real needs of tenants and landlords. THA's community service staff of

#### Merry Christmas Michael,

... I believe those of us who provide a public service, especially long term, are impacted so severely on an emotional level. Many of us work face to face with our clients on a daily basis, so much so, that we not only know them, but know their families and friends as well. And we worry, not for ourselves, but for our clients.

It is stressful, but I feel like maybe this is where we excel. We take these hits as individuals, and as an agency on the whole. It is painful, it does hurt and it is devastating at times, but, we pull it together with grace, poise, and (in Sha's case a little panache), and finesse or (muscle) not just our agency family, but our whole portfolio family (because they are like family) through it.

We are enduring some very trying times right now, and are under a lot of pressure. However, we happen to handle both of those well. This time is no exception. If this lasts longer than anticipated, some agencies may not fare well, and I'm sorry for that. But our agency and our board have always planned well for any possibilities that may occur, so well in fact our contingencies have contingencies. Thank you for that.

You have very strong team under you, comprised of very strong individuals.

We've got this.

Kindly, Melody [email from THA staff during the governmental shutdown, December 26, 2018] caseworkers and program managers help seniors or disabled persons live independently. They help families stabilize after coming to us from crisis. The two main ones are homelessness and domestic violence. They help people get treatment, be better parents, learn English, increase their earnings, find training, improve their credit, and save. THA includes policy analysts and planners who envision new programs to try, design, and evaluate. THA also includes finance staff, accounting specialists, asset managers, risk managers, compliance officers, IT wizards, data and GIS analysts, business process managers, procurement specialists, human resources experts, and clerks.

Perhaps most poignantly, THA includes receptionists who politely and respectfully greet people who come for help that we cannot offer because we are full. This year again presented a peculiar and painful challenge to them, and to all THA staff. We saw a repeat of last year's encampment of homeless persons around THA's main administrative building on the Hilltop, and in People's Park across the street. In my



letter last year, I described the experience for staff, visitors and neighbors. This year, the encampment grew a lot larger, and it has stayed in place. THA continued to struggle to find a way to respond that balanced our conflicting interests and values in the matter. We asked MetroParks to clear the park and the city to find other places for the campers to live, shelter or camp. We feel the irony that a housing authority would make such a request. The city is responding with a credible and creative plan, that will take time. Throughout it all, THA's staff showed what has always distinguished them: professionalism, poise, respect, and understanding. When the housing crisis laps at our door in this way it also reminds us why we do this work and the high stakes.

All these staff persons do this work governed by numerous and exquisitely detailed rules, regulations and requirements from HUD, funders, lenders, investors, auditors, as well as important if less precise community expectations. And they do it in five languages. (You can learn still more at www.tacoma-housing.org.)

This work also takes all of you, our partners: elected city, county, state and national leaders, their hardworking staff, public and private funders, lenders and investors, foundation and program officers, landlords, architects, planners, builders, construction workers, financial advisors, auditors, attorneys, grant writers, other housers, legal services attorneys and other advocates, service partners, journalists, teachers, school district staff, police officers, community groups, unions, and neighborhood organizations.

You make our work possible. You make the work effective. Also, you make it meaningful and enjoyable. On behalf of THA's Board of Commissioners and staff, we are grateful to you. I hope your holidays are peaceful and meaningful.

Cordially,

TACOMA HOUSING AUTHORITY

1 charl

Michael Mirra Executive Director



#### Michael Mirra

From:

Michael Mirra

Sent:

Tuesday, June 11, 2019 1:50 PM

To: Subject: Michael Mirra FW: Thank you

From:

Sent: Wednesday, September 26, 2018 11:40 AM

To: Amber Prentice <a prentice @tacomahousing.org>

Subject: Thank you

I'm writing this email because I wanted to let you all know how important this college housing assistance program was for me personally. I started going back to school when I was 25 and there were a lot of obstacles along the way including me breaking my leg and having multiple surgeries which in some cases cause me to have to leave school for a while. In addition to that I'm a single mom and I had twins at age 20. But I kept moving forward. I was able to work full-time while I was taking my prerequisites because they were online classes. I had another child right in the middle of my last prerequisite class. Once I finally got into TCC nursing program I was no longer able to work full time due to the demands of the program. I still had to work and found myself single again with very little help or support. I cleaned houses, did in home care for the elderly, and worked as a process server in my spare time from school but was not making enough to live on. I became homeless during the program and had to live in one bedroom at my mom's with 6 other people.. with all three of my kids ages 12,12 and 4. This was an extremely difficult time emotionally and financially trying to fulfill my obligations to the program, save money and care for my kids alone. I thought it would break me. This program was a godsend... being able to have my own little safe space without other people invading my space or interfering. I was able to successfully finish the Registered Nurse program at TCC and I am scheduled to take my state boards for my nursing license. I will soon be making enough money to support my family. I don't know if I'd have gotten through all of that without a little help, and now I get to have a fulfilling career caring for others and rest easy knowing my own family will be stable. Thank you so much for this opportunity. I'll be starting my bachelor's degree program in nursing next year and have goals even beyond that because of a renewed confidence in myself for finishing this extremely challenging RN program. Please keep doing what you're doing, there are others out there like me.

T

**Graduate Registered Nurse** 



# ADMINISTRATION REPORTS



# **FINANCE**



## Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,848,123 for the month of September, 2019.

Approved:	<b>December 11, 2019</b>		
		Derek Young, Chair	

## TACOMA HOUSING AUTHORITY Cash Disbursements for the month of September 2019

		Check Nu	ımbers			
		From	То	Amount	Т	otals
A/P Checking Account						
Accounts Payable Checks	Check #'s	93,683 -	93,748			
Accounts Payable EFTs	EFTs	242 -	275			
Business Support Center				427,007		
Moving To Work Support Center				45,581	5	
Moving To Work Buildings (used by Su	pport Center)			23,237	Progra	m Support
Tax Credit Program Support Center	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			30,154		
Section 8 Programs				82,949	Section 8	3 Operations
KeyBank Building				164		
Salishan 7				28,853	Pro	perties
Arlington Crisis Residential Center				65,502		
James Center				9,487		
New Look/Alberta J Canada-Developm	ont					
	ent			2,695		
Arlington Youth Campus-THA Costs				564	Deve	elopment
HT 1500 Block				6,950		
Hilltop Redevelopment				21,171		
Hillsdale Heights				4,891		
Bus Development Activity				579		
CSA Program - Business Activities				17,732		
Community Services MTW Fund				12,400	Clien	t Support
COT-Community Wellness Program				23		• •
FEMA - Fire Safety Grant				5,280		
AMP 6 - Scattered Sites				(4,151)		
AMP 7 - HT 1 - Subsidy				30		
AMP 8 - HT 2 - Subsidy				19		
AMP 9 - HT 1500 - Subsidy				6		
AMP 10 - SAL 1 - Subsidy				13,330	Dublia	Llavaiaa
AMP 11 - SAL 2 - Subsidy				14,488	Public	Housing
AMP 12 - SAL 3 - Subsidy				11,148		
AMP 13 - SAL 4 - Subsidy				11,149		
AMP 14 - SAL 5 - Subsidy				16,922		
AMP 15 - SAL 6 - Subsidy				14,451		
THA SUBTOTAL				862,611		
Hillside Terrace 1 through 1500				7,373		
Bay Terrace I & II & Community Facility	/			6,398		
Alberta J Canada Bldg				4.47.000	Toy Cro	dit Duningto
Arlington Youth Campus				147,829		dit Projects - bursable
Court F (HT 1800 Block)				380	Reim	bursable
Renew Tacoma Housing				20,419		
Salishan 1 - Salishan 6				29,296		
TAX CREDIT SUBTOTAL (Operations	& Development - hillsh	le)		211,694		1,074,
\ 1	· · · · · · · · · · · · · · · · · · ·	10)		211,034		1,014,
Section 8 Checking Account (HAP Paym						
SRO/HCV/VASH/FUP/NED	Check #'s	482,940 -	482,988	48,652		
	EFTs	228 -	266	3,030,838	\$	3,079,
Payroll & Payroll Fees - ADP					\$	694,
						7
AL DISBURSEMENTS					•	4.040
AL DISBURSEMENTS					\$	4,848,



#### Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,841,677 for the month of October, 2019.

Approved:	<b>December 11, 2019</b>		
		Derek Young, Chair	

## TACOMA HOUSING AUTHORITY Cash Disbursements for the month of October 2019

		Check N			
		From	То	Amount	Totals
A/P Checking Account					
Accounts Payable Checks	Check #'s	93,749 -	•		
Accounts Payable EFTs	EFTs	291 -	327		
Business Support Center				438,951	
Moving To Work Support Center				84,350	Program Support
Moving To Work Buildings (used by Support Ce	enter)			77,431	9
Tax Credit Program Support Center				72,823	
Section 8 Programs				89,470	Section 8 Operations
Hillsdale Heights				1,499	
KeyBank Building				36_	
Mr Mac Building				75	Properties
Salishan 7				43,964	
Salishan Common Areas				306	
Hilltop Redevelopment - THDG				9	THDG
Arlington Crisis Residential Center				17,794	
James Center				240	
New Look/Alberta J Canada-Development				2	
Arlington Youth Campus-THA Costs				564	
Salishan Developer Fee				12,129	Development
Hilltop Redevelopment				35	
Hillsdale Heights				1,000	
Bus Development Activity				2,600	
MTW Development Activity				0	
CS General Business Activities				14	
CSA Program - Business Activities				1,645	
Community Services MTW Fund				29,936	
Education Private Grants (Gates, etc.)				5,643	
Education-Local Gov't Grants (County, City)				4,026	Client Support
COT-Community Wellness Program				230	
FEMA - Fire Safety Grant				9,060	
HUD-ROSS Svc Coord				309	
HUD-FSS Grant				47	
AMP 6 - Scattered Sites				3,489	
AMP 7 - HT 1 - Subsidy				4,366	
AMP 8 - HT 2 - Subsidy				4,114	
AMP 9 - HT 1500 - Subsidy				1,074	
AMP 10 - SAL 1 - Subsidy				13,286	5 1 11 11 1
AMP 11 - SAL 2 - Subsidy				14,443	Public Housing
AMP 12 - SAL 3 - Subsidy				11,111	
AMP 13 - SAL 4 - Subsidy				11,111	
AMP 14 - SAL 5 - Subsidy				16,868	
AMP 15 - SAL 6 - Subsidy				14,398	
THA SUBTOTAL				988,449	
Hillside Terrace 1 through 1500				7,217	
Bay Terrace I & II & Community Facility				6,258	
Alberta J Canada Bldg				0,230	
Arlington Youth Campus					Tax Credit Projects -
Court F (HT 1800 Block)				1,434	Reimbursable
Renew Tacoma Housing				14,602	Reinbursable
Salishan 1 - Salishan 6				19,823	
Galistian 1 - Galistian 0				19,023	
TAX CREDIT SUBTOTAL (Operations & Development of the Company of th	opment - billab	le)		49,353	1,037,80
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,989 -	483,034	42,437	
	EFTs	276 -	•	3,057,221	\$ 3,099,65
Darmall O Darmall 5 ADD		== *		-,,	
Payroll & Payroll Fees - ADP					\$ 704,21
OTAL DISBURSEMENTS					\$ 4,841,677



#### Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,892,195 for the month of November, 2019.

Approved:	<b>December 11, 2019</b>		
		Derek Young, Chair	

## TACOMA HOUSING AUTHORITY Cash Disbursements for the month of November 2019

		From	То	Amount	Totals
A/P Checking Account					
Accounts Payable Checks	Check #'s	93,824 -	•		
Accounts Payable EFTs	EFTs	341 -	380		
Business Support Center				459,419	
Moving To Work Support Center				35,997	Program Support
Moving To Work Buildings (used by Support	Center)			76,346	3 11
Tax Credit Program Support Center				43,644	
Section 8 Programs				168,162	Section 8 Operations
James Center				5,753	Properties
Salishan 7				26,607	
New Look/Alberta J Canada-Development				315	D. Harris
Arlington Youth Campus-THA Costs				3,437	Development
Bus Development Activity				6,058	
CSA Program - Business Activities				855	
Community Services MTW Fund COT-Community Wellness Program				5,368	Client Support
FEMA - Fire Safety Grant				1,410	
AMP 6 - Scattered Sites				1,012	
AMP 7 - HT 1 - Subsidy				4 252	
AMP 8 - HT 2 - Subsidy				4,353 4,109	
AMP 9 - HT 1500 - Subsidy				1,071	
AMP 10 - SAL 1 - Subsidy				12,093	
AMP 11 - SAL 2 - Subsidy				13,148	Public Housing
,					
AMP 12 - SAL 3 - Subsidy				10,112	
AMP 13 - SAL 4 - Subsidy				10,112	
AMP 14 - SAL 5 - Subsidy				15,350	
AMP 15 - SAL 6 - Subsidy THA SUBTOTAL				13,097	
				917,828	
Hillside Terrace 1 through 1500				6,779	
Bay Terrace I & II & Community Facility  Alberta J Canada Bldg				6,695	
Arlington Youth Campus				<u> </u>	Tax Credit Projects
Court F (HT 1800 Block)				133	Reimbursable
Renew Tacoma Housing				16,461	Remibulsable
Salishan 1 - Salishan 6				11,557	
Calletta Cal					
TAX CREDIT SUBTOTAL (Operations & De	velopment - billab	le)		41,625	959
Section 8 Checking Account (HAP Payments					
SRO/HCV/VASH/FUP/NED	Check #'s	483,035 -	483,088	50,179	
	EFTs	328 -	367	3,115,700	\$ 3,165
Payroll & Payroll Fees - ADP					\$ 766
L DISBURSEMENTS					\$ 4,892



Date: December 11, 2019

**To:** THA Board of Commissioners

From: Ken Shalik

Finance Department Director

**Re:** Finance Department Board Report

#### 1. FINANCIAL STATEMENT

I present the September, October, and November, 2019 disbursement reports for your approval.

The Finance Department is also submitting the financial statement for the period through September 30, 2019.

In reviewing the financials, Line 68 – Surplus/(Deficit) before Capital Expenditures shows a deficit of \$120,825 YTD. For year end, we are anticipating a surplus of \$221,028 on Line 68, and depending on Capital expenditures, a \$744,892 (line 73) overall surplus. This is significantly less than budgeted and is explained in the narrative below.

For this report, the following are the areas I would like to address. Overall, the agency is doing well, and will end up the year in a good financial position.

- Line 2 Tenant Revenue Other Most of this income is being generated from our third-party managed properties.
- Line 3 Section 8 HAP Reimbursement Even though, the % is low, it is important to note that currently we are under budget. As funds are disbursed by HUD based on historical HAP expenses, they are considerably less than our MTW expenses. We do regular reconciliations of our MTW funds and draw down HUD-held HAP funds retroactively. By year end, as HAP expenses have increased during the second half of the year, and we request funds from HUD, we will have drawn down all that was budgeted, and some of the \$2.9 million additional HAP authorized by HUD for 2019.
- Line 5 Public Housing Subsidy Budget is based on 2018 submission. Both inflation factor, and pro-ration for 2019 was higher than expected.
- Line 11 Fraud Recovery Income The % variance is high, yet the \$\$ amount is low. We have received more than what had been budgeted.
- Line 12 Developer Fee Income This line item is significantly under for the year. We have received \$1 million of the anticipated \$4.9 million for the Renew Tacoma. We had hoped to receive the remainder of it before the end of 2019, yet issues with the environmental challenges at Wright Street have delayed the final payout until 2020.
- Line 13 Other Revenue The lower income than budgeted has to do mainly with waterfall payments from the Tax Credit properties. We received less than budgeted for the Salishan properties, and there is an approximate \$2 million cumulative amount

- due from when Renew Tacoma Housing transitioned to RAD in 2016. We anticipated receiving the RTH waterfall payment in 2019, yet with the closeout being delayed, we will not receive until 2020.
- Lines 15 35 Total Administrative Expenses We are under budget in most categories YTD and are anticipated to remain under budget throughout the year. Legal costs are higher due to the amount of work necessary to close the Tax Credit RAD properties.
- Lines 41-45 Project Utilities Most of the utilities are for our third-party managed properties.
- Lines 46-50 Total Routine Maintenance In total, the % difference is not too high. You will notice that Maintenance Salaries is higher, while Materials and Contract costs are lower. On some of the third-party managed properties, salaries were budgeted in the Contracts line. Finance will work on breaking that out next year. Expenses were higher than budget for FIC and 902. THA is attempting to use staff rather than contracting in more areas of maintenance in 2019.
- Line 81 Other General Expenses This category includes CFP funds to go to Tax Credit properties for RAD conversion. It was anticipated this would happen on July 1 in the budget. Therefore, that amount would not have been expensed yet. As the conversion did not take place until November for the Salishan properties, and December for Hillsides, this category will end the year under budget.
- Line 61 Sec 8 HAP Expenditures This category is slightly under budget through September 30<sup>th</sup>. Average utilization was under 95% at the first part of the year and will be approximately 100% at year end. This category should end the year slightly over budget.
- Lines 69 72 Capital Items The report indicates that we are significantly under budget in all categories. The bulk of the items have to do with Development projects, and property purchases. The Arlington Developments and Court F developments are underway, and funds are being expended. The developments started a few months later than anticipated, and the flow through funds that are included in our budget will be primarily spent in 2020. There was \$3 million set aside for property purchases, which were not expended. The additional remodel of the 902 building was budgeted for 2019, yet the work will not take place until 2020. On the revenue side, the remaining Scattered Site homes were sold in 2019, with sales proceeds of \$946,000.

#### 2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at .55%. The Washington State Local Government Investment Pool currently provides a return rate of 2.20%.

#### 3. AUDIT

The Washington State auditors are finished with the 2018 audit. The results of the financial and single audit portions have already been shared. The results of the Accountability portion, and information provided at the exit conference are enclosed in this Board packet.

#### 4. BUDGETS

At the end of July, the agency purchased a Budget software package (Adaptive Insights) to transition the budget process to. As with most software packages, and conversions, there was an intense learning curve, and extensive time needed for set up. In moving through the budget process with the departments, we realized a decision had to be made. We could either submit in December using the existing and cumbersome spreadsheet process, or delay until 1<sup>st</sup> quarter 2020 to bring the new platform online. It was decided that for long term purposes, we would delay submission to the Board of the flushed-out budget process on the new software until March. In order to provide budget authority for 2020, we would submit a an interim budget, using the 2019 Budget levels. The Board agreed to this schedule at its November meeting. This will provide the departments spending authority until such time as the Budget is passed by the Board in March. The process with the entire cabinet will commence in January, with continued input by the Board. There is room, with discussions, to move forward with any new time sensitive initiatives before the March submission.

#### 5. YEAR END UPDATE

THA's, along with our Tax Credit properties, all have December 31<sup>st</sup> year ends. As of this report, Finance is gearing up for Year End, and all the tasks involved.



# Office of the Washington State Auditor Pat McCarthy

#### **Exit Conference: Tacoma Housing Authority**

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

#### **Audit Reports**

We will publish the following reports:

- Accountability audit for January 1, 2018 through December 31, 2018 see draft report.
- Financial statement and federal grant compliance audit for January 1, 2018 through December 31, 2018 see draft report.

#### Audit Highlights

- We would like to thank Duane Strom and Authority staff for their cooperation and timely response to our requests during the audit.
- We would like to thank Authority staff for their support during the federal grant compliance audit.
- We thank the Authority's commitment to fiscal accountability and accurate financial reporting.

#### Recommendations not included in the Audit Reports

#### **Exit Items**

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

#### Finalizing Your Audit

#### **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <a href="https://portal.sao.wa.gov/SAOPortal/">https://portal.sao.wa.gov/SAOPortal/</a>

#### **Management Representation Letter**

We have included a copy of representations requested of management.

#### **Audit Cost**

At the entrance conference, we estimated the cost of the audit to be \$72,000 and actual audit costs will approximate that amount.

#### Your Next Scheduled Audit

Your next audit is scheduled to be conducted in summer of 2020 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs
- REAC Attestation

The estimated cost for the next audit based on current rates is \$81,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

#### **Working Together to Improve Government**

#### **Audit Survey**

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

#### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

#### The Center for Government Innovation

The Center is a resource for local governments that want to solve problems, innovate, and improve the value of their services to citizens. The Center is available by phone, online, or in person to offer assistance, programs, and tools – at no additional charge. You can contact the Center for more information at center@sao.wa.gov.

#### Questions?

Please contact us with any questions about information in this document or related audit reports.

Kelly Collins, CPA, Director of Local Audit, (360) 902-0091, Kelly.Collins@sao.wa.gov

Mark Rapozo, CPA, Assistant Director of Local Audit, (360) 902-0471 Mark.Rapozo@sao.wa.gov

Joanne Klein, Audit Manager, (253) 593-2047 x128, Joanne.Klein@sao.wa.gov

Gus Ramos, Assistant Audit Manager, (253) 593-2047 ramosa@sao.wa.gov

David Smolko, Audit Lead, (253) 593-2047 x127 <u>David.Smolko@sao.wa.gov</u>

# Office of the Washington State Auditor Pat McCarthy

# Accountability Audit Report Housing Authority of the City of Tacoma

For the period January 1, 2018 through December 31, 2018

Published (Inserted by OS) Report No. 1024736





#### Office of the Washington State Auditor Pat McCarthy

Issue Date – (Inserted by OS)

Board of Commissioners Housing Authority of the City of Tacoma Tacoma, Washington

#### Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Housing Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our independent audit report on the Housing Authority's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy

Tat Micky

State Auditor

Olympia, WA

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#### **AUDIT RESULTS**

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Housing Authority operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

#### About the audit

This report contains the results of our independent accountability audit of the Housing Authority of the City of Tacoma from January 1, 2018 through December 31, 2018.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the Housing Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the year ended December 31, 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Employee purchase cards policies and procedures, credit limits, authorization, approval, and support
- General disbursements travel, training, and miscellaneous vendors, authorization, approval and support
- Payroll gross wages, overtime, bonus and incentive payments
- Accounts receivable write-offs policies and procedures, authorization, approval, and support
- Financial condition and fiscal sustainability
- Open public meetings documentation of minutes, executive sessions and special meetings

#### RELATED REPORTS

#### Financial

Our opinion on the Housing Authority's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Housing Authority's financial statements. That report is available on our website, <a href="http://portal.sao.wa.gov/ReportSearch">http://portal.sao.wa.gov/ReportSearch</a>.

#### Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Housing Authority's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes a federal finding regarding Suspension and Debarment. Our audit found that the Housing Authority did not have adequate controls in place to ensure compliance with Moving to Work Demonstration grant requirements for suspension and debarment. That report is available on our website, <a href="http://portal.sao.wa.gov/ReportSearch">http://portal.sao.wa.gov/ReportSearch</a>.

#### INFORMATION ABOUT THE HOUSING AUTHORITY

The Housing Authority of the City of Tacoma was created in 1940 to provide safe, sanitary, decent and affordable housing to families and individuals with low-income, are disabled, or are senior citizens. The Housing Authority owns 1,482 housing units, of which 332 are public housing and manages rental assistance with U.S. Department of Housing and Urban Development (HUD) Section 8 Housing Choice Vouchers to about 4,200 households. In addition, the Housing Authority is the managing partner in thirteen limited partnerships.

A five-member Board of Commissioners, appointed by the Tacoma Mayor, governs the Housing Authority. The Board appoints an Executive Director to oversee the Housing Authority's daily operations as well as its approximately 150 employees. Most of the Housing Authority's funds come from tenant rent, administrative program fees, federal subsidies, developer fees, and public and private donations. For fiscal year 2018, the Housing Authority operated on a budget of \$63 million.

Contact information related to this report					
Address:	Housing Authority of the City of Tacoma				
	902 S. L Street				
	Tacoma, WA 98405				
Contact:	Ken Shalik, Finance Director				
Telephone:	(253)207-4425				
Website:	www.tacomahousing.org				

*Information current as of report publish date.* 

#### Audit history

You can find current and past audit reports for the Housing Authority of the City of Tacoma at http://portal.sao.wa.gov/ReportSearch.

#### ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office						
Public Records requests	PublicRecords@sao.wa.gov					
Main telephone	(360) 902-0370					
Toll-free Citizen Hotline	(866) 902-3900					
Website	www.sao.wa.gov					

# TACOMA HOUSING AUTHORITY AGENCY WIDE

		September-19				Thru 12/31/2019			
		CURRENT QTR	YEAR TO DATE	BUDGETED	VARIANCE	PROJECTED	BUDGETED	VARIANCE	
		ACTUAL	ACTUAL	YTD		ACTUAL			
	OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	696,720	2,066,995	2,002,575	3.22%	2,755,993	2,670,100	3.22%	
2	Tenant Revenue - Other	159,138	241,774	101,220	138.86%	322,365	134,960	138.86%	
3	HUD grant - Section 8 HAP reimbursemer	10,118,403	28,906,970	30,079,802	-3.90%	40,857,298	40,106,403	1.87%	
4	HUD grant - Section 8 Admin fee earned	934,437	2,951,450	2,604,341	13.33%	3,842,000	3,472,454	10.64%	
5	HUD grant - Public Housing subsidy	339,238	1,019,399	878,023	16.10%	1,359,199	1,170,697	16.10%	
6	HUD grant - Community Services	70,085	196,145	205,346	-4.48%	261,527	273,794	-4.48%	
7	HUD grant - Capital Fund Operating Reve	0	300,000	650,002	-53.85%	866,669	866,669	0.00%	
8	Management Fee Income	832,852	2,497,075	2,454,320	1.74%	3,329,433	3,272,426	1.74%	
9	Other Government grants	44,263	110,618	128,339	-13.81%	142,376	171,118	-16.80%	
0	Investment income	14,828	49,288	35,385	39.29%	65,717	47,180	39.29%	
1	Fraud Recovery Income - Sec 8	3,177	17,438	5,625	210.01%	20,438	7,500	172.51%	
2	Other Revenue- Developer Fee Income	0	1,316,926	4,453,298	-70.43%	1,316,927	5,937,730	-77.82%	
3	Other Revenue	666,668	1,737,761	3,519,043	-50.62%	2,317,015	4,692,057	-50.62%	
4	TOTAL OPERATING RECEIPTS	13,879,809	41,411,839	47,117,316	-12.11%	57,456,958	62,823,088	-8.54%	
	OPERATING EXPENDITURES  Administrative Expenses								
5	Administrative Salaries	1,406,071	4,566,684	4,925,155	-7.28%	6,288,912	6,566,873	-4.23%	
6	Administrative Personnel - Benefits	582,053	1,778,032	2,031,162	-12.46%	2,450,709	2,708,216	-9.51%	
7	Audit Fees	63,164	65,616	59,123	10.98%	78,830	78,830	0.00%	
8	Management Fees	516,224	1,626,300	1,730,599	-6.03%	2,168,399	2,307,465	-6.03%	
9	Rent	0	0	10,800	-100.00%	0	14,400	-100.00%	
20	Advertising	8,978	13,387	13,200	1.42%	17,849	17,600	1.42%	
21	Information Technology Expenses	163,093	417,491	506,794	-17.62%	631,655	675,725	-6.52%	
2	Office Supplies	12,868	45,013	56,400	-20.19%	60,017	75,200	-20.19%	
23	Publications & Memberships	3,134	36,341	40,216	-9.63%	53,500	53,621	-0.23%	
24	Telephone	18,292	54,130	64,365	-15.90%	72,173	85,820	-15.90%	
25	Postage	7,292	18,414	22,155	-16.89%	24,552	29,540	-16.89%	
26	Leased Equipment & Repairs	27,494	89,505	105,990	-15.55%	119,340	141,320	-15.55%	
27	Office Equipment Expensed	50,820	123,527	125,115	-1.27%	164,703	166,820	-1.27%	
28	Legal	149,873	264,057	182,948	44.33%	367,076	243,930	50.48%	
9	Local Milage	1,127	4,359	7,260	-39.96%	5,812	9,680	-39.96%	
0	Staff Training/Out of Town travel	47,513	160,606	241,901	-33.61%	264,141	322,535	-18.10%	
31	Administrative Contracts	123,612	231,107	478,073	-51.66%	608,143	637,431	-4.59%	
2	Other administrative expenses	58,271	147,984	117,866	25.55%	197,312	157,154	25.55%	
3	Due diligence - Perspective Development	39,059	229,127	412,500	-44.45%	355,503	550,000	-35.36%	
84	Contingency	0	0	191,625	-100.00%	0	255,500	-100.00%	
	Total Administrative Expenses	3,278,939	9,871,680	11,323,245	-12.82%	13,928,627	15,097,660	-7.74%	

	September-19			Thru 12/31/2019			
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
Tenant Service							
Tenant Service - Salaries	228,377	680,603	761,354	-10.61%	957,471	1,015,139	-5.68%
Tenant Service Personnel - Benefits	94,809	277,449	337,044	-17.68%	389,932	449,392	-13.23%
Relocation Costs	94,009	6,978	4,187	66.65%	9,304	5,583	66.65%
Tenant Service - Other	89,928	212,973	213,188	-0.10%	283,964	284,250	-0.10%
Total Tenant Services	413,114	1,178,003	1,315,773	-10.47%	1,640,671	1,754,364	-6.48%
Project Utilities							
Water	21,962	60,136	85,875	-29.97%	80,181	114,500	-29.97%
Electricity	21,349	71,560	59,585	20.10%	95,413	79,446	20.10%
Gas	458	2,368	5,945	-60.17%	3,157	7,927	-60.17%
Sewer	50,073	160,654	131,962	21.74%	214,205	175,949	21.74%
Total Project Utilities	93,842	294,718	283,367	4.01%	392,957	377,822	4.01%
Ordinary Maintenance & Operations	,	,	,		,	,	
Maintenance Salaries	59,924	195,692	129,308	51.34%	260,923	172,411	51.34%
Maintenance Personnel - Benefits	18,426	59,674	50,935	17.16%	79,565	67,913	17.16%
Maintenance Materials	50,752	112,671	101,550	10.95%	150,228	135,400	10.95%
Contract Maintenance	129,081	391,655	431,477	-9.23%	522,207	575,303	-9.23%
Total Routine Maintenance	258,183	759,692	713,270	6.51%	1,012,923	951,027	6.51%
General Expenses							
Protective Services	40,077	90,001	105,600	-14.77%	140,800	140,800	0.00%
Insurance	57,329	168,867	165,762	1.87%	225,156	221,016	1.87%
Other General Expense	336,813	1,012,078	1,375,346	-26.41%	1,599,437	1,833,795	-12.78%
Payment in Lieu of Taxes	3,596	10,788	9,288	16.15%	14,384	12,384	16.15%
Collection Loss	15,345	32,030	38,300	-16.37%	72,030	51,067	41.05%
Interest Expense	141,485	410,964	396,996	3.52%	547,952	529,328	3.52%
Total General Expenses	594,645	1,724,728	2,091,293	-17.53%	2,599,759	2,788,390	-6.76%
TOTAL OPERATING EXPENSES	\$ 4,638,723	\$ 13,828,821	\$ 15,726,947		\$ 19,574,937	\$ 20,969,263	
Nonroutine Expenditures							
Ext. Maint/Fac Imp/Gain/Loss Prop Sale	89,501	125,867	81,075	55.25%	167,823	108,100	55.25%
Casualty Losses	0	0	3,750	-100.00%	5,000	5,000	0.00%
Sec 8 HAP Payments	9,436,536	27,577,977	27,986,948	-1.46%	37,488,170	37,315,930	0.46%
Total Nonroutine Expenditures	9,526,037	27,703,844	28,071,773	-1.31%	37,660,993	37,429,030	0.62%
TOTAL EXPENDITURES	14,164,760	41,532,665	43,798,720	-5.17%	57,235,930	58,398,293	-1.99%
OPERATING SURPLUS/(DEFICIT)	<u>(284,951)</u>	<u>(120,825)</u>	<u>3,318,596</u>	<u>-103.64%</u>	<u>221,028</u>	<u>4,424,795</u>	<u>-95.00%</u>
Debt Service Principal Payments	0	0	(54,846)	-100.00%	0	(73,128)	-100.00%
Surplus/Deficit Before Reserve			, ,			, ,	
Appropriations	(284,951)	(120,825)	3,263,750	-103.70%	221,028	4,351,667	
Reserve Appropriations - Operations	0	0	59,250	-100.00%	0	79,000	-100.00%
Surplus/Deficit Before Captial Expenditures	( <u>284,951</u> )	( <u>120,825</u> )	3,323,000		<u>221,028</u>	4,430,667	
Capitalized Items/Development Projects	(1,485,045)	(1,500,372)	(11,482,500)	-86.93%	(3,750,364)	(15,310,000)	-75.50%
Reserve for Replacement	(43,163)	(129,488)	(129,488)		(172,650)	(172,650)	
Revenue - Capital Grants/Sale of Property Reserve Appropriations - Capital	1,382,086 68,094	2,343,927 68,094	7,792,500 1,762,500	-69.92% -96.14%	3,696,878 750,000	10,390,000 2,350,000	-64.42% -68.09%
. 1550110 Appropriations Oupital	JU,UUT	00,007	1,102,000	55.1770	7 00,000	2,000,000	00.0070
THA SURPLUS/(DEFICIT)	(319,816)	661,336	1,266,013		744,892	1,688,017	

TACOMA HOUSING AUTHORITY
<b>CASH POSITION - October 2019</b>

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	2,552,801	0.55%
Section 8 Checking	3,273,678	0.55%
THA Affordable Housing Proceeds-Salishan	3,462,151	0.55%
THA Scattered Sites Proceeds	5,850,159	0.55%
FSS Escrows	160,438	0.55%
CSA Escrows	47,017	0.55%
Note Fund Account	102	0.55%
Credit Card Receipts	309	0.55%
Key Bank Security Deposits	3,431	0.55%
Relocation Account	19,528	0.55%
THA Investment Pool	335	0.55%
THDG - Tacoma Housing Development Group	757,077	0.55%
Salishan 7 Operations	1,902,136	0.55%
Salishan 7 Security Deposit	27,813	0.55%
Salishan 7 Replacement Reserve	337,494	0.55%
Salishan 7 Operating Reserve	202,398	0.55%
Highland Crest Operations	705,802	0.55%
Highland Crest Replacement Reserve	237,730	0.55%
Highland Crest Security Deposit	41,773	0.55%
Outrigger Operations	314,685	0.55%
Outrigger Replacement Reserve	154,954	0.55%
Outrigger Security Deposit	26,094	0.55%
Prairie Oaks Operations	106,543	0.55%
Prairie Oaks Replacement Reserve	25,654	0.55%
Prairie Oaks Security Deposit	4,857	0.55%
Payroll Account	28,603	0.55%
HOME STREET BANK		
James Center North Operations	633,790	0.00%
James Center North Security Deposit	56,801	0.00%
WASHINGTON STATE		
Investment Pool	\$ 1,510,507	2.06%
1. TOTAL THA CASH BALANCE	\$ 22,444,661	
Less:		
2. Total MTW Cash Balance	\$ 124,558	
Less Minimum Operating Reserves		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ -	
3. MTW Cash Held By HUD	\$ 4,456,838	

3,462,151 5,850,159 160,770 320,000 237,730 230,000 274,880 150,000 154,954	\$	9,312,310
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ning	\$	-
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1.60+4.70)	\$	15,803,805
9)	\$	6,516,298
closing/draw	\$	636,306
259,320		
206,181		
170,804		
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# POLICY, INNOVATION, AND EVALUATION



**DATE:** December 11, 2019

**TO:** THA Board of Commissioners

**FROM:** April Black

**Deputy Executive Director** 

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

#### 1. Tacoma Schools Housing Assistance Program (TSHAP)

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

- Continued the monthly communication with the TSHAP workgroup made up of community stakeholders who support and advise the TSHAP expansion plan;
- Engaged with Pierce County Human Services (PCHS) and TPS to define the roles and responsibilities of partners to facilitate TSHAP's integration into the Coordinated Entry (CE) system;
- Pursued conversations with funders at the city and county levels to support the implementation and operation of the TSHAP.

#### 1.1. Workgroup Convening

THA and TPS postponed the TSHAP workgroup meetings until January 2020. The partners agreed that the convening of the workgroup members should resume once the school year is underway and service dollars are identified. To ensure ongoing communication, PIE staff sends a monthly email update to the workgroup members.

#### 1.2. Tacoma Public Schools

1.2.1. PIE staff met with TPS liaison, Thu Ament, and TPS' Director of Title 1 and McKinney-Vento (MV), Dr. Rita Chaudhuri, to learn updates about the district's MV staffing structure and goals for this school year.

TPS District MV office completed its hiring for the school year. The structure of this office consists of four personnel which includes:

- one staff member serving elementary MV students and students in foster care.
- .6 FTE staff member serving secondary grade MV students,
- one staff member who provides professional technical assistance related to processing MV documentation and data recording, and
- one staff member who is an office professional and supports with institutional knowledge and navigation as well as direct support to school buildings.

As of September, TPS has identified 750 MV students. That number is expected to increase as more students are identified throughout the school year.

TPS MV office also shared with THA a few of their key goals this year for their office, including: meeting the federal requirements for serving homeless children and youth, setting up free tutoring for all middle and high school MV students, setting up FAFSA support for MV high school students and arranging for free SAT exams.

1.2.2. TSHAP Data Tracking: THA and TPS staff met to discuss the progress of the data exchange process. TPS Director of Data Analytics Research and Technology (DART), Zeek Edmunds, informed us of the implementation of their online partner portal. The platform is currently being tested with one community partner, and the DART team hopes to expand this to additional TPS community partners in the spring. This portal allows all organizations with a Memorandum of Understanding (MOU) with TPS to look up student academic data. TPS hopes this will make data exchange efficient and secure with their partners.

TPS has recommended adding an ID field to capture the Homeless Management Information System (HMIS) into TPS' student data system to create a common identifier between CE and the school district. TPS staff will confer with their Academic Information Officer to add the Homeless Management Information System (HMIS) client ID as a field for every student account. TPS thinks this will be the most efficient way to match

families that have worked with both the Pierce County homeless system and TPS.

1.2.3. TPS Metrics: THA PIE and Client Support and Empowerment (CSE) staff met with DART and TPS liaison in early September to discuss the current metrics used to gauge the impact of THA's educational investments. TPS staff explained the nuances in looking at point-in-time assessment outcomes and the challenges of depicting academic progress without additional narrative to accompany the numbers or visuals. PIE staff will consult with other PHAs and continue to research best practices related to measuring success of housing and education partnerships.

#### 1.3. Pierce County Human Services

In resolution 2019-6-26 (1) the THA board approved THA staff to invest \$400,000 of housing dollars into a redesigned TSHAP. THA had and has been negotiating with Pierce County Human Services in a system that would run concurrent to the existing family homelessness intervention system. Initially, when we began these discussions Pierce County told THA it would charge 15% to administer this contract and the \$400,000 would need to be matched with an additional 30-40% in funds for the services necessary to use the housing dollars. The June resolution made the \$400,000 THA investment contingent upon securing additional resources to pay for the administration and services.

In October, THA learned that the County Executive waived the cost to administer the TSHAP through the county's human services department. This is good news to THA, as it helps to resolve part of the funding challenges this program needs in order to be implemented and become sustainable.

THA remains actively searching for the dollars needed to fund case management services. While THA continues to search for supportive services dollars, it will negotiate and execute a contract with Pierce County so they can begin the process of searching for a third-party administrator for this program. We understand that, per the June resolution, no THA funds can be spent until the service dollars are secured.

#### 2. Children's Savings Account (CSA)

- 2.1. CSA and PIE staff met with the Washington Student Achievement Council (WSAC) staff in early November to begin discussing the feasibility of integrating the CSA with the State's 529 Greater Education Tuition (GET) program, which is a prepaid college tuition plan for families to save for their children's future higher education expenses. Staff explored WSAC's capability to create a product in which THA can invest CSA funds into a master-scholarship account and WSAC would administer the funds and disburse it as GET units to participants. WSAC shared with us several examples of existing master-scholarship models used by philanthropic entities.
  - One method of fund disbursement is through providing scholars a one-time scholarship in the form of GET units upon their high school graduation and proof of enrollment into next institution.
  - The second method allows the funder to act as the custodian (parent account) in which a subaccount is created for the scholar. The custodian could award GET units for subaccounts. The funds are then accessible to the subaccount holder based on disbursement guidelines determined by the custodian.
  - The third method is similar to the abovementioned creation of a subaccount for the scholar, but it also allows families to open additional subaccounts for their own management and access.

In addition to these models, staff discussed other product needs that will help make this program efficient and accessible to families, including ways families can view their account progress online, physical locations for small-cash deposits, and ability to transfer accounts in case a family withdraws from THA's Children's Savings Account (CSA) program but would like to maintain a 529 account.

WSAC shared what they envisioned as a multi-phase implementation of any forthcoming product THA wishes to pursue. For example, an initial phase may include a transition period of existing CSA participants into a 529 account and setting up a process for CSA staff to enroll families using paper forms. This will allow the WSAC team to develop a mechanism to enroll families online, which will be part of the second phase. A third phase might include WSAC's deployment of a virtual dashboard for the custodian and subaccount holder and flexible avenues to deposit small dollar amount.

CSA and PIE staff will spend November and December developing a products-needs document, largely informed by the findings highlighted in the interim report. This document will be shared with WSAC as a next step to determine existing system capabilities and opportunities for further development.

- **2.2.** BERK provided PIE staff an updated scope of work for the remainder of the year-one schedule in anticipation that there are limited funds remaining. The scope of work includes two main components: the first is interviewing key funders of the CSA and CSA-enrolled families who were unable to participate in the initial focus groups. The second component includes a BERK-led facilitated conversation with THA staff about selecting metrics that can be tailored to THA's final programming based on what existing program models and research informs us.
- 2.3. CSA and PIE staff applied for and successfully received a FAFSA/WAFSA workshop micro-grant through the Tacoma College Support Network (TCSN) housed at the Foundation for Tacoma Students. The grant will help CSA staff host financial aid workshops throughout November and December at Salishan and Bay Terrace for THA families. TCSN will support by providing financial aid experts who will facilitate the workshop and provide technical assistance. THA staff will support with outreach, hosting workshop sites and providing refreshments and incentives to attract attendees.

#### 3. THA Books Initiative

PIE and CSE staff completed the initial phase of book sort at the James Center North location in September thanks to the help of the Early Learning & Reading Network (ELRN) through the Foundation for Tacoma Students and community volunteers. Staff estimates there to be several thousand books remaining, all of which have successfully been sorted by elementary reading level and secondary grade reading levels.

CSE and PIE staff are engaged with the ELRN staff and the committee leading the Free Books Initiative. This committee recently formed in September with the goal of engaging community partners to supply neighborhoods with free books at designated locations where families, particularly low-income families, frequently visit or can easily access. However, this committee has been slow to form.

THA staff have been pursuing additional conversations with other partners such as Communities in Schools (CIS). CIS expressed an interest to bring their Ready Set Read

program to THA's south Tacoma portfolio properties (Bergerson Terrace and Dixon Village), however they will have to evaluate their staff capacity to support with book distribution due to limited staff.

#### 4. College Housing Assistance Program (CHAP)

The College Housing Assistance Program (CHAP) continues to operate in partnership with Tacoma Community College (TCC) and the University of Washington, Tacoma (UWTacoma). A new project manager for post-secondary education, Jess Thompson, joined Tacoma Housing Authority (THA) in August 2019 and has been working to develop relationships with community and education partners who engage with CHAP.

TCC has also experienced staffing changes and is currently evaluating the program in order to develop new processes. They are also evaluating the staffing needs in order to better serve the students in the program.

#### 4.1. CHAP Expansion to Koz on Puyallup

THA is currently in the process of finalizing a contract with Koz Development. THA will provide 75 property based subsidies (PBS) to house homeless and near-homeless college students. This expansion introduces new features to the CHAP program:

#### 4.1.1. Expansion to Tacoma Public Schools (TPS)

Koz on Puyallup will serve homeless and near-homeless students attending TCC and UWT. Additionally, unaccompanied homeless high school seniors who are enrolled in dual credit programs (e.g. Running Start) at the participating colleges will be served by this property. This is the first time CHAP has included TPS students. TPS believes this new opportunity will help homeless high school seniors realize that a pathway to college is available to them.

#### 4.1.2. Operating Reserve

THA is working with Koz Development and the Foundation for Tacoma Students (FFTS) to develop an operating reserve/landlord mitigation fund. The purpose of this reserve is to allow the property owner to loosen screening criteria since TPS students are unlikely to be able to meet screening criteria for credit and rental history. The fund will also be used to assist students with security deposits.

4.1.3. Assistance Conditioned Upon on Enrollment and Academic Progress

The expansion to Koz will introduce program rules to property based subsidies that have not been applied before. Tenants in Property Based Subsidies (PBS) units at Koz on Puyallup will need to remain enrolled in school and making academic progress in order to be offered a lease renewal. THA is in the process of defining enrollment and academic progress in partnership with the education partners.

#### 4.2. Department of Corrections (DOC)-CHAP

DOC-CHAP is a sub-cohort of CHAP that seeks to help house students who began their postsecondary education while incarcerated. TCC and the Department of Corrections are developing a proposal to present to THA for DOC-CHAP. In the past, DOC-CHAP was allocated 25 tenant based vouchers. TCC and DOC are exploring whether DOC-CHAP participants will have greater success using tenant based subsidies, project based vouchers, or property based subsidies. TCC and DOC are working to identify community partners in order to determine the viability of each model. THA anticipates receiving a proposal in the coming month or two.

#### 4.3. CHAP MOU & Program Manual

In support of the program changes brought about with CHAP's expansion to Koz on Puyallup, and DOC-CHAP, THA, TCC, UWTacoma, and TPS are in the process of negotiating an MOU that outlines the roles and responsibilities of the education partners and THA. In addition, THA has drafted a program manual that will be used to formalize and operationalize all forms of CHAP (tenant based subsidy, PBS, DOC-CHAP). The existing program manual only captured operations for tenant based subsidies. The intent of the new program manual is to ensure equitable and consistent practice amongst all partners regardless of the type of subsidy being used.

#### 4.4. Tacoma Completes

The Post-Secondary Education Project Manager is working with the Tacoma Completes Initiative to identify supports for college persistence and completion. Tacoma Completes builds from the success of the Graduate Tacoma movement and is focused on increasing college access and completion rates for TPS

graduates. Tacoma Completes is exploring how housing, transportation, and workforce impact college persistence and completion. The group is eager to explore how best to support the success of housing-insecure college students.

#### 4.5. Evaluation

THA has been in communication with Temple University's Hope Center, the third-party evaluator for CHAP's tenant based subsidy program. The primary researcher, Sara Goldrick-Rab, has provided two interim reports to THA and intends to have an initial report available to funders and THA by summer of 2020. The Hope Center has requested that THA define the four main questions we would like to see answered by the report. Over the next few months THA and TCC will be working with Hope Center to provide updated housing and education data for participants in the tenant based subsidy portion of the program. Hope Center intends to convene the education partners and funds in early summer. This convening will provide an opportunity for all partners to review the preliminary data and discuss the early impacts of the program.

#### 4.6. Kresge Foundation Grant

THA has been awarded a \$500,000 grant from the Kresge Foundation to support CHAP. Kresge expressed particular interest in the operational reserve that THA is helping to develop for the Koz on Puyallup expansion. They are curious to see how this model can be replicated and designed to be applied program wide rather than attached to a single property. Part of the grant will go towards seeding the operational reserve. The remainder will be dedicated to further the CHAP expansion including a portion of the subsidies to be paid at Koz on Puyallup during the 2020 and 2021 fiscal years.



# CLIENT SUPPORT & EMPOWERMENT



**DATE:** December 11, 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

November was another busy month for the Client Support and Empowerment (CSE) team. Arlington Drive continues to be a preoccupation for leadership as THA, the Young Men's Christian Association (YMCA), and Community Youth Services (CYS) work to firm up contracts, budgets and program design. Further, interdepartmental staff from THA have begun working closely with the Y via half-day workgroups to think as proactively as possible about the apartments. The focus thus far has been on program eligibility, role clarity and program needs.

CSE leadership has been working closely with staff and leadership from Rental Assistance (RA) and Policy, Innovation and Evaluation (PIE) to strategize and plan for expanding and/or refining current programs like the Family Unification Program, the College Housing Assistance Program, and the Family Self-Sufficiency (FSS) Program. Client Support and Empowerment is using these opportunities to think critically about the department's needs, current and future area(s) of focus, and how to do evidence-based case work.

Based on feedback from folks newer to the department, it became clear that CSE needs to rethink its onboarding process to ensure that new employees feel as prepared as possible to start their careers at THA. Staff throughout the department have started to develop a robust onboarding and training system for new and current employees. This will allow the department to consider all that needs to be explained, trained and re-taught so that

staff are aligned, receive the same information and alleviate the opportunity for training gaps and gaps in understanding. In the new onboarding schedule, there will be robust and clear expectations for supervisors, employees, and "buddies" in the department including what needs to be done before a new staff starts, on their first day, the first week, in the first month and in an ongoing way.

#### 3. CLIENT SUPPORT & EMPOWERMENT

#### 3.1 LEADERSHIP UPDATE

#### 3.1.1 Trauma Informed Care

Trauma Informed Care is a familiar topic at THA. In 2015 THA's all-staff retreat focused on Trauma-Informed Care and how to identify and utilize clients' protective factors as aids in their stabilization. That retreat helped staff across THA understand the lasting impact of trauma on individuals' behavior and world-view, and understand how that trauma may show up in our presence.

In September of this year, the Client Support and Empowerment team spent the day together at the Dumas Bay Retreat Center for a full day focused on trauma-informed care, self-care, and resilience. David Lewis, Director/Program Manager of Behavioral Health Services for Seattle Public Schools spent two hours with the team, training on how trauma responsive practice can dramatically change the way we, the collective we, do this work.

David presented on "Trauma Responsive Practices within a System of Support, The Neuroscience of Experiences, Perceptions and Behaviors." CSE strives to provide strength-based supports and coaching for our participants and this training added to the team's understanding and tool kit. Mr. Lewis explained the science of brain development and the increasing importance of building safe, consistent and predictable relationships with our clients. Trusting relationships take time to build, develop and maintain. Unfortunately, the myriad systems our clients interact with have proven to be ineffective at creating trust and safety. Mr. Lewis taught us that each time an individual hears or perceives one negative comment/reinforcement about themselves we need to hear eight positive comments/reinforcements to balance the one negative. When systems have a limited amount of time to interact with clients, the need to make progress is emphasized, and thus, clients hear about their deficits repeatedly.

CSE staff often supports participants who have experienced years of complex (unpredictable and lasting) trauma and who have had doors closed on them for various reasons rooted in their trauma histories. Often THA is not the first system that our families encounter and bring with them memories of bad experiences. The good news is that THA has the ability to change the participants' experiences with systems. CSE, and all THA staff play a role in rebuilding clients' confidence in themselves and their ability to succeed and increasing the 8:1 ratio.

#### 3.1.2 MANAGER'S UPDATE

CSE has spent the fall preparing for implementation of the Economic Securities for All (EcSA) contract that will launch in the first quarter of 2020. Economic Securities for All is a Workforce Innovation and Opportunity Act (WIOA) contract that will move 250 families in the 98404 zip code out of poverty. An array of agencies and supports will be based at the Family Investment Center (FIC) as a part of the EcSA program. Department of Social and Health Services (DSHS) will have two full-time staff on site to assist with benefit screening, staff from Career Path will support participants with Workforce Development supports, and Goodwill will provide financial coaching. Several agencies will use the classrooms at the FIC to provide classes, supports, workshops and events to support residents of 98404. This partnership is exciting because these partners will prioritize and serve THA residents along with non-subsidized residents in 98404.

The Program Manager for Data Management and Integrity continues to work towards improving the monthly report to the board. CSE met with the IT Salesforce team in November to discuss the timeline of the needed improvements to Open Door to be able to collect, pull and analyze pertinent data for the board.

CSE hoped to provide a draft outline in the December report, including a timeline for data and information that would be included in future board reports. To develop a robust and accurate timeline, more intentional work with IT, PIE and CSE needs to be conducted to increase, improve and organize the data that is entered into the Open Door system by CSE. These improvements will include basic information about the household, more specific information about their client career pathways and more poignant data about clients' economic advancement. IT is working to determine how long such improvements will take, and once they are clear, CSE will be able to provide a robust outline to the Board of Commissioners.

#### 4. PROGRAM UPDATES

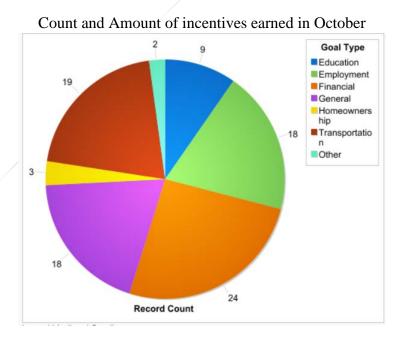
#### 4.1 FAMILY SELF-SUFFICIENCY

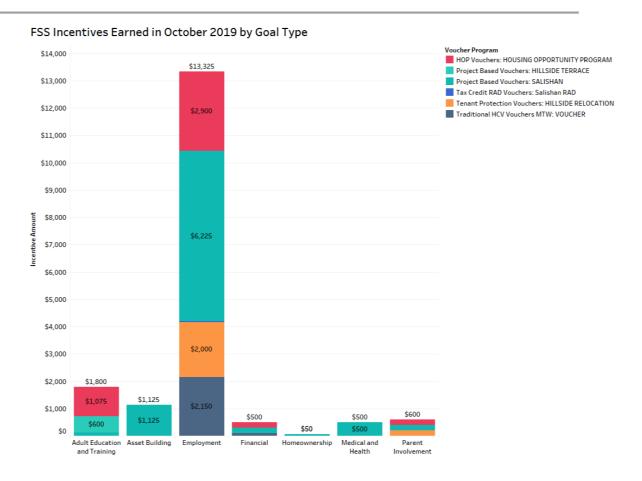
#### 4.1.1 Enrollments

The numbers below reflect Family Self-Sufficiency Contracts of Participation (COPs) signed in October.



Residents who have recently signed their Contracts of Participation in October are employed, interested in pursuing degrees at Tacoma Community College, improving their credit with the support of financial coaching from Sound Outreach, and hoping to buy a home. One client is a single mom of three and employed in a warehouse making \$16.42/hr.





#### 4.1.2 Graduate Highlight

CSE would like to celebrate and share the success of one recent FSS graduate, Ms. G. Ms. G. signed her 5-year Contract of Participation in February of 2017. At the time of her signing her Contract of Participation, her Temporary Assistance for Needy Families (TANF) was set to expire and she had been recently hired in a part-time position. In her time in FSS, Ms. G. found a passion for working with folks in recovery and obtained a job as a Crisis and Recovery Counselor. Ms. G submitted the follow testimony at her FSS Graduation.

"I lived in Salishan for nine years. When I first moved in I received a whole bunch of packets about what was available to me as a Salishan resident. At first these packets just meant more work and I was just starting to finish up my AA degree. So, I really wasn't interested in what they had to say. Plus I had to report to a case manager once a week because I came from transitional housing through the Tacoma Rescue Mission. So I took these pamphlets and put them aside. What I didn't

understand is that they were trying to help me succeed and because of my distrust in any system I did not engage.

After a couple of years of living in my unit (which was great by the way), I became complacent and was struggling to keep myself floating. I was trying to work and follow the requirements that were set before me by DSHS. I was just surviving. When I say surviving, I mean living out of the old negative thinking patterns and settling for the small vision I had about my future.

Fortunately, my drinking put me in a precarious position with the court system and it became harder and harder to stay positive and afloat. This is when I was introduced to Dana Duncan [case worker at THA, now working in Rental Assistance] and she saw the potential I had to become self-sufficient. Soon, I was talking to Tonia Coleman and Nicole Meshesha and Maria Y. I found out that they really did care about what happened in my life and wanted to make sure I was successful.

I decided to take a chance and enter the FSS Program. Maria was phenomenal. She did not ever push me but rather informed me about what was available. She said if I started achieving things like savings, insurance on a vehicle, getting off public assistance, getting my BA etc. that they would put money aside in an account that I could use towards buying a house.

Well, here I am for the first time in my life.... A house owner. My two children and I are living in a three bedroom house and all of the money that I achieved through the FSS program helped me with the down payment. I am completely free from state assistance and have a job that I love doing.

I encourage anyone who is wanting to better their future to please... please check into the FSS program and look into what programs are available to you through the Salishan community. It has made a huge difference in my life and all of the individuals who work at the Salishan office thank you for continuing to encourage me towards these programs and sufficiency. I would of not been able to buy my house without this program...

# I leave you with this quote from Marriane Williamson:

'Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our Light, not our Darkness, that most frightens us.'"

#### 4.2 HOUSING STABILITY

#### **4.2.1 Eviction Prevention**

	Total	September and	Number of	Saving to
	Evictions	October's	Evictions	THA Year to
	Prevented	Savings to THA	Prevented Year	Date
	September		to Date	
	and October			
THA	4	\$32,000	45	\$360,000
Family				
Properties			/	
Senior and	15	\$120,000	84	\$672,00
Disabled				
Properties				
Totals	19	\$152,000	110	\$1,032,000

## 4.2.2 Whole Family Services

In October, CSE received six new referrals for the Whole Family Services Program. CSE provides wrap around services for the children and adults in the household. Caseworkers support families in clearing up their lease violations and provide educational supports to the children in the family.

# Number of Whole Family Service Referrals by Property

Bay Terrace	1
Dixon Village	1
Salishan	4

#### 4.3 COMMUNITY BUILDING

#### **4.3.1 Family Properties**

Case Workers have collaborated with Property Management staff to organize community meetings, dance parties, Cook to Learn, Movie Nights, and a Community Engagement survey. All properties have seen an increase in engagement with CSE staff, and Property Management staff have been providing positive feedback about the uptick in positive interactions and engagements with residents.

Education Specialist, Trisha Mozo, and General Services Caseworker, Korrinna Jordan, collaborated to bring Cook to Learn to Dixon Village in November. Cook to Learn is a unique community engagement tool that integrate STEM learning concepts into fun and creative activities. The curriculum uses shapes, numbers, sizes, measurement, and patterns as guiding principles to increase knowledge of child development, while simultaneously helping young learners gain the skills needed to be Kindergarten ready in Math. Trisha has received training to implement this unique curriculum to our properties through THA's partnership with KBTC. There were 32 children that participated in this exciting opportunity at Dixon Village in November. After the Cook to Learn activity was completed participants watched "Secret Life of Pets 2".

At Bay Terrace, Property Management and CSE caseworker, Byron Williams, collaborated with Marquis Jenkins, Property Management Bay Terrace, to organize a dance party to give the youth at the property "something fun to do". Byron and Marquis had more than 60 participants attend the first ever Bay Terrace dance party, indicating strong relationships and engagement skills by both departments. Byron and Marquis have also distributed a Community Engagement Survey to query the residents what type of services they would like to see at Bay Terrace.

# 4.3.2 Senior and Disabled Properties

	New Participants	Unduplicated	Skill
		Resource	Building
		Connections	Hours
September	18	200	169
October	10	136	54

CSE Community Builder, Martha Matthias, shares that October was a bit of a reset month in our Senior and Disabled buildings. Tacoma Fire facilitated a medical and fire prevention class at our 6<sup>th</sup> Ave. Building. Our wonderful Senior and Disabled property management team started monthly community meetings in all of the Senior and Disabled buildings, bringing residents together to discuss building specific issues. THA partnered with SafeStreets who will be helping residents make their communities safer while caring for their neighbors. They have piloted their programs at N. G. St. and 6<sup>th</sup> Ave.

A ten week long yoga program was very successful at N. K. St. and Ludwig. Residents who took this class reported increased flexibility, balance, and a

greater sense of relaxation. Martha is looking for funding to continue to offer fitness instruction in our communities as a way of keeping residents involved, safe and busy. Residents at N. K. and N. G St. got into the Halloween spirit and bagged candy for the neighborhood children.

Residents of THA's Senior and Disabled buildings regularly attend the annual senior Thanksgiving luncheon at the Lobster Shop Restaurant. The city of Tacoma offered THA 50 tickets and they went fast. THA residents were also invited to share a Thanksgiving meal at Mercy Housing. Residents gave CSE staff Robert and Kye lots of positive feedback about the meal and are excited to attend again next year!

Finally, Property Manager, Denise Day-Joseph started a door decoration contest for the December Holidays at Ludwig in 2018. This year Martha Matthias is taking that great concept and bringing it to all the S & D buildings. Martha has made 21 gift baskets so three residents in each of the buildings will be awarded a holiday gift basket for their creative seasonal spirit! Below is an example of a prize basket for potential winners of the door decorating contest. Judging will take place in early December.





# TACOMA HOUSING AUTHORITY

# **RENTAL ASSISTANCE**



# TACOMA HOUSING AUTHORITY

**DATE:** December 11, 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 has been busy with numerous projects since our last report. The Consolidated Waitlist opening has been successful and was completed with very few problems. Aley Thompson and the Policy, Innovation, and Evaluation (PIE) team were instrumental in the organization of this opening. Attached are some statistics regarding who applied. 1,200 applicants were pulled through a lottery process to be added to the list. The applicants have been notified about their status and the applicants added to the list were given an estimate of their wait time. In the past, we have been unable to give a reliable time applicants could expect to wait but thanks again to the PIE team, a system was developed for this estimate. Applicants can go to our website, enter their waitlist number and receive a time period. At this time, these clients will most likely be called for units owned by THA. Our voucher utilization continues to be above 95% so we have not issued any new Housing Opportunity Program (HOP) subsidies.

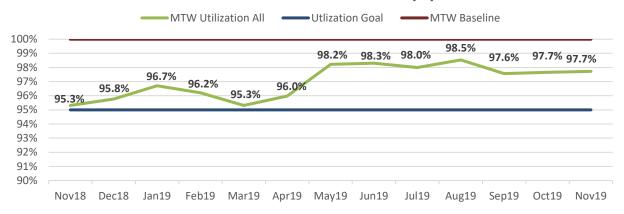
A very large amount of our time has been dedicated to the oversite of the Property Based Subsidy (PBS) program. As reported in the past, there are concerns regarding compliance regarding 2 of the contracts. Initially, staff performed a random audit of the files and found them to be non-compliant. This necessitated a 100% audit of the files. We discovered numerous compliance issues that could result in the return of some subsidies. We have met with the owners and new processes have been put in place and should correct future problems with compliance. The owner will respond to THA by December 20<sup>th</sup> regarding the non- compliant files and discuss the subsidy take back. The main problem is the lack of verification to determine eligibility at a 30% AMI. They feel there are some that can be corrected but are well aware of a large take back of subsidy. Based on this audit we are beginning audits on the other properties.

#### 3. RENTAL ASSISTANCE DEPARTMENT REPORTS

#### 3.1 Overall Utilization

The overall Housing Choice Voucher utilization is reported at 97.7% as of November 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. As new information is reported for both RRH & PBS, this utilization report is updated accordingly.

# Overall MTW Utilization as of 11/1/2019



#### 3.2 Project Based Vouchers

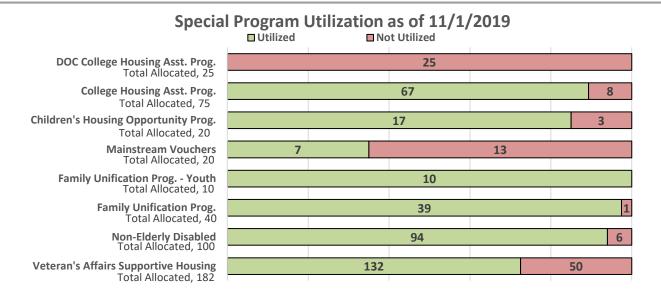
THA continues to have strong utilization with project-based vouchers. Staff are quick to address individual units that have been vacant for longer than expected periods of time. Olympus Hotel and Rialto Apartments were notified in October that they have until 12/31/19 to fill as many units as possible at their respective properties. Rialto Apartments seem poised to fill all their units with PBV participants, which will bring the total number of subsidized units to 54. The Second Amendment to the Olympus Hotel contract was completed in October 2019 and brought the total number of subsidized units to 23. Hotel Olympus had hoped to utilize more PBV's but have not had the turnover to transfer eligible residents to this program. The final number of THA subsidized units at these properties will be available in January 2020.

# Project Based Voucher Utilization as of 11/1/2019



#### 3.3 Special Programs & Property Based Subsidies

Below is a breakdown of the utilization for THA's special programs. The chart below has been updated to include shoppers for each program. The Department of Corrections program with Tacoma Community College (TCC) continues to hold 25 vouchers for use. This program is still in the early stages and vouchers have not been utilized.



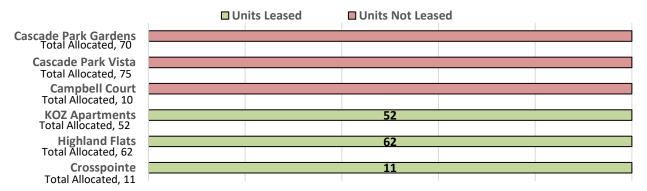


THA was awarded 25 additional Housing Choice Voucher (HCV) Veteran's Affairs Supportive Housing (VASH) vouchers in November 2019. THA and Veterans Affairs (VA) believe that these vouchers will be utilized. The VA social workers continue to be on-site at 902 every Tuesday and are available to meet with any Veterans (assisted or not) who come to the office for help. This help can and does include referrals for a VASH voucher and is an effort to increase utilization among this population. The VA is still understaffed but aims to hire a new case manager by the end of the year.

THA applied for and was awarded 60 additional mainstream Non-Elderly/Disabled (NED) vouchers in November 2019. These vouchers have been issued to serve Non-Elderly/Disabled clients at risk of homelessness. These 60 vouchers would be in addition to the initial 20 awarded in a partnership/joint application with Spokane Housing Authority. There have been some struggles with the 20 vouchers mainly with reporting to Housing and Urban Development (HUD) and with IT issues but they are close to being solved and should allow the lease-up of the additional vouchers. We will begin to report on utilization for these new vouchers in early 2020. Although the report shows only 7 of these 20 vouchers leased as of November 1<sup>st</sup>, we have actually leased up 15 units as of this report.

THA will submit an application for 75 additional Family Unification Program (FUP) vouchers in December 2019. This application was made in collaboration with Pierce County, Pierce County Alliance and Department of Children, Youth and Families (DCYF). THA focused on utilization in this program over the past year, we believe that our improved utilization, along with a solid partnership and application, we will present a strong application.

Property Based Subsidy Utilization as of 11/1/2019



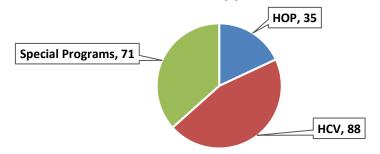
As of November 1, 2019, we have not paid any PBS subsidy to Cascade Park Gardens (CPG) or Cascade Park Vista (CPV). During November we have made payments to these properties and predict we should make full payments to CPG and close to full payments to CPV in December 2019. These partners are excited about this unique partnership and are very involved in the process to ensure program success.

#### 3.4 Shoppers 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.

As of November 25, 2019, there are 194 total clients shopping down from 249 from the previous month. These numbers should increase with the addition of the new Mainstream and VASH vouchers.

Current Number of Shoppers as of 11/25/2019



#### 3.5 Leasing & Waitlist Management

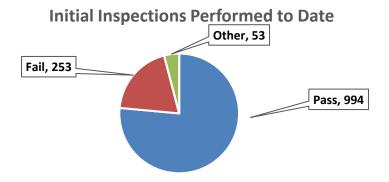
THA conducted a targeted opening of its Consolidated Waitlist to address suitable applicant shortfalls for the portfolio. We only accepted applications for households that consisted of 3 or more people. The waiting list was open for applications from October 7<sup>th</sup> - October 18<sup>th</sup>. Some interesting facts include:

- The median age of the head of household is 33
- 93% of applicant households contain children
- 43% of applicants self-reported homelessness
- 55% of applicants are employed
- 74% of applicants completed the application on a mobile device
- 21% of applicants heard about our waitlist opening via Facebook

Exhibit A at the end of this report contains high-level data about the opening.

#### 3.6 Inspections & Housing Quality Standards

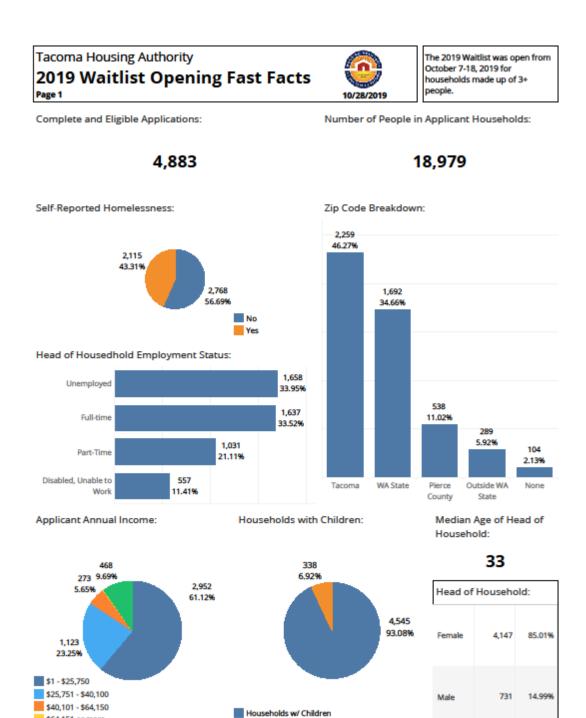
The chart below shows that the Inspection Department has conducted 1300 Initial Inspections since the beginning of 2019. An Initial Inspection takes place every time a client moves into a new unit. We use a pass ratio to help determine if our clients are finding decent, safe, and sanitary homes in which to live. The below chart indicates that approximately 77% of our clients are initially successful in finding secure, safe and decent homes. In addition to the Initial Inspections, our Inspectors have also conducted 4,380 other inspections related to Housing Quality Standards since the beginning of the year. These would include annual, re-examination, audit, and special inspections.



#### 3.7 Landlord Engagement & Renter's Readiness

The Landlord Advisory Group meetings occur each month and have maintained a healthy attendance of landlords, varying in their property type and size of their portfolios. Additionally, we will have community partners join us to share their opportunities for THA and its landlords to collaborate and connect. Over the past month, we have had growing interest from the group in expanding the Renter's Readiness program to include current tenants who are having difficulties with their landlord or are currently not expected to be offered a renewal of their lease. We have had one landlord use the program for this purpose and resulted in a successful transfer of the tenant to an upgraded unit. There is also interest from the Landlord Advisory Group to establish a training for landlords to be well-versed in the current laws and ordinances, as well as a refresher on Fair Housing.

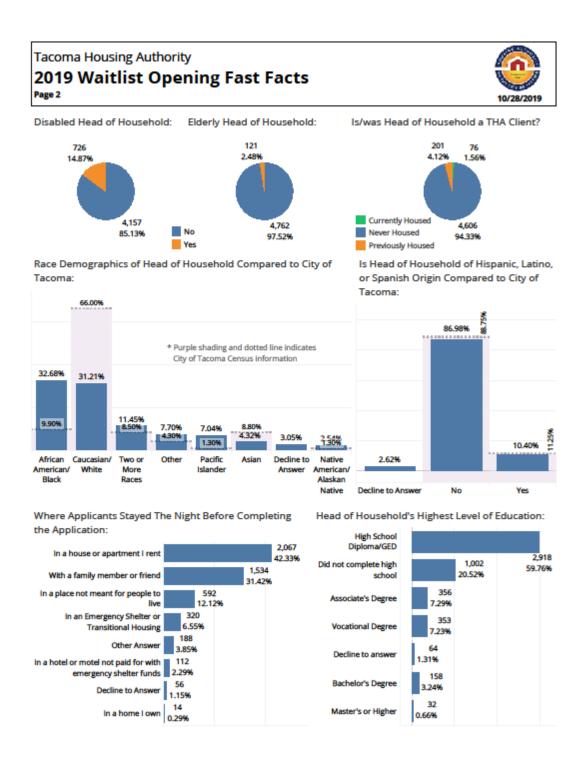
#### **EXHIBIT A**

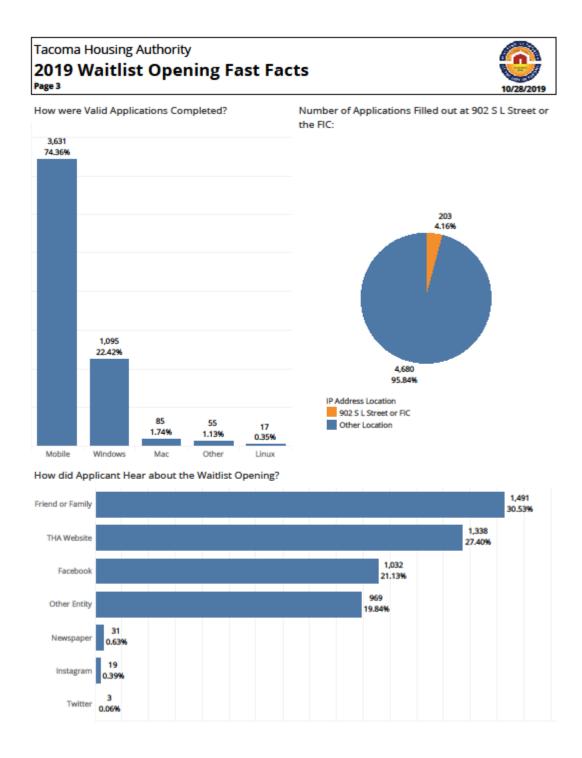


No Children

\$64,151 or more

No Income







# TACOMA HOUSING AUTHORITY

# PROPERTY MANAGEMENT

Date: December 12, 2019

**To:** THA Board of Commissioners

**From:** Frankie Johnson

Director of Property Management

**Re:** Property Management Monthly Board Report

#### 1. STRATEGIC OBJECTIVE

Tacoma Housing Authority (THA) will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people are happy to live.

#### 2. DIRECTOR'S COMMENTS

October and November were very active months for the Property Management (PM) team. October is generally the month when the implementation of year-end close out projects are launched, such as winterization and seasonal projects. The maintenance team continued their series of 'Preventive Maintenance' for the remainder of the portfolio. Gutters, dryer vents, safety and security projects are the focus as we work to close out 2019.

At the center of most of both months have been the urgency to complete Rental Assistance Demonstration (RAD) projects, both in maintenance and with administrative staff. Inspections for 300+ units were completed during this time, along with signing Lease Riders and Tenancy Addendums for each household and member over the age of 18 years old.

Inspections generate work orders. The maintenance team completed 100% of the work orders for RAD by the October 31<sup>st</sup> deadline, while maintaining their day-to-day responsibilities.

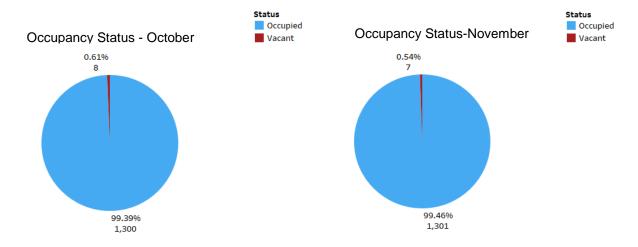
During this time, the PM team spent time sharpening skills. The admin team participated in a Tax Credit training in October. This training is in addition to the RADPBV training earlier for the team.

The maintenance team completed several trainings, including Defensive Driving and Personal Protective Equipment.

Property Management is busy closing out 2019, but looking forward to bringing in 2020 with renewed energy and preparedness!

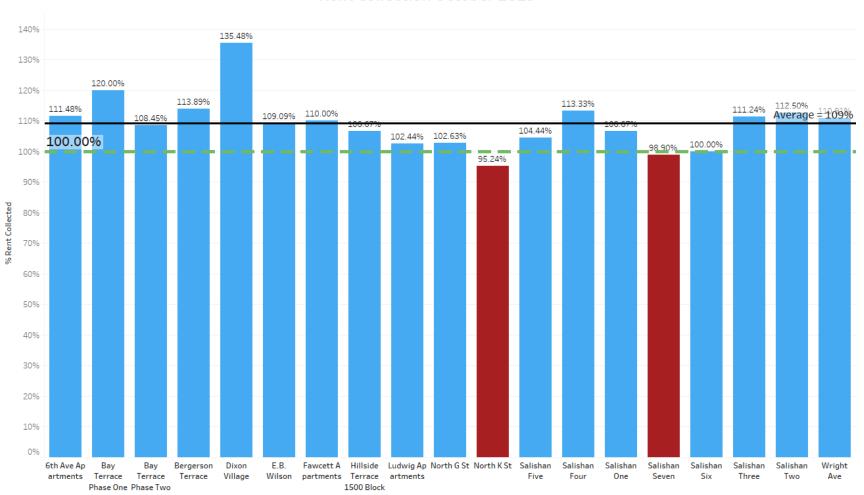
#### 3. OCCUPANCY OVERVIEW

# 3.1 Occupancy

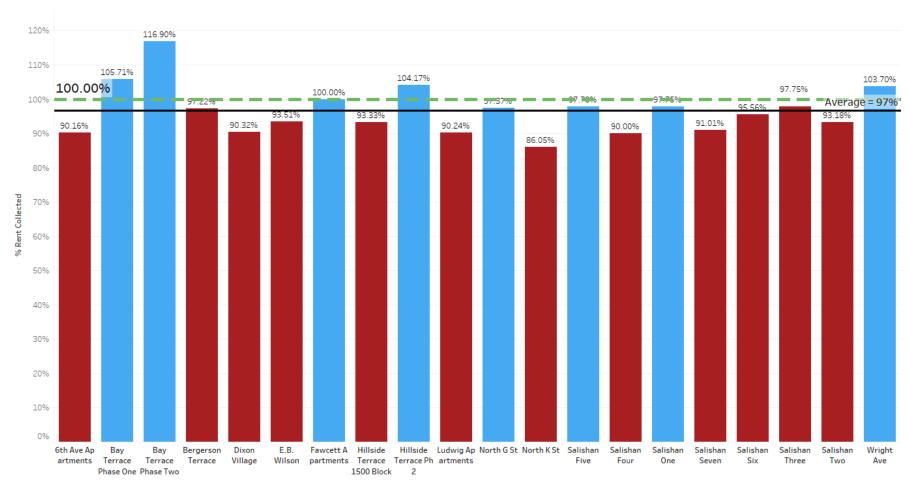


Unit Occupancy is reported above as of the first day of the month. The charts above reflect THA's current portfolio of 1,308 units for the months of October and November with an occupancy percentage of **99%** for each month. THA staff has maintained an average occupancy of 99% for all of 2019.

## Rent Collection October 2019



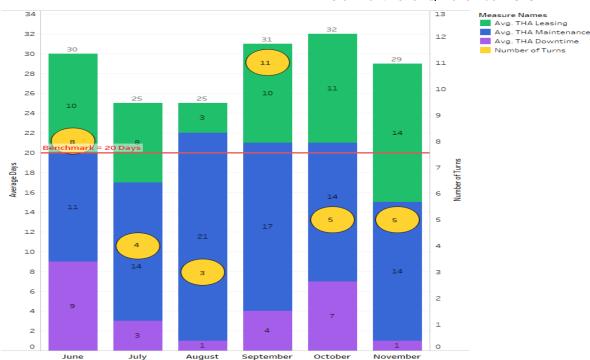
#### Rent Collection November 2019



The rent collection average dropped for the portfolio to 97%, due to non-pay evictions with high balances. Twelve properties have several households under eviction for non-payment. Households paying more than the minimum and receipt of past due payments are factors for rent collection to exceed 100%.

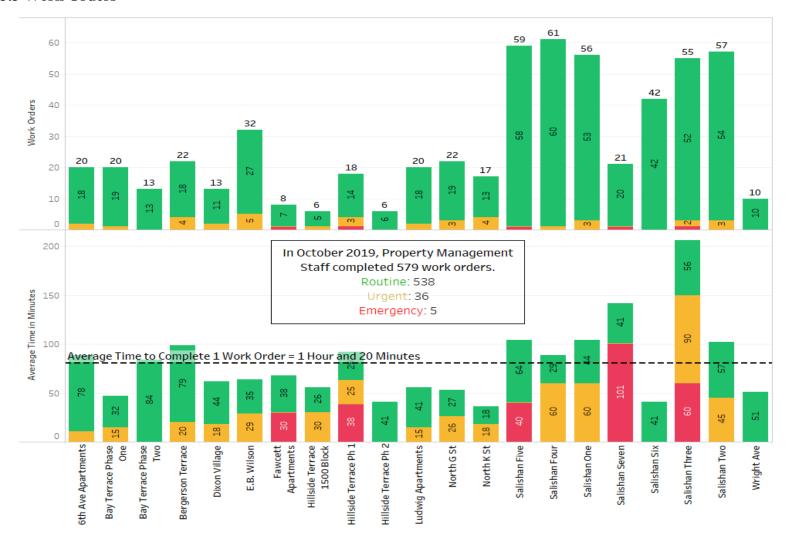
#### 3.2 Vacant Unit Turn Status

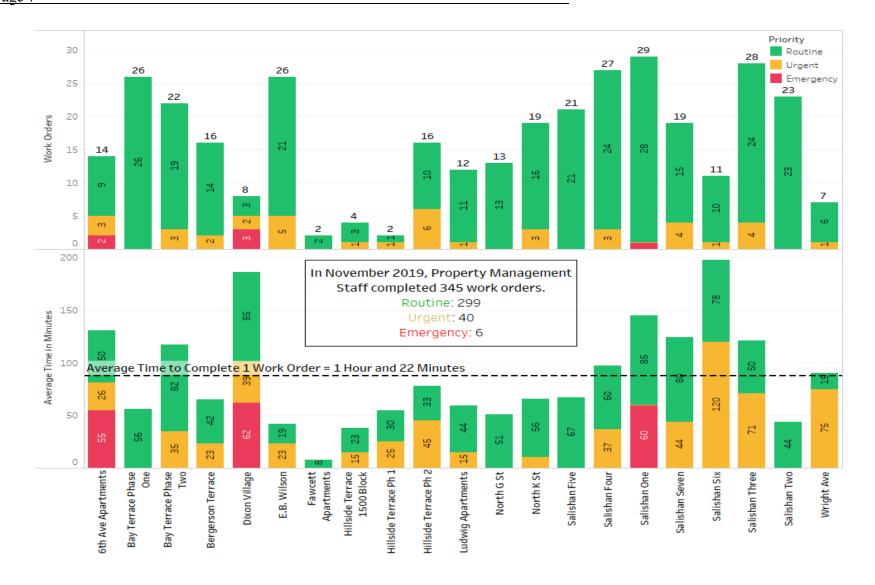
#### As of month ending November 2019



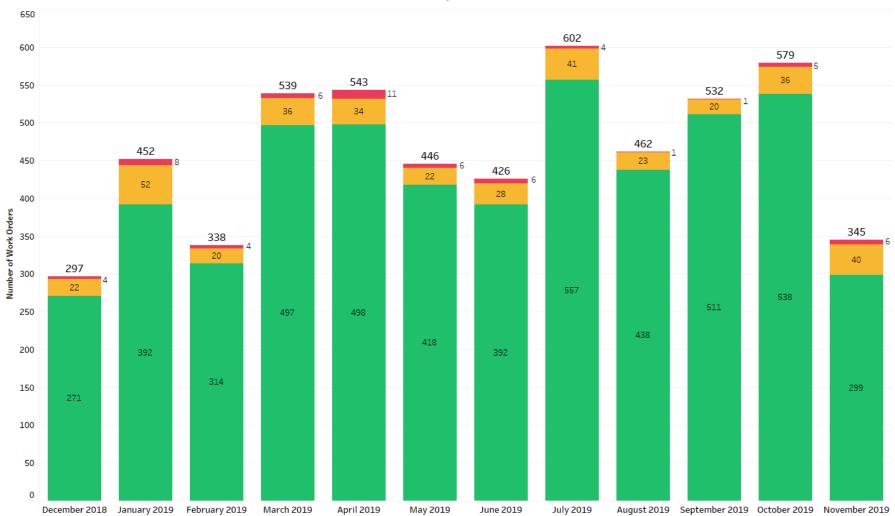
This data reflects the continued effort of the Turn and Leasing teams to reduce the total turn days to the target of 20 days. The Turn average for the repair and make ready portion of unit turns for October and November exceeded the goal with an average of 14 days. This is an 18% reduction from 17 days in repair and make ready time. Conversely, there was an increase in leasing days, bringing the total turn averages for October and November to 32 and 29, respectively, but still trending toward the goal of 20 days.

## 3.3 Work Orders





Rolling Year
Work Orders Completed Per Month





In the months of October and November, 100% of emergency work orders (a total of 5 and 6, respectively) were completed within 24 hours. Maintenance staff completed 36 urgent work orders in October and 40 urgent in November. The number of routine work orders for the month of October spiked to 538, due to preventive maintenance work and RAD. Work orders for November were 299, with a timeline to be addressed within 10 days. The average time for work order completion across the portfolio is 1 hour and 22 minutes. Property Management (PM) continues its efforts to reduce the number of outstanding work orders and improve customer service.

#### Processes that PM has implemented in effort to improve customer service are:

- Make every attempt to address routine work orders within five (5) business days;
- Improve communication with the tenants when services will be delayed and/or when procurement is needed to service the request; and,
- Close work orders within 48 hours of completion.



# TACOMA HOUSING AUTHORITY

# REAL ESTATE DEVELOPMENT

**DATE:** December 11, 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 is under consideration by the Housing and Urban Development (HUD). HUD informed us at the last minute that they need an appraisal as part of the package. An appraisal was ordered and resubmittal to HUD is expected by the end of November. Closing will probably not occur until Q1 2020.

#### 2. NEW DEVELOPMENT

#### 2.1 The Rise on 19th 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 follows:

The Rise on 19th				
	1-BR	2-BR	TOTAL	
Low Income	24	12	36	
Homeless	8	6	14	
Disabled	8	6	14	
TOTAL	40	24	64	

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

### **Financing**

The total development cost is currently budgeted at \$22,285,582. On June 26, 2019, the closing for financing for The Rise was completed.

#### Construction

Marpac mobilized beginning July 1, 2019. To date the contractor has cleared the site, excavated and set the primary power conduit and electrical vault. Forms and concrete are continuing to be set for the main elevator pit and building east wall.

The project is 8% complete.

#### 3. OTHER PROJECTS

#### 3.1 James Center North

# 3.1.1 Background

THA purchased James Center North (JCN) 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. Electrical access is being installed to allow food trucks to operate on a semi-permanent basis.

#### 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 has been 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.

The food truck marketplace was open through part of September and has closed for the season. It is scheduled to open again this spring. When it reopens food trucks will continue to serve food not currently offered by existing James Center North restaurants.

# 3.1.4 Predevelopment

Community outreach associated with the master plan has officially been completed. Ongoing communication with neighbors and businesses in the area is continuing as opportunities arise.

THA is coordinating with Tacoma Community College (TCC) to explore master lease options for student housing at JCN. THA expects this exploration to extend through the fall. A formal decision from TCC regarding their participation in the redevelopment of JCN is expected by the end of 2019.

The final master planning report is complete. 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. THA has amended the contract with Ankrom Moisan to create these design guidelines. A final draft should be completed by the end of December 2019.

#### 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.

## 3.2 New Look (aka Alberta J. Canada) Capital Planning and Resyndication

Construction is 100% complete.

The conversion to permanent financing will be completed by the first week of December as planned.

### 3.3 Arlington Drive Youth Campus

#### 3.3.1 Crisis Residential Center

On July 25, 2019, the TCRA board approved an additional \$500,000 in CDBG funds for the Crisis Residential Center. This brings the total funding for the CRC from the City of Tacoma to \$2.3M. Sources of the City funds includes \$1.5M in Neighborhood and Community Services dollars and \$800,000 in CDBG funds via the Tacoma Community Redevelopment Authority (TCRA). Pierce County is contributing \$250,000 from 2163 funds and another \$435,945 in CDBG funds.

Korsmo Construction is the contractor for the project. Construction is progressing with few glitches. At this time, Korsmo projects the CRC will be complete by the end of May 2020.

#### 3.4 Colored Women's Club

THA presented Colored Women's Club (CWC) with a Development Services Agreement in December 2018. CWC issued a request for proposals from interested developers in October. THA submitted a response on October 30. CWC was to review responses in early November. To date, we have not received a response to our letter.

#### 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.

There were two layers of community engagement for this project. THA 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.

THA staff continue to negotiate with Inland Development and Horizon Housing regarding their interest in developing the four parcels on the Hilltop. Inland Development is a Spokane based, for profit, affordable housing developer. They have an excellent reputation for developing high quality multifamily housing and ensuring it is well managed.

Funding for a permanent supportive housing project on the Mr Mac site is being sought. To date, funds have been awarded by the City of Tacoma and Pierce County. The Housing Trust Fund will make their announcement on December 18. Assuming Hilltop Lofts receives an allocation from HTF, Horizon will submit an application for 9% tax credits in January. The City, County and HTF application were a joint submission of THA and Horizon Housing Alliance.

#### **4.1.1** City of Tacoma 311 Mobilization

RED continues to conduct outreach with community partners to adopt the City's 311 code enforcement hotline. In October we partnered with Metro Parks to present a haunted funhouse and harvest festival at People's Community Center. We welcomed over 300 young people and family members to dine on tacos, decorate cookies, play games and celebrate the autumn. In November and December, we will connect with residents and neighborhood members via tabling with The Community Market. The markets will allow us to have conversation around attractive, safe and livable communities, and collect input on how our work can better integrate with nearby stakeholders.

#### 4.2 Hilltop Eco District

Staff has been working with a small group of community leaders for the past eight months to set the foundation for creating an Eco District in the Hilltop. The Eco District framework is based on three Imperatives—Equity, Resilience and Climate Protection. The working group has added three additional imperatives—Economic Development & Jobs, Affordable Housing and Culture. THA is working with an expanded group of residents to set an equity intention prior to holding a Lunch &

Learn event for other organizational partners. The goal of the working group is for the Eco District to create a set of standards and metrics for future development in the Hilltop. This is an outgrowth of the community engagement work done for THA's four parcels.

To help build community on the Hilltop, THA and Hilltop Action Coalition (HAC) are co-sponsoring bi-monthly events (Hilltop Happenings). The first was held on September 14 in People's Park. It is both a celebration of students' return to school and a Reclamation of the Park after recent troubling events. The next event will be in November.

## 4.3 Shiloh Baptist Church

RED staff have been meeting with Pastor Christopher for the past year to discuss the possibility of helping Shiloh redevelop their non-church land. They have 5 single family homes. Two of the homes have been subdivided to assist 12 individuals with housing. In September staff made a presentation to the church's senior leadership to discuss what was possible on the site, explain the development process and present the terms of a Memorandum of Understanding (MOU). Shiloh signed the MOU in October. THA will be acting as a development consultant in this transaction. It is anticipated that they will be able to increase the number of households served to approximately thirty households based on a massing study. This does not maximize what is possible on the sites as we want to make sure the housing developed will not be a financial burden to the church and within their capacity to own and manage with as little compliance as possible needed (i.e. no tax credits).

#### 5. Renew Tacoma Housing LLLP

The Department of Ecology's *No Further Action-Likely* letters for K and Wright Streets require the installation of vapor mitigation systems at each of the sites, the filing of Environmental Restrictive Covenants and long-term monitoring.

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.

Cascade Radon, Inc. installed the vapor mitigation system at 911 North K Street. The vapor mitigation system at 602 Wright Street started October 3rd and is now anticipated to be complete the end of November. There were complications such as some unexpected footings discovered in the crawl space and multiple runs of metal electrical conduit running along a field stem wall impacting the contractor's ability to seal along that edge. In addition, parts required for the additional zones are subject to back-order that will hopefully arrive by November 20th. Once the work is complete and the Environmental Restrictive Covenants are filed, the investor will release the \$548,000 in escrow and \$3,452,000 in developer fee.

December 11, 2019 Board of Commissioners Meeting REAL ESTATE DEVELOPMENT DEPARTMENT MONTHLY REPORT Page 7

## **6.** Tenant Improvement

## 6.1 902 First Floor Tenant Improvement

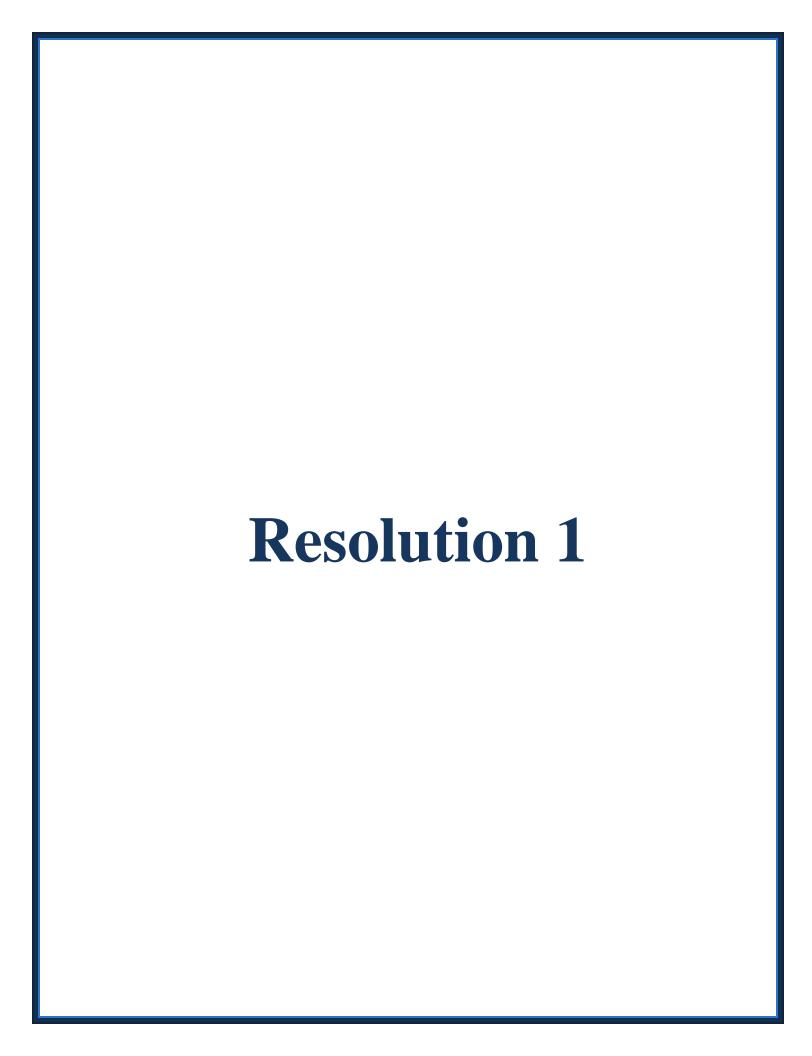
THA staff and Ferguson Architecture professionals met in early September to determine design elements of the 902 1st Floor Tenant Improvement project. Ferguson delivered a 100% Design Development set in late September for THA staff to review. Upon THA approval Ferguson is prepared to submit final drawings and specs for contractor procurement as well as preliminary permit submission with the City. FF&E (Furniture, Fixtures and Equipment) selection started in late October with a preliminary meeting to review workspace options that will improve collaboration, provide efficient flow, and coalesce with the approved workplace design.

The project is currently on hold as the Asset Management Committee is considering alternative options for expanded office space to accommodate the growing number of THA staff. The available space at the James Center North property is a specific point of discussion. THA programming is experiencing growth and the staff required to support that growth necessitates the consideration of all available options. A final decision regarding the alternative options is expected in January.



# TACOMA HOUSING AUTHORITY

# **NEW BUSINESS**



# **RESOLUTION 2019-12-11 (1)**

Date: December 11, 2019

**To:** THA Board of Commissioners

From: Michael Mirra

**Executive Director** 

**Re:** Approve THA Board of Commissioners 2020 Meeting Schedule

This resolution would approve the 2020 Tacoma Housing Authority (THA) Board of Commissioners' meeting schedule.

# Background

RCW 42.30.030 All meetings of the governing body of a public agency shall be open and public and all persons shall be permitted to attend any meeting of the governing body of a public agency. Advance public notice of Board meetings is essential to make the meetings accessible to the public in a meaningful way. The public has to know about the meetings in order to attend.

<u>RCW 42.30.070</u> The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body.

#### Recommendation

Approve the THA BOC 2020 Meeting Schedule, which is attached to the resolution.



# **RESOLUTION 2019-12-11 (1)** (Approve THA BOC 2020 Meeting Schedule)

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

**WHEREAS,** RCW 42.30.030 states that all meetings of the governing body of a public agency be open and public and all person be permitted to attend any meeting of the governing body of a public agency; and

**WHEREAS,** RCW 42.30.070 states that the governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws or by whatever other rule is required for the conduct of business by that body; and

**WHEREAS**, Advance public notice of Board meetings is essential to make the meetings accessible to the public in a meaningful way; and

WHEREAS, The public has to know about the meeting in order to attend; now, therefore, be it

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

Approve the THA BOC 2020 Meeting Schedule prior to the January 2020 meeting.

Approved: December 11, 2019		
	Derek Young, Chair	

# 2020 Board of Commissioners Meeting Schedule

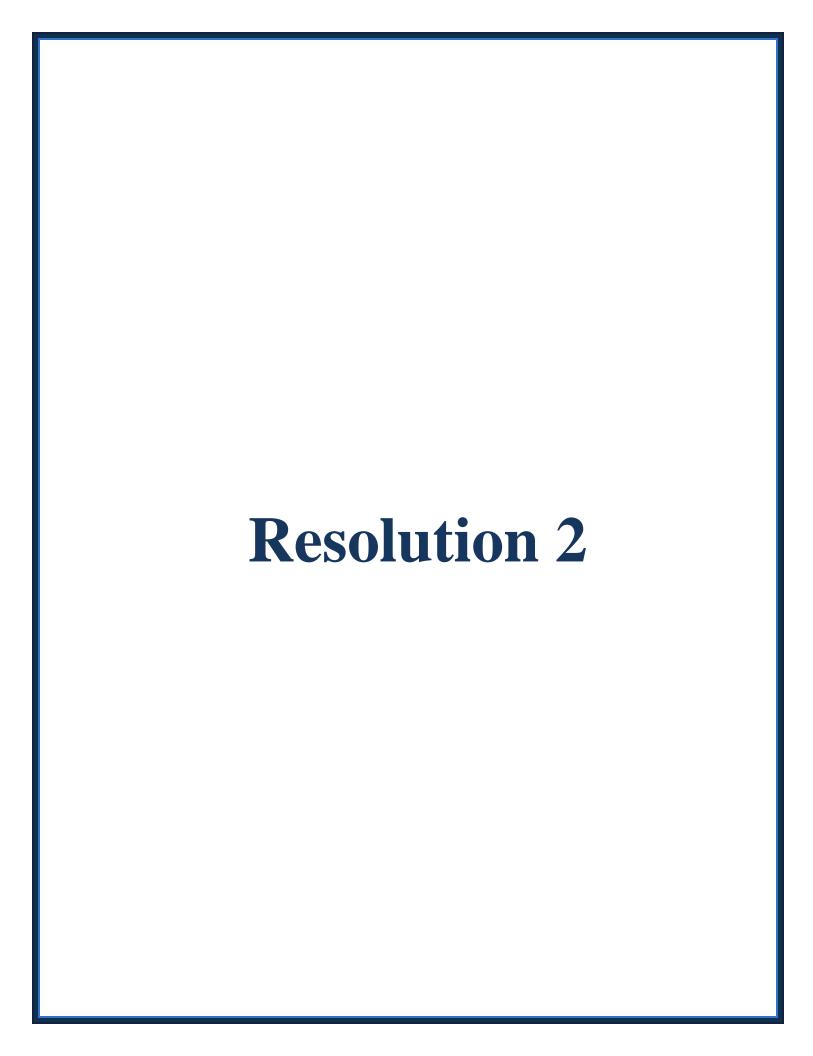
Regular M	<b>Teetings</b>	Cracial Cassians	Location
<b>Monthly Meetings</b>	Study Sessions	Special Sessions	Location
January 22			<u>Fawcett</u>
January 22			3201 S. Fawcett Street, Tacoma, WA 98418
	February 7		902 South L. Street, Tacoma, WA 98405
February 26			E.B. Wilson
redition 20			1202 South M Street, Tacoma, WA 98405
March 25			Bay Terrace
Waten 25			2550 South G Street, Tacoma, WA 98405
April 22			Wright Street
7 (p) 11 22			602 S. Wright Avenue, Tacoma, WA 98418
	May 1		902 South L. Street, Tacoma, WA 98405
May 27			North G
iviay 27			401 North G Street, Tacoma, WA 98403
June 24			<u>6<sup>th</sup> Avenue</u>
Julie 21			2302 6 <sup>th</sup> Avenue, Tacoma, WA 98403
	July 10		902 South L. Street, Tacoma, WA 98405
			Ludwig
July 22			5425 S. Lawrence Street, Tacoma, WA 98409
August 26			Salishan FIC
rugust 20			<u>1724 E 44<sup>th</sup> Street, Tacoma, WA 98404</u>
	September 11		902 South L. Street, Tacoma, WA 98405
September 23			Bergerson Terrace
September 23			5303 S. Orchard St., Tacoma, WA 98467
October 28			<u>Dixon Village</u>
October 20			5420 S. Stevens, Tacoma, WA 98409
	November 6		902 South L. Street, Tacoma, WA 98405
			North K
November 18			911 North K Street, Tacoma, WA 98403
December 9			902 South L. Street, Tacoma, WA 98405

### **Regular Meetings** begin at 4:45 pm.

**Study Sessions** begin at 12:00 p.m. and end at approximately 1:00 p.m. Meeting dates, locations, and times are subject to change.

Up-to-date information is posted on the Tacoma Housing Authority (THA) <u>website</u>. You may contact the THA office the week prior to the scheduled meeting to confirm this information. The sites are accessible to persons with disabilities. Persons requiring special accommodations should contact Sha Peterson at (253) 207-4450, before

4:00 p.m. the day before the scheduled regular meeting.



# **RESOLUTION 2019-12-11 (2)**

**Date:** December 11, 2019

**To:** THA Board of Commissioners

From: Michael Mirra

**Executive Director** 

**Re:** Fiscal Year 2020 Agency Continuing Resolution Budget

This resolution adopts an interim Tacoma Housing Authority (THA) budget for the first quarter of 2020. In general, it would continue expenditures at the 2019 levels and purposes, with some exceptions providing for new expenditures. This interim budget will authorize expenditure of \$73,954,068. This compares with 2019 expenditures of \$61,159,000. The main reasons for the difference are expenditures for real estate development projects. The operating budget is about the same as in 2019. Staff will submit a final budget to the Board for its approval in March 2020. The Board approved this schedule at its meeting in November.

#### Background

THA adopts this interim budget for two reasons: staff needs more time to adjust to the new budget software THA just purchased to use, write, and present the budget; Congress has not yet passed a Housing and Urban Development (HUD) budget for 2020.

**Budget Software:** In July 2019, the agency purchased budgeting software. It is called Adaptive Insights. We installed it in August and began learning it and setting it up for use. Due to the complexity of the agency, and nature of the software, there is a considerable learning curve, and time necessary to start using it. With the concurrence of the Board we began using the new software to build the budget upon the understanding that we would likely need more time to get it done. It is clear that we will likely need the time until March to present a full budget using the new software.

Congress is Late: Congress has not yet adopted a budget for HUD. Both the full House and the full Senate have adopted versions of a budget for HUD. Both versions would be quite favorable for HUD's appropriation. Each version would preserve the additional \$2.9 million we received in 2019 over what we had budgeted to receive. Each version would likely increase our funding by at least the same amount over 2019. But Congress has not yet agreed on a final budget, for HUD or any other federal department. Instead, the federal government is presently operating on a second Continuing Resolution (CR) that continues expenditures at 2019 levels. It

expires midnight December 21<sup>st</sup>. It is not clear what will happen after that. The possibilities include: Congress will pass and the President will sign a real budget; Congress will not be able to do that and will pass another Continuing Resolution, perhaps for the entire year; Congress will not be able to do even that and the government will shut down. We can hope that we will have an answer by the time we draft THA's final budget in March. In the meantime, we will presume upon 2019 funding levels.

In January staff will begin building the budget, using the new software. Staff will use THA's customary budget principles:

- If Congress has not passed a budget for HUD by the time we begin building our budget, we will presume on the worse of the plausible budget versions working their way through Congress. That is likely to be flat funding from 2019, but it will preserve the \$2.9 million increase we received in 2019 over 2018.
- The budget will account for THA's strategic objectives.
- The budget will fit recurring and non-projected oriented expenses within recurring income.
- We will preserve reserve levels within Board directed limits: not too much and not too little.
- We will spend reserves on non-recurring expenses that:
  - o save us money;
  - o make us money;
  - o make us more effective.

More generally, we can look ahead to the March budget and the agency needs that the budget will address. Here are the notable ones:

### 1. Housing Assistance

Rental Assistance Programs: We are ending the year at approximately 100% utilization. We have projected our Housing Assistance Payments (HAP) for 2020 based on information we have on hand regarding historical rent increases, and, bringing on Project based units from Development and our partners to which we have already committed. At the current projections, with the current \$2.9 million increase in 2019, and no further increase in 2020, our HAP appropriations would be short of covering the 2020 HAP expenses by approximately \$700K.

Rental Assistance Demonstration (RAD): Effective December 2019, all but 4 of our existing rental Public Housing units will have transitioned to Rental Assistance Demonstration (RAD), and will fall under the Rental Assistance program. The agency will receive public housing Capital Funds and Operating subsidy only for the Hillside 1500 units, which is minimal. There will be a Moving to Work (MTW) supplement of

approximately \$350K per year to supplement HUD funding at approved Contract Rent levels. We will also start receiving Section 8 administrative fees of approximately \$240K in 2020.

### 2. Information Technology

In 2020, THA will need to invest in a number of IT capacities:

- 2.1 Open Door Open Door is the agency's business software program we designed ourselves using the Salesforce platform. We are using it to good effect for the overall operations of the agency. We also have some continuing challenges. We need to upgrade this program to use Salesforce's new platform called Lightning. We need to do this upgrade shortly because other needs depend on the upgrade.
- 2.2 Website We need to rebuild THA's web site to make it more useful for clients, landlords, and partners. Doing this will decrease staff work, especially the paperwork.
- **2.3** Document Management THA needs a new document management system, especially if we are to become paperless. This is an area the Agency has been desiring to make progress on. Staff have been evaluating several systems. By March we should have a proposal for the Board, with details about its costs.
- 2.4 Accounts Payable (AP) and Accounts Receivable (AR) Software The Finance Department needs to purchase a new software for AP and AR functions. The AP area is very staff intensive, with many inefficiencies. We will purchase a reliable software to both code and send out payables for approval. It will track payables and make the process more efficient. The AR software will replace the existing services we have with Retail Lockbox. The system, although working, is inefficient. And we are not seeing an increase in clients paying online. Also, it is currently limited to Tenant receivables, and not set up to accept payments from other portions of the agency. We are looking for a platform that could be integrated with our Open Door platform and provide a better user experience.

### 3. Business Processes

This is a long-standing project for the agency. We will continue to evaluate what is needed to move this project along, and how it fits into the IT projects above, and the agency resources necessary to accomplish it.

#### 4. Client Support

The budget will continue providing ongoing client support of our clients. It focuses on properties we manage; assisting families in asset building; and preparing for successful exits of our Housing Opportunity Program (HOP) participants at the end of their assistance. These events include THA's Education Project. We pay for these services in part by charging the portfolio a minimum of \$250 per unit per year. We also received funds from philanthropies.

### 5. Real Estate Development

The budget for FY 2020 will continue important real estate developments, including the Arlington Drive Campus for Homeless Youth and Young Adults and The Rise on 19<sup>th</sup>. These properties will come online the latter part of 2020 to the early part of 2021. We will continue preparing for the James Center North and Hilltop redevelopment projects in 2020. We will also look for other opportunities to purchase land or property, especially in parts of town that need our investment or that need our housing for a measure of racial and economic integration. We will also remain alert for purchases that will make us money.

#### Recommendation

Approve Resolution 2019-12-11 (2) to formally adopt THA's 2019 interim budget for Fiscal Year 2020 Annual Budget. Staff will present a final budget in March 2020 using the new budget software. And perhaps by then Congress will determine our funding for 2020.

# RESOLUTION 2019-12-11 (2) (Fiscal Year 2020 Continuing Resolution Budget)

WHEREAS, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2020; and

**WHEREAS**, The Authority purchased a new Budgeting Software in 2019, and needs time to fully implement it to build and present the budget for Fiscal Year 2020 budget; and

**WHEREAS,** Congress has not yet approved a HUD budget for 2020; a delay in adopting a final budget for THA may give us the advantage of writing that budget after Congress reveals our appropriation; and

**WHEREAS**, The Authority will bring forward the fully vetted budget for FY 2020 in March,2020; and

**WHEREAS**, In the meantime, the Authority needs Board approval for expenditure of funds to operate in FY, 2020; now, therefore be it

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopt the attached FY 2019 Agency wide budget as a Continuing Resolution for 2020, until such time as the official FY2020 budget is presented to them in March. Expenses and other cash outflows are projected as follows:

Expenses	
Executive	\$ 1,056,254
Administration	2,849,067
Finance	1,402,985
Human Resources	594,251
Policy, Innovation and Evaluation	1,081,794
Real Estate Development	2,697,487
Rental Assistance	41,791,392
Client Support & Empowerment	2,130,903
Property Management Overhead	863,572
Property Budgets	3,930,585
Subtotal	58.398.290

 Additional Cash Outflows

 Debt Service
 73,128

 Capital Expenditures
 15,310,000

 Replacement Reserves
 172,650

 Subtotal
 15,555,778

 TOTAL APPROVED BUDGET
 \$73,954,068

 Approved: December 11, 2019

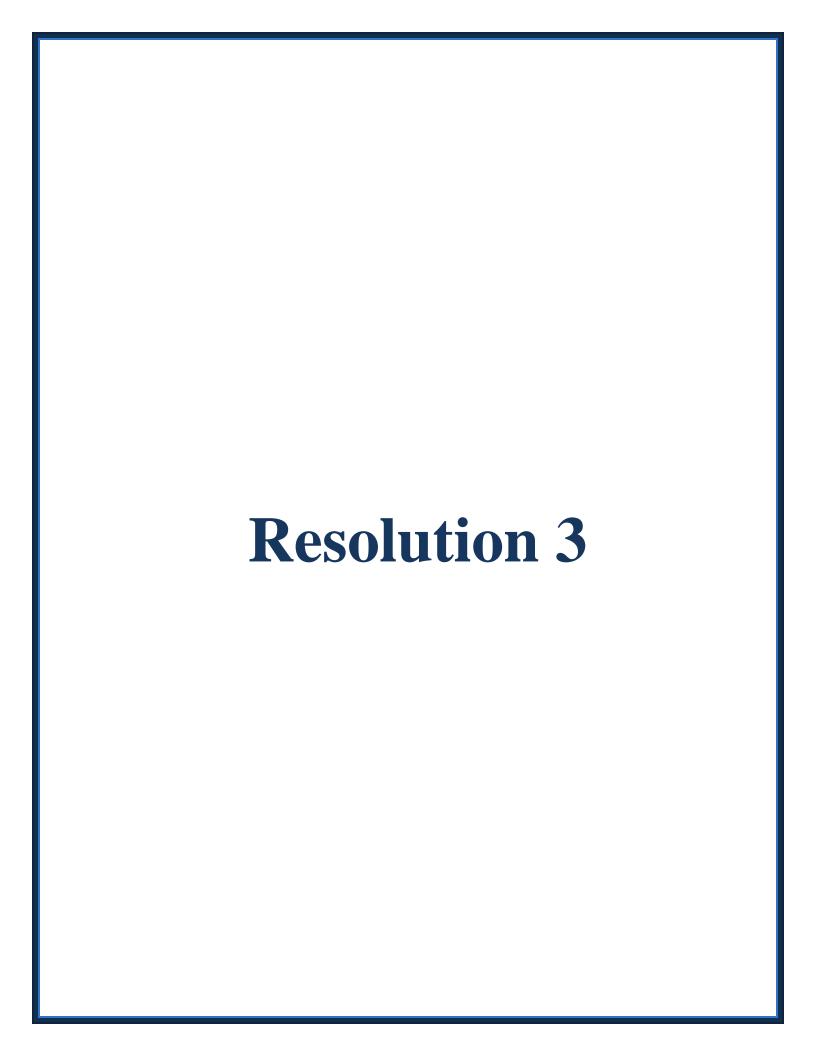
Derek Young, Chair

# FY 2020 Tacoma Housing Authority Budget - Continuing Resolution Agency Total by Departmental Areas

	Executive	Administration	Finance	Human Resources	PIE	Real Estate Development	Rental Assistance	Client Support & & Empowerment	PM Overhead	Property Budgets	Agency Total
INCOME											
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,670,100	\$2,670,100
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134,960	\$134,960
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$40,106,403	\$0	\$0	\$0	\$40,106,403
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$3,472,454	\$0	\$0	\$0	\$3,472,454
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,170,697	\$1,170,697
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$273,794	\$0	\$0	\$273,794
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$866,669	\$866,669
8 Management Fee Income	\$329,521	\$929,136	\$833,378	\$216,330	\$0	\$0	\$174,112	\$501,889	\$288,060	\$0	\$3,272,426
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$161,118	\$0	\$0	\$171,118
10 Investment income	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$7,180	\$47,180
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500	\$0	\$0	\$0	\$7,500
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$952,730	\$0	\$0	\$0	\$4,985,000	\$5,937,730
13 Other Revenue	\$0	\$0	\$12,000	\$0	\$178,000	\$447,600	\$10,000	\$335,325	\$0	\$3,709,132	\$4,692,057
TOTAL OPERATING RECEIPTS	\$329,521	\$929,136	\$885,378	\$216,330	\$178,000	\$1,410,330	\$43,770,469	\$1,272,125	\$288,060	\$13,543,738	\$62,823,088
OPERATING EXPENDITURES  Administrative	\$47E 26E	¢4 406 005	<b>\$925.462</b>	\$206.402	<b>\$524.226</b>	¢4.065.007	\$4,000 E4E	\$0	\$405.649	¢402.660	Φ6 F66 972
14 Administrative Salaries	\$475,265	\$1,196,085	\$835,163	\$296,103	\$531,336	\$1,065,097	\$1,868,545	\$0	\$195,618	\$103,660	\$6,566,873
15 Administrative Personnel - Benefits	\$154,647	\$484,464	\$374,475	\$110,390	\$207,185	\$425,912	\$826,867	\$0	\$83,856	\$40,420	\$2,708,216
16 Audit Fees	\$0	\$0	\$17,500	\$0	\$0	\$12,500	\$35,000	\$0	\$0	\$13,830	\$78,830
17 Management Fees	\$0	\$0	\$0	\$0	\$0	\$501,773	\$1,258,144	\$370,310	\$0	\$177,238	\$2,307,465
18 Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$14,400
19 Advertising	\$0	\$0	\$0	\$0	\$7,500	\$2,000	\$2,500	\$800	\$2,500	\$2,300	\$17,600
20 Information Technology Expenses	\$0	\$649,563	\$0	\$0	\$5,862	\$0	\$0	\$12,500	\$5,600	\$2,200	\$675,725
21 Office Supplies	\$8,000	\$7,500	\$3,250	\$1,500	\$3,000	\$5,500	\$23,000	\$15,500	\$4,000	\$3,950	\$75,200
22 Publications & Memberships	\$34,883	\$400	\$1,335	\$1,408	\$4,910	\$2,200	\$5,500	\$2,000	\$985	\$0	\$53,621
23 Telephone	\$3,500	\$31,490	\$0	\$1,500	\$660	\$6,000	\$7,000	\$15,000	\$11,000	\$9,670	\$85,820
24 Postage	\$1,500	\$1,000	\$4,250	\$100	\$1,300	\$500	\$15,000	\$4,720	\$250	\$920	\$29,540
25 Leased Equipment & Repairs	\$0	\$80,900	\$0	\$0	\$0	\$0	\$39,000	\$18,440	\$500	\$2,480	\$141,320
26 Office Equipment Expensed	\$6,000	\$117,200	\$16,500	\$500 \$35,000	\$2,000	\$1,100 \$40,000	\$15,000	\$5,000	\$2,000	\$1,520 \$1,020	\$166,820 \$242,020
27 Legal	\$45,000	\$100,000	\$0 \$250	\$35,000	\$2,500 \$4,500	\$40,000	\$3,000	\$0	\$7,500	\$10,930	\$243,930
28 Local Mileage	\$1,000 \$48,000	\$500 \$38,060	\$250 \$32,200	\$50 \$31,700	\$1,500 \$52,400	\$2,500 \$14,800	\$1,500 \$35,950	\$2,000 \$39,300	\$250 \$28,575	\$130 \$1,550	\$9,680
<ul><li>29 Staff Training/ Out of Town Travel</li><li>30 Administrative Contracts</li></ul>	\$25,000	\$102,500	\$73,025	\$71,016	\$245,000	\$3,000	\$55,930 \$55,000	\$5,000	\$27,000	\$30,890	\$322,535 \$637,431
	\$15,030	\$102,500	\$38,750	\$15,350	\$10,000	\$8,000	\$32,000	\$10,800	\$8,850	\$4,833	\$157,154
<ul><li>31 Other Administrative Expenses</li><li>32 Due Diligence - Perspective Development</li></ul>	\$13,030	\$13,341	\$30,730	\$0	\$10,000	\$550,000	\$0	\$10,000	\$0	\$0	\$550,000
33 Contingency	\$235,000	\$0	\$0 \$0	\$3,000	\$2,500	\$0.000	\$5,000	\$0	\$10,000	\$0 \$0	\$255,500
Total Administrative Expenses	\$1,052,825	\$2,823,203	\$1,396,698	\$567,617	\$1,077,653	\$2,640,882	\$4,228,006	\$515,770	\$388,484	\$406,521	\$15,097,660
Total Administrative Expenses	ψ1,002,020	ψ2,023,203	ψ1,390,090	φ307,017	ψ1,011,000	<i>φ</i> <b>2,040,002</b>	ψ4,220,000	ψ313,110	<sub> </sub>	φ <del>4</del> 00,321	ψ13,037,000
Tenant Services				Т							
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,015,139	\$0	\$0	\$1,015,139
35 Tenant Service Personnel - Benefits	\$0		\$0	\$0	\$0	\$0	\$0	· ·	\$0	\$0	\$449,392
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$0	\$0	\$2,583	\$5,583
37 Tenant Service - other	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$134,650	\$20,000	\$69,600	\$284,250
Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$3,000	\$60,000	\$1,599,181	\$20,000	<i>\$72,183</i>	\$1,754,364

# FY 2020 Tacoma Housing Authority Budget - Continuing Resolution Agency Total by Departmental Areas

				Human		Real Estate	Rental	Client Support &		Duonouty	
	Executive	Administration	Finance	Resources	PIE	<b>Development</b>	Assistance	Empowerment	PM Overhead	Property Budgets	<b>Agency Total</b>
Utilites											
38 Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500	\$106,000	\$114,500
39 Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,500	\$47,946	\$79,446
40 Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$7,427	\$7,927
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$17,000	\$144,549	\$175,949
Total Project Utilities	\$0	\$0	<i>\$0</i>	\$0	<i>\$0</i>	\$14,400	\$0	\$0	\$57,500	\$305,922	\$377,822
Ordinary Maintenance & Operations											
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,500	\$84,911	\$172,411
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,513	\$30,400	\$67,913
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$2,500	\$30,000	\$500	\$23,000	\$79,400	\$135,400
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$6,100	\$3,500	\$2,500	\$85,200	\$478,003	\$575,303
Total Routine Maintenance	\$0	\$0	<i>\$0</i>	\$0	<i>\$0</i>	\$8,600	\$33,500	\$3,000	\$233,213	\$672,714	\$951,027
General Expenses											
46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$133,000	\$7,800	\$140,800
47 Insurance	\$3,429	\$25,864	\$6,287	\$1,634	\$4,141	\$25,605	\$33,464	\$12,952	\$23,275	\$84,364	\$221,016
48 Other General Expense	\$0	\$0	\$0	\$25,000	\$0	\$5,000	\$100,492	\$0	\$8,100	\$1,695,203	\$1,833,795
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,384	\$12,384
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$31,067	\$51,067
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$529,328	\$529,328
Total General Expenses	\$3,429	\$25,864	\$6,287	\$26,634	\$4,141	\$30,605	\$153,956	\$12,952	\$164,375	\$2,360,145	\$2,788,390
TOTAL ODEDATING EVERNOES	<b>\$4.050.054</b>	<b>***</b>	<b>\$4.400.005</b>	<b>\$504.054</b>	\$4.004.704	<b>*</b> 0.007.407	<b>*</b> 4.75,400	<b>#0.400.000</b>	<b>****</b>	<b>***</b>	<b>****</b>
TOTAL OPERATING EXPENSES	\$1,056,254	\$2,849,067	\$1,402,985	\$594,251	\$1,081,794	\$2,697,487	\$4,475,462	\$2,130,903	\$863,572	\$3,817,485	\$20,969,260
Nonroutine Expenses and Capital Exper	ditures										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,100	\$108,100
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$37,315,930	\$0	\$0	\$0	\$37,315,930
Total Nonroutine Expenditures	\$0	\$0	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	\$0	\$37,315,930	\$0	\$0	\$113,100	\$37,429,030
TOTAL EXPENSES	\$1,056,254	\$2,849,067	\$1,402,985	\$594,251	\$1,081,794	\$2,697,487	\$41,791,392	\$2,130,903	\$863,572	\$3,930,585	\$58,398,290
OPERATING SURPLUS/(DEFICIT)	(\$726,733)	(\$1,919,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$1,287,157)	\$1,979,077	(\$858,778)	(\$575,513)	\$9,613,153	\$4,424,798
								, ,		ψο,στο,τοσ	<del>+ 1, 12 1,1 00</del>
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$73,128)	(\$73,128)
Surplus/Deficit Before Reserve											
Appropriations	(\$726,733)	(\$1,919,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$1,287,157)	\$1,979,077	(\$858,778)	(\$575,513)	\$9,540,025	\$4,351,670
56 Pasarya Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,000	\$79,000
<ul><li>56 Reserve Appropriations</li><li>57 Operations/Transfers In/(Out)</li></ul>	\$0	\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$175,000	\$0 \$0	\$0	\$0	(\$175,000)	\$0
57 Operations/ transfers in/(Out)	φ0	φ0 [	φΟ [	φΟ [	φΟ [	\$175,000	φυ	φυ	φ0 [	(\$175,000)	φυ
Surplus/Deficit Before Capital Expenditures	(\$726,733)	(\$1,919,931)	(\$517,607)	(\$377,921)	(\$903,794)	(\$1,112,157)	\$1,979,077	(\$858,778)	(\$575,513)	\$9,444,025	\$4,430,670
	(\$120,133)	(φ1,919,931)	(\$317,007)	(+011,021)	(\$300,134)	<u> </u>				<del>\\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ </del>	
58 Capitalized Items/Development Projects		T					\$0	\$0	(\$100.000)		(\$15.310.000)
<ul><li>58 Capitalized Items/Development Projects</li><li>59 Reserve for Replacement Contributions</li></ul>	\$0	(\$50,000)	\$0	\$0	\$0	(\$15,115,000)	\$0 \$0	\$0 \$0	(\$100,000) \$0	(\$45,000)	
59 Reserve for Replacement Contributions	\$0 \$0	(\$50,000) \$0	\$0 \$0	\$0 \$0	\$0 \$0	(\$15,115,000) \$0	\$0	\$0	\$0	(\$45,000) (\$172,650)	(\$172,650)
	\$0	(\$50,000)	\$0	\$0	\$0	(\$15,115,000)			,	(\$45,000)	
59 Reserve for Replacement Contributions 60 Revenue - Capital Grants/Sale of property	\$0 \$0 \$0 \$0	(\$50,000) \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0 \$0	\$0 \$0 \$0	(\$15,115,000) \$0 \$9,940,000	\$0 \$0	\$0 \$0	\$0 \$0 \$0	(\$45,000) (\$172,650) \$450,000	(\$172,650) \$10,390,000



## **RESOLUTION 2019-12-11 (3)**

**Date:** December 11, 2019

**To:** THA Board of Commissioners

From: Michael Mirra

**Executive Director** 

**Re:** Approval of Account Receivable Write Offs

This resolution will authorize Tacoma Housing Authority (THA) to write off bad debts associated with tenant or landlord accounts in the amount of \$67,763.70.

### Background

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

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

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

THA will not send some of these accounts to collections because the tenants have passed away or the old balance is immaterial (under \$50). Those accounts show below with an asterisk (\*). THA also will not send Leasehold Excise Tax balances for the MLK New Look commercial tenants as these are not legally enforceable. Those accounts show below with two asterisks (\*\*).

### Recommendation

Approve Resolution 2019-12-11 (3) authorizing THA to write off tenant accounts totaling **\$67,763.70.** 

# RESOLUTION 2019-12-11 (3) (Approval of Accounts Receivable Write Offs)

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

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

**WHEREAS**, each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution.

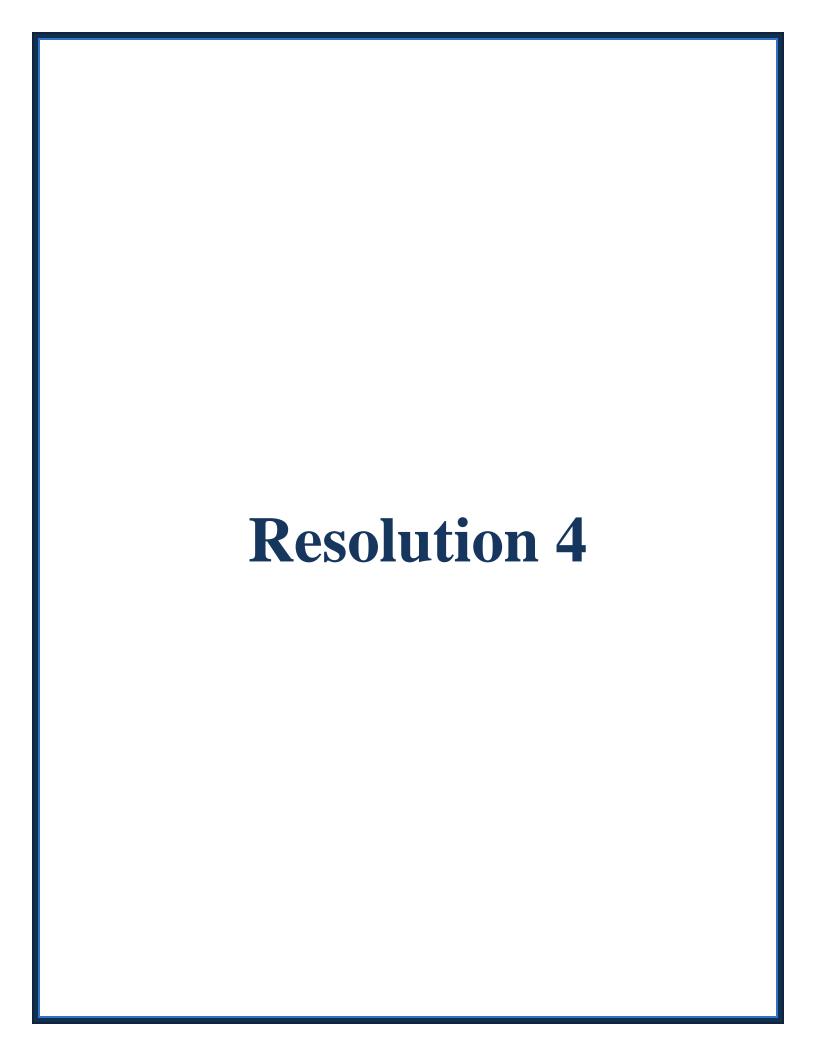
Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington, that:

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

#### **THA Projects Write offs and to Collections**

THA - Salishan VII	Client #	Bala	nce
	LD-2017-029913 (S.T.)	\$	4,304.03
	LD-2017-029944 (G.J.)	\$	596.00
	LD-2017-029991 (N.M.)	\$	1,328.50
	LD-2017-030016 (D.E.)	\$	32,195.89
			\$38,424.42
Section 8	Client #	Bala	nce
	LD-2017-034092 (D.T.)		\$425.00 *
	LD-2017-031200 (C.G.)		\$28.00 *
	LD-2017-019248 (W.H.)		\$125.00
			\$578.00
THA - Old Salishan	LD-2017-042258 (A.L.)		\$550.57
THA - North G	LD-2018-040989 (C.Y.)		\$21,952.19
MLK New Look	Spaceworks Company		\$2,308.12 **
	Sam & Terry's Barbershop		\$1,232.64 **
	Subway Restaurant		\$1,176.96 **
	Youth for Christ Tacoma		\$1,540.80 **
			\$6,258.52

	Total THA for Write Off:	\$67,763.70	
	Total THA to Collections:	\$61,052.18	
Approved: December 1	1, 2019		
	Derek `	Young, Chair	



# **RESOLUTION 2019-12-11 (4)**

**Date:** December 11, 2019

**To:** THA Board of Commissioners

From: Michael Mirra

**Executive Director** 

**Re:** THA Public Records Request Fee Schedule

This resolution would authorize Tacoma Housing Authority (THA) to collect fees for paper and electronic copies of public records, as authorized by state law, and will provide THA with a way to recoup a small portion of the significant costs incurred in responding to public records requests.

# Background

THA would like to establish a fee schedule of chargers for paper and electronic copies produced in response to public records requests. The proposed fee schedule adopts statutory default fee outlined in state statute (RCW 42.56.120).

#### Recommendation

Approve Resolution 2019-12-11 (4) approving the Public Records Request Fee Schedule (Attachment A) and allowing THA staff to collect fees for paper and electronic copies of public records.

# RESOLUTION 2019-12-11 (4) (THA Public Records Request Fee Schedule)

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

**WHEREAS**, <u>Chapter 42.56 RCW</u>, the Washington Public Records Act requires that public agencies publish rules to provide public access to public records; and

**Whereas,** Effective July 23, 2017, the Washington Legislature amended <u>Chapter 42.56 RCW</u>, the Public Records Act; and

**Whereas,** Resolution 2019-12-11 (4) will facilitate compliance with <u>Chapter 42.56 RCW</u>, the Washington Public Records Act; now, therefore, be it

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

- 1. <u>Chapter 42.56 RCW</u>, the Washington Public Records Act, requires that public agencies publish rules to provide public access to public records; and,
- 2. Effective July 23, 2017, the Washington Legislature amended the Public Records Act, changing the costs which may be charged for providing records under the Public Records Act; and,
- 3. This Resolution is to authorize Tacoma Housing Authority to charge fees for the provision of responsive records, in accordance with RCW 42.56.120.

Approved: December 11, 2019					
	Derek Young, Chair				

#### Attachment A

# Fee Schedule for Obtaining Public Records

Per the state of Washington's Public Records Act, <u>RCW 42.56</u>, and specifically RCW 42.56.120, agencies may impose certain charges to recover the actual cost of making and providing records when fulfilling requests.

# **General Availability of Records**

Public records will be available for inspection during Tacoma Housing Authority's (THA) customary business hours. Customary business hours are posted at THA and on the THA web site. Records must be inspected at the 902 South L Street, Tacoma, WA 98405 office. Upon request for identifiable public records, THA will make records promptly available to any person including, if applicable, on a partial or installment basis as records that are part of a larger set of requested records are assembled or made ready for inspection or disclosure. THA will not deny any request for identifiable public records solely on the basis that the request is overboard.

# **Records Exempt from Disclosure**

Although documents perpetuate, communicate, or formalize knowledge are public records, the Public Records Act, RCW 42.56 and other statutes list types of information in public documents exempt from public viewing and copying. If only part of a record is exempt, the PRO will redact the exempt portions before providing the document. THA does not disclose lists of individuals for commercial purposes.

# **Cost for Providing Public Records**

THA does not charge for the staff time spent locating a public record or for making a record available for inspection. The law allows THA to charge for the actual costs connected with copying public records, which may include within the rate the staff time directly related to the actual cost of copying and/or sending the public records.

If an installment of a records request is not paid for or reviewed within 15 days after THA provides notice of availability of the installment, THA is not obligated to fulfill the balance of the request.

In the event a records request is estimated to exceed \$25, before beginning to make the copies, the PRO or designee may require a deposit of 10% of the estimated copying costs prior to copying the records.

# THA Fee Schedule RCW 42.56.120

Delivery	Description	Cost
Method/Materials		
Paper copies	Photocopies or printed electronic copies	15 cents/page
Scans	Records scanned into electronic format	10 cents/page
Online delivery	Records uploaded to email, cloud storage	5 cents for every four
	service, or other electronic delivery system	electronic files
Electronic transmission	Records transmitted in electronic format or	10 cents/gigabyte
	for use of agency equipment to send	
	records electronically	
USB/Discs	Digital storage media or device (e.g., USB,	Actual cost
	CD, DVD)	
Mailing materials	Any container or envelope used to mail	Actual cost
	copies	
Postage	Postage or delivery charges	Actual cost
Customized service	Customized service if THA estimates that	Actual cost
	the request would require the use of	
	information technology expertise to prepare	
	data compilations, or provide customized	
	electronic access services when such	
	compilations and customized access	
	services are not used by THA for other	
	agency purposes. THA will not assess a	
	customized service charge unless it has	
	notified the requestor of the charge to be	
	applied to the request, including an	
	explanation of why the customized service	
	charge applies, a description of the specific	
	expertise, and a reasonable estimate of the	
	charge.	

Copy charges above may be combined to the extent that more than one type of charge applies to copies responsive to a request. Pursuant to <u>RCW 42.56.130</u>, the costs listed above do not supersede any fees for copying public records authorized by other statutory provisions, other than <u>Chapter 42.56 RCW</u>.



# TACOMA HOUSING AUTHORITY

# **WALK-ON RESOLUTION**

THA BOC Resolution 2019-12-11 (5)
Gault School



# TACOMA HOUSING AUTHORITY

# **RESOLUTION 2019-12-11 (5)**

Date:

December 11, 2019

To:

**Board of Commissioners** 

From:

Michael Mirra, Executive Director

Re:

Letter of Intent to Tacoma Public Schools for Gault School Acquisition

# Purpose

Tacoma Public School District has invited organizations to submit Letters of Intent for their acquisition of Gault Middle School and associated properties. This resolution would authorize the THA Executive Director to submit a nonbinding Letter of Intent to the Tacoma Public Schools proposing terms for THA's acquisition of the property.

### Background

Tacoma Public Schools (TPS) has invited THA to submit a Letter of Intent proposing terms for TPS's transfer to THA of Gault Middle School, located at 1115 East Division, and associated properties. The TPS invitation is attached. The original school building is on one parcel consisting of 3.92 acres. The original school was constructed in 1920's. It is a two-story brick building. TPS added additional buildings, including a pool through a joint agreement with the City of Tacoma, Metro Parks and TPS. The property also includes a 3.37-acre field that is just east of the school.

THA staff visited the site in October. The property is in disrepair. Staff were only allowed to walk the original school building. The building has suffered considerable vandalism. The roof over the main building is leaking, with floors heaving due to moisture in several areas. The roof over the pool in an adjacent building has caved in. The basic structure of the original school building appears to be solid.

TPS values the property at \$1.333 million. Its invitation seeks "full-value" for the transfer, "which can be achieved through non-cash consideration."

Staff believe that this would be a good acquisition for THA. Development plans would await a robust community consultation. Preliminarily, staff envisions a redevelopment in several phases with the following elements:

 preservation and remodel of the original school building to provide community space and services on the lower level (perhaps studios, child care, community center) as well as housing, perhaps artist lofts;

- rental housing on the balance of the site, both market rate and affordable; the site can probably hold at least 120 apartments;
- outdoor community space.

THA's first priority upon acquisition would be to fix the leaky roof on the original school building, to stop the deterioration from leaks, demolish the adjacent buildings, and secure the site.

Staff has begun investigating revenue sources for the demolition and redevelopment, including the City of Tacoma.

### **Key Business Points**

This resolution would authorize the Executive Director to submit a Letter of Intent to TPS proposing that TPS transfer the property to THA terms substantially as follows:

Acquisition

TPS will make an intergovernmental transfer of the Property to THA as permitted by applicable State law (e.g., Chap. 39.33 RCW, Chap. RCW 35.83).

Compensation

THA offers TPS the following as "full value" for the transfer:

- 1. Beginning in 2020, THA will expand its Tacoma Schools Housing Assistance Program (TSHAP) to house or pay to house homeless families with TPS enrolled students. It will commit to the expanded program at least through 2024. The value of this five-year THA commitment will approximate \$3.8 million, on the following schedule:
  - 2020: \$400,000;
  - 2021: \$400,000;
  - 2022: \$1 million;
  - 2023: \$1 million;
  - 2024: \$1 million.
- 2. THA will continue to host a TPS Head Start classroom at THA's Bay Terrace property. THA built this classroom to Head Start specifications at no cost to TPS. The current estimated annual rental value for this space is \$54,000. THA will continue to waive the rent for this space, at an estimated value of \$270,000 over five (5) years.
- 3. THA will make a portion of the affordable housing that it will construct on the property available to extremely low- and low-income families with children enrolled in TPS schools. The estimated value of this commitment, both capital and rental subsidy over the useful life of the housing, exceeds \$20 million.
- 4. THA will engage in a robust effort to consult the community about the development of the property;

- 5. THA will develop and manage the property in ways that serve the community, and that promote shared values of equity and social justice.
- 6. More generally, THA would regard this property transfer as yet another elaboration in the mature and innovative partnership between THA and TPS in service to Tacoma, especially its school age residents, and of them, especially those from low-income families.

**Due Diligence Contingency** 

THA shall have 90 days following the full execution of the Purchase and Sale Agreement (PSA) to perform certain due diligence as it determines in its sole and absolute discretion, including, but not limited to environmental, engineering, compliance, title, survey and other real estate related due diligence. To help with this due diligence, the PSA shall direct TPS to share its pertinent records about the Property with THA and disclose what it knows about its history and condition. THA may terminate the PSA at any time prior to the expiration of the Due Diligence Period, for any reason or no reason at all, and at THA's sole and absolute discretion.

**Public Notice and Consultation Contingency** 

Closing is conditioned upon completion of a process, that THA will devise and implement, to inform the property's neighbors and the public about this proposed transaction, and to elicit views about it. This consultation will preview possible future uses of the property. THA will consult with TPS in devising and implementing this consultation process. TPS will participate in the process, including attendance at public meetings. As part of this process, TPS and THA agree to hold a public hearing as contemplated by Chap. 39.33 RCW. TPS will host such public hearing. THA will participate in that public hearing. THA and TPS will also cooperate in the preparation of the forms of the public notice and news release contemplated by RCW 39.33.020.

In addition, THA contemplates that, should it acquire the property, it will engage in a further effort to consult the public and the neighbors about possible uses of the property. The further effort will come when THA is ready to develop the details of its plans for the property.

THA Board Approval

Final closing of the transaction is contingent on THA Board approval within 30 days after the completion of the due diligence period.

Closing

Closing shall be on or before the 60th day following THA's removal of all contingencies.

**Exclusivity** 

TPS will not engage in sale or transfer discussions concerning the Property with other parties while discussions between TPS and THA are underway.

Assignment

THA may not assign its rights under the PSA to any other party, without TPS's written approval.

### Other Terms

TPS and THA acknowledge a 1982 Interlocal agreement among the City of Tacoma, Metro Parks, and TPS related to Gault Pool. TPS and THA will work with the City and Metro Parks and any other entity that may be necessary to meet or modify the requirements of that 1982 agreement.

# Recommendation

Approve Resolution 2019-12-11(5) authorizing THA's Executive Director to negotiate a Letter of Intent (LOI) to purchase Gault Middle School on the terms set forth above. This will not commit THA to the transaction. The Board must give final approval of the Purchase and Sale Agreement.



# TACOMA HOUSING AUTHORITY

# RESOLUTION 2019-12-11 (5) (Submit a Letter of Intent to the Tacoma Public Schools for the Acquisition of Gault Middle School)

WHEREAS, Tacoma Public Schools (TPS) has invited THA to submit a Letter of Intent proposing the terms for TPS to transfer to THA the old Gault Middle School and associated fields and property;

WHEREAS, the property is suitable for redevelopment of affordable and market rate housing and indoor and outdoor community uses;

WHEREAS, TPS estimates the property's value at \$1.333 million. It is seeking "full-value" for the transfer, "which can be achieved through non-cash consideration."

WHEREAS, THA can offer TPS "full value" for the property over the next five years at least, as follows:

- 1. Beginning in 2020, THA will expand its Tacoma Schools Housing Assistance Program (TSHAP) to house or pay to house homeless families with TPS enrolled students. It will commit to the expanded program at least through 2024. The value of this five-year THA commitment will approximate \$3.8 million, on the following schedule:
  - 2020: \$400,000;
  - 2021: \$400,000;
  - 2022: \$1 million;
  - 2023: \$1 million;
  - 2024: \$1 million.
- 2. THA will continue to host a TPS Head Start classroom at THA's Bay Terrace property. THA built this classroom to Head Start specifications at no cost to TPS. The current estimated annual rental value for this space is \$54,000. THA will continue to waive the rent for this space, at an estimated value of \$270,000 over five (5) years.
- 3. THA will make a portion of the affordable housing that it will construct on the property available to extremely low- and low-income families with children enrolled in TPS schools. The estimated value of this commitment, both capital and rental subsidy over the useful life of the housing, exceeds \$20 million.
- 4. THA will engage in a robust effort to consult the community about the development of the property;
- 5. THA will develop and manage the property in ways that serve the community, and that promote shared values of equity and social justice.

6. More generally, THA would regard this property transfer as yet another elaboration in the mature and innovative partnership between THA and TPS in service to Tacoma, especially its school age residents, and of them, especially those from low-income families.

WHEREAS, Upon transfer of the property to THA, THA will takes immediate steps to secure the existing school building, which has a leaky roof, to demolish the non-historic structures, and secure the site; and

WHEREAS, this land transfer would be a further elaboration in the ambitious and innovative THA-TPS partnership that for over ten years has sought ways to use housing resources to help TPS students succeed in school and help TPS educate low-income students; and

WHEREAS, THA has the authority to execute a letter of intent to sell a property to further affordable housing; now, therefore, be it

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

The THA Executive Director is authorized to submit a Letter of Intent (LOI) to Tacoma Public Schools proposing a transfer to THA of the Gault Middle School from properties. The Letter of Intent will propose terms substantially as set forth above.

Derek Young, Chair

Approved: December 11, 2019

From: ALICIA LAWVER <alawver@tacoma.k12.wa.us>

Date: Fri, Dec 6, 2019 at 3:14 PM

Subject: TPS seeks intergovernmental transfer of Gault Middle School property

To: ALICIA LAWVER <alawver@tacoma.k12.wa.us>

Tacoma Public Schools is planning to pursue an intergovernmental transfer of its Gault Middle School property as provided under RCW 39.33. TPS is looking for full-value of the Gault property for the transfer, which can be achieved through non-cash consideration. (See RCW 43.09.210 and AGO opinion AGO1997 No. 5 from October 6, 1997.)

At this time we are actively looking for letters of intent, primarily from governmental entities who would qualify under RCW 39.33, from people and organizations that have previously expressed interest in the property. We are specifically interested in organizations who would intend to use the property to benefit the community. We will review any letters received by noon on Friday, Dec. 20.

Gault Middle School closed following the 2008-09 school year as part of the consolidation with McIlvaigh Middle School and the construction of First Creek Middle School. The property was declared surplus in October 2010 (Resolution #1875) and is currently appraised at \$1.333 million. The property is being offered in an as-is state and on-site structures require significant demolition and modernization work. The pool located on the property recently had its roof collapse. TPS expects the buyer to cover costs involved in the transfer of the property. In addition, the pool portion of the property is subject to a 1982 interlocal agreement between the City of Tacoma, Metro Parks and Tacoma School District. Under this agreement, the City and Metro Parks arguably have a right to receive a 1/3 tenant in common ownership interest with the District upon expiration of the agreement.

#### Letters of interest should address:

- · Intended use of the property
- · Community benefit
  - Describe your organization's intent for the use of the property. For example, emergency medical services, parks and recreation, transportation, affordable housing or others.
- Price considerations
  - For example, is your organization only interested in a no-cost transfer? And if so, explain how you qualify for this consideration under RCW 39.33.
  - For example, If your organization intends to offer "non-cash consideration" to compensate the District for the fair value of the property, define and describe.
- Timeline considerations
  - For example, is your organization interested in moving forward on this transfer in the next 30 to 60 days. Or, if you would need a longer period of time, please describe the elements and the expected estimated timeline to gain authorization, solidify funding, etc.
- Ability to satisfy the specific legal requirements of an intergovernmental transfer and the issues surrounding the 1982 Interlocal Agreement
  - For example, how will your organization approach the requirement for public hearings.
  - For example, how will your organization work with the City of Tacoma, Metro Parks and Tacoma Public Schools and any other entities that may be necessary to ensure that any requirements from this 1982 interlocal agreement are satisfied.

Please submit letters of interest to Alicia Lawver at alawver@Tacoma.K12.Wa.US. Letters of interest must be received by noon on Friday, Dec. 20, 2019.

# Alicia Lawver, APR

# Strategic Planning & Policy Manager

Facilities | Planning & Construction | Nutrition Services

P: 253-571-3322 | alawyer@tacoma.k12.wa.us

3223 S. Union Ave., Tacoma, 98409





# TACOMA HOUSING AUTHORITY

# **WALK-ON RESOLUTION**

THA BOC Resolution 2019-12-11 (6) Agency-Wide One Additional Paid Holiday

# **RESOLUTION 2019-12-11 (6)**

Date: December 11, 2019

**To:** THA Board of Commissioners

From: Michael Mirra

**Executive Director** 

**Re:** Agency-Wide One Additional Paid Holiday in December

This resolution would grant eligible THA staff one extra paid holiday, agency-wide, on December 23<sup>rd</sup>, in recognition of their hard work during 2019.

## Background

This has been another challenging and productive year for Tacoma Housing Authority (THA) staff. They completed several hard and complex projects. These include:

- the waitlist opening
- cyber-security implementation
- new budget software
- continued improvement in the OpenDoor software
- second Rental Assistance Demonstration (RAD) refinancing
- planning the expansion of the Tacoma Schools Housing Assistance Program (TSHAP)
- planning the expansion of the College Housing Assistance Program (CHAP).

Staff did this work on top of everything else they do every day to manage very complex mainline programs and a large and varied portfolio serving a large and varied clientele.

THA is its staff. They are about 130 people. They include our real estate development staff of project managers, tax credit and financial experts, planners, and construction managers. Their job is to develop, build, buy and rebuild properties so they are well built, sustainable and attractive. THA's staff includes maintenance specialists who keep our properties in good shape. They include property managers who manage long and complex waiting lists, screen applicants, verify income and eligibility, turn and lease units, collect rent, enforce the rules and do the hundreds of things it takes to manage the portfolio, many of whose residents come to us from very challenging circumstances.

Other staff manage THA's rental assistance programs. They market the program to landlords, manage the waiting lists, certify eligibility, administer lease requests and landlord contracts, inspect

units and enforce the rules in a way that accounts for real lives and real needs of tenants and landlords. THA's community service staff of caseworkers and program managers help seniors or disabled persons live independently. They help families stabilize after coming to us from crisis. The two main ones are homelessness and domestic violence. They help people get treatment, be better parents, learn English, increase their earnings, find training, improve their credit, and save. THA includes policy analysts and planners who envision new programs to try, design, and evaluate. THA also includes finance staff, accounting specialists, asset managers, risk managers, compliance officers, IT wizards, data and GIS analysts, business process managers, procurement specialists, human resources experts, and clerks.

Perhaps most poignantly, THA includes receptionists who politely and respectfully greet people who come for help that we cannot offer because we are full. This year again presented a peculiar and painful challenge to them, and to all THA staff. We saw a repeat of last year's encampment of homeless persons around THA's main administrative building on the Hilltop, and in People's Park across the street. THA continued to struggle to find a way to respond that balanced our conflicting interests and values in the matter. Throughout it all, THA's staff showed what has always distinguished them: professionalism, poise, respect, and understanding.

All these staff persons do this work governed by numerous and exquisitely detailed rules, regulations and requirements from HUD, funders, lenders, investors, auditors, as well as important if less precise community expectations. And they do it in five languages.

THA has thanked its staff with its Variable Pay Program. This resolution would add some thanks for all staff with an extra day off.

#### Recommendation

We recommend the following consideration for staff:

• THA would declare an extra paid holiday on Monday, December 23<sup>rd</sup>. THA already gives Christmas Eve day and Christmas off, this just adds a little extra.



# RESOLUTION 2019-12-11 (6) (Agency-Wide One Additional Paid Holiday in December)

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

WHEREAS, The agency has an established and defined holiday policy; and

**WHEREAS**, In recognition of the great work done by staff in 2019, one extra paid holiday would be appropriate; therefore, be it

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

The Board authorizes one additional paid holiday for all regular, benefit-eligible employees on Monday, December 23, 2019.

Approved: December 11, 2019	
	Derek Young, Chair