



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

**January 17, 2020
SPECIAL SESSION**



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

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

AMENDED **SPECIAL SESSION** **Board of Commissioners**

FRIDAY, JANUARY 17, 2020

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a **Special Session** on **Friday, January 17, 2020, at 12:00 pm** to discuss:

- Award Project Based Vouchers
- Approve Project Based Voucher Contract: Mercy Housing Northwest
- Tacoma Schools Housing Assistance Program (TSHAP) Contract
- Rapid Rehousing (RRH) Contract

The special session will take place at:

902 South L. Street, Pt. Defiance 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 January 14, 2020, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

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

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

Sha Peterson
Executive Administrator



TACOMA HOUSING AUTHORITY

AGENDA

BOARD OF COMMISSIONERS SPECIAL SESSION

January 17, 2020 at 12:00 pm

902 South L. Street, Tacoma, WA 98405

1. CALL TO ORDER

2. ROLL CALL

3. NEW BUSINESS

3.1 2020-01-17 (1)

Award PBV as a Result of the RFP THA Issued in December

3.2 2020-01-17 (2)

Approval of PBV Contract: Mercy Housing Northwest

3.3 2020-01-17 (3)

Tacoma Schools Housing Assistance Program (TSHAP)

3.4 2020-01-17 (4)

Rapid Rehousing (RRH) Contract

4. ADJOURNMENT



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (1)

Date: January 17, 2020

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of a Project Based Voucher Contract for Horizon House Alliance for Hilltop Lofts

Tacoma Housing Authority (THA) issued a Request for Proposals for Project Based Vouchers. This resolution will award 57 Project Based Vouchers to Horizon Housing Alliance (HHA) for Hilltop Lofts.

Background

On December 9, 2019, THA issued a Request for Proposals (RFP) for up to 60 project-based vouchers. THA received one response for these vouchers. Proposals were scored based on:

- Owner experience
- Extent to which services for special populations are provided onsite
- Extent to which the project further THA’s goal of deconcentrating poverty and expanding housing and economic opportunities
- Overall project viability
- Percentage of assisted units in the property—the lower the percentage the higher the score
- Additional points were awarded for projects serving households below 30% area median income (AMI), working households and serving special needs populations.

The following page includes a summary of the proposal.

Respondent	Project Name	Brief Project Description	Request	Ranking
Horizon Housing Alliance	Hilltop Lofts	The property is located in the Hilltop at 1120-24 Martin Luther King Jr Way. The project proposes to develop 57 studio units of permanent supportive housing for homeless single adults. The property will provide on-site case management and support services. Twenty-nine (29) of the units will serve households up to 30% of AMI; 14 units at 40% of AMI and 14 units up to 60% of AMI.	57 vouchers	1
		TOTAL	57 vouchers	

At this time, the RFP review committee recommends awarding 57 project-based vouchers to Horizon Housing Alliance for Hilltop Lofts. This project is viable and in line with THA's strategic mission, vision and values.

With the approval of this resolution, THA will begin negotiating contracts with Horizon Housing Alliance. The contract terms will be up to fifteen (15) years.

Recommendation

Approve Resolution 2020-01-17 (1) authorizing THA's Executive Director to execute Project Based Voucher (PBV) Housing Assistance Payment (HAP) contract with Horizon Housing Alliance for Hilltop Lofts.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (1)

(Approval of Project Based Voucher Contract Horizon House Alliance for Hilltop Lofts)

WHEREAS, Tacoma Housing Authority (THA) has held a competitive process for project based vouchers; and

WHEREAS, Horizon Housing Alliance presented a strong project. This project will provide 57 units of permanent supportive housing for homeless individuals and small families. The revenue from vouchers is essential to ensure sufficient funds for operations and services; and

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

WHEREAS, The contract will be negotiated with the property and will be in effect for up to fifteen years (15); now, therefore, be it

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

The Board authorizes THA's Executive Director to execute a Project Based Voucher (PBV) Housing Assistance Payment (HAP) contract with Horizon Housing Alliance for the proposed Hilltop Lofts Project.

Approved: January 17, 2020

Derek Young, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17(2)

Date: January 17, 2020

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of Project Based Voucher Contract: Mercy Housing Northwest for Senior Housing on the Hilltop

This resolution will award sixteen (16) Project Based Vouchers to Mercy Housing Northwest project for extremely low income to low income seniors on the Hilltop.

Background

Mercy Housing Northwest has requested sixteen (16) Project-Based Vouchers (PBV) for its new affordable rental housing development for seniors. The development will be called MLK Senior Housing and will be located in Hilltop, at MLK and 8th.

MLK Senior Housing will be developed on land the City of Tacoma owns at 8th and MLK. It will provide new, affordable rental housing for seniors earning 30% to 50% of the AMI. As planned, the project will offer 60 one-bedroom units in a sustainable, energy efficient design. This project is intended to mitigate some of the displacement occurring in the Hilltop for some of Tacoma's most vulnerable residents and ensuring the Hilltop community remains accessible to people of all ages and incomes. This award of vouchers would allow Tacoma Housing Authority (THA) to serve low-income seniors in partnership with a strong and experienced housing provider. Mercy Housing Northwest has a proven track record providing housing and supportive services to seniors in Tacoma.

Mercy Housing has also sought funding from HUD through the 202 senior housing program. If it gets that funding, THA's PBVs will not be necessary.

Mercy Housing Northwest received a competitive Housing Trust Fund award in 2018 for MLK Senior Housing. The selection was made without presuming that the project would receive PBV assistance. The property pro-forma shows that the property can cash flow without project-based assistance; however, THA's project-based assistance will help the project and THA's mission in two ways: it will allow the project to serve households at the lowest income levels; it will give the project a larger income to pay for necessary supportive services.

PBV commitments help developers and tenants in ways that further THA's mission. For extremely low-income households, tax credit rents can be too high to afford, especially if

someone is being displaced from an “affordable” market-rate project that is converting to a higher end rental project. Project-based vouchers provide the safety net vulnerable tenants need as they transition to higher incomes. The voucher also allows the property to charge more rent than the housing authority pays through subsidies. This increased cash flow then pays for supportive services.

This table shows an example of how tenants and the property could benefit from this subsidy in a 2-bedroom unit set aside for tenants below 30% of area median income (AMI):

	Tax Credit-Without Subsidy	Tax Credit-With THA Subsidy	Net Impact of adding subsidy
Maximum Rent Property can charge	\$504	\$1,265 (payment standard)	+\$761 in property income per month
Tenant Rent	\$504	\$360 (30% of the \$1200 per month income)	-\$144 rent tenant must pay
Tenant Rent Burden	42% of monthly income	30% of monthly income	-12% in rent burden

A competitive process is not necessary to select Mercy Housing Northwest for project-based assistance. According to Housing and Urban Development (HUD) and THA policies:

The PHA may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.

As mentioned above, the Washington State Department of Commerce selected this project through a competitive Housing Trust Fund allocation process in 2018.

Finally, the Board directed staff in 2018 to focus on making project-based vouchers available to existing housing projects rather than new construction. It did this for two reasons: **First**, this focus favors housing that will be immediately available rather than waiting for housing to be built. **Second**, this speedier use of THA’s vouchers helps with its utilization rate.

This commitment to Mercy Housing would be an exception to that direction. This exception would serve some other important purposes. The main purpose would be to create affordable housing for a very needy population that is being displaced from more affordable rental properties. Making this commitment now, as opposed to when the housing is built and available, will allow Mercy Housing Northwest to be more competitive in its application for 9% Tax

Credits. A commitment of vouchers increasing the amount of points a project may receive, thus enhancing the competitiveness of the MLK Senior Housing Project.

Recommendation

Approve Resolution 2020-01-17 (2) authorizing THA's Executive Director to execute Project Based Voucher (PBV) Agreement to Enter Into a Housing Assistance Payment (AHAP) and subsequent Housing Assistance Payment (HAP) contracts with Mercy Housing Northwest for senior housing on the Hilltop.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (2) (Approval of Project Based Voucher Contracts)

WHEREAS, Mercy Housing Northwest is requesting sixteen (16) project-based vouchers; and

WHEREAS, The project is new construction and will require an Agreement to Enter into a Housing Assistance Payment (AHAP) contract. THA and Mercy Housing Northwest will seek the required subsidy layering and environmental reviews prior to executing such a contract; and

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

WHEREAS, The contract will be negotiated with the property and will be in effect for up to fifteen years (15); now, therefore, be it

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

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, to execute a Project Based Voucher (PBV) Agreement to Enter Into a Housing Assistance Payment (AHAP) and subsequent Housing Assistance Payment (HAP) contracts with Mercy Housing Northwest for its MLK Senior Housing project on the Hilltop.

Approved: January 17, 2020

Derek Young, Chair

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (3)

Date: January 17, 2020
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Contract with Pierce County for Rapid Rehousing Homeless Housing Program

This resolution would approve a new contract with Pierce County for Homeless Rapid Rehousing Housing Programs.

Background

Tacoma Housing Authority (THA) began its investment into the Pierce County rapid rehousing system in 2013 through two contracts with Pierce County: (1) funding housing for homeless families with children and (2) housing for homeless young adults aged 18-24. Under the contracts, THA invested \$1.288 million annually. \$1 million of the funds are in the Family contract while the remaining \$288,000 is in the Young Adult contract. Both contracts have been amended multiple times over the history of the investment and the current contracts expired at the end of 2019.

This resolution will allow staff to negotiate a new agreement with Pierce County to encompass all the amendments to date, combine the two contracts into one, increase the overall investment from \$1.288 million to \$1.3 million per year, and offer two-year contract terms to improve the funding stability within the Pierce County homeless system.

The contract will continue to limit THA's investment to housing for families with children and unaccompanied young adults aged 18-24. It will expand Pierce County's potential use of funding to include other types of housing in addition to Rapid Rehousing, such as diversion and prevention. THA will continue to report the outcomes of this investment in its annual Moving to Work (MTW) Report and to the Board upon consideration of the next contract renewal.

Recommendation

This resolution recommends adopting Resolution 2020-01-17 (3) to allow staff to negotiate and sign a contract with Pierce County for housing for families and young adults experiencing homelessness.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (3)

(Pierce County Contract for Rapid Rehousing Homeless Housing Programs)

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

WHEREAS, THA has been investing in the Pierce County Rapid Rehousing system and homeless housing programs since 2013; and

WHEREAS, The contract has been re-written to combine THA's investment and historical contract amendments into a new contract effective January 1, 2020; and

WHEREAS, The contract will be in effect through 2020; now, therefore, be it

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

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, and to sign a new Pierce County contract for housing for families and young adults experiencing homelessness.

Approved: January 17, 2020

Derek Young, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (4)

Date: January 17, 2020
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Contract with Pierce County for Tacoma Schools Housing Assistance Program (TSHAP)

This resolution would approve a contract with Pierce County for the expanded Tacoma Schools Housing Assistance Program (TSHAP).

Background

Tacoma Housing Authority (THA) and Tacoma Public Schools (TPS) plan to build on its positive experience with the McCarver Elementary School Housing Assistance Project and launch a Tacoma Schools Housing Assistance Program (TSHAP). This new program, which began in a single TPS elementary school, will expand to all schools and all grades within TPS. Any McKinney-Vento (MV) household attending a Tacoma Public School will be eligible for this program.

In June 2019, the THA Board of Commissioners approved Resolution 2019-6-26(1) *authorizing the Executive Director to enter into contract negotiation with Pierce County to administer the TSHAP program. The value of the contract will be up to \$400,000 per year for three years. Approval to execute this contract is contingent upon THA securing other sources to pay for supportive services and administrative overhead.*

At the time of the June discussion with the Board of Commissioners, THA staff had been receiving positive feedback from the Tacoma Public Schools, Pierce County, City of Tacoma, and private funders regarding a coordinated effort to fund this program aimed at Tacoma Public Schools student and their families experiencing homelessness. It was important to the THA Board that the THA investment focus on housing and that partners come to the table to support a coordinated effort.

Through the remainder of 2019, those conversations continued. THA was able to secure firm funding commitments from Tacoma Public Schools, Pierce County Human Services, and Graduate Tacoma. However, THA still lack a commitment from the City of Tacoma or another funding source to pay for the services that will be necessary to deploy the housing dollars dedicated by THA.

The funding chart below shows the information that staff presented to the THA Board of Commissioners at the June 2019 Board meeting. The rows highlighted in orange show dollars we have secured.

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

We have the two related, remaining barriers to overcome before we can deploy TSHAP: identification of third-party providers to provide the supportive services that will help families find and keep housing; a source of funds to pay the provider to do this.

This resolution seeks board approval to proceed with negotiating and signing a contract with Pierce County to administer the TSHAP. A contract will allow Pierce County to proceed with the procurement process necessary to identify a third-party service partners to administer this program. While the procurement is underway, THA and Pierce County will continue to seek the supportive services necessary to round out the contract because the THA funds will be limited to use on housing-only. THA will continue to seek a commitment from the City of Tacoma and has submitted funding applications to private foundations. The TSHAP will be deployed as soon as both the service provider and source of additional funds have been identified and secured.

This proposal is related to a Letter of Interest that THA and TPS just signed contemplating TPS's transfer to THA of the Gault School property. Part of THA's contribution for the property transfer included THA's five-year commitment of TSHAP housing dollars on the following schedule:

- 2020: \$400,000;
- 2021: \$400,000;
- 2022: \$1million;

- 2023: \$1million;
- 2024: \$1million;

This schedule will be included in the contract. These dollars will be restricted to housing-only so service dollars will need to continue to be secured for these future years and increases.

Recommendation

This resolution recommends adopting Resolution 2020-01-17 (4) authorizing THA's Executive Director to enter into contract negotiation with Pierce County to administer the TSHAP program. The value of the contract will be up to \$3.8 million over five years.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-01-17 (4)

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

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

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

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

Whereas, THA will invest \$400,000 for the TSHAP beginning in 2020 and will scale the investment over five years. The total five-year investment will be up to \$3.8 million; and

Whereas, THA's investment will be limited to use on housing-only. Funds for the supportive services to administer the housing funds must be secured from elsewhere; now, therefore, be it

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

THA's Executive Director is authorized enter into contract negotiation with Pierce County to administer the TSHAP program. The value of the contract will be up to \$3.8 million over five years.

Approved: January 17, 2020

Derek Young, Chair