



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET


April 22, 2020



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

REGULAR MEETING Board of Commissioners

WEDNESDAY, APRIL 22, 2020

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, April 22, 2020, at 4:45 pm.**

Join Zoom Meeting

<https://zoom.us/j/6267029359> / +1 301 715 8592 US / Meeting ID: 626 702 9359

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 April 16, 2020, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5300 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/CW 11	2211 Elliott Avenue, Suite 200 Seattle, WA 98121	
Tacoma News Tribune	1950 South State Tacoma, WA 98405	
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	

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

Sha Peterson
Executive Administrator



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

April 22, 2020, 4:45 PM

Join Zoom Meeting

<https://zoom.us/j/6267029359> / +1 301 715 8592 US / Meeting ID: 626 702 9359

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of February 26, 2020—Regular Meeting
 - 3.2 Minutes of March 18, 2020—Special Session
 - 3.3 Minutes of April 3, 2020—Study Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Policy, Innovation & Evaluation
 - 7.3 Client Support and Empowerment
 - 7.4 Rental Assistance
 - 7.5 Property Management
 - 7.6 Real Estate Development
8. **NEW BUSINESS**
 - 8.1 2020-04-22 (1) The Rise at 19th – Conversion of HUD-VASH Vouchers to Project-Based VASH Vouchers
 - 8.2 2020-04-22 (2) 2020 Budget
 - 8.3 2020-04-22 (3) Board Commitments
9. **COMMENTS FROM THE COMMISSIONERS**
10. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, FEBRUARY 26, 2020

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at E.B. Wilson, 1202 South M Street, Tacoma, WA 98405 at 4:53 PM on Wednesday, February 26, 2020.

1. CALL TO ORDER

Chair Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:54 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Derek Young	
Vice Chair Stanley Rumbaugh (arrived late at 4:50 pm)	
	Commissioner Dr. Minh-Anh Hodge
Commissioner Dr. Arthur C. Banks (Arrived late at 4:50 pm)	
Commissioner Shennetta Smith	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, Human Resources Director	
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Julie LaRocque, Rental Assistance Director	
Cacey Hanauer, Client Support & Empowerment Director	

Chair Young declared there was a quorum present @ 4:55 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Young asked for any corrections to, or discussion of minutes for the Special Session of the Board of Commissioners on Wednesday, January 17, 2020. Vice Chair Rumbaugh moved to adopt the minutes. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Chair Young asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, January 22, 2020. Vice Chair Rumbaugh noted a misspelling of his name. Commissioner Banks moved to adopt the minutes with that correction. Commissioner Smith seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

Real Estate Development Committee—Vice Chair Rumbaugh

The committee has nothing new to report. They are still working through issues related to THA's possible acquisition of the Gault School property.

Finance Committee—Commissioner Hodge and Chair Young

Nothing to report.

Education Committee—Commissioner Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. His report contains a copy of the email he sent to all staff and the board last week describing a notable staff expansion and its relationship to the budget. Vice Chair Rumbaugh asked if THA can prioritize the positions. ED Mirra noted that the critical positions include those for property management at Arlington and The Rise @ 19th.

THA has been busy with its work on advocacy and public education. He reviewed THA's request of the legislative session concerning Arlington Drive. ED Mirra learned that both the House and Senate adopted the language THA requested. He reviewed the request THA and Tacoma Public Schools has of the City of Tacoma for \$400K a year starting January 2022 to help fund the expansion of the Tacoma Schools Housing Assistance Program (TSHAP). THA and TPS are resuming discussions on this request with City Councilmembers. Chair Young commented that the meeting he attended went smoothly and Councilmember Hines was quite open to the idea. The City is going to biennial budget so it is well timed for them to get the ask right now.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. THA Surplus is at \$1.02M. THA ended 2019 year in good shape even though THA is at 100% utilization after having budgeted to be at 95% utilization. Housing Assistance Program (HAP) will likely continue to increase for the next couple of years.

He reviewed some variances from amounts budgeted. The RAD developer fee that we expected in 2019 will now arrive in 2020. THA expended less than anticipated on Capitalized Items/Development Projects. THA budgeted \$3M for property purchases, which did not happen, and budgeted \$1M for remodel cost for 902, which did not happen. THA budgeted to receive \$500K for the sale of the last remaining Salishan property in 2019, but that did not occur; this is budgeted to arrive in 2020.

Finance is working on the 2020 budget using the new software and has a good handle on it. They are still working on the reports. A finance committee meeting will be scheduled to discuss what the board would like to see on the budget report and how it will be presented at meetings. The budget was originally scheduled to be presented in March, but finance is requesting to present it to the board in April. Director Shalik noted that HUD now expects to inform housing authorities of their allocation at the end of March. The board unanimously approved this schedule. Finance is almost finished finalizing year end for 2019. Earlier this month, senior staff went to Olympia for a debrief from the State's Auditor on the Pierce County Housing Authority fraud. Director Shalik will brief the board next month on what we learned and how to prevent it from happening to THA.

Regarding THA's lack of space at 902 South L Street, Vice Chair Rumbaugh asked if there would be potential to allocate capital funds to expand and build a new wing. ED Mirra responded that such expansion is not the short-term answer THA needs, but it's good to put this on a list of long-term answers, along with office space to build on Hilltop. Vice Chair Rumbaugh noted that because of its centralized location, 902 always seems to work better.

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$6,610,542 for the month of January 2020. Vice Chair Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. Pierce County was able to issue Request for Proposals on Monday for Tacoma Schools Housing Assistance Program. Pierce County will accept applications for three weeks. By the April meeting, DED Black can inform the board who Pierce County chooses. DED Black hoped to report to the Board about data from Tacoma Public Schools (TPS) on school outcomes for THA families but the data received in January seemed off. TPS agreed, and will review the data. She will include the data in her next report. THA has been having ongoing conversations with the Washington Student Achievement Council for a program that looks similar to the Guaranteed Education Tuition (GET) program; she hopes to bring the proposal to the board. The College Housing Assistance Program (CHAP) has been time consuming. PIE completed the contract for Koz Dome and Koz on Puyallup. Both associations have nearly exhausted the list of students who have identified themselves as homeless to near homeless, but DED Black worked with them to provide a list of students receiving Pell grants. Vice Chair Rumbaugh asked if there is a reason it could not be opened up further, perhaps to students at Bates Technical College. DED Black said this was a possibility but we first needed to stabilize the present program. DED Black is trying to make the partnership work better before seeking other partnerships. She noted that not only Bates but also Clover Park is interested. A tour of Koz Dome is scheduled this Friday; DED Black can also schedule a separate tour for the board. ED Mirra and DED Black are scheduled to meet with the TCC president on March 13; they heard that TCC will not sign the Memorandum of Understanding until the program is discussed. DED Black will provide an update to the board in March.

Administrative Services

Administrative Services (AS) Director Sandy Burgess directed the board to her report. AS analyzed both Per Unit Per Year (PUPY) operating expenses against 2018 and against budget, and did the same with cash flow. Chart 2 on her report shows a summary of Renew Tacoma. The primary feature of the 2019 data is that PUPY expenses are trending up from 2018. The numbers are not great but this year we see some improvement through Q1. Staff are meeting monthly to review expenses and the goal for 2020 is to bring them down. Vice Chair Rumbaugh asked if THA scrubs for outliers like fire casualties. Yes, according to Director Burgess. Vice Chair Rumbaugh asked if insurance payments that THA receives reimbursement rolls into the calculation. According to Director Burgess, it rolls back to the income side to improve cash flow. Director Shalik added that it decreases THA cost of casualty loss. Director Burgess stated that she will identify non-recurring expenses and will pull them out and will identify fixed cost like homeowner dues for Salishan. Vice Chair Rumbaugh asked if individuals are paying to establish escrow accounts if it shows as a charge. Director Shalik said yes but it shows under Housing Assistance Program (HAP) payments; it is set up as a liability.

Client Support and Empowerment

Client Support and Empowerment (CSE) Director Cacey Hanauer directed the board to her report. The CSE board report is different than it has been and will continue to look different. The department is trying to show the work they do. They spent half a day with DED Black thinking through what staff are doing everyday and how those lead to the outcome they expect. Director Hanauer is also trying to figure if CSE has the right staffing structure. She thinks the team can be more defined in the work they are doing. The Family Investment Center's Center for Strong Families provides financial coaching and THA users of that program has increased by 43%. Chair Young asked if credit scores is how the program measures improved banking practices. According to Director Hanauer, they are looking at whether that is the best way to measure it. The program is helping people to be more engaged in financial institutions. ED Mirra asked if the prospect of increased banking activity would lead to more customers at the Heritage Bank branch at Salishan. Director Hanauer responded that Heritage Bank's Second Chance Account is not working well, but she has had conversations with them to improve their offerings.

Rental Assistance

Rental Assistance (RA) Director Julie LaRocque directed the board to her report. THA is at 101% utilization and things have been going well. Staff have reached out to management and getting inspections done right away for Project Based Voucher utilization. Director LaRocque is pleased to see the turnaround. For the special program utilization for non-elderly, there was an over-issue for that group because they have a hard time leasing and there is quite a bit of turnover. Vice Chair Rumbaugh asked if THA has project-based facilities that accommodate non-elderly disabled for vouchers. Director LaRocque said no, but THA can provide those. THA did add Childrens Housing

Opportunity Program (CHOP) units for the Koz and also added Campbell Court. Vice Chair Rumbaugh asked if THA has a special program for individuals fleeing domestic violence. Director LaRocque responded that there are programs for that through the YWCA. THA has a project-based property, Home At Last, that is coming up, but no mainstream vouchers to give out for people who qualify.

Property Management

Property Management (PM) Director Frankie Johnson was not in attendance. DED Black addressed the board on her behalf. PM continues to struggle with 20-day turn time and continues to refine their work order report. PM is continuing to refine their processes to make work spaces more workable for maintenance.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. Alberta Canada Building has been converted to permanent financing. RED finally received HUD's disposition approval for the sale of the remaining Salishan lots. RED will meet with the buyer who is still very interested. Construction is going well at The Rise and Arlington. Arlington in fact is going extremely well and is ahead of schedule and under budget. This means that THA will need to lease a couple of months earlier. Marpac exceeded their minority contracting but has not had success in hiring Section 3. Korsmo is very committed to hire local contractors and 31% of the total construction contracts have gone to local minority firms. They are also committed to the Section 3 hiring goals. They are pushing their sub-contractors to hire Section 3 and are hiring career jobs so people are getting into the union.

Horizon Housing has been successful in getting its 9% tax allocation for Hilltop Lofts. In order for Pierce County to get that award and Mercy Housing's award for its project on MLK Avenue, THA and Pierce County and the City of Tacoma agreed that THA will not submit for tax credits in 2020. For the balance of the Hilltop Lofts project, Inland approached THA with a concept of turn key development. RED is working on legal logistics, and will consult with different parties before making a proposal to the board. RED staff are beginning to evaluate the Gault school property. They are putting together community consultation processes, trying to figure out what it will cost to fix up, and figuring out what potential uses makes sense for the site. Chair Young asked what the next deadline is. Director McCormick responded 120 days from the date of the Letter of Intent.

8. NEW BUSINESS

8.1 RESOLUTION 2026-02-26 (1) (Fourth Amendment to Attachment C of the Standard MTW Agreement)

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

WHEREAS, An Amendment to THA’s Moving to Work Agreement clarifies THA’s ability to implement its Modify HQS activity;

WHEREAS, Amendments to the Moving to Work Agreement must be approved by the THA Board of Commissioners;

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

Approve Resolution 2020-02-26 (1) authorizing THA’s Executive Director to execute the fourth amendment to the Moving to Work (MTW) Standard Agreement.

**FOURTH AMENDMENT TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND
TACOMA HOUSING AUTHORITY**

This Fourth Amendment to the Moving to Work (“MTW”) Agreement (“Agreement”) is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development (“HUD”) and Tacoma Housing Authority (“Agency”) and is effective on the date of execution by HUD following execution by the PHA. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

This Amendment replaces the language in authorizations D.1.f., D.5., D.7.a. and D.7.d of Attachment C as follows:

1. Section D.1.f. of Attachment C is replaced with the following language:
 - f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations and shared living facilities, subject to HUD’s subsidy layering requirements. The Agency may also waive the independent entity requirements for PHA-owned units. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Sections (8)(o)(11) and 8(p) of the 1937 Act and 24 C.F.R. 983.53-54, and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan.*
2. Section D.5. of Attachment C is replaced with the following language:
5. Ability to Certify Housing Quality Standards

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. The agency is also authorized to perform HQS inspections on PHA-owned HCV and PBV units in lieu of the independent inspection requirements. *This authorization waives certain provisions of Section 8(o)(8) and 8(o)(11) of the 1937 Act, 24 C.F.R. 982.352(b), and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

3. Section D.7.a of Attachment C is replaced with the following language:

a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. The Agency may also waive the independent entity requirements for PHA-owned units. *This authorization waives certain provisions of Sections 8(o)(11) and 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983, as necessary to implement the Agency's Annual MTW Plan.*

4. Section D.7.d. of Attachment C is replaced with the following language:

d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. The agency is authorized to perform HQS inspections on PHA-owned HCV and PBV units in lieu of the independent inspection requirements. *This authorization waives certain provisions of Sections 8(o)(8) and 8(o)(11) of the 1937 Act, and 24 C.F.R. 983.103(f) and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

IN WITNESS WHEREOF, the parties have caused this Amendment to Attachment C to be executed by their duly authorized representatives.

TACOMA HOUSING AUTHORITY

By: _____

Name: Michael Mirra

Its: Executive Director Date:

UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

By: _____

Name: R. Hunter Kurtz

Its: Assistant Secretary, Public and Indian Housing Date:

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

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

Motion Approved: February 26, 2020

Derek Young, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:15 pm.

APPROVED AS CORRECT

Adopted: March 25, 2020

Derek Young, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION WEDNESDAY, MARCH 18, 2020 AT 12:00 PM

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 12:00 PM on Wednesday, March 18, 2020, via conference call at 902 South L. Street, Tacoma, WA 98405.

1. CALL TO ORDER

Chair Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:01 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Derek Young	
Vice Chair Stanley Rumbaugh	
Commissioner Dr. Minh-Anh Hodge	
	Commissioner Dr. Arthur C. 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 and Empowerment Director	

Chair Young declared there was a quorum present @ 12:02 pm and proceeded.

3. NEW BUSINESS

3.1 RESOLUTION 2020-03-18 (1) (Emergency Actions Authorization)

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

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services Secretary Alex Azar declared a public emergency for the novel coronavirus (COVID-19) beginning on January 27, 2020; and

WHEREAS, on February 29, 2020, Washington State Governor Jay Inslee signed a Proclamation declaring a State of Emergency exists in all counties in the State of Washington due to the number of confirmed cases of COVID-19 in the state and directed that the plans and procedures of the Washington State Comprehensive Emergency Management Plan be implemented; and

WHEREAS, Pierce County and the City of Tacoma have also issued emergency declarations; and

WHEREAS, extraordinary and expedient measures are required to protect the Tacoma Housing Authority's business operations and the public health, safety and welfare of Tacoma Housing Authority employees, clients, residents and the public; now, therefore

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

1. the Tacoma Housing Authority Executive Director (or designee) is authorized to take any emergency actions and/or contingency plans as may in his judgment be needed to protect agency operations and the health, safety and well-being of agency employees, clients, vendors and the public as a whole;
2. the Executive Director shall inform the Board Chair when the Executive Director uses this authority;
3. these emergency authorizations shall be effective immediately and shall remain in place until (a) the state of emergency as declared by the Governor of the State of Washington has ended or (b) this resolution is terminated, modified or superseded by a later act of the Board of Commissioners.

Comments: According to Executive Director (ED) Mirra, Tacoma Housing Authority (THA) is already discovering where this authorization would be useful and necessary. If approved, this resolution would allow rules permitting staff to work from home. If they can't work from home and cannot go to work, continue

full-pay status. Vice Chair Rumbaugh stated that even with this flexibility, it will not be an easy job. Although he approves paying people who are unable to work from home and cannot come to the office, he would like to know the authority allowing this. According to ED Mirra, he consulted with Gordon Thomas Honeywell who approved THA's proposal. Deputy Executive Director (DED) Black added that THA also acquired an Attorney General opinion through the Association of Washington Housing Authorities (AWHA). DED Black will send the AGO information to Vice Chair Rumbaugh. Another concern according to Vice Chair Rumbaugh, is what to do with senior facilities in the event that someone acquires the virus or becomes symptomatic; what steps will THA take? DED Black responded that THA's Emergency Operations Committee (EOC) does not have an answer to this question yet, but the sub-group assigned to this should have an answer that will be posted on THA's website by the end of today or tomorrow morning. Vice Chair Rumbaugh stated that some elements of this should be isolation or quarantine of the person who becomes ill, access to medical care and some sort of sanitization of places the person has been. DED Black assured Vice Chair Rumbaugh that the EOC team is putting together a proposal to address this. ED Mirra added that overall, THA would like the board to understand that this is a new circumstance and this resolution will provide the need for flexibility. ED Mirra is also participating in City and County discussions regarding evictions. Commissioner Smith asked if THA will also stop moving people into vacant units. According to DED Black, at this point unit turns and leasing are on the list of essential operations.

Upon roll call, the vote was as follows:

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

Motion Approved: March 18, 2020

Derek Young, Chair

4. COMMENTS FROM COMMISSIONERS

Vice Chair Rumbaugh is grateful to ED Mirra and THA staff for their consistent efforts to serve.

10. ADJOURNMENT

There being no further business to conduct, the meeting ended at 12:21 pm.

APPROVED AS CORRECT

Adopted: March 25, 2020

Derek Young, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES

STUDY SESSION

FRIDAY, APRIL 3, 2020

The Commissioners of the Housing Authority of the City of Tacoma met in Study Session via Zoom at 12:00 PM on Friday, April 3, 2020.

Zoom Meeting

<https://zoom.us/j/161609775?pwd=bUorK1dqSnFvazA0cnBXRHgzNit3Zz09>

+1 301 715 8592 US / Meeting ID: 161 609 775 / Password: 426366

1. CALL TO ORDER

Chair Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:14 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Derek Young	
Vice Chair Stanley Rumbaugh (joined the call at 12:15 pm)	
Commissioner Dr. Minh-Anh Hodge	
Commissioner Dr. Arthur C. Banks (joined late at 12:30 pm)	
Commissioner Shennetta Smith	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Administrator	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
	Julie LaRocque, Rental Assistance Director
Cacey Hanauer, Client Support and Empowerment Director	

Chair Young declared there was a quorum present @ 12:15 pm and proceeded.

3. 2020 Budget

Tacoma Housing Authority (THA) Executive Director (ED) Michael Mirra noted that the purpose of the meeting was to preview the budget proposal staff will present for the Board's approval on April 22nd. He outlined the proposal as follows:

He reviewed the four budget principles that guide THA budgeting. He said that the proposal conforms to all four principles:

- It presumed upon the worst of the plausible budgets then under consideration in Congress. Staff anticipated a \$2.5 million increase. We since learned that the increase will be \$3.6 million.
- Recurring income covers recurring expenses. THA will receive an increase of \$3.6M from HUD, which is more than the \$2.5M estimated when the budget was drafted. This budget proposal presents an operational budget of about \$64.7M. In its operational aspect, it projects a surplus of approximately \$1.6M.
- We will spend reserves on expenditures that make us money, save us money, or make us stronger. THA is budgeting \$2M for property purchases; \$1.5M for additional improvements to the 902 building, investment on IT structure, and THA's Business Process Improvement project.
- The budget leaves THA with adequate reserves. This budget proposal would leave THA with approximately \$23.5M in reserves, down from \$23.7M; \$7M are restricted by HUD for particular uses.

The budget plans on spending \$6.9M that could fund more vouchers on other purposes. He noted that this would leave 670 families unserved on the waiting list. That means our reasons for spending the money on other purposes need to be very good ones. He reviewed those reasons and why THA thinks they are good uses of the money: THA's portfolio, voucher program administration, supportive services, education project, general administration, and other services to maintain customer service. He referred the Board to the Uses of Funds chart. It depicts these choices and the three main metrics that would signal if THA's other expenditures are too much. By those metrics, THA is well within bounds.

Director Shalik provided more detail regarding the budget and directed the Board to the Board Decision Point document. A recurring operating surplus of \$1.6M is notable according to Director Shalik -- THA has not had such a surplus in 10 years. This allows THA flexibility for the year and will help with rent burden and pandemic expenses. Section 8 reserves held at HUD is at \$2.4M at the beginning of 2020 but THA does not need much of it so that provides additional flexibility. THA will end the year with \$23.5M and a good reserve level that will allow for completion of Arlington and the Rise @ 19 development and also provide property-based vouchers for those properties. One of the initiatives for 2020 is to move forward with improvements to the 902 building,

investment on IT structure, and THA's Business Process Improvement project -- all of which are included in this budget. MTW reserves is a little over with \$2M remaining at HUD. Vice Chair Rumbaugh asked if reserves for restricted funds can be used for capital improvements. Director Shalik confirmed. Also included in commitments is an optimal reserve level. Director Shalik noted that HUD authorized a safe harbor of four months of reserves. THA has a future commitment of \$28M and has a strong enough basis to show what is happening at THA.

Attachment B is the actual budget sheet that was created using the new software. It shows how THA is doing as an agency. Vice Chair Rumbaugh asked if it can be reported in more specific detail. Director Shalik commented that finance will have more in its report, which will be presented as a visual document. The software allows finance to report at any level of detail. Finance will come up with middle ground information for the board that is not too granular but also not too summarized.

Finance Manager Rich Deitz provided a demo of the new software to the board. Vice Chair Rumbaugh thinks the reports are impressive and asked if the numbers are coming from written reports. Rich responded that it is an import from finance's accounting system. The software allows staff to create different versions of the budget and allows staff to do an analysis.

ED Mirra asked if the Board wishes to redirect staff in the budget proposal. Chair Young said that he had no redirection to request and no additional questions. Commissioner Hodge thinks staff are on the right track and Commissioner Smith thinks the budget looks great. Regarding the new software, Vice Chair Rumbaugh is pleased people can dive in and take the macro view to any degree of specificity to show dollars spent. He is quite satisfied with the product.

10. ADJOURNMENT

There being no further business to conduct, the meeting ended at 12:54 pm.

APPROVED AS CORRECT

Adopted: April 22, 2020

Derek Young, Chair



TACOMA HOUSING AUTHORITY

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



TACOMA HOUSING AUTHORITY

**COMMENTS FROM THE
EXECUTIVE DIRECTOR**



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: April 16, 2020
Re: Executive Director's Monthly Report

This is my monthly report for April 2020. It supplements the departments' reports.

MOST THINGS VIRUS; BUT NOT ALL THINGS

The Board last met in regular session in February. My Board report then described THA's planned staff expansion, its increased investment in its own business processes and IT, and its continuing ambitions in programming and real estate development. Much of this work continues in ways that the department reports describe. This continued productivity is remarkable considering our preoccupying effort to manage our way through the COVID-19 pandemic. Because it is such a preoccupation I will devote my report to it.

April is leading THA's Emergency Operations Committee (EOC) and its planning. We are very lucky for her leadership. I attach the EOC's Continuity of Operations Plan. The EOC confers, remotely, twice a week. The focus of its efforts is on three goals:

- To keep our clients safe, housed, and financially protected;
- To protect THA's capacity to perform its core housing function during this pandemic and afterward;
- To keep THA's staff safe and working.

This effort is complex, with many moving parts. We are having to rewire ourselves to work during a pandemic. I feel we are in the middle of a large scale, high stakes, experiment in improvisation. To help us do that, the Board has given me authority to "take any emergency actions and/or contingency plans as may in his judgment be needed to protect agency operations and the health, safety and well-being of agency employees, clients, vendors and the public as a whole; . . ." THA Resolution 2020-3-18(1). The resolution requires me to inform the Board Chair whenever I take such an action. I have used this authority six times. I attach copies of all six Executive Actions:

- *Executive Action #1:* Identifying THA's "core functions", asking staff performing other functions to work from home; keeping all staff on full paid status.
- *Executive Action #2:* Extending Executive #2 to April 3rd.
- *Executive Action #3:* For all THA tenancies, both residential and commercial, suspending all terminations for nonpayment of rent and waiving all late fees through the end of June. Unpaid rent remains owing.

- *Executive Action #4:* Extends parts of Executive Action #1 through April 17th, with modifications. In general, it establishes a pattern of work that should keep all staff working and THA functioning.
- *Executive Action #5:* Easing process for tenants and vouchers holders to request and get rent reductions and easing program documentation requirements.
- *Executive Action #6:* Waiving CHAP Program Requirements.

More Executive Actions are pending. I will continue to keep the Board Chair informed of each one.

Part of this planning requires us to closely monitor the directives from the Governor, to comply with them, and to help our clients comply. Here is an example: The Governor has ordered all people in the state to stay home, with some exceptions for essential purposes. In general, this means no social visiting. Beginning April 18th, we are taking extra steps to enforce this ban on social visits in our 7 buildings reserved for seniors and people with disabilities. We do this upon the recommendation of the Tacoma-Pierce County Health Department, the request of our tenant organization, and in consultation with community partners. I attach my memo implementing this ban. It also recounts our legal analysis concluding that we have the authority to do this.

Other aspects of this work has us participate in national discussions about Congressional policy and funding in response to the COVID-19 pandemic. As a sample of these discussions, I attach a copy of my email of today to our Congressional delegation.

Last Thursday, I sent an email to all THA staff. I sent it to reassure staff, some of whom were naturally worried about their jobs. I attach a copy. In that email, I offered some observations that are worth emphasizing. The first observation is how privileged are our tenants, our vouchers holders, our landlord partners, and our staff:

Let me first acknowledge that, if you were worried about THA's finances, it is easy to see why. The economy is collapsing around us. Millions of households cannot pay their rent or their mortgage, or even buy food and medicine. This country appears headed for massive unemployment. It is not likely that THA will remain completely unaffected. Yet, so far, our clients and THA staff have been privileged. Amid all this distress, our tenants are lucky to have THA as their landlord. We will not be evicting anyone for reasons relating to their loss of income. Our voucher holders are lucky. THA will continue to subsidize their rent and in greater amounts as their income goes down. Our voucher landlords are lucky as well. While many of their other tenants are defaulting on rent, we are paying our rent share on time and in full for their voucher tenants. And we at THA are lucky. THA has been able to keep everyone on full payroll. For those without full work assignments we even have provided full paid administrative time, all without asking people to draw down on their accumulated paid leave. I

hope you understand this decision as a measure of THA's regard for its staff, for their welfare, and for the welfare of their families.

I also recounted 5 advantages THA has that should allow us to manage this pandemic in a reasonable way. The last advantage I mentioned is THA's wonderful staff. I will close this memo with the words I used to close that email to staff:

Despite all this uncertainty, I hope this email offers you some reassurance. I encourage you to feel as I do: the main reassurance is our talented, focused, flexible, and good-humored staff. As Mike Cox reassured me when we were living through another stressful moment two or so years ago, "We got this!"

We are also lucky with our Board.

Thank you.



Coronavirus Pandemic: Continuity of Operations Plan

Version 4 | Updated: March 26, 2020 | Started: March 3, 2020

OBJECTIVE: Since the threat to an organization's continuity of operations is high during a pandemic outbreak; it is important for the Tacoma Housing Authority (THA) to have a Coronavirus Continuity of Operations plan in place to ensure we can carry out our essential functions and services. While we may be forced to suspend some operations due to the severity of a pandemic outbreak, an effective Continuity of Operations Plan can assist us in our efforts to remain operational, with the emphasis of maintaining our mission.

A. The plan objectives include:

- Reduce the spread of disease among staff and customers.
- Protect people at higher risk for complications. This includes staff and customers.
- Maintain essential business operations.
- Minimize financial impact on staff that could result from office and school closures.
- Minimize stress of rent payments and evictions among our portfolio and tenant-based customers, and support our landlord partners.
- Provide crisis management supports for our customers.
- Where possible, coordinate food services on our sites for students and elderly customers who would have otherwise accessed food at schools or senior centers.
- Comply with directives from the Tacoma-Pierce County Health Department and civil authorities.

B. We have identified the following essential operations:

- | | |
|--|---|
| • Payroll | • Trash pickup |
| • Pay Rent to Landlords | • Human Resources |
| • ID Cards | • Mail Processing at 902 |
| • VO Initial Inspections: PM | • EOC Staffing and Communications |
| • Initial Inspections: RA | • Interims |
| • Leasing PM | • Accounts Payable |
| • Unit Turns | • Rent Collection |
| • Payment of Contractors | • Public Reception/ Phone Answering from 8 am to 4 pm Monday-Friday |
| • Wage Interviews | • IT Support |
| • PM Move Ins | • Open Door Support |
| • Emergency Work Orders | • Security/Tenant Support at Portfolios |
| • Urgent Work Orders | • CSE Crisis Management |
| • Sanitizing common areas in high rise buildings | |

As more information develops about the Coronavirus emergency and more restrictions are placed on (or removed from) the general population, Tacoma Housing Authority's list of essential functions may change and the list of designated "essential" staff may change.

C. Current Plan, completed actions, pending actions

Responding to the COVID-19 pandemic will require the Tacoma Housing Authority to be flexible and to move quickly. To help us do that, the Tacoma Housing Authority Board, on March 18, 2020, passed emergency resolution No. 2020-3-18(1) stating: “Tacoma Housing Executive Director (or designee) is authorized to take any or all of the following emergency actions as may, in his judgment, be needed to protect Agency operations and the health, safety and well-being of agency employees, clients, vendors and the public as a whole.” This authorization will be useful throughout this plan.

The Plan is divided into five (5) sections: staff, customers, properties, funding, and “other” actions.

	Topic	Completed & Pending Actions
1. Staff		
1.1.	Assess Workplace Exposure and Risk <ul style="list-style-type: none">Identify potential employee health risks	We have identified the following exposure risks to our staff and customers: <ul style="list-style-type: none">Public visitors in lobbies, computer labs, and community rooms;Inspections of occupied units;Work orders in occupied units;Case management visits to tenant apartments;One-on-one appointments with customers;Working in close proximity to co-workers;In-person meeting with external partners;In-person meetings, in general;Cleaning bathrooms, common spaces and THA buildings;Visits to the office from children who attend school and daycare centers;Interactions with vulnerable populations.
1.2.	Review Workplace Policies	We have reviewed internal, State and Federal policies as they relate to: <ul style="list-style-type: none">Sick leave.Union contracts as they relate to out-of-class work before and during a pandemic.Committed to reviewing the new federal Families First Coronavirus Response Act and implementing as necessary by April 1st effective date.

	Topic	Completed & Pending Actions
1.3.	Adjust essential operations, where possible, to mitigate workplace exposures and risks	<ul style="list-style-type: none"> • Our Emergency Operations team will monitor Tacoma-Pierce County Health Department, CDC, World Health Organization, State of Washington Department of Health, and King County Health Department updates, directive and Coronavirus statistics daily and adjust plans in response to this information. • We have closed all of our offices to the public starting Friday, March 13; • All community rooms and computer labs have been closed; • All non-essential meetings have been cancelled or moved to a virtual meeting space; • All essential meetings will be held virtually or, when held in person, in meeting spaces that allow for a six-foot distance between participants.
1.4.	Apply Infection Control Measures: We will create a constant culture of wellness.	We have and will continue to do the following: <ul style="list-style-type: none"> • Placed Tacoma-Pierce County Health Department (TPCHD) posters and material at each entrance of THA offices and emailed them to all staff. This material encourages staying home when sick, cough and sneeze etiquette and hand hygiene • Provided soap, water, and alcohol-based hand rubs in multiple locations and routinely refill. • Placed hand sanitizer (60% Alcohol), sanitizing wipes, and facial tissue at all front desk areas, meeting rooms, and employee work areas. • Placed/supplied hand sanitizer, sanitizing wipes and facial tissue are stocked in all Fastenal machines. • Instructed employees to clean hands often with an alcohol-based hand sanitizer or by washing with soap and water for at least 20 seconds. • Ensured that sick leave policies are in place. • Clean commonly touched surfaces at least daily during the work week. • Ensured Tour maintenance and inspection staff have appropriate personal protective equipment (PPE) and are trained accordingly when performing daily functions of their job class that may require such equipment. • All maintenance staff are trained on bloodborne pathogens. • Encourage staff to disclose a positive Coronavirus test result for themselves, family or close social circle

	Topic	Completed & Pending Actions
1.5.	<p>Prepare for Social Distancing and Accommodate Personal Challenges as a Result of the Pandemic: Social distancing is an intervention to increase the physical distance between people and in an effort to decrease the spread of disease. the Health Departments asks all organizations:</p> <ul style="list-style-type: none"> ● to consider what policies and procedures they can implement to accomplish working remote. ● prepare for employee absences resulting from personal illness, caring for ill family members, and dismissal of early childhood programs and K-12 schools. ● be ready to adapt business practices to maintain critical operations. 	<p>Effective March 13th, operations have been scaled back to essential operations, which are shown on the list on page 1 of this document. This was necessary to protect staff and begin implementing telework and staggered shift plans.</p> <p>Effective March 19th, we directed that:</p> <ul style="list-style-type: none"> ● All non-essential staff will work remotely; ● We will equip all essential staff with work-from-home equipment where possible. ● We will schedule all essential staff that need to work onsite in staggered shifts to promote social distancing. ● We are working to equip all administrative staff with the ability to telework. ● We have implemented staggered staffing and increased distance between work spaces to allow for social distancing within our staff teams. <p>Staff resources about working remote are on our website. We did this so that staff can easily access them offsite: www.tacomahousing.net/coronavirus-info-for-staff</p>

	Topic	Completed & Pending Actions
1.6.	Plan to Separate Sick Employees and Employees Confirmed with Coronavirus:	<p>1. We will separate the following staff from others and send them home:</p> <ul style="list-style-type: none"> • employees who report to work having a fever or an acute respiratory illness upon arrival to work; • who become sick during the workday; • employees that have recently returned from international travel in “high risk” areas; • employees who self-report a recent exposure to someone with Coronavirus symptoms or diagnosis; <p><u>Employees will be asked to stay home until they feel better, if applicable, and have completed a virtual assessment: https://www.multicare.org/virtualcare/.</u></p> <p>2. We have ensured that:</p> <ul style="list-style-type: none"> • All managers and employees are aware of Tacoma Housing Authority policies and the expectation that sick employees stay home; • All managers have been reminded to send sick employees home. <p>3. If an employee is confirmed to have Coronavirus, we will:</p> <ul style="list-style-type: none"> • Close the office building(s) they’ve worked in for 72 hours; • Hire a 3rd party vendor to sanitize the office(s); • Advise all employees that have been in the building that they have been exposed and ask that they follow TPCHD guidelines related to "close exposure;" • Work closely with TPCHD on any further action items.
1.7.	Encourage Personal Preparedness: We encouraged employees to take standard steps to prepare for staying at home if needed.	<p>We emailed staff on March 18th and posted to social media information about personal preparedness steps like:</p> <ul style="list-style-type: none"> • Store a two-week supply of water and food; • Make sure to have enough prescription drugs at home. • Keep non-prescription drugs and other health supplies on hand. Get copies of electronic health records from the doctor, hospital, or pharmacy. • Talk with family members and loved ones about how they would like to be cared for if they got sick, and what's needed to care for them at home.

	Topic	Completed & Pending Actions
1.8.	<p>Plan to keep employees in paid status to mitigate financial stress during uncertain times.</p> <p>The health and wellbeing of our staff is a top priority. Closely correlated to health and wellbeing is financial/income security. We will take actions within our authority to allow staff to continue to be paid even while operational functions are scaled back and uncertain.</p>	<p>We placed all full-time employees, regardless of salary/hourly, represented/non-represented status, in full regular paid status regardless of hours worked from March 14, 2020 through April 3, 2020. This allows us to significantly reduce onsite operations and reduce the schedules of staff in an effort to achieve basic customer service and social distancing without worrying about whether staff have adequate worked hours or accrued paid leave to result in a full paycheck.</p> <p>No later than April 1st, the Emergency Operations Center will make recommendations about the pay status, list of essential functions and work status to the Executive Director about the pay period from 4/4/2020-4/17/2020.</p>
1.9.	<p>Prepare for operations under a Shelter-in-Place directive from the government:</p> <p>Effective March 25, 2020 through April 8, 2020, the State of Washington has placed in effect a Stay Home-Stay Healthy Order that is similar to a Shelter-in-Place directive. We have determined that, under this order, the Tacoma Housing Authority is an essential business and exempt from this order. Accordingly, staff essential to THA's business are themselves exempt. Staff who report to work will still be governed by state and THA expectations for social distancing and other precautions.</p>	<p>We will continue to fulfill our essential functions. During Stay Home-Stay Healthy Order, we will only ask the staff responsible for these functions, or their backup, to report to our offices/sites as required. All other staff will be asked to complete work from home. The type and amount of work will be determined by the supervisor and may include work in support of the EOC.</p> <p>Should we need to reduce essential functions, we will be prepared to modify the list of essential functions. This reduced list of functions includes:</p> <ul style="list-style-type: none"> • Payroll; • Pay rent to landlords; • Issue Key cards to new tenants and/or replace any lost cards; • Initial Inspections: Rental Assistance; • Emergency and Urgent Work Orders; • Crisis Management for Tenants (virtually) • Emergency Operations Center (EOC) Staffing and Communications; • Accounts Payable • Rent collection • Return Urgent Phone Calls • Process Mail • Lease enforcement related to health and safety • Payment of vendors/contractors
2. Customers, Clients and Partners		

	Topic	Completed & Pending Actions
2.1.	<p>Prepare for Tenants and Landlords to be Challenged About Rent Payments</p> <p>Employed Residents and Rental Assistance Participants will be hit by the closure of schools, restaurants, bars, and other service businesses. We need to plan to ease the stress of the uncertainty of income over the next several months.</p> <p>Residents on fixed-incomes will also experience a financial impacts due to increased expenses that have resulted from few social services being offered.</p>	<p>We are developing a proposal to allow for a more lenient hardship and interim rent adjustment policies. Beginning March 25th, we will ask clients to start reporting any financial hardships they are experiencing due to the pandemic. Based on the information received, we will develop a Coronavirus-specific rent adjustment policy by April 10th.</p> <p>We will also communicate with our landlord partners about what we are considering.</p> <p>We will coordinate our response with the rental assistance programs that the City of Tacoma is developing with its newly enhanced federal and state money.</p>
2.2.	<p>Plan to Offer Moratorium Evictions for Non-Payment</p> <p>On March 18th, Governor Inslee placed a 30-day statewide moratorium that prohibits issuing or serving:</p> <ul style="list-style-type: none"> • Notice for non-payment of rent; • 20 Day notice to terminate unless tenants actions are endangering the health and safety of tenants and other individuals; and • Judicial action 	<p>We will not issue notices for non-payment of rent in the months of April and May. We will waive late fees for the months of April through June.</p> <p>Through April 2020, we will not issue any notices for non-payment of rent nor any 20-day notices to terminate unless tenants' actions are endangering the health and safety of other tenants and individuals. We will also not file any rent-related judicial actions in the month of April 2020.</p> <p>No later than March 25th, we will:</p> <ul style="list-style-type: none"> • Post notice of this change to our website and social media accounts; • Include notice in rent statements that go out to all tenants; • Include notice of the new State requirements in all Housing Assistance Payments to landlords.

	Topic	Completed & Pending Actions
2.3.	<p>Coordinate Resources to Come On Site</p> <p>We will attempt to coordinate on-site resources as we learn of population-level challenges. To date the widespread challenge that has been identified is food resources for our elderly/disabled clients and students home due to school closures. We expect that if households run out of toilet paper, they will use other material that will damage building pipes.</p> <p>Arranging these deliveries can serve several purposes:</p> <ul style="list-style-type: none"> ● It can equip tenants with necessities that may otherwise be hard for them to get; ● It can keep them out of the stores to reduce the chance that they will get or give infection; ● It can save them money; ● The deliveries can relieve a tenant's isolation and loneliness. ● If we can buy these meals from local restaurants, the purchases can help them survive their loss of business. 	<p>We are coordinating with the City of Tacoma and Pierce County to work with a local organization to deliver food to all seven elderly/disabled high rise buildings in our portfolio.</p> <p>We are also working with Korean Women's Association to reach out to our tenants in elderly/disabled buildings to find out medication needs and help them get refills by mail.</p> <p>We will work to identify how to get residents needed toiletries and other items. We shop for bulk purchases.</p> <p>We are partnering with KCTC to provide meals to students at Salishan, Hillside Terrace and Bergerson Terrace. Walk through lunch pick up will happen on each site three day per week beginning March 23rd.</p> <p>Tacoma Public Schools (TPS) has implemented a 'Meals on Wheels' program that will bus food to children beginning March 23rd. We have published the bus stops to our social media. TPS are calling all children this week to check in on their needs and let them know of the bus stops.</p>
2.4.	<p>Communication About Other Offsite Resources</p>	<p>We continue to compile a list of available resources and host them on our website at: www.tacomahousing.net/coronavirus-resources</p> <p>We will include a link to this website in our communication with tenants and Rental Assistance Participants. We will also post this information to our social media accounts.</p>

	Topic	Completed & Pending Actions
2.5.	Communication About Coronavirus	<p>We communicate regularly with staff, clients, customers, and partners about our response to the COVID pandemic in the following ways.</p> <ul style="list-style-type: none"> • View Appendix A for a complete list of signage throughout our properties. • Post TPCHD infographics at every managed property of ours in a variety of high visibility areas and in a variety of languages; • Post TPCHD infographics on each apartment door that houses a high risk population. E.g. senior/disabled buildings; • Advise our third-party managers to communicate similarly at their properties; • Post tips and links to social media sites; • Update tenants and voucher holders with regular updates about operation changes that affect them, eviction prevention, social distancing, personal preparedness, and TPCHD prevention measures such as handwashing; • Communicate with landlords and partners by email, phone, and letters about eviction prevention and resources for landlords, tenants and voucher holders; • Communicate with investors, lenders, elected officials, and other partners about our Coronavirus pandemic response; • Update staff daily, via email, about social distancing, flexible leave, exposure, prevention measures, supplies, telework procedures, and operational status; • Maintain a webpage that communicates our Coronavirus pandemic plan, TPCHD tips and links, resources, and FAQ's; • Maintain proactive phone, email, and written communication with tenants, clients, landlords, and others for the purposes of answering questions, helping with resources, well-being checks so people can remain housed and safe; • Post notices on office doors about how they can reach staff for services by phone and email during regular business hours.

	Topic	Completed & Pending Actions
2.6.	Prepare for how we will respond if a tenant is confirmed with Coronavirus	<p><u>Should we become aware that a tenant is displaying symptoms of Coronavirus, we will:</u></p> <ul style="list-style-type: none"> • <u>Notify the Emergency Operation Committee Commander;</u> • <u>Contact the tenant and ask the following questions:</u> <ul style="list-style-type: none"> ○ <u>Do you feel well? Are you experiencing any of these symptoms: shortness of breath, cough, fever?</u> ○ <u>Have you seen a doctor?</u> ○ <u>If the answer is NO ask:</u> <ul style="list-style-type: none"> • <u>Do you need support?</u> • <u>Multicare is offering free e-visits for people who show symptoms of coronavirus. Offer to send them the link to the Multicare Virtual screening or offer to help them complete it over the phone. https://www.multicare.org/virtualcare/</u> ○ <u>If the answer is YES:</u> <ul style="list-style-type: none"> • <u>Did the doc test for COVID?</u> • <u>Are you following doctor's orders?</u> • <u>Do you need support?</u> • <u>If we can't confirm that a person is not displaying symptoms and/or refuses to share information with us, we will ask them to self-quarantine for 14 days.</u> <p><u>Should we become aware that a tenant in a high-rise building has been tested for Coronavirus because they have shown symptoms of the virus, we will:</u></p> <ul style="list-style-type: none"> • <u>Hire a 3rd party sanitization vendor to complete a thorough cleaning of the building;</u> • <u>Let staff and vendors in those buildings know and ask that they not enter the building until a full 3rd party sanitization has occurred;</u> • <u>Notify the tenants in the building that we do not know of a positive test but they will be seeing a 3rd party vendor as an extra precaution.</u> • <u>Remind all THA staff and tenants in that building of social distancing recommendations.</u> <p>If we get notified by TPCHD a tenant has a confirmed case of Coronavirus. We will:</p> <ul style="list-style-type: none"> • Follow the instructions of the TPCHD investigative team.

	Topic	Completed & Pending Actions
2.7.	Limit Staff Entry into Apartments	Maintenance staff and inspectors will not enter any apartment except in an urgency or an emergency. Staff will be trained as follows before entering even on those occasions: <ul style="list-style-type: none"> To ask the appropriate questions of the occupant to allow for an assessment of risk. In the event of a risk of COVID-19 infected occupant, the staff person will not enter without appropriate personal protective equipment.
2.8.	Addressing Isolation and Stress of Residents We should expect that our clients will suffer from isolation and stress during the pandemic. Our senior and disabled clients may be more likely to suffer this. This will be especially true if the Governor orders everyone to “shelter in place.” We will attempt to ease this distress.	[to be determined]
3. Properties		
3.1.	Maintain Sanitary Common Spaces in our Residential Properties	Effective March 13 th , all community rooms and computer labs were closed in our residential buildings. We also discontinued meeting with tenants in our offices located in residential buildings. Effective March 23 rd , we will assess lobby and gathering areas in our properties to make adjustments to discourage congregating. At a minimum we will post signs at elevators and benches to discourage congregating. We are installing temporary fencing to make play structures inaccessible, with explanatory signage. We will continue to monitor Pierce County policies related to playgrounds and parks and apply any restrictions within our portfolio, if necessary. We are ordering the supplies now should we need them.
3.2.	Continue to Make our Properties Safe and Sanitary for Residents While Tacoma and the nation is in a state of heightened social distancing to curb Coronavirus, we still have an obligation to maintain the health and safety of our residents.	Elevators, hallways, and entrances will continue to be used in our high-rise buildings. In these buildings, we will regularly sanitize all high touch areas twice daily during weekdays. Our maintenance crew will thoroughly address each common area and sanitize areas such as but not limited to door handles, handrails, counter tops, and common area bathrooms. This sanitization will be in addition to our normal schedule of janitorial work in these locations.

	Topic	Completed & Pending Actions
3.3.	Continue to Make our Properties Safe and Sanitary for Residents While Tacoma and the nation is in a state of heightened social distancing to curb Coronavirus, we still have an obligation to maintain the health and safety of our residents.	We scaled back our essential operations but commit to the following: <ul style="list-style-type: none"> • Continue to complete emergency work orders; • Continue to have 3rd party security patrol our properties on a regular schedule; • Enforce the terms of our lease as they pertain to violations of the health and safety of other residents.
4. Funding		
4.1.	Search for funding for Coronavirus related expenditures We have not budgeted for the costs associated with this crisis. We will search for funds to reimburse the agency for its costs.	We created a code CV19 in the “Type” dimension in our financial system. As much as possible, we will code all coronavirus expenses, included payroll to this code. These expenses could include: <ul style="list-style-type: none"> • Staff paid for unworked time under administrative leave; • Staff time dedicated to COVID response, both Administrative and Maintenance. • Costs of sanitation supplies; • Computer and phone supplies to accommodate teleworking; • Cost of lost rent and additional HAP paid to account for tenant loss of income; • Cost of third-party contract for sanitizing, if necessary; • Additional security costs • Any future costs to bring additional supportive services into the agency.
4.2.	Review Insurance Coverage Some of our losses and expenses may be covered by our insurance policies.	Potential sources of funding include: <ul style="list-style-type: none"> • City of Tacoma • Pierce County • State of Washington • HUD • FEMA • Other federal resources • Private donors

5. Other

5.1.	Holding Open Public Meetings While in Emergency Status While in this emergency status, we might still need to hold regular meetings that are subject to the Open Public Meetings Act, Chap. 42.30 RCW. We will comply with these requirements while practicing safe practices as provided by the TPCHD. On March 24, 2020, Governor Inslee issued Proclamation BY the Governor 20-28 order allowing public entities to hold meetings remotely and waive the requirement to provide in-person settings.	<ul style="list-style-type: none">• All Board meetings will be by conference call. We will provide notice of the ways the public can call into these meetings in accordance with State requirements.
5.2.	Housing Under Construction We have three buildings (two at Arlington Drive and The Rise on 19th) of affordable housing under construction that is scheduled to be completed in 2020. Our financing sources for this construction impose deadlines for getting them built and occupied. This is especially the case for Low Income Housing Tax Credit financing and the governing federal rules. Missing those deadlines will mean THA loses financing.	<ul style="list-style-type: none">• The City of Tacoma has confirmed that the construction activity, including architects, engineers, inspectors and others necessary for the construction are exempt from the Governor's Stay Home-Stay Healthy Order because it fits within the Governor's list of essential services.• We are communicating with the general contractors at these sites to ask that they continue working.• We are communicating with our investors and lenders and reviewing our financing contracts seeking any necessary flexibility.• We are participating in discussions with federal authorities and Congress seeking any necessary regulatory or legislative flexibility.

Appendix A: Property Signage and Communication

Signage Checklist

Tacoma Housing Authority signage may be found in the [Emergency Team's File library](#). All [Health Department](#) documents must be printed through their website in case of updates.

Each Tacoma Housing Authority property must have the following signage displayed:

- ☐ **Bulletin Boards:** The [Tacoma Pierce County Health Department's General Coronavirus flyer](#)
 - Available in [English](#), [Korean](#), [Spanish](#), [Chinese](#), [Tagalog](#), [Vietnamese](#) or [Russian](#).
- ☐ **Bulletin Boards:** Post the [“Stay Home, Stay Healthy” Flyer](#) from TPCHD.
- ☐ **Community Rooms/Computer Rooms:** Post “Closed” signage up outside all locked community rooms and computer labs.
- ☐ **Elevators:** Post the “Only 2 People per Elevator” flyer inside the elevator and outside on each floor.
- ☐ **Public Benches:** Post the “One Person per Bench” flyer on or near all outside benches.
- ☐ **Common Area Furniture:** Post “Please Do Not Use Furniture” flyer in all common areas where furniture could not be removed.
- ☐ **3/14/2020:** Post on property doors that community Rooms are closed.
- ☐ **3/11/2020:** TPCHD Prevention posters in English and other languages posted at all THA managed apartment buildings.
- ☐ **3/3/2020:** TPCHD Coronavirus infographic posted at all Senior/Disabled buildings.



To: Tacoma Housing Authority Staff
From: Michael Mirra, Executive Director
Date: March 18, 2020
Subject: Change in Staff Pay Status for Pay Period 3/14/20 – 3/27/20

In response to the COVID-19 pandemic, the Emergency Operations Committee (EOC), in collaboration with Executive Leadership developed an emergency operations plan designed with the health and safety of our staff, residents and clients. The plan was put into a resolution and presented to our Board of Commissioners (BOC). The BOC approved the resolution unanimously.

In addition to addressing the safety & health of our staff, the emergency plan is also designed to maintain our obligations to residents and clients and supports the ongoing recommendations and guidance we receive from the Tacoma-Pierce County Health Department.

The following is a summary of the approved actions in the resolution:

1. Effective 3/14/20 – 3/27/20, we will transition to an emergency staffing structure. This structure will identify essential staff needed to be onsite and non-essential staff.
2. Effective immediately, all non-essential staff are asked to not come into the office. Instead, they will maintain a 40 hour per week pay status and assigned duties/work to be completed offsite. The work will be coordinated through their supervisor.
3. Non-essential staff will be expected to establish a work schedule with their supervisor and be available for any work their supervisor requests of them during that time. If the employee is unable to respond to their supervisor's request within 30 minutes of a phone call, email or text, the employee will be required to use accrued leave for that day.
4. Essential staff will be expected to report to work at a THA office or property, as necessary. Through 3/27/20, the EOC will attempt to limit the amount of time essential staff report in to work to 20 hours or less. If an essential staff is unable to report to work when scheduled, they will be required to use accrued leave for that day.
5. Any staff member who plans to or already is working from home, must complete the 'Emergency Temporary Telework/Alternate Schedule Agreement' and follow the Temporary Emergency Telework/Alternate Schedule Guidelines.

The EOC has established the list below of essential functions required during this national health crisis. The staff, including their back-ups, responsible for maintaining these functions are considered "essential" staff. Remaining staff are considered "non-essential".

Payroll – Pay Rent to Landlords – ID Cards – VO Initial Inspections: PM – Leasing: PM – Unit Turns – Initial Inspections: RA – Contractor Payments – Wage Interviews – PM Move Ins – Emergency Work Orders – Urgent Work Orders – Building Sanitization – Waste Pick-up – IT Support – OpenDoor Support – Security & Tenant Support – CSE Crisis Mgmt – Interims – Finance AP/AR – Public Reception/Phones – Human Resources – Keyholder Connections – 902 Mail Processing – EOC Crisis Mgmt & Staffing Support

As more information develops related to the COVID-19 health crisis, our essential functions may change, which may require adjustments to the essential staffing needs. The EOC will actively monitor any mandatory changes or restrictions placed on the general population and they will continue to keep us all updated through the communication channels.



**Tacoma
Housing
Authority**

Executive Director
Michael Mirra

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

To: THA Housing Authority Staff
From: Michael Mirra, Executive Director
Date: March 25, 2020
Subject: Executive Emergency Authorization #2: Staff Pay Status Extended

THA Board Resolution 2020-03-18(1) allows the Executive Director (or his designee) to take emergency actions during the COVID-19 pandemic that he deems necessary to ensure continued operations of Tacoma Housing Authority while protecting its employees, clients, vendors, partners and the community as a whole. The first such action was taken through a memo entitled "Change in Staff Pay Status for Pay Period 3/14/20 - 3/27/20.

I write now, in my second action, to extend all components of that first action through April 3, 2020.



**Tacoma
Housing
Authority**

Executive Director
Michael Mirra

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

To: THA Housing Authority Staff
From: Michael Mirra, Executive Director
Date: March 30, 2020
Subject: Executive Emergency Authorization #3: Residential and Commercial Tenant Rent (fees and notices)

THA Board Resolution 2020-03-18(1) allows the Executive Director (or his designee) to take emergency actions during the COVID-19 pandemic that he deems necessary to ensure continued operations of Tacoma Housing Authority while protecting its employees, clients, vendors, partners and the community as a whole.

Using this authority, I authorize the following:

For THA owned and/or managed residential or commercial properties during the months of April, May and June 2020:

1. THA waives all late fees for unpaid rent due during these months;
2. THA will not issue any termination notices based upon the nonpayment of rent due during these months or prior months. Unpaid rent due during these months or prior months remains owing.

These steps are in addition to the State orders related to residential tenancies.



**Tacoma
Housing
Authority**

Executive Director
Michael Mirra

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

To: THA Housing Authority Staff
From: Michael Mirra, Executive Director
Date: April 2, 2020
Subject: Executive Emergency Action #4: Use of Leave During Pandemic for Pay Period 4/4/2020-4/17/2020

THA Board Resolution 2020-03-18(1) allows the Executive Director (or his designee) to take emergency actions during the COVID-19 pandemic that he deems necessary to ensure continued operations of Tacoma Housing Authority while protecting its employees, clients, vendors, partners and the community as a whole.

Executive Action #1 approved the use of paid Administrative Leave for all THA employees March 14th to March 27th. The recommendation was intended to minimize the various financial impacts on staff, while maintaining social distancing and implementing an emergency telework plan. This was done by scheduling staff to work at least 20 hours per week, while being compensated for 40 hours of work per week. On March 27th, Executive Action #2 extended this action through April 3, 2020. The extension allowed THA to plan and prepare for telework options and determine “essential work” and the staffing structure necessary to maintain its obligations to our residents and clients.

This Executive Action #4 extends the Administrative Leave usage (with modifications) through Friday, April 17, 2020. The Emergency Operations Committee (EOC) recommends this extension, and modification. This extension coincides with the end of the next pay period. The purpose of the extension is to allow THA time to develop and implement the internal procedures needed to meet compliance requirements and other matters under the following:

- Family First Coronavirus Response Act (FFCRA) – effective April 1, 2020 through December 31, 2020
- FMLA
- WA State Paid Sick Leave
- THA Accrued Leave
- Related tracking and payroll coding

Over the past 2 weeks, IT staff have worked diligently to ensure THA systems and staff are better situated to meet essential business needs.

For the pay period April 4, 2020 through April 17,2020, this Executive Action #4 authorizes the following:

1. Supervisors will work with their staff to establish a 40-hour work week.
 - a. If the supervisor cannot provide an employee with 40 hours of work, the employee will be allowed to use up to 20 hours of Administrative Leave with supervisor and director approval.
 - b. The supervisor must submit all requests for Administrative Leave to HR, no later than Wednesday of each week.
2. If an employee cannot report to work due to a Coronavirus-related reason, he or she should immediately communicate with their supervisor and Director to determine available options, to include any combination of alternative work scheduling, Telework and Administrative Leave.
 - a. Any use of paid Administrative Leave must be approved, in advance, by the supervisor and Director.
3. Any employee who chooses not to work or cannot work for non-Coronavirus-related reasons, must use accrued leave or LWOP.

By April 20, 2020, the EOC and HR will have a better understanding of THA's long-term capabilities of accomplishing the essential work. We will continue to monitor the situation and make any necessary changes to leave options due to the Coronavirus pandemic. We anticipate an updated proposal for the pay period commencing April 18th. That would be the subject of another Executive Action

Cc: Derek Young, THA Chair



To: THA Housing Authority Staff
From: Michael Mirra, Executive Director
Date: April 16, 2020
Subject: Executive Emergency Authorization #5 Waiving Easing Rent Adjustments and Program Documentation Requirements

Michael Mirra

THA Board Resolution 2020-03-18(1) allows the Executive Director (or his designee) to take emergency actions during the COVID-19 pandemic he deems necessary to ensure continued operations of Tacoma Housing Authority (THA) while protecting employees, clients, vendors, partners and the community.

This Executive Action permits THA to make it easier and faster for clients in some THA programs to request and receive a decrease in their rent to account for their loss of income due to the COVID-19 pandemic.

1. APPLICABILITY OF THIS EXECUTIVE ACTION

This Executive Action will benefit only those THA clients who are in programs that require them to report their income to THA directly. It will not benefit others.

1.1 Programs Covered By This Executive Action

This action will apply to THA clients who participate in the following programs:

1.1.1 Tenant Based Rental Assistance Program

- Housing Choice Vouchers;
- Housing Opportunity Program (HOP);
- Children's Housing Opportunity Program (CHOP);
- College Housing Assistance Program – tenant based (CHAP).

1.1.2 Public Housing Tenants

THA has a few remaining public housing tenants.

1.1.3 Project-Based Voucher Programs

- THA housing with a THA HAP contract that subsidizes the rents;
- Housing owned by other organizations with a THA HAP contract that subsidizes the rent.

1.2 Programs **Not Covered By This Executive Action**

This action will **not** apply to participants in the following programs because they do not report income directly to THA.

- Property Based Subsidies (*e.g.*, Koz on Market, Koz at the Dome, Highland Flats, Cross Pointe, long term care facilities);
- Prairie Oaks (Its tenants report income to Pierce County Housing Authority)
- Alberta Canada Apartments (Its tenants report income to HUD)
- Outrigger and Highland Crest apartments [*NOTE*: This Action would cover tenants in these two properties who have tenant-based assistance that require them to report their income to THA.]

2. MAKING RENT ADJUSTMENTS EASIER FOR COVERED CLIENTS

This Executive Action permits THA to make it easier for covered tenants to request and get rent decreases because of income loss during the COVID-19 pandemic.

2.1 General Changes

- For most of the clients covered by this action, THA's normal policies require THA to reduce their share of the rent only when they report an income loss greater than 20%. THA will waive the 20% rule and will process changes of any amount.
- THA will waive the 90-day rule that requires losses to last longer than 90 days.
- For purposes of determining eligibility, rent subsidy levels and other elements of the program, THA will waive the requirement for clients to furnish documentation provided by third parties. Such documentation includes government issued identification, Social Security Numbers and documentation of eligibility for unemployment benefits.
- THA will permit clients and tenants to self-certify income loss.
- THA will process monthly HAP adjustments instead of interim rent changes. These will process faster and can be coded directly to Covid-19 expenses.
- Covered fixed subsidy clients usually cannot get rent decreases when their income goes down. Under this Action, they can request and get a rent adjustment down to what the normal rules of the tenant-based voucher program would give them.

2.2 Lookback Period

Rental Assistance and Property Management will look back to changes submitted between 3/16¹ and 3/20 to determine if any changes reported were Coronavirus related and if now eligible households were denied a change.

2.3 Effective Date of an Emergency Coronavirus Hardship Adjustment

Adjustments will adhere to the same schedule for normal change requests. Those submitted before the 20th will be processed for the first of the following month. Those submitted after the 20th will be processed the first of the second month. For example, households that apply in June, before the 20th, will be eligible for a hardship adjustment beginning in July.

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¹ March 16th is the date the Governor shut down restaurants.

2.4 Length of the Hardship Adjustment

Unless THA extends this Action, its permitted rent adjustments will last up to 120 days or until August 31st, whichever comes first. At that time, the rent for clients in fixed subsidy programs will then return to normal levels. At that time, clients in income-based subsidy programs can request a regular interim rent adjustment under the normal rules based upon a longer lasting change in their income. Otherwise, their rent will return to previous levels.

The August 31st end date means that applications received after July 20th will not be eligible for the Emergency Coronavirus Hardship, unless THA extends this Action. Without an extension, staff will process interim adjustments according to regular policy.

This policy change is effective immediately.

Cc: Derek Young, THA Chair



**Tacoma
Housing
Authority**

Executive Director
Michael Mirra

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

To: THA Housing Authority Staff & CHAP Partners
From: Michael Mirra, Executive Director
Date: April 16, 2020
Subject: Executive Emergency Authorization #7: Waiving CHAP Program Requirements

Michael Mirra

THA Board Resolution 2020-03-18(1) allows the Executive Director (or his designee) to take emergency actions during the COVID-19 pandemic that he deems necessary to ensure continued operations of Tacoma Housing Authority while protecting its employees, clients, vendors, partners and the community as a whole.

This Executive Action authorizes changes to the requirements of THA's College Housing Assistance Program (CHAP). The changes recognize that our college partners and the college students are all struggling through this pandemic.

CHAP Program Requirements During Coronavirus Pandemic

Students in the College Housing Assistance Program must meet program requirements in order to maintain eligibility for the program. If they do not maintain their eligibility, they are removed from the program. THA ends their rental assistance if they are using a tenant-based subsidy or they are not granted a lease renewal if they are a tenant at one of CHAP's partner properties.¹

This Executive Actions permits THA to make the following adjustments to Chapter 19, Part IV, Item 5 of the THA Administrative Plan through Fall term 2020.

- Waive minimum credit requirements and allow students to disenroll if needed.
- Waive academic progress requirements.

1. Waive Minimum Credit Requirements

Currently, students using tenant-based subsidies need to be enrolled in a minimum of 12 credits by their second term on the program. Students residing in covered units at Koz properties, must be enrolled in 6 or more credits (*See* Chapter 19, Part IV of the THA Administrative Plan).

Current 2019-2020 financial aid awards are based on the household's 2018 income. Students may face significant changes to their income as a result of the pandemic. In such cases, a student's current financial aid package may not be sufficient to cover tuition and expenses for all the credits they were previously enrolled to earn.

Additionally, with the move to fully online instruction, some courses will be cancelled (specifically lab and studio courses, as well as practicums and internships). Students in programs that require these courses will not be able to enroll in the courses until the Governor's stay at home order has been lifted. The education partners and PIE staff do

¹ Program eligibility requirements are currently limited to Koz at the Dome and Koz on Market.

not recommend that students enroll in unnecessary classes simply to maintain their housing assistance.

Given these recommendations, THA will waive the minimum credit requirements until Fall term.

2. Waive Academic Progress Requirements

Currently, students are required to maintain a cumulative 2.0 GPA by their second term in the program. If they do not meet the requirement, they are granted one term to work with academic support services to raise their GPA (*See* Chapter 19, Part IV of the THA Administrative Plan).

With the shift to fully online instruction, students with limited or no access to the internet will face barriers. If their GPA drops, they will also have difficulty accessing academic support services due to campus closures. Additionally, online instruction has been shown to have increased rates of attrition as well as poorer outcomes, especially for low-income students.

Further, given the stresses that accompany the COVID-19 pandemic (unemployment, economic downturn, lack of childcare, general uncertainty, etc.), THA should not students to maintain their ability to concentrate on their studies. In partnership with the education partners, PIE staff recommend suspending the 2.0 GPA requirement in recognition that the online format may not be beneficial for all students, especially those with limited access to technology and students living in larger households that must share devices and computers.

In response to these recommendations, THA will waive academic progress requirements until Fall term.

The education partners will continue tracking and reporting as usual. THA will not issue any notices of termination of assistance for students who do not meet the enrollment or academic progress requirements.

This policy change is effective immediately.

Cc: Derek Young, THA Chair



TACOMA HOUSING AUTHORITY

To: THA COVID-19 Emergency Operations Committee
From: Michael Mirra
Date: April 15, 2020

Subject: THA Plan to Restrict Visitors to THA's 7 Apartment Buildings for Seniors and Disabled Persons During the COVID-19 Pandemic

I write to describe THA's plan, during the COVID-19 pandemic and the Governor's "Stay Home-Stay Healthy" order, to prohibit social visitors at its 7 apartment buildings reserved for seniors and disabled persons. This memo modifies the proposal in my previous memos. The modification accounts for subsequent discussions with THA's Emergency Operations Committee (EOC) and further consultation with community partners, including Northwest Justice Project. Below, I recount the reasons for this action: the pandemic and its health risks, the Governor's prohibition of social visiting, the requests of THA's tenants and the tenant organization that we do this, the recommendation that we do this from the Tacoma-Pierce Health Department, consultations with other housing organizations, and legal research concluding that THA has the legal authority for it. I end this memo by describing how we will get this done and what it will cost.

1. SOME BACKGROUND

1.1 The Public Health Emergency

The world is living through a pandemic of a contagious respiratory virus called COVID-19. It is killing tens of thousands of people worldwide, including some in Tacoma.¹

In response, the federal government declared a public health emergency.² On February 29, 2020, Washington State's Governor Inslee issued a state-wide "State of Emergency" Proclamation 20-05 (February 29, 2020). In support of this declaration, the Governor's proclamation cited several findings, including this one:

*"Whereas, the worldwide outbreak of COVID-19 and the effects of its extreme risk of person to-person transmission throughout the United States and Washington State significantly impacts the life and health of our people, as well as the economy of Washington State, and is a **public disaster that affects life, health, property or the public peace.**"*

Id (emphasis added).

On March 17, 2020, the Tacoma City Council confirmed a state of emergency that the Mayor had proclaimed on March 12th.³

¹ As of April 7, 2020, the Tacoma Pierce County Health Department confirmed 760 people in Pierce County were infected; 14 people in Pierce County have died. <https://www.tpchd.org/healthy-people/diseases/covid-19-pierce-county-cases>

² On March 13, 2020, two days after the World Health Organization characterized COVID-19 as a "pandemic," President Trump issued Proclamation 9994 declaring a national emergency.

³ <https://cms.cityoftacoma.org/cityclerk/files/CityCouncil/Agendas/2020-VotingRecord/20200317vr.pdf>

1.2 Governor's Order Prohibiting Social Visiting

The Washington State Governor has ordered people, with limited exceptions, to stay home. He has also prohibited **all** “social visiting”. His order conforms to the health directives of leading local, state and national health authorities.

As of April 8th, the Governor has issued 24 emergency proclamations related to COVID-19.⁴ These proclamations, and the directives of health authorities, impose extensive restrictions on a wide range of private activities. These activities are usually well within the legal and constitutional rights of people to do without governmental interference: work, do business, travel, worship communally, and associate with others of their choosing.

In particular, on March 23, 2020, the Governor issued Proclamation 20-25 Stay Home - Stay Healthy.⁵ With the exception of movement necessary for designated “essential” businesses and activities, the order severely restricts the movement of “all people and businesses throughout Washington”:

“1. All people in Washington State shall immediately cease leaving their home or place of residence except: (1) to conduct or participate in essential activities, and/or (2) for employment in essential business services. . . .”

*“2. All people in Washington State shall immediately cease participating in all public and private gatherings and multi-person activities for social, spiritual and recreational purposes, **regardless of the number of people involved**, except as specifically identified herein. Such activity includes, but is not limited to, community, civic, public, leisure, faith-based, or sporting events; parades; concerts; festivals; conventions; fundraisers; and similar activities. This prohibition also applies to planned wedding and funeral events. This prohibition shall remain in effect until midnight on April 6, 2020, unless extended beyond that date. To implement this mandate, I hereby order that **all people in Washington State are immediately prohibited from participating in public and private gatherings of any number of people for social, spiritual and recreational purposes**. This prohibition shall not apply to activities and gatherings solely including those people who are part of a single household or residential living unit.”*

[emphasis supplied]

⁴ See <https://www.governor.wa.gov/office-governor/official-actions/proclamations>.

⁵ <https://www.governor.wa.gov/sites/default/files/proclamations/20-25%20Coronavirus%20Stay%20Safe-Stay%20Healthy%20%28tmp%29%20%28002%29.pdf>

The Governor's Proclamation recognizes exceptions for "essential activities", including:

"a. Essential activities permitted under this Proclamation are limited to the following:

- "1) Obtaining necessary supplies and services for family or household members and pets, such as groceries, food and supplies for household consumption and use, supplies and equipment needed to work from home, and products necessary to maintain safety, sanitation and essential maintenance of the home or residence.*
- "2) Engaging in activities essential for the health and safety of family, household members and pets, including things such as seeking medical or behavioral health or emergency services and obtaining medical supplies or medication.*
- "3) Caring for a family member, friend, or pet in another household or residence, and to transport a family member, friend or their pet for essential health and safety activities, and to obtain necessary supplies and services.*
- "4) Engaging in outdoor exercise activities, such as walking, hiking, running or biking, but only if appropriate social distancing practices are used."*

Id. Even businesses that can remain open because the Governor designated them as "essential" "must establish and implement social distancing and sanitation measures established by the United States Department of Labor or the Washington State Department of Health Guidelines." *Id.*

The Proclamation also states that "[v]iolators of this order may be subject to criminal penalties pursuant to RCW 43.06.220(5)." *Id.* This initial proclamation states that its restriction would continue until April 6, 2020. The Governor extended the restrictions until May 4, 2020. Proclamation 20.5.1 (April 2, 2020).⁶

These restrictions conform to the directives of the health authorities for everyone to keep at least 6 feet from others who are not part of the same household. *See* <https://www.tpchd.org/healthy-people/human-coronavirus>.

1.3 THA's Apartment Buildings for High Risk Seniors and Disabled Persons

"Older people" and "those with chronic medical conditions including immunosuppression" are at higher risk of getting COVID-19 and, if they get it, dying. *See* <https://www.doh.wa.gov/Emergencies/-NovelCoronavirus-Outbreak2020COVID19/TestingforCOVID19>.

THA's seven high rise buildings are reserved for persons age 62 years of age and older and for persons with disabilities. This means most of their occupants face this higher risk. The risk is enhanced inside an apartment building because of the close density of the apartments and the use of common entries. THA's buildings range from about 35 apartments in three stories to 7 stories with 70 units.

⁶ <https://www.governor.wa.gov/sites/default/files/proclamations/20-25.1%20-%20COVID-19%20-%20Stay%20Home%2C%20Stay%20Healthy%20Extension%20%28tmp%29%29.pdf>

1.4 THA's Emergency Operations Plan to Keep Tenants Safe

THA's EOC has devised and implemented a detailed plan to manage a way through the pandemic. See <https://www.tacomahousing.net/coronavirus-plan>. Its most important focus is to keep THA's clients housed and safe. In THA's portfolio, including its buildings for seniors and persons with disabilities, these efforts include:

- extensive communication helping tenants understand the health directives (*e.g.*, stay home, social distancing, hand washing);
- close of all community rooms;
- remove benches or restrict their use to one person at a time;
- restrict elevator use to two people at a time;
- twice daily sanitize all common areas and high touch surfaces (*e.g.*, doors, door handles, elevator buttons);
- arrange food deliveries and facilitating delivery of prescription medicines so people do not have to shop for those purposes.

1.5 Tenant Compliance, Mostly; Tenants' Concern About Non-Compliance

THA's tenants have mostly complied with the directives from the Governor and the health authorities. Yet, some tenants in the buildings for seniors and disabled persons continue to host social visitors. Some tenants continue to have unauthorized residents. Unauthorized residents have always been a lease violation. Now they also violate the Governor's order. Some of these visitors and unauthorized visitors are not careful with social distancing while inside the building. These instances greatly concern other residents who fear for their own safety. Some of these other residents have asked THA to help enforce the Governor's ban on social visiting. The representative of the tenants in THA's seven buildings for seniors and persons with disabilities (TRAC Tacoma Residents Action Council) wants THA to do this for the same reason.

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2. CONSULTATION and the LAW

THA has consulted with other important voices on the necessity or value of such a ban. All favor such a ban. We also examined THA's legal authority on the question. We consulted Northwest Justice Project as well. The law allows THA to do this:

2.1 Consultation Supports the Ban or the Authority for It

THA consulted with the following:

- *Tacoma-Pierce County Health Department*

THA asked the Tacoma-Pierce County Health Department whether there is a health reason to restrict social visiting in our high-rise buildings. The Health Department replied "Yes":

*"Your question is whether there is a health reason to restrict social gatherings at this time. The answer to that question is yes. The Governor's emergency declaration addressing COVID-19 requires people to stay home unless they perform essential work and restricts all social gatherings of any size. Please see the entire declaration which is linked below. Since originally issued, this order to protect the health of the public during this pandemic was extended to May 4, 2020 and may be extended beyond that if needed."*⁷

- *Tacoma Resident Action Council (TRAC)*

On April 6th and on April 10th I spoke by telephone with the President of TRAC. TRAC represents all the tenants in THA's 7 buildings for seniors and persons with disabilities. He confirmed some problem with social visitors in the buildings and that he favors a ban. He said he would pose the question to his Board and call me back. He called me back that same day and reported that he was able to contact a majority of the Board. He conveyed the Board's request that THA to do this.

- *Other Housing Organizations*

On April 6th, I participated in regular bi-weekly COVID-19 conference calls, one with members of the Council of Large Public Housing Authorities (CLPHA), and one with the members of the Association of Washington Housing Authorities (AWHA). In each call, I canvassed the participants asking which housing authorities were restricting social visits in their properties. In the time allotted for the question on each call, about 5 housing authorities spoke up to report that they have done so. I consulted with KWA and Catholic Community Services in Tacoma. They also limit social visits in their senior and permanent supportive housing buildings. I also spoke with housing organizations that do not have such a restriction.

These consultations emphasized that, short of turning the buildings into completely secure and guarded properties, we should not expect the ability to completely stop social visitors. At best, we can expect "deterrence". But deterrence can be helpful.

⁷ Email to Michael Mirra from Nancy Sutton, April 6, 2020.

2.2 THA has the Legal Authority to Restrict Social Visitors During the Pandemic

THA has the legal authority to restrict social visitors in its apartment buildings. THA concludes this from its consideration of Washington State Landlord-Tenant law, Chap. 59.18 RCW, HUD guidance on this question, and the important overlay of the Governor's Proclamation prohibiting social visiting. Our partners at Northwest Justice Project agree but emphasize that the terms and duration of THA's authority to do this is limited by the terms and duration of the Governor's Proclamation or any comparable orders that the Health Department may issue.

2.2.1 Governor's Order

Section 1.2 above recounts the Governor's order prohibiting social visiting. THA shares with all other people and organizations in Washington State, including landlords, the obligation to obey and to facilitate its enforcement. THA's has a fortified obligation to do this because it is a governmental entity created by authority of state law. *See* Chap. 35.82 RCW.

2.2.2 State Landlord-Tenant Law: Chap. 59.18 RCW

State law governing landlord-tenant relations acknowledges that tenants generally have the right to determine which guests can visit, and when. However, there are limitations on this right even in normal times. Many of the limitations arise from the tenant's responsibility for the conduct of guests to follow the same rules that govern tenants. State law also allows a landlord to forbid people who are not on the lease from living in the apartment. The law recognizes even more limitations in emergencies, especially for the purpose of safeguarding health and safety.

- *Tenant Duty to Obey Governor's Ban on Social Visiting*
State laws require tenants to conform to the Governor's ban on social visiting. This requirement shows in the basic recitation of the tenant duty in RCW 59.18.130 to obey the law.

"Each tenant shall . . . comply with all obligations imposed upon tenants by applicable provisions of all municipal, county, and state codes, statutes, ordinances, and regulations, . . ."

Id. This obligation to obey the law encompasses the Governor's "Stay Home" order, which state law clearly authorizes him to impose. *See* RCW 43.06.220. Even if there is some serious question about whether, under RCW 59.18.130, the Governor's proclamation counts as a "code", "statute", "ordinance" or "regulation" a pandemic is not the time for such fastidious speculation. For these reasons, state landlord tenant law allows a landlord to require the tenant's compliance with the Governor's order.

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- *Tenant Duty to Maintain a Healthy and Safe Residence*
RCW 59.18.130 imposes other duties on the tenant, each of them pertinent to this pandemic:

“(1) *Keep that part of the premises which he or she occupies and uses as **clean and sanitary** as the conditions of the premises permit; . . .*

“(5) *Not permit a **nuisance** or common waste; . . .*

“(8) *Not engage in **any activity** at the rental premises that is:*

*(a) **Imminently hazardous to the physical safety of other persons on the premises; . . .***”

RCW 59.18.310(emphasis supplied).

- *Landlord Obligation to Provide Safe Housing*
RCW 59.18.060 imposes duties on the landlord to provide housing that is healthy and safe, especially under health and safety standards arising from government standards. The Governor’s proclamation would count for this purpose as well.

“(1) *Maintain the premises to substantially comply with any applicable code, statute, ordinance, or regulation governing their maintenance or operation, which the legislative body enacting the applicable code, statute, ordinance or regulation could enforce as to the premises rented if such condition endangers or impairs the health or safety of the tenant; . . .*

“(3) *Keep any shared or common areas reasonably clean, sanitary, and safe from defects increasing the hazards of fire or accident;*

“(4) *Provide a reasonable program for the control of infestation by insects, rodents, and other pests at the initiation of the tenancy and, except in the case of a single-family residence, control infestation during tenancy except where such infestation is caused by the tenant; . . .*”

Id.

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- *Tenant and Landlord Duty to Show “Good Faith”*
State law requires that both tenant and landlord to show “good faith” in their performance or enforcement of duties:

*“Every duty under this chapter and every act which must be performed as a condition precedent to the exercise of a right or remedy under this chapter imposes **an obligation of good faith** in its performance or enforcement.”*
RCW 59.18.020 (emphasis added).

This statutory obligation of “good faith” will fortify the law’s willingness to consider the special circumstances of a pandemic and the consequent statewide orders and health directives to give a landlord considerable latitude in defining and exercising these statutory concepts of “comply”, “regulation”, “clean”, “clean and sanitary”, “safety”, “nuisance”, “hazardous”, “reasonable” and “good faith”, especially when the landlord’s purposes are to protect tenant health.

- *HUD’s Guidance Allows PHAs to Prohibit Social Visiting*
HUD has no direct management authority over a public housing authority (PHA). But it does finance public housing and Section 8 housing (HCV) and has considerable regulatory authority, and a helpful expertise. Amid this pandemic, HUD has issued numerous directives and recommendations on how PHAs can protect health and safety in this emergency. HUD makes clear that a public housing authority can prohibit social visiting.

“PHAs have the authority to restrict visitors from public housing properties. If a PHA plans to implement a visitor ban through amended PHA policies, PIH recommends it be done as part of a broader, publicly announced plan to respond to the pandemic national emergency. PHAs should consider that residents will still need to receive essential services, such as food deliveries, medications, and personal care assistants (PCAs). For example, restrictions should track with CDC guidance and recommendations from state or local health officials. Once those policies are adopted, HUD regulations at 24 CFR 966.4(f)(4) requires tenants to abide by them.

Under the HCV program, including project-based vouchers, PHAs and owners should review the lease, state and local laws to determine the permissibility of banning visitors.⁸

In summary, THA has the legal authority to prohibit social visiting as necessary to protect health and safety during this pandemic. The Governor’s Proclamations and any directives from the Tacoma-Pierce County Health Department will be the primary sources for the scope and duration of this authority.

⁸ COVID-19 FAQs for Public Housing Authorities (March 31, 2020), section OC28, page 12.
https://www.hud.gov/sites/dfiles/PIH/documents/COVID19_FAQ_PIH_3-30-20.pdf#page=5&zoom=100,96,489

3. **RESTRICTION ON SOCIAL VISITING IN THA SENIOR/DISABLED BUILDINGS**

THA will impose the following restriction on social visiting in parts of its portfolio.

3.1 **Restriction Only in THA's 7 Buildings for Seniors and Disabled Persons**

This restriction applies **only** to THA's seven high rise apartment buildings reserved for persons who are seniors or who have disabilities.⁹

3.2 **No Social Visitors or Unauthorized Occupants**

Tenants shall not invite or allow visitors into the building, except for visitors necessary for the following purposes, which we adopt from the Governor Proclamation:

- (1) *Necessary Deliveries*: Delivering necessary supplies and services for family or household members and pets, such as groceries, food and supplies for household consumption and use, supplies and equipment needed to work from home, and products necessary to maintain safety, sanitation and essential maintenance of the home or residence.
- (2) *Essential Visits*: Visits essential for the health and safety of family, household members and pets, including things such as providing medical or behavioral health or emergency services and medical supplies or medication.
- (3) *Care and Transport*: Care for a family member, friend, or pet in another household or residence, and to transport a family member, friend or their pet for essential health and safety activities, and to obtain necessary supplies and services.

A violation of this limitation counts as a serious health and safety risk. The Governor's Proclamation on Evictions lists this as a permissible ground for eviction. *See* Proclamation 20-19 (March 18, 2020). In that event, THA will undertake lease enforcement.

3.3 **Rules During Permitted Visits**

Allowed visitors shall remain in the building only as long as necessary to accomplish the visit's permitted purpose. While in the building, visitors shall practice social distancing: stay at least 6 feet from other people; cover mouth when coughing or sneezing.

3.4 **Duration of Restriction**

This restriction will last until THA ends it or modifies it. To determine the duration of this rule, THA will consult further directives from the Governor and the Tacoma-Pierce County Health Department.

⁹ The restriction will not apply to the rest of THA's portfolio, for 5 reasons:

- Much of the other portfolio is not apartment buildings but townhomes, duplexes or triplexes, with separate entrances to the apartment and no interior common spaces. This means they pose a lower risk of infection.
- THA has not received requests for such a ban from tenants of these other properties.
- The residents in most of the rest of the portfolio are comprised of younger or nondisabled persons.
- Two THA properties do house mostly seniors and disabled persons: Alberta Canada Building and Prairie Oaks. THA consulted with their third-party managers. The Alberta Canada manager also lives in the building. These managers report that they have had no problem with social visits during Governor's Stay Home order. THA confirmed this with a survey of camera records showing who was entering the buildings. THA will continue to monitor these properties. If problems arise THA can extend this plan to them.
- THA does not have the staff or the money to implement such a ban in its entire portfolio.

4. **IMPLEMENTATION AND ENFORCEMENT OF THE RESTRICTION**

THA will implement this rule with the following 3 steps:

STEP 1: Communication to Tenants

- We give the letter attached to this memo to every tenant. We will do that in two ways:
 - post it on every tenant door
 - send by email to tenants whose email addresses we have
- We will also post the letter on every building entrance and in the hallways.

STEP 2: Monitoring Entries and Enforcement

Security Guard:

- Beginning Saturday, April 18th, THA will post a security guard from Pierce County Security for each of the 7 buildings, 7 days a week from 7 PM to 3 AM. [Camera records show this shift to be the busiest for social visits.] This will supplement the normal security guard that periodically visits the buildings.

This daily security service will cost \$208 to \$302 per shift per building, depending on the experience of the guard. For all 7 buildings, this will cost \$1,456 to \$2,114 per day. At these rates, the costs for the 17 days between April 18th and May 4th, when the Governor's Stay Home is presently set to expire is: **\$24,752 to \$35,938**. We will code this cost as a COVID-19 expense to make reimbursement from the federal government more likely.

- We or Pierce County Security will equip each entry guard with:
 - a desk and a chair;
 - a list of all current tenants;
 - a mask;
 - hand sanitizer;
 - log sheet to record for each encounter: date, name of visitor; name of tenant, stated purpose of visit; outcome.
- Guard protocol: *See* flow chart on next page

STEP 3: THA Periodic Review of Restriction and Its Enforcement

- The EOC will monitor how this restriction is working. To do that, it will consult:
 - guard logs;
 - record of security cameras;
 - building key holders;
 - property managers;
 - TRAC.
- THA will consider lease enforcement for violators up to and including eviction.
- The EOC will closely track any further directives from the Governor and the Health department, and end, extend, or adjust this restriction accordingly.

SOCIAL VISIT BAN IN THA SENIOR BUILDING DURING VIRUS EMERGENCY: SECURITY GUARD PROTOCOL

April 15, 2020

The guard will politely greet and question every person who does not have a tenant's electronic entry key, even if the visitor has already been buzzed into the building or even if the tenant accompanies the visitor.

The guard will explain that he or she is helping THA enforce the Governor's statewide ban on social visiting to keep the tenants safe from the virus.

The guard will ask the visitor the name of the tenant s/he wishes to visit. The guard will then check for that name on the list of tenants.

If the name is not on the tenant list

NO ENTRY

If the name is on the tenant list, the guard will ask the visitor the purpose of the visit.

If the tenant does not answer

NO ENTRY

To confirm, the guard will ask the tenant (in person if the tenant is present or by buzzing the tenant) whether or not (i) the tenant wishes the delivery or visit; AND (ii) its purpose.

PERMITTED DELIVERY

If tenant confirms that the delivery is for a permitted purpose and that he or she wish to receive it, the guard will ask the tenant, if possible, to come down to the lobby to retrieve the delivery.

If tenant cannot come to the lobby, the guard will allow the delivery person to go to the apartment but only to make the delivery.

LIMITED ENTRY

The guard will judge if the stated purpose of the visit fits any of the following permitted purposes. In making this judgment, the guard will rely on the tenant's account:

(1) *Necessary Deliveries*: Delivery of necessary supplies and services for family or household members and pets, such as groceries, food and supplies for household consumption and use, supplies and equipment needed to work from home, and products necessary to maintain safety, sanitation and essential maintenance of the home or residence.

(2) *Essential Visits*: Visit essential for the health and safety of family, household members and pets, including things such as providing medical or behavioral health or emergency services and medical supplies or medication.

(3) *Care and Transport*: Visit to care for a family member, friend, or pet in another household or residence, and to transport a family member, friend or their pet for essential health and safety activities, and to obtain necessary supplies and services.

PERMITTED VISIT

If tenant confirms the visitor
AND its permitted purpose

ENTRY

**IF DELIVERY OR VISIT IS NOT PERMITTED
NO ENTRY**

Guard will record all encounters on the provided log sheet



TACOMA HOUSING AUTHORITY

April 15, 2020

NO SOCIAL VISITS DURING THE VIRUS EMERGENCY

Dear THA Tenant:

Tacoma Housing Authority is trying hard to keep its tenants and staff safe during the COVID-19 pandemic. To do that, THA announces a new rule for its 7 buildings for seniors and people with disabilities. This rule helps to enforce the Governor state-wide ban on social visits.

1. No more social visits.

2. Other important visits are okay:

Necessary Deliveries: Delivering necessary supplies and services for family or household members and pets, such as groceries, food and supplies for household consumption and use, supplies and equipment needed to work from home, and products necessary to maintain safety, sanitation and essential maintenance of the home or residence.

Essential Visits: Visit essential for the health and safety of family, household members and pets, including things such as providing medical or behavioral health or emergency services and medical supplies or medication.

Care and Transport: Visit to care for a family member, friend, or pet in another household or residence, and to transport a family member, friend or their pet for essential health and safety activities, and to obtain necessary supplies and services.

Every evening, THA will have a security guard at the building's front door. The guard will check with the tenant to make sure a visit is for a permitted purpose.

Breaking this rule endangers you and your neighbors. It may also lead to your eviction.

We hope you understand the reasons for this new rule. They are important:

- This new rule tries to keep you and your neighbors safe. The infection is killing people. We do not want that to happen to you or your neighbors.
- The Governor has banned all social visiting. This new rule helps to enforce that ban.
- The local Health Department and your tenant organization (TRAC) recommend this rule.

You can help keep yourself and your neighbors safe:

- Please help your neighbors understand that this rule is important.
- Please report violators to the property manager or to the guard.
- Please follow the health advice the Health Department has for everyone:
 - stay 6 feet away from others;
 - wash our hands, a lot; don't touch our face;
 - if we feel sick, stay home.

We will let you know when we can end this rule. We will decide that by listening to the Governor and the Health Department.

If you have questions or suggestions, please call your building manager.

Thank you for your help. Please stay safe!

Michael Mirra

From: Michael Mirra
Sent: Thursday, April 16, 2020 12:16 PM
To: Brendan Woodbury (brendan.woodbury@mail.house.gov); Jennifer Cash (jennifer.cash@mail.house.gov); Lauren Adler (lauren.adler@mail.house.gov); Office of Rep. Denny Heck (Roel.Vanderlugt@mail.house.gov); Priscilla Min (Priscilla.Min@mail.house.gov); Rebecca Snyder (Rebecca.Snyder@mail.house.gov); Roberts, Dallas; Tina Johnson - Office of Congressman Denny Heck (tina.johnson@mail.house.gov); Wulfing, Rina; Derek Kilmer (kevin.warnke@mail.house.gov); Evan Smith - Rep. Derek Kilmer, Washington 6th District (Business Fax); Joe Dacca (joe.dacca@mail.house.gov); Julie Zelnick (julie.zelnick@mail.house.gov); Katie Allen (katie.allen@mail.house.gov); Katie Allen (katie.rallen@mail.house.gov); Meadow Johnson (meadow.johnson@mail.house.gov); Monteith, Sarah; Rachel Kelly (Rachel.Kelly@mail.house.gov); rachel.appleton@mail.house.gov; Roper, Andrea (Andrea.Roper@mail.house.gov); Stephen Carter (stephen.carter@mail.house.gov); Mayo, Thomas
Subject: HR 6314 and its \$100 billion for rental assistance - Some Suggestions and Concerns
Attachments: 4-8-20 PH Industry Group COIVD-19 Request Letter - Signed.pdf

Representative Denny Heck
Representative Derek Kilmer
Representative Adam Smith

Dear Denny, Derek, and Adam (and their staff):

I hope this finds you all well, and staying safe.

I write to offer some comments and suggestions about HR 6314 that you are all sponsoring to provide \$100 billion in emergency rental assistance to help the response to the COVID-19 pandemic.

The first thing I wish to tell you is “thank you”! The pandemic is teaching us something we already knew – that housing is not only health care, but also public health care. You have always championed the value of housing. That shows clearly, and impressively, in this bill, and its proposed investment in at least emergency shelter.

I do have some concerns and suggestions that I ask you to consider:

- **Public Housing and Section 8 Programs Need for More COVID-19 Funding**
Please do not let the \$100 billion proposal for shelter services obscure or deflect the importance of the additional funding necessary to sustain the public housing and section 8 housing programs. These programs are the nation’s main way to deliver permanent, stable, and affordable housing for the nation’s neediest households. HUD and others estimate that these programs, which the CARES Act funded with \$2 billion, will need an additional \$ 8.5 billion to have half a chance to get through this emergency. I attach a letter explaining this need to the House and

Senate leadership. The letter is from CLPHA, NAHRO, PHADA, and MTW America's Housing Policy Lab, and a 26 page long list of public housing authorities and housing organizations around the nation, including those in Washington State.

That letter explains that much of the additional money is necessary just to serve our current clients. They are losing income, along with the rest of the nation, as low-wage jobs disappear. When that happens, PHAs must do two things. Both are necessary. Both of them are expensive in ways that PHAs are not funded to cover on the coming scale. **First**, for public housing tenants, PHA must lower the tenants' rent. In this way, PHAs must then forego a main source of their income. And unlike market rate landlords, PHAs cannot withstand losses by planning ever to recoup them with future rent increases. **Second**, for section 8 voucher holders who lose income, PHAs must reduce the tenants' share of the rent owed to the private landlords, and increase the PHA's share. Doing this keeps the tenant housed (and without accruing any rent arrearages). Doing this also helps to keep our landlord partners in business, especially the smaller ones. Many of their other tenants are defaulting on rent. The section 8 rental stream is crucial to them. Yet, PHAs are not funded to do this at the extent we are told to expect. All these expenses are in addition to the greater operational needs a pandemic requires of a responsible housing organization. (To give just one example of many new costs: THA is sanitizing all our properties twice a day.)

Without more money to cover all these costs, among the losses resulting from the pandemic we will have to expect permanent damage to the nation's housing systems. A further weakening of those systems will make the next pandemic even harder to manage. And a strengthened shelter system will not compensate for that loss.

This weakening will happen just as PHAs must expect a large waive of new requests for help from the newly unemployed who lost their incomes in the pandemic. The public housing and section 8 voucher programs have never been enough to meet the nation's need. That shortfall is about to get a lot worse. The additional \$8.5 billion will help serve these newly destitute households, and keep their landlords going.

- **Use the Administrative and Operational Capacity of the Public Housing Authorities**

\$100 billion is a lot of money that will test the capacity of the continuum of care system that has never received more than \$300 million in any fiscal year. Stretching, and growing, the system, is worthwhile. Yet testing it with such an immense scale of an increase is worrisome. We can diminish the risk by redirecting part of the money, and part of the flow of the newly needy, into the

public housing authority system. That system is already in place with the necessary systems for delivery and control.

- **Emergency Shelter vs. Stable Permanent Housing**

HR 6314 provides essential funding to the nation's local emergency shelter funding streams. This of course is valuable. A separate value, and more enduring, comes from the permanent housing the public housing and section 8 housing programs provide. This value is particularly important now, in three ways. **First**, persons experiencing homelessness mainly need what they have always needed – stable housing, in many cases linked with services. Shelter cannot do that as well. **Second**, shelter will not stabilize the wave of newly destitute households resulting from this pandemic. Their income loss may be long term. They too need stable housing. **Third**, permanent housing infrastructure is particularly necessary for the community's long term prospects after this pandemic is over. We all hope to come out of this pandemic stronger, and better able not only to withstand the next one, but to rebound. To do this we need to seed the communities, not only with shelters, but with more affordable housing. In particular, a rebound needs this housing linked with other civic systems: schools, colleges, child welfare, judiciary, mental health, and transportation. PHAs, especially those in Washington State, have learned how to do this pretty well. The result is a community resilience that will serve us all very well, through the next pandemic and beyond.

I hope this is helpful.

I would be pleased to discuss this further with you if that would help you.

Thank you very much for all each of you do. Your work has never been more important.

Warmly,

Michael

Michael Mirra

he/him

Executive Director

Tacoma Housing Authority

902 South L Street, Tacoma, WA 98405

(253) 207-4429

mmirra@tacomahousing.org

www.tacomahousing.org



Michael Mirra

From: Michael Mirra
Sent: Thursday, April 9, 2020 10:13 PM
To: THA All
Cc: THA Commissioners
Subject: COVID-19 and THA Staff Worries

Dear THA All Staff:

I hope this finds you and your families all well, and safe.

I write to review some aspects of THA's financial effort to manage through the COVID-19 pandemic. Brandon asks you to consider my email in place of his regular virus update. The next regular update will come from him directly.

I understand from Brandon that some staff have expressed their worries that the pandemic and the Governor's "Stay Home – Stay Healthy" Proclamation will cause staff layoffs and pay cuts at THA. I think I can offer some reassurance. I write to do that. Presently, we see no need for such actions. And we have no such plans. We have some important advantages that should protect us. We also have some other strategies to try first. I list them farther along in this email for the reassurance I hope they offer. I also note some important uncertainties as we live through an experience none of us ever before had.

Let me first acknowledge that, if you were worried about THA's finances, it is easy to see why. The economy is collapsing around us. Millions of households cannot pay their rent or their mortgage, or even buy food and medicine. This country appears headed for massive unemployment. It is not likely that THA will remain completely unaffected. Yet, so far, our clients and THA staff have been privileged. Amid all this distress, our tenants are lucky to have THA as their landlord. We will not be evicting anyone for reasons relating to their loss of income. Our voucher holders are lucky. THA will continue to subsidize their rent and in greater amounts as their income goes down. Our voucher landlords are lucky as well. While many of their other tenants are defaulting on rent, we are paying our rent share on time and in full for their voucher tenants. And we at THA are lucky. THA has been able to keep everyone on full payroll. For those without full work assignments we even have provided full paid administrative time, all without asking people to draw down on their accumulated paid leave. I hope you understand this decision as a measure of THA's regard for its staff, for their welfare, and for the welfare of their families.

There are indeed financial worries ahead. Here are the two main ones:

- Our tenants and voucher holders who lose income can ask THA to increase our subsidy to compensate. If large numbers ask for this adjustment we may not be

funded adequately to do it. The third COVID-19 relief bill that the President signed last week provided PHAs with some extra money. We do not yet know how much of this funding will find its way to us. We are watching all this carefully.

- The federal government, the state, our city and county will all see drastic revenues shortfalls. There are hard budgets ahead. That will likely affect our future funding.

Yet, amid this uncertainty we have some advantages that will help a lot to keep staff fully working and paid. Here are five of them:

- The Governor has exempted from his shut-down Proclamation those businesses and activities he designated as “essential” to the community’s welfare. The work of public housing authorities is on that list. Your work here has always been essential. It is more so in the middle of a pandemic. The community is learning, or relearning, that housing is not only health care. It is also public health care. Our responsibility now, as before, is to measure up to this expectation, and to show our value. We must show it in the service we provide. We must show it in how well we do the work. I have no worries on this score. THA’s staff has always done this. If we keep doing it, we will stay open because the community needs us. That means we will stay working, at least in our core functions, and probably beyond that core because in a pandemic the community needs us to do still more.
- We are in good financial shape, with healthy reserves. My earlier emails provide some details, if you care for them. This is a tribute to the Board’s careful stewardship. This month the Board will adopt a budget for 2020. The budget will show an operating surplus. It will maintain our reserves. It will allow THA to continue its programmatic initiatives and ambitions.
- We are a Moving to Work (MTW) housing authority. This MTW status does not get us more federal funding; but it makes the funding we get more flexible. That flexibility allows us to do our best work, like our innovative programming. It also has allowed us to weather the serious ups and downs of federal funding over the years without a single layoff and without ever terminating a single person’s assistance for budget reasons. (That by itself is a notable achievement.) This flexibility also should help us through the uncertainties of this pandemic.
- A pandemic is unfamiliar territory for all of us. I feel we are living through a large scale, high stakes, improvisation. The next advantage is that THA and its staff are pretty good at the qualities that should serve us well amid such uncertainties: remaining focused on the mission, being creative and innovative in getting it done, resilience, and good humor. It is also a time for us all to support each other. That counts too, a lot.

- The final advantage that I hope is reassuring is that THA values its staff. This value arises for two reasons. **First**, it comes simply because THA realizes that being someone's employer is an important responsibility to the staff person and to his or her family. This is why THA tries hard to pay well and to provide excellent benefits for staff and dependents. It is also why we try to treat each other well. **Second**, the value arises because THA knows that its staff is essential for the work. It took years to build the staff we have – its expertise, its commitment to a hard mission, its ability to explain the value of the work to ourselves and to the community, and its ability to work together. We must safeguard our staff not only to remain useful during this emergency. Also, we need to keep this staff intact to serve the community after the pandemic. We would not be useful now or later if we cannibalized ourselves to get through.

These advantages will serve us well as we puzzle this through. Presently, the main expense is the paid administrative leave for staff who are not working. This is not sustainable if this pandemic and the shutdown lasts much longer. Yet we have other strategies to try before we need to consider layoffs, pay cuts, or reduction in hours. Here are four, perhaps in this order:

- The best solution is to keep staff working at their duties, whether at the office, at the jobsite, or at home. We need to find ways to allow staff to do their jobs remotely. We are working on that. This requires us to use new technologies, and to get better at using them. [Doing this will also teach us some skills and new ways of work that may be valuable even after the pandemic. *E.g*, remote inspections, electronic signatures on lease and certifications, simpler processes.]
- We need to ask not only what people have been doing in their jobs, but also what they can do in this emergency to be useful. For example, PHA staff such as inspectors and program specialists around the country who are idled by the pandemic are contributing at their jobs in ways different than their normal duties, *E.g*, making “welfare” calls to clients, answering client questions and calming their fears, delivering food to tenants in senior buildings.
- We may ask staff for whom we cannot assign enough work to draw upon their accumulated paid leave.
- There are limits to those accumulations of leave. So we may also consider a way to advance leave for people who run out, or we may devise a program to allow staff with leave to spare to donate some to their colleagues who need it.

I will close by acknowledging the main uncertainty we face, along with the rest of the world. We do not know how long this pandemic will last, what it will be like, or what it will require of us. Our Governor tells us that “We’re not out of the woods yet.” You, the EOC, and I seek clues from same news. We watch carefully. We consult widely. Let us keep doing

that. And let us all be vigilant with our personal hygiene practices: maintain our social distance, wash our hands a lot, don't touch our face, and stay home if we are sick.

Despite all this uncertainty, I hope this email offers you some reassurance. I encourage you to feel as I do: the main reassurance is our talented, focused, flexible, and good humored staff. As Mike Cox reassured me when we were living through another stressful moment two or so years ago, "*We got this!*"

On behalf of the THA Board, thank you! We are grateful to you.

Michael

Michael Mirra

he/him

Executive Director

Tacoma Housing Authority

902 South L Street, Tacoma, WA 98405

(253) 207-4429

mmirra@tacomahousing.org

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"Housing Tacoma Forward"



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,840,245 for the month of February, 2020.

Approved: March 25, 2020

Derek Young, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of February 2020

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Accounts					
Accounts Payable Checks	Check #'s	94,077	- 94,127		
Arlington CRC Checks	Check #'s	-	- -		
Accounts Payable EFTs	EFTs	513	- 545		
Business Support Center				487,757	Program Support
Moving To Work Support Center				82,509	
Moving To Work Buildings (used by Support Center)				16,336	
Tax Credit Program Support Center				14,519	
Section 8 Programs				34,520	Section 8 Operations
Hillsdale Heights				1,519	Properties
Salishan 7				19,171	
Salishan Common Areas				313	
THDG - General				1,266	THDG
Arlington Crisis Residential Center				168	Development
Arlington Youth Campus-THA Costs				5,728	
Salishan Developer Fee				1,204	
Hilltop Redevelopment				1,708	
Bus Development Activity				7,963	
CS General Business Activities				250	Client Support
SAFE/TRAC				257	
Community Services MTW Fund				28,979	
COT-Community Wellness Program				244	Public Housing
AMP 6 - Scattered Sites				(209)	
AMP 9 - HT 1500 - Subsidy				987	
THA SUBTOTAL				705,187	Tax Credit Projects - Reimbursable
Hillside Terrace 1 through 1500				3,857	
Bay Terrace I & II & Community Facility				19,777	
Alberta J Canada Bldg				28,781	
Renew Tacoma Housing				18,246	
Salishan 1 - Salishan 6				12,978	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				83,640	788,827
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	483,206	- 483,273	107,910	
	EFTs	497	- 537	3,260,453	\$ 3,368,363
Payroll & Payroll Fees - ADP					\$ 683,055
TOTAL DISBURSEMENTS					\$ 4,840,245

TACOMA HOUSING AUTHORITY

CASH POSITION - February 2020

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	3,600,099	0.55%
Section 8 Checking	3,213,393	0.55%
THA Affordable Housing Proceeds-Salishan	1,426,080	0.55%
THA Scattered Sites Proceeds	5,860,820	0.55%
FSS Escrows	216,792	0.55%
CSA Escrows	47,404	0.55%
Note Fund Account	102	0.55%
Credit Card Receipts	459	0.55%
Key Bank Security Deposits	3,638	0.55%
Relocation Account	5,005	0.55%
THA Investment Pool	336	0.55%
THDG - Tacoma Housing Development Group	988,157	0.55%
Salishan 7 Operations	1,533,467	0.55%
Salishan 7 Security Deposit	29,364	0.55%
Salishan 7 Replacement Reserve	362,133	0.55%
Salishan 7 Operating Reserve	202,767	0.55%
Highland Crest Operations	829,182	0.55%
Highland Crest Replacement Reserve	249,353	0.55%
Highland Crest Security Deposit	42,728	0.55%
Outrigger Operations	361,710	0.55%
Outrigger Replacement Reserve	169,953	0.55%
Outrigger Security Deposit	24,813	0.55%
Prairie Oaks Operations	117,891	0.55%
Prairie Oaks Replacement Reserve	27,677	0.55%
Prairie Oaks Security Deposit	5,464	0.55%
Payroll Account	4,724	0.55%
HOME STREET BANK		
James Center North Operations	629,985	0.00%
James Center North Security Deposit	56,801	0.00%
WASHINGTON STATE		
Investment Pool	\$ 1,519,297	1.72%
1. TOTAL THA CASH BALANCE	\$ 21,529,594	
Less:		
2. Total MTW Cash Balance	\$ 1,206,378	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ 480,378	
3. MTW Cash Held By HUD	\$ 2,685,324	

TACOMA HOUSING AUTHORITY

CASH POSITION - February 2020

4. Non MTW Cash Restrictions/Obligations					
<i>4.1 Non MTW Operational Restrictions</i>					
4.10 HUD Restricted - Lot and Property Sales				\$	7,286,900
4.101 Area 2B Sales Proceeds (Afford Hsg)		1,426,080			
4.102 Scattered Sites Proceeds (Afford Hsg)		5,860,820			
4.20 THA Property Accounts Reserved				\$	2,417,804
4.201 Security Deposit Accounts		162,808			
4.202 Highland Crest Operations Reserves		320,000			
4.203 Highland Crest Replacement Reserves		249,353			
4.204 James Center North Operations Reserves		230,000			
4.205 James Center North Capital		274,880			
4.206 Outrigger Operations Reserve		150,000			
4.207 Outrigger Replacement Reserves		169,953			
4.208 Prairie Oaks Operations Reserves		77,000			
4.209 Prairie Oaks Replacement Reserves		67,677			
4.210 Salishan 7 Operations Reserves		354,000			
4.211 Salishan 7 Replacement Reserves		362,133			
4.30 Rental Assistance Reserves				\$	685,511
4.301 Mod Rehab Operating Reserves		86,023			
4.302 VASH, FUP & NED HAP Reserves		384,517			
4.303 FSS Escrows		214,971			
4.40 Prepaid Grants				\$	1,065,876
4.401 Gates Foundation		77,719			
4.402 THDG		988,157			
4.50 BFIM Buyout LOC Collateral-Potential Tax Credit Loss				\$	2,500,000
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)				\$	13,956,091
4.70 Agency Contracted or Budgeted Commitments Remaining				\$	-
		-			
		-			
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)				\$	13,956,091
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)				\$	6,367,125
6. Development Advances - Project Reimbursement upon closing/draw				\$	206,331
6.01 Arlington Crisis Residential Center		-			
6.02 Arlington Youth Housing		64,295			
6.03 Court F LLLP (1800 Block)		142,036			



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,4707,744 for the month of March, 2020.

Approved: April 22, 2020

Derek Young, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of March 2020

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Accounts					
Accounts Payable Checks	Check #'s	94,128	-	94,194	
Arlington CRC Checks	Check #'s	10,011	-	10,013	
Accounts Payable EFTs	EFTs	561	-	589	
Business Support Center				470,772	Program Support
Moving To Work Support Center				168,152	
Moving To Work Buildings (used by Support Center)				41,528	
Tax Credit Program Support Center				20,040	
Section 8 Programs				25,855	Section 8 Operations
KeyBank Building				4,736	Properties
Mr Mac Building				1,506	
Salishan 7				46,203	
CSA Program - THDG				1,556	THDG
Arlington Crisis Residential Center				379,069	Development
James Center				3,194	
New Look/Alberta J Canada-Development				375	
Arlington Youth Campus-THA Costs				5,433	
Court F (HT 1800 Block)				138	
HT 1500 Block				438	
Salishan Developer Fee				6,752	
Bus Development Activity				2,060	Client Support
CS General Business Activities				1,408	
CSA Program - Business Activities				901	
Community Services MTW Fund				17,382	
COT-Community Wellness Program				154	Public Housing
AMP 9 - HT 1500 - Subsidy				2,831	
THA SUBTOTAL				1,200,482	
Hillside Terrace 2 & 1500				4,792	Tax Credit Projects - Reimbursable
Bay Terrace I & II & Community Facility				10,645	
Renew Tacoma Housing				29,015	
Salishan 1 - Salishan 6				30,155	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				74,607	1,275,089
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	483,274	-	483,328	50,352
	EFTs	548	-	579	3,386,266
Payroll & Payroll Fees - ADP					\$ 696,036
TOTAL DISBURSEMENTS					\$ 5,407,744

TACOMA HOUSING AUTHORITY

CASH POSITION - March 2020

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	3,238,595	0.44%
Section 8 Checking	4,154,945	0.44%
THA Affordable Housing Proceeds-Salishan	1,426,588	0.44%
THA Scattered Sites Proceeds	5,862,910	0.44%
FSS Escrows	216,870	0.44%
CSA Escrows	47,404	0.44%
Note Fund Account	102	0.44%
Credit Card Receipts	10,869	0.44%
Key Bank Security Deposits	3,639	0.44%
Relocation Account	5,009	0.44%
THA Investment Pool	336	0.44%
THDG - Tacoma Housing Development Group	1,054,431	0.44%
Salishan 7 Operations	1,618,252	0.44%
Salishan 7 Security Deposit	29,375	0.44%
Salishan 7 Replacement Reserve	368,263	0.44%
Salishan 7 Operating Reserve	202,839	0.44%
Highland Crest Operations	867,273	0.44%
Highland Crest Replacement Reserve	249,353	0.44%
Highland Crest Security Deposit	43,194	0.44%
Outrigger Operations	374,372	0.44%
Outrigger Replacement Reserve	173,689	0.44%
Outrigger Security Deposit	25,422	0.44%
Prairie Oaks Operations	123,085	0.44%
Prairie Oaks Replacement Reserve	28,189	0.44%
Prairie Oaks Security Deposit	5,466	0.44%
Payroll Account	4,731	0.44%
HOME STREET BANK		
James Center North Operations	666,602	0.00%
James Center North Security Deposit	56,801	0.00%
WASHINGTON STATE		
Investment Pool	\$ 1,520,965	1.29%
1. TOTAL THA CASH BALANCE	\$ 22,379,571	
Less:		
2. Total MTW Cash Balance	\$ 1,482,759	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ 756,759	
3. MTW Cash Held By HUD	\$ 2,860,999	

TACOMA HOUSING AUTHORITY

CASH POSITION - March 2020

4. Non MTW Cash Restrictions/Obligations			
<i>4.1 Non MTW Operational Restrictions</i>			
4.10 HUD Restricted - Lot and Property Sales		\$	7,289,499
4.101 Area 2B Sales Proceeds (Afford Hsg)	1,426,588		
4.102 Scattered Sites Proceeds (Afford Hsg)	5,862,910		
4.20 THA Property Accounts Reserved		\$	2,429,271
4.201 Security Deposit Accounts	163,896		
4.202 Highland Crest Operations Reserves	320,000		
4.203 Highland Crest Replacement Reserves	249,353		
4.204 James Center North Operations Reserves	230,000		
4.205 James Center North Capital	274,880		
4.206 Outrigger Operations Reserve	150,000		
4.207 Outrigger Replacement Reserves	173,689		
4.208 Prairie Oaks Operations Reserves	77,000		
4.209 Prairie Oaks Replacement Reserves	68,189		
4.210 Salishan 7 Operations Reserves	354,000		
4.211 Salishan 7 Replacement Reserves	368,263		
4.30 Rental Assistance Reserves		\$	705,379
4.301 Mod Rehab Operating Reserves	113,447		
4.302 VASH, FUP & NED HAP Reserves	383,711		
4.303 FSS Escrows	208,221		
4.40 Prepaid Grants		\$	1,119,571
4.401 Gates Foundation	65,140		
4.402 THDG	1,054,431		
4.50 BFIM Buyout LOC Collateral-Potential Tax Credit Loss		\$	2,500,000
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$	14,043,720
4.70 Agency Contracted or Budgeted Commitments Remaining		\$	-
	-		
	-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$	14,043,720
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)			
		\$	6,853,092
6. Development Advances - Project Reimbursement upon closing/draw			
		\$	206,331
6.01 Arlington Crisis Residential Center	-		
6.02 Arlington Youth Housing	64,295		
6.03 Court F LLLP (1800 Block)	142,036		



TACOMA HOUSING AUTHORITY

**POLICY, INNOVATION, AND
EVALUATION**



TACOMA HOUSING AUTHORITY

DATE: April 22, 2020

TO: THA Board of Commissioners

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

RE: Policy, Innovation and Evaluation Department Board Report

This report serves as the bi-monthly report to the board regarding the status of the Tacoma Housing Authority's (THA) Education Project. Karen Bunce, Amy Van and Jess Thompson lead this work on THA's behalf and prepare these bi-monthly status reports.

1. Tacoma Schools Housing Assistance Program (TSHAP)

Tacoma Public Schools (TPS) closed schools on March 16th at the direction of Governor Inslee's announcement to close all K-12 facilities for six weeks in an effort to limit the spread of the coronavirus (COVID-19). TPS originally announced that it planned to resume school on April 27, 2020. We have since learned that schools are closed through the end of the school year.

In light of the public health crisis, agencies including THA and Pierce County have also limited operations at the guidance of the Tacoma Pierce County Health Department. TSHAP work group meetings will also be limited to email communication.

In response to operational changes, staff from TPS, THA and Pierce County Human Services (PCHS) are revisiting the timeline of the TSHAP Notice of Funding Availability (NOFA) review and award timeline, as well as the timeline of program implementation.

The initial timeline suggested that an award for the TSHAP NOFA will be issued in early April and program implementation by early May 2020. Impacts of the state of emergency presents the following scenarios based on existing information and optimistic assumptions:

1.1. **Scenario A:** A delay of the TSHAP NOFA application review to a date to take place in May 2020:

- 1.1.1. This assumed that TPS successfully resumes school on April 27th and TPS staff are available to participate on the review committee in May. This ensures that

TPS voice is represented in the review process.

- 1.1.2. The Pierce County Document Recording Fee (DRF) Advisory Group review to take place in June 2020: Currently, the DRF Advisory Group is set to convene and review Coordinated Entry NOFA applicant presentations on June 5, 2020. Contingent on the availability of TPS staff to participate on the application review committee, it will be convenient to request the DRF Advisory Group to review TSHAP applicants during this time as well.
- 1.1.3. The earliest projected project implementation will start after mid-June due to the timing of the DRF Advisory Group. THA and Pierce County are working together to shorten this timeline.

1.2. Scenario B: Begin TSHAP implementation in September 2020

- 1.2.1. While this delays the ability to serve families in the 2019-2020 school year, the uncertainty of the academic spring quarter of 2020 suggests limited TPS staff capacity to prepare operational readiness of the TSHAP. A September start date allows time for TPS, County staff, and the successful bidder to prepare for implementation throughout the summer months. This includes preparing school building administrators and McKinney-Vento liaisons with the adequate information to support students and families, as well as time to develop a data exchange process between the County, TPS and THA.
- 1.2.2. Under this timeline, TSHAP NOFA applicants will be asked to resubmit a budget that accounts for the September start date (likely a 16-month budget instead of a 20-month budget).
- 1.2.3. The County will accommodate this timeline by allowing the review process to take place as late as July 2020 with an award announced in August. The program implementation would begin in September 2020.

2. Tacoma Public Schools

- 2.1. TPS Data Analytics Research Team (DART) successfully created an ID field to capture the Homeless Management Information System (HMIS) client number in TPS' student data system. This allows the county's Coordinated Entry system and TPS a common identifier so that the partners can securely track student progress as they are stably housed. TPS, THA and PCHS had planned to meet in March, however due to school closures staff will convene in May to discuss operationalizing the data exchange.

- 2.2. Given the school closures and significant shifts in student learning, TPS has had limited capacity to update the 2019 fall semester report card. PIE will continue to check in with the TPS liaison and monitor for updates. PIE will also continue to monitor news from the Office of Superintendent of Public Instruction (OSPI) as learning guidelines and resources for students and families are being rolled out.
- 2.3. **Covid-19 Response:** PIE staff are lending research support to support communication to clients and partners of helpful resources and information during these uncertain times. This includes looking into the Essential Internet product provided by Comcast and verifying customers will be able to maintain their subscription without credit-checks and collecting relevant information pertaining to the Coronavirus Aid, Relief and Economic Security (CARES) Act.

3. Children's Savings Account (CSA)

- 3.1. CSA and PIE staff have been meeting with the Washington Student Achievement Council (WSAC) staff monthly since December to continue examining the feasibility of administering the CSA program through the Greater Education Tuition (GET), a prepaid college tuition plan for families to save for their children's future higher education expenses. To date, THA and WSAC have discussed THA creating an omnibus account with linked sub-accounts to student beneficiaries. THA would allocate funds virtually until the funds are accessible upon the student graduating high school and requesting for disbursement. THA Finance department is also weighing in on the conversation—namely to review the potential financial risks and administrative burden that might be associated with this decision. Key areas of interest from Finance includes whether funds will still need to be fiduciarily managed by the department and what liquidation risks might be associated with GET accounts.

WSAC's Information Technology (IT) team has been developing an online prototype for data and account management based on the product requests of THA. Their IT demonstrated the current stages of the prototype development to THA in February and March. The product looks promising and seems to be meeting most of the needs of THA in terms of being a reliable and efficient avenue for THA to monitor program engagement and account activities.

- 3.2. CSA Student Payout: There's a possibility a small number of CSA high school students will be graduating early, possibly June 2021. Due to the two-phased nature of the current CSA program, the initial high school graduating cohort's incentive earnings are all held in escrow by THA's finance department. Students who enter through the 6th grade also do not have a Heritage Bank savings account. Therefore, THA will need to determine the method it will use to disburse funds to these students. Current research has led PIE staff to explore the Uniform Gift to Minors Act (UGMA) which is a method

in which THA opens a savings account for minors. Beneficiaries can access their assets when the minor matures at 18 years old. However, there will be tax implications to the beneficiary, a kiddie tax, if gift funds pass a certain threshold set by the Internal Revenue Service (IRS) (in 2019 and 2020, the first \$1,100 of a UGMA is tax-free). Based on current CSA accounts, there will be a positive number of soon-to-be graduating students whose earnings will surpass the IRS threshold should they seek fund disbursement within the next year or two. PIE, Client Support and Empowerment (CSE) and Finance are weighing the matters and options at hand to determine the best course of action to ensure that the participant benefits most from disbursement while also being cognizant of our own internal account-management capacity.

- 3.3. Third party evaluation:** In February, BERK met with PIE, CSE and Foundation for Tacoma Student staff to kick-off a performance metric strategy session through the lens of the CSA as a case study. The purpose of this meeting was to clarify the CSA program's intended outcomes to focus CSA data collection and reporting, as well as to inform broader conversations about the right role of the housing and education partnership. This conversation led the creation of a logic model to guide ongoing performance metrics and activities connected to near-term and long-term outcomes.

4. THA Books Initiative

- 4.1.** THA received this year's supply of books from the Book Rich Environment initiative. BRE supplied us 3,000 brand new books and it arrived at the ripe time as families' needs for learning resources is in high demand due to school closures.

5. College Housing Assistance Program (CHAP)

5.1. Responding to COVID-19

- 5.1.1.** Despite campus closures due to the coronavirus pandemic, Tacoma Community College and University of Washington Tacoma remain dedicated to ensuring homeless and near-homeless college students are still able to apply for and be referred to housing. The colleges have been relying on phone, email, and web conference platforms to conduct intake interviews and screening. TCC reached out to THA to request help moving the screening application online. PIE was able to provide a temporary online option with the understanding that TCC would develop their own tool once business returns to normal. Additionally, PIE staff worked to convert the THA application to a fillable PDF form. This allows students to complete the forms online and can save their progress in cases when they're unable to complete all of the application in one sitting.

In addition to ensuring CHAP operations do not face disruption, the colleges have worked to ensure students have access to essential technical resources at this time. For instance, TCC has widened the reach of their WIFI network to reach campus parking lots in order to serve students without internet at no extra cost. They are also assisting students without computers by providing them with desktop computers to use at home. Both institutions have emergency aid funds that will be vital for students to access during this time.

- 5.1.2. PIE staff have compiled information for current students and student loan borrowers regarding Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- 5.1.3. The education partners have requested THA to authorize suspending the program's enrollment and academic requirements for spring term in response to the economic impacts many students are experiencing due to the COVID pandemic. It is likely we will handle this through an Executive Action prior to the April Board meeting.

5.2. CHAP Expansion to Koz at the Dome (Koz on Puyallup)

Koz at the Dome continues to experience slow lease-up, despite 100+ referrals from the colleges. As of March 31, 2020, 31 of the 64 units had been leased. Collectively, the colleges have referred 118 students (41 from UW Tacoma, 77 from TCC). Based on the number of referrals, the lease up rate is just under 30%.

Koz has remained committed to filling the units with CHAP students. Once the colleges referred over all of the homeless and near-homeless students on their waitlists, in late February THA worked with Koz to open up referrals to low-income, Pell-eligible students. The Pell-eligible qualification allows us to ensure students are truly low-income since the property does not consider whether or not a student is still a dependent. For instance, a student's parents may be paying their tuition and rent, but if the student is not working or receiving any other income, from Koz's perspective the student is below 30% AMI, even if their family's income is well above.

Despite expanding the referrals to include Pell-eligible students, 31 units remain vacant. The table on the following page outlines the financial loss incurred by both THA and Koz during the first quarter as a result of the vacancies.

	<i>January</i>	<i>February</i>	<i>March</i>	<i>First Quarter Total</i>
Number of leased units (vacancies)	17 (47)	24 (40)	33 (31)	33 (31)
THA subsidy paid on leased units	\$4,578	\$13,088	\$18,824	\$36,490
THA subsidy paid on vacant units	n/a	\$22,272	\$16,536	\$38,808
Rent collected by Koz	\$3,156	\$9,108	\$13,766	\$26,030
Loss in rent	\$10,137	\$20,327	\$15,669	\$46,133
Total loss (Koz + THA)	\$10,137	\$42,599	\$32,205	\$84,941

PIE staff presented these figures to the CHAP partners and Koz with a request for a proposal moving forward. Koz has decided to begin marketing to the general public. They have requested for PIE staff to help ensure marketing materials reach Bates Technical College, Pierce College, Clover Park Technical College, and Evergreen State College – Tacoma in order to continue to serve students in need.

5.3. CHAP MOU & Program Manual

In support of the program changes brought about with CHAP's expansion to Koz at the Dome, and DOC-CHAP, THA, TCC, UW Tacoma, and TPS have developed an MOU that outlines the roles and responsibilities of the education partners and THA. In addition, THA has finalized a program manual to formalize and operationalize all forms of CHAP (tenant based subsidy, PBS, DOC-CHAP). The previous 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. THA staff will be meeting with TCC and UW Tacoma leadership at the end of April to review the MOU and Program Manual. We anticipate having the MOU signed by all parties shortly thereafter.

The Post-Secondary Education Project Manager is preparing materials for community consult for a proposal to implement new program requirements to the tenant based subsidy portion of CHAP.

5.4. Department of Corrections (DOC)-CHAP

The DOC-CHAP proposal has been delayed. Ivan Harrell, TCC's President, was out of the country from mid-February to March and intended to review and approve the proposal upon his return. However, his review and approval have been delayed as TCC's leadership dedicates their attention to responding to the COVID-19 pandemic.

A meeting is scheduled between THA, TCC, and UW Tacoma leadership for April 23rd. Jennifer Fountain, Dean of Student Success and Retention and Interim co-Vice President of Student Services at TCC has stated that they intend to submit the proposal following the partner meeting.

5.5. Grant Funding

As previous Board Reports have noted, CHAP has had multiple grants awarded to the program in the past months. Both the Kresge Foundation and the Foundation for Tacoma Students have informed grant recipients that the deliverables may be modified in order to support the work resulting from the COVID-19 pandemic. PIE staff are in close communication with the education partners in order to stay informed of any unanticipated expenses or resources that impact CHAP participants.

Unless other needs arise due to COVID, PIE is preparing to release a Request for Proposal (RFP) for a consultant to help us explore reasons why students participating in CHAP have disenrolled or stopped-out once they have received housing. This is particularly relevant for the TCC students using property based subsidies. While the CHAP graduation rate remains double that of the general TCC student body, approximately 30% of students using property based subsidies are not currently enrolled and have not completed a degree or certificate. Understanding what barriers outside of housing impact their ability to remain enrolled will help THA and the partner institutions ensure students have access to the resources needed to succeed.

6. Third Party Evaluation for THA Education Projects

THA started discussions with the Foundation for Tacoma Students (FFTS) regarding evaluation of THA's education projects. In late February staff from PIE and CSE met with staff at FFTS to brainstorm program performance metrics as well as potential approaches to evaluation. Our next step will be to enlist the help of a consultant to help facilitate further discussions and the development of a logic model.



TACOMA HOUSING AUTHORITY

**CLIENT SUPPORT
& EMPOWERMENT**



TACOMA HOUSING AUTHORITY

DATE: April 22, 2020

TO: THA Board of Commissioners

FROM: Cacey Hanauer
Director of Client Support & Empowerment

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

Coronavirus Efforts:

March was an incredibly busy month for Client Support and Empowerment (CSE), as it was for all of the world. As news of Coronavirus increased, CSE began to plan for our response to what would be the increase in client needs. Here are just a handful of CSE's efforts to support clients in tough time:

- In just a few short weeks, CSE enlisted community support to ensure that non-perishable food could be delivered to residents of the senior and disabled buildings
 - Northwest Harvest is supplying 25lb boxes of food for each unit of the Senior and Disabled buildings each week
 - In times of short supply, Northwest Harvest is providing boxed lunches to those same units
 - Puget Sound Educational Services District (PSESD) will pick up the boxes of food from Northwest Harvest's Distribution Center and deliver those boxes to each unit door via a no-contact delivery
- Korean Women's Association has been engaged to assist clients with setting up medication delivery
- Tacoma Public School (TPS) District is delivering breakfast and lunches to TPS students via pre-determined bus routes. Marty Higgins, CSE Program Specialist, worked with TPS to ensure that THA residents would have easy access to bus

stops including throughout Salishan and to stops near each THA family property. Buses will also stop at each TPS elementary school and middle school

- KBTC is delivering lunches and learning packets to Bergerson Terrace, Salishan, and Hillside Terrace three times each week
 - In the first two weeks of this service being offered, KBTC has given out more than 200 lunches. This represents an approximate 100% increase in the number of lunches given out during the same amount of time in the summer
- Caseworkers have increased capacity to offer support to all clients expressing hardship
 - This support includes assessing needs both in terms of financial needs and additional resource needs such as food, medication, household products, mental health resources and so on

CSE staff have faced this crisis with grace, compassion, and immense flexibility. While THA clients have seen an increase in their needs, so have THA staff. Folks are balancing home-schooling their children, taking full-time care of young children, loss of income in their families, increased needs from extended family member, and illness – all while showing up at work each day and giving unfettered attention to clients and each other. The community that this team has shown is extremely impressive and I (Cacey) am beyond grateful for this group of folks.

THA on the whole has faced this crisis with professionalism and dedication like I could not have imagined, all while offering support to each other and our clients/residents. As difficult as the pandemic is, a personal bright spot has been watching this group come together and face these needs head on. I am proud to be a part of THA during this difficult time.

“Typical” Business Update:

Client Support and Empowerment was also busy in February. As laid out in the January report, CSE is working to redevelop the board report, and to focus the department on a defined scope of work. Focusing on a defined scope will allow the department to target the strategic objectives set forth in THA’s strategic plan and will also help folks better understand the role of Client Support and Empowerment.

CSE is eliciting third party support in this strategic thinking process. The hope is that outside facilitation will help the department in the following ways:

- Elicit internal and external stakeholder feedback regarding the utility/needs the department can meet, departmental strengths, and areas for improvement
- Objectively pull apart how staff are spending time
 - Examples include:
 - Relationship building
 - Community building
 - Resource navigation/support
 - Skill building
 - Crisis management/mitigation
 - “Paperwork” and reporting
- Determine capacity of community resources to supplement work currently done within the department
- Develop CSE’s “Theory of Change” and logic model(s) for service delivery
- Clearly define what CSE is responsible for
- Identify reporting and data collection requirements
- Show current and future funding needs to create a “healthy” funding mix
 - Non-profits, which operate in a similar way as CSE, contemplate a healthy funding mix as some ratio of private philanthropy, government grants, and agency support
 - CSE currently has support from all three areas, but more research into the most sustainable proportions is necessary
- Assess where the department, and agency, needs additional CSE needs to focus staffing resources
- Determine where, if anywhere, CSE can/should reallocate staffing resources to meet the newly determined scope of work and need

With support from a third-party facilitator, a timeline for answering the questions above will become clear. Additional questions will likely come up and will further help the department focus service delivery efforts.

While CSE works to better understand and define a clear scope of work, a vast array of work continues within the department. Residents throughout the portfolio and clients who have housing vouchers remain fully supported in housing stability, crisis management and mitigation, community building, and employment and education support, and family stability support.



TACOMA HOUSING AUTHORITY

RENTAL ASSISTANCE



TACOMA HOUSING AUTHORITY

DATE: April 22, 2020

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

COVID19 is the main topic of concern at the writing of this report. Staff are adjusting to performing many of their duties by phone, email and regular mail. Equipping and training staff to work remotely within two weeks was a remarkable feat for a department that had conducted very little remote work prior to this pandemic. Staff are nimble and have shown incredible adaptability to both professional and personal demands amidst this crisis. We are discovering new ways to do our work that we hope will inform big changes when we get through this. Letters were sent to clients and landlords with information about how THA is adapting and how they can report changes. A new coronavirus change of circumstance form has been created to monitor changes. We've used Microsoft Teams to communicate changes to staff and to enable staff to call clients with a THA phone number. It's an adjustment for staff and clients that are used to working closely together. Social distancing is the new normal and adjustments to our day to day work and inspections are changing quickly. Staff has adjusted to working from home and are embracing it.

During the last month we have continued to pay landlords without interruption. The department continues to issue vouchers, complete virtual briefings, perform initial inspections and house clients on the program. We are currently looking into virtual inspections to catch up on the annual inspections we have cancelled. To some it may appear as business as usual because staff work hard to make things look easy.

Richard Price, Program Manager in the Rental Assistance retired on April 1st. Rich has been an important part of the department for over 9 years. He brought years of housing authority experience with him specializing in Housing Quality Standards (HQS) inspections. As time progressed it was obvious that Rich was also a subject matter expert in all things Rental Assistance. He implemented many processes and partnerships that will remain in use for many years. Rich also retired from the United States Coast Guard. He has dedicated his working career to service of others. Thank you to Rich for his service and dedication to THA.

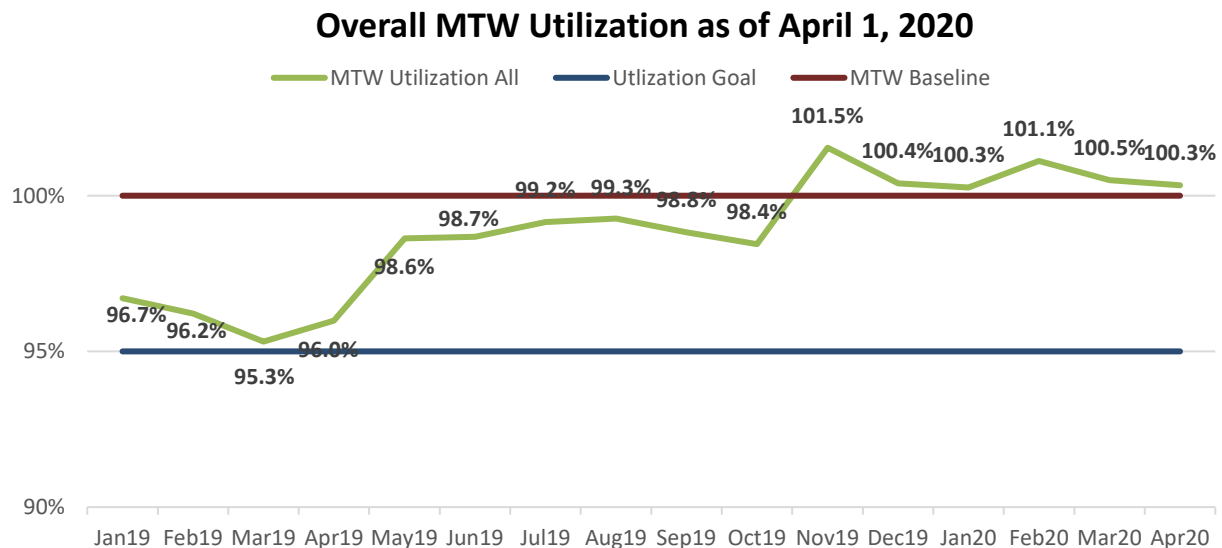
The Rental Assistance department is pleased to announce the addition of Aley Thompson, Associate Director of Rental Assistance to our team. Aley has assisted the Rental Assistance Department from her position as Policy and Intergovernmental Affairs Manager in Policy, Innovation and Evaluation (PIE) department by leading the opening of the waiting list last year and will now take the lead in the lease up at The Rise on 19. Aley comes with strong operational skills and excels in change management.

Rental Assistance continues to plan for upcoming lease-ups for The Rise on 19 and Arlington Drive. The project to right size families on our transfer waiting lists by moving them into the Rise is starting now to ensure we can get the most families in the correct size units. We will also take this opportunity to right-size other families as units open at the site. This project will allow us to serve more people from the waitlist when we need to backfill units after right-sizing.

3. RENTAL ASSISTANCE DEPARTMENT REPORTS

3.1 Overall Utilization

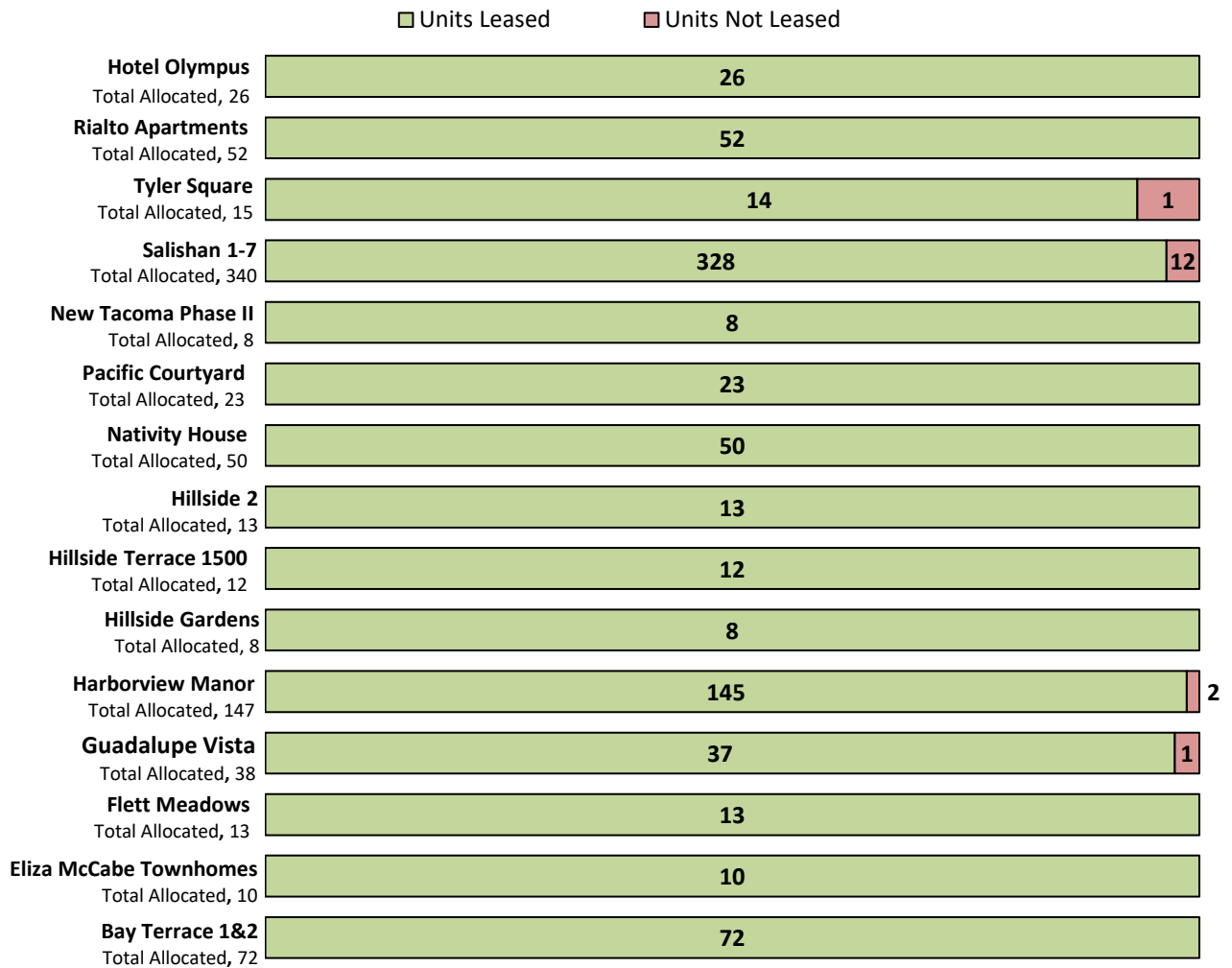
The overall Housing Choice Voucher utilization is reported at 100.5% as of March 1, 2020. THA receives a report on utilization on a quarterly basis for Rapid Rehousing (RRH) and Property Based Subsidies (PBS). Therefore, averages are used to forecast utilization to the current date for these specific programs. As new information is reported for both RRH and PBS, this utilization report is updated accordingly.



3.2 Project Based Vouchers

THA continues to have strong utilization with project-based vouchers. There are no issues to report with current subsidized properties. THA staff will work over the next several months to finalize the issuance of project-based vouchers to The Rise on 19th and YWCA Home at Last LLC.

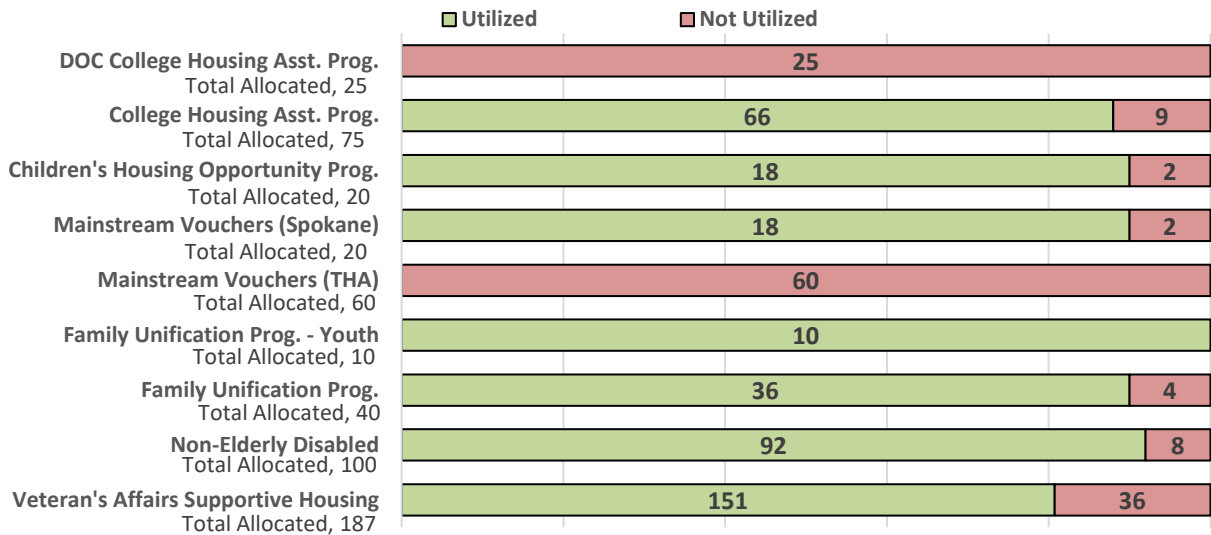
Project Based Voucher Utilization as of April 2020



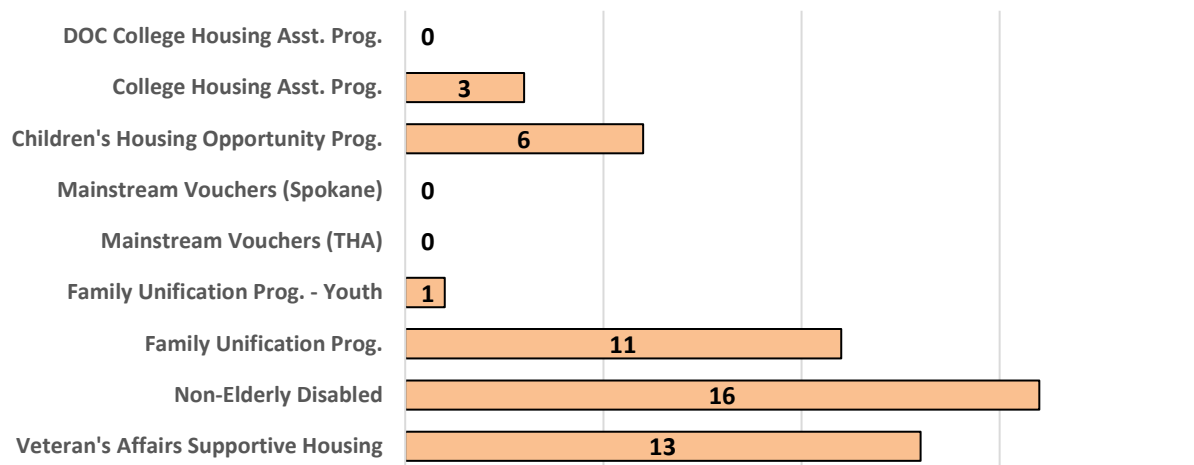
3.3 Special Programs & Property Based Subsidies

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. Please refer to the PIE report for an update.

Special Program Utilization as of April 2020



Special Program Shoppers as of April 2020

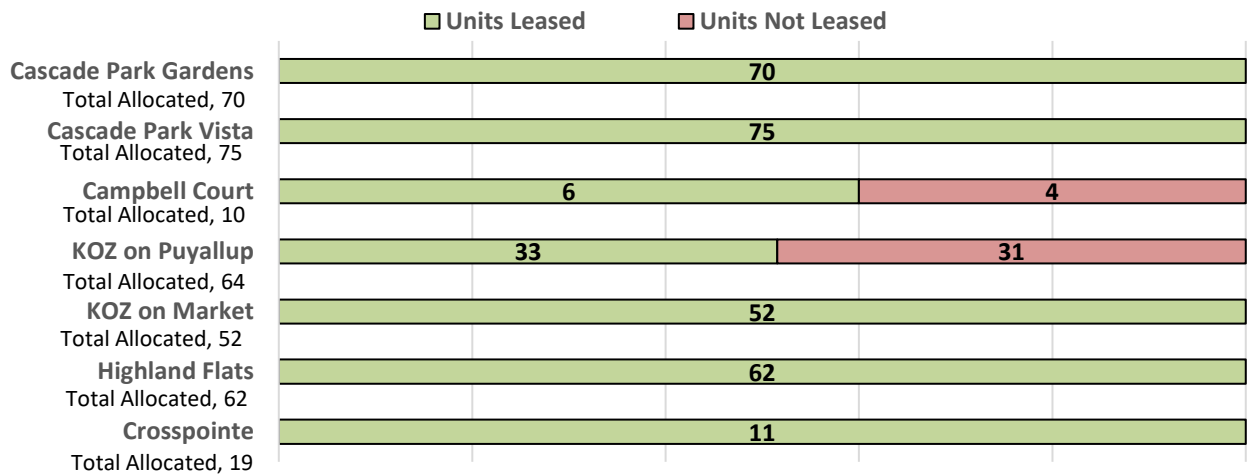


THA staff will submit a Board Resolution this month to convert 18 Housing Choice Voucher (HCV) Veteran's Affairs Supportive Housing (VASH) into PBV's at The Rise. The VA provided the necessary letter supporting this conversion. Next month, staff will begin work on a Memorandum of Understanding (MOU) to ensure a streamlined successful lease up and ongoing partnership to provide services for the residents of these units. Staff in rental assistance continue to work closely with the VA to utilize the currently underutilized HCV VASH vouchers.

THA received an award of 75 Family Unification Program (FUP) vouchers in March. Discussions are underway to determine the proposed effective date as well as coordination for referrals with the Department of Children, Youth and Families (DCYF). Given the strong utilization in this program, we do not anticipate any issues with finding eligible families and subsequent voucher issuance. THA staff continue to work with Pierce County and the Department of Social and Health Services (DSHS) to finalize the steps for voucher issuance of the 60 Mainstream Non-Elderly Disabled (NED)

vouchers awarded in late 2019. We anticipate that our next report will include the start of this process.

Property Based Subsidy Utilization as of April 2020



THA added 63 new units to the Property Based Subsidy program. Koz on Puyallup began pre-leasing in January 2020. This is THA's 2nd partnership with Koz Development. This property has set aside units for University of Washington Tacoma (UWT) and TCC students at risk of homelessness. We began subsidizing these units in February. The property is slightly over 50% leased. Initially, the property lacked adequate referrals from post-secondary partners. The PIE department has worked closely with all partners to improve and increase the number of student referrals made to the property. The property notes that they are also struggling to lease the unsubsidized units. As of last month, most of the leased-up units were College Housing Assistance Program (CHAP) participants. PIE is working with the property owner to develop solutions to fill the vacant units as soon as possible.

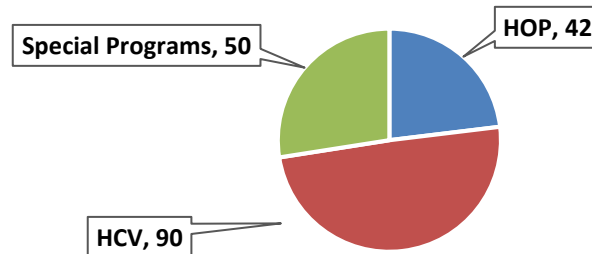
We continue to work with Highland Flats and Crosspointe Apartments regarding their compliance issues. Management is trying to become compliant by meeting with residents and re-verifying their incomes. We will provide an update in May.

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 March 2020, there are 182 total clients shopping, down from 202 from the previous month. These numbers should increase with the addition of the new Mainstream and VASH vouchers.

Current Number of Shoppers as of Feb 2020



3.5 Leasing & Waitlist Management

Leasing and PIE continue to scrub and update the waitlists. This includes the Transfer waitlist. The Transfer waitlist is populated with clients that are currently occupying an unsuitable unit either because of their needs or due to occupancy standard differences. We hope to use the majority of the under/over housed clients on the list to provide suitable candidates for the lease-up at The Rise. A multi-departmental task force has been assembled to identify and address challenges with these households to ensure a smooth lease-up process.

The Consolidated waitlist update is complete. The final step of notifying all the applicants of their placement on the list, including the existing 2018 Consolidated waitlist applicants, was completed on March 3, 2020. With this information, applicants can use the new look-up tool on THA's website to get an estimated timeframe of when they might be served.

3.6 Landlord Engagement & Renter's Readiness

We have an offer out to a candidate for the Landlord Engagement position. The expected start date is May 5, 2020. Rental Assistance staff is covering for this position until it is filled. We continue to represent THA at landlord meetings and at the Landlord Advisory Group monthly meetings. We continue to have 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. 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.

The Renters readiness course is now available virtually through Zoom. We are expecting more interest in this class during the COVID 19 school closure.



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: April 22, 2020

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

The monthly report for March for Property Management (PM) shows the change in our world as we work through the impact of the Coronavirus / Covid-19.

With new information reported daily, the PM team responded accordingly to each change. Sanitization schedules increased in all our properties and staff moved to social distancing in the workplace, maintaining 6 feet apart.

At the direction of the Governor, staff moved to working from home, as much as possible to comply with the Governor's directive to stay home. We reduced the number of staff onsite following the Shelter-In-Place order to the minimum amount of staff needed to continue business.

As a precautionary measure, staff were moved from the Senior properties to hubs (Bay Terrace and Bergerson Terrace), to allow greater opportunity for social distancing.

To maintain social distancing, maintenance work order response has been reduced to health and safety only.

These directives have dramatically changed the functions for PM in other ways. Certification reviews, which were primarily in-person appointments are now being conducted by phone. Annual unit and investor inspections have been postponed indefinitely. Office conferences are now conducted by phone only. Recruitment for open positions is conducted via online options such as Zoom. Team meetings are being held through Microsoft Teams or other options. Community meetings and gatherings in common areas of the buildings are no longer allowed and the spaces are closed and now off limits.

From a positive perspective, the impact of sheltering in place has been tremendous throughout the community as it relates to assistance for our tenants. Partners are stepping up with offers of help with food and securing needed medical supplies. The outpouring of support has been very positive toward alleviating some of the tension and stress of being confined to home.

Sheltering in place means isolation for many of our tenants who rely on friends and family outside. PM and Client Support and Empowerment (CSE) have reported an uptick in lease violations, such as noise, smoking and unauthorized guests as tenants struggle with staying at home.

The closure of the schools has been impactful as well. Non-essential businesses are closed, leaving many without jobs, waiting for unemployment benefits and requesting interim reviews.

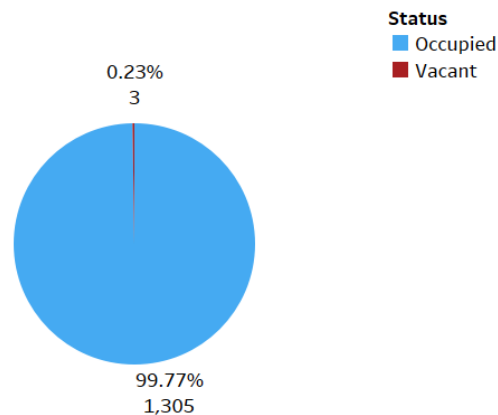
In the background, THA Directors and other staff have converted most of their day to manning the post of the Emergency Operations Committee. With new information coming in daily and the need to disseminate to tenants and staff, it was essential to put everything on hold and be the conduit to keeping everyone current and in compliance. Tenant and staff safety have been the driving force and focus for this committee, comprised of all departments, led by the Deputy Executive Director. Her leadership focus and ability to see the big picture has been the success through troubled waters that gives the team the synergy and desire to keep going.

Despite these challenges, PM is still moving, taking one day at a time, shifting when needed. Several months ago, we adopted the phrase ‘WE GOT THIS’ for our team. Although not grammatically correct, it was our way of saying no matter what is asked of us, we will make the adjustment to handle it and make sure it is done. In days like this, my team reminds me that even through the Coronavirus, we got this, and we will make it through this together.

3. OCCUPANCY OVERVIEW

3.1 Occupancy

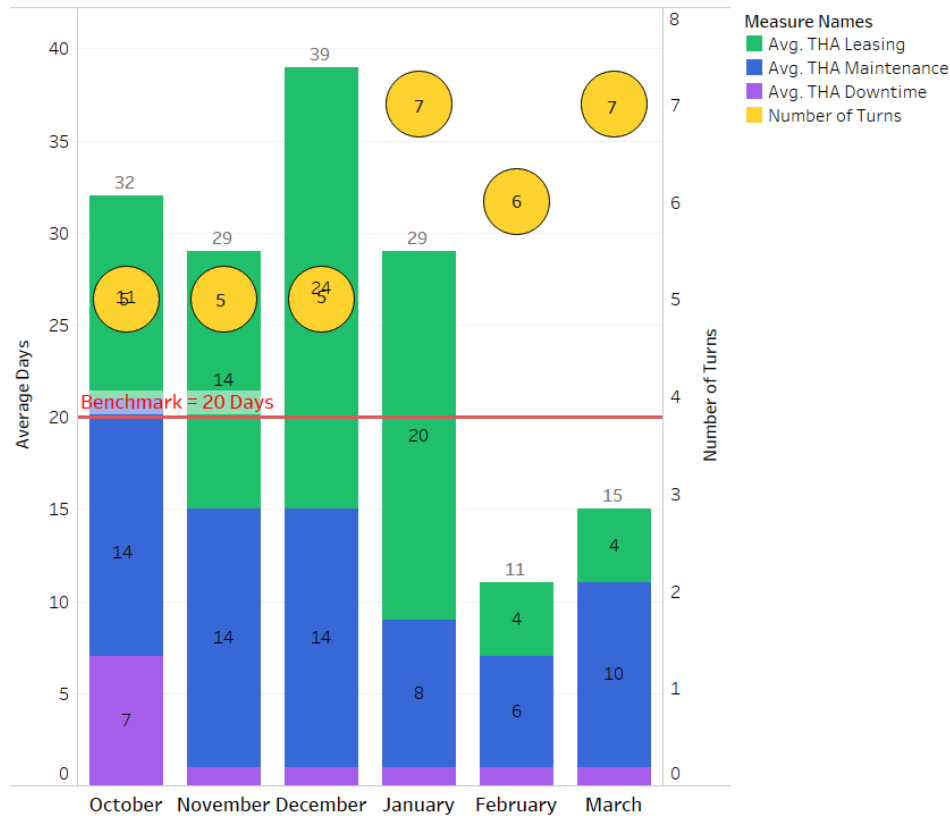
March



Unit Occupancy is reported as of the first day of the month. The chart above reflects THA's current portfolio for the month of March with an occupancy percentage of **99%**.

3.2 Vacant Unit Turn Status

As of month ending March 2020

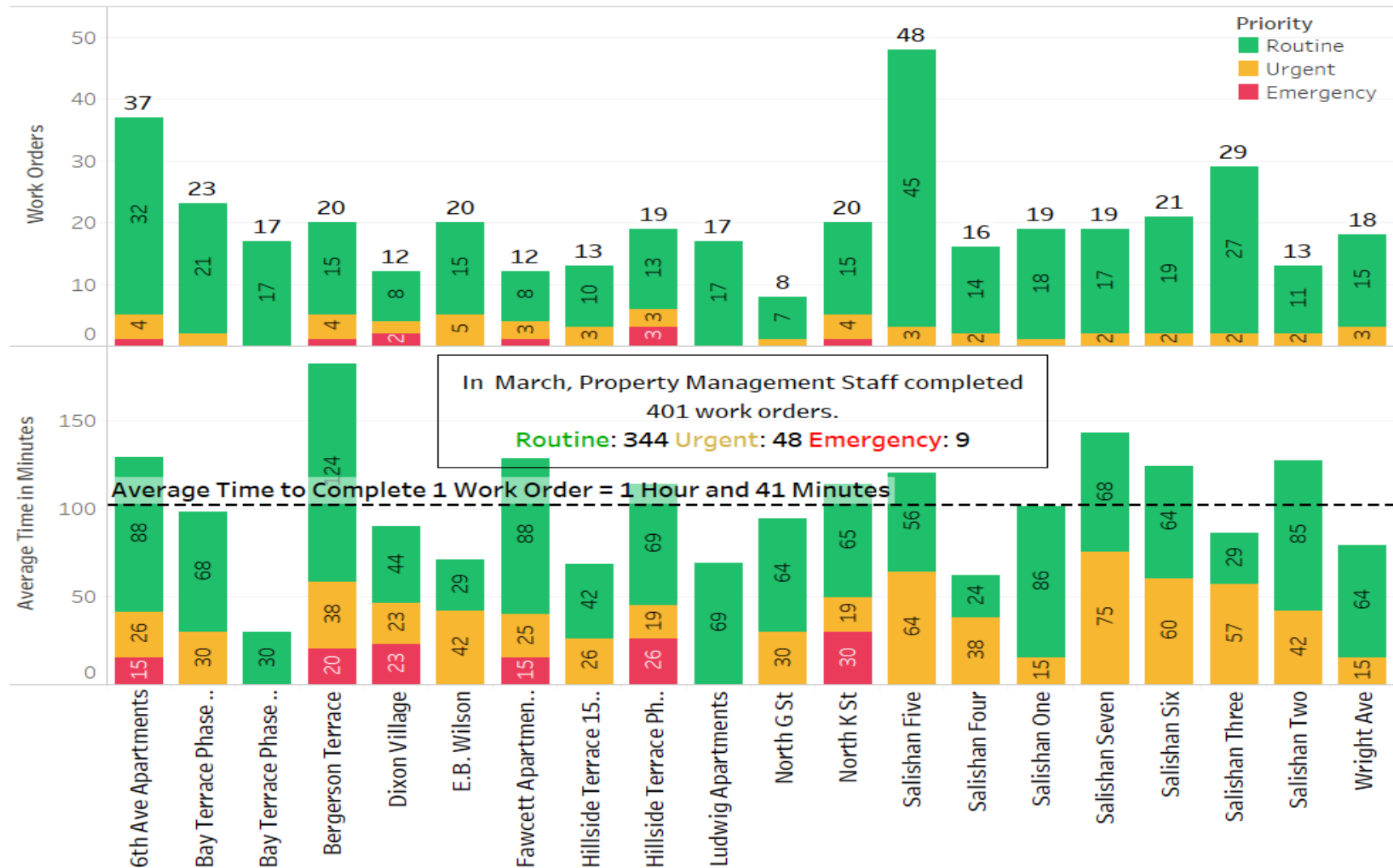


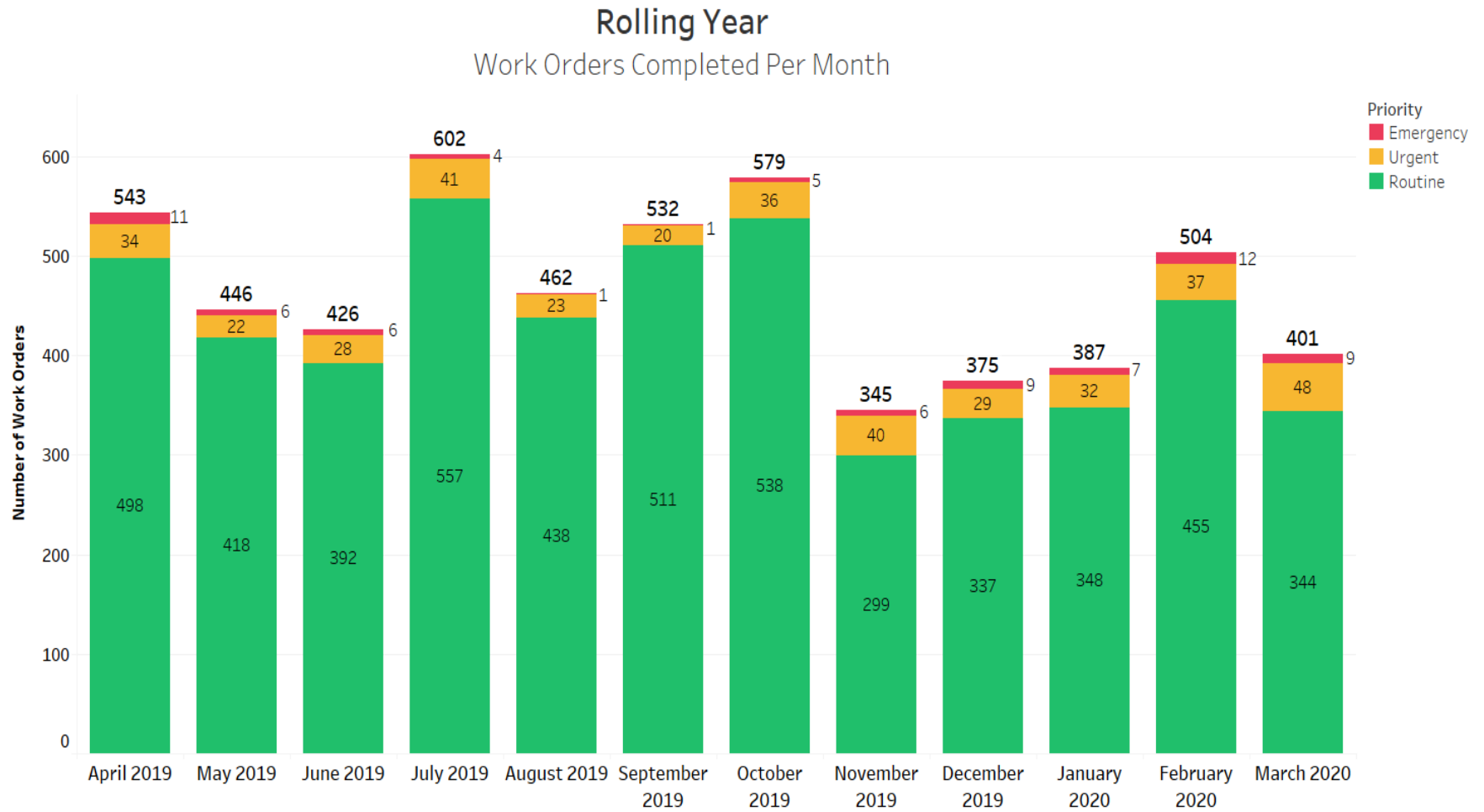
This data reflects the continued effort of the Turn and Leasing teams to reduce the total turn days to the target of 20 days or less. The Turn average for the repair and make ready portion of unit turns for March met the goal of 17 days with an average of 15 days. This is a 41% reduction from 17 days in repair and make ready time.

In March, the leasing days exceeded the goal of 3 days to 4 days. This was primarily due to the time of year.

Our March numbers for leasing are dramatically different. We are much closer to our goal of 3 days for leasing, hitting the mark this month (and last month) with 4 days. This is 80% reduction from the 20 days in January.

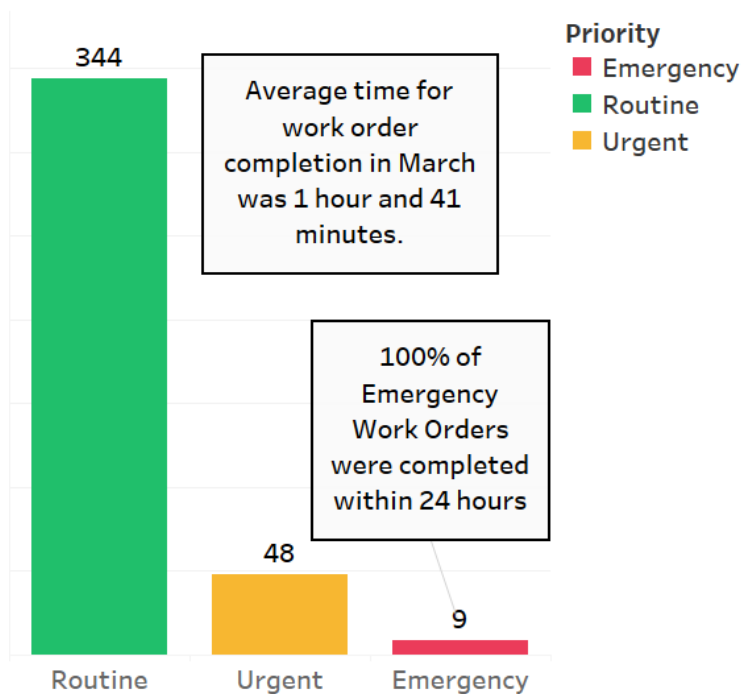
3.3 Work Orders





Total Work Orders

March 2020



In the month of March, 100% of the 9 emergency work orders were completed within 24 hours. Maintenance staff completed 48 urgent work orders in March. The average time for work order completion across the portfolio is 1 hour and 41 minutes. 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;
- Close work orders within 48 hours of completion; and
- Temporary HOLD on routine work orders until further notice.

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PROPERTY MANAGEMENT ADMIN ACTIVITIES

SALISHAN & SENIOR/DISABLED PORTFOLIO

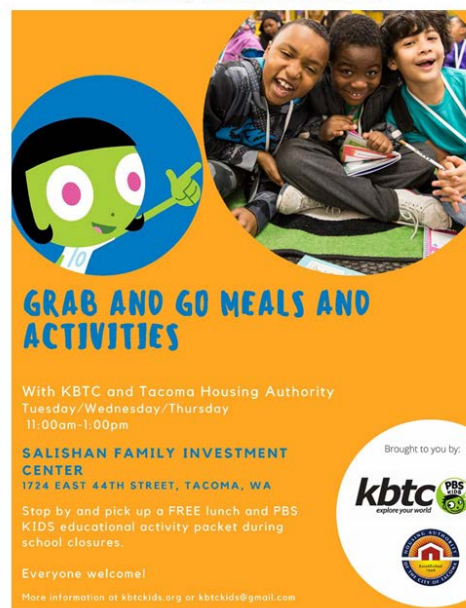
Nourish Mobile Food Bank has returned to Salishan! They will now be distributing prepacked boxes/bags to customers based on household size on Fridays, 1:00 – 3:00pm at the Family Investment Center (FIC) Parking Lot.

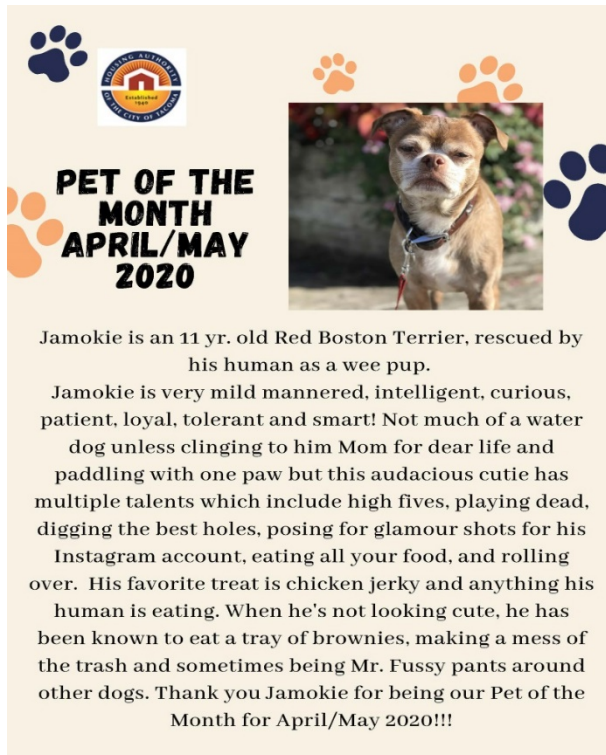
Friday Mobile Food Bank @FIC Returns



KBTC is providing educational activity packs for kids and families during school closures at the FIC, Hillside Terrace, and Bergersen Terrace! School is closed but you can still have fun learning at home!

Kids Meals & Activity Packs in Salishan *Tue, Wed, Thur behind the FIC*





**PET OF THE MONTH
APRIL/MAY
2020**

Jamokie is an 11 yr. old Red Boston Terrier, rescued by his human as a wee pup.

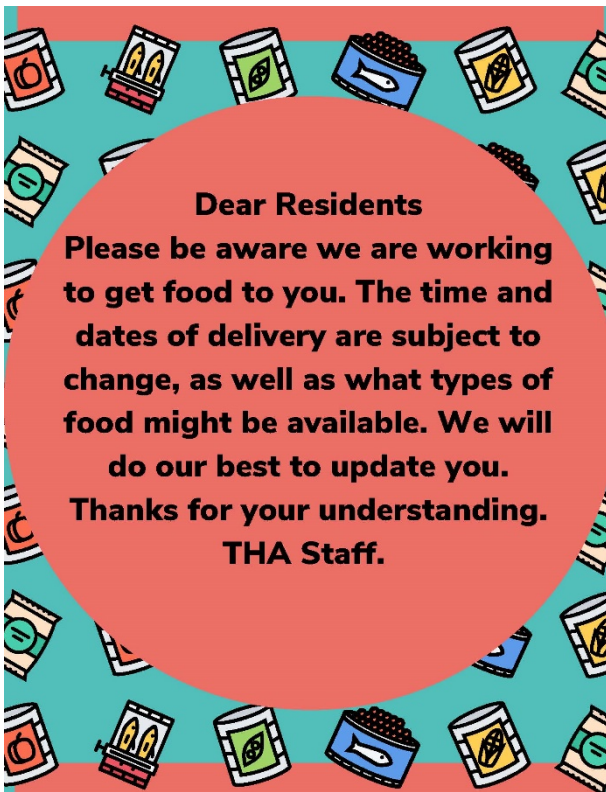
Jamokie is very mild mannered, intelligent, curious, patient, loyal, tolerant and smart! Not much of a water dog unless clinging to him Mom for dear life and paddling with one paw but this audacious cutie has multiple talents which include high fives, playing dead, digging the best holes, posing for glamour shots for his Instagram account, eating all your food, and rolling over. His favorite treat is chicken jerky and anything his human is eating. When he's not looking cute, he has been known to eat a tray of brownies, making a mess of the trash and sometimes being Mr. Fussy pants around other dogs. Thank you Jamokie for being our Pet of the Month for April/May 2020!!!



IMPORTANT UPDATE!

As of the week of March 30, Washington residents who receive Basic Food benefits will have additional funds available for March and April 2020.

Call the phone number on the back of your EBT card to check the balance!



Dear Residents

Please be aware we are working to get food to you. The time and dates of delivery are subject to change, as well as what types of food might be available. We will do our best to update you.

Thanks for your understanding.

THA Staff.



April Fun Facts

Celebrate

April - Autism Awareness Month
April 1 - April Fool's Day
April 5 - Deep Dish Pizza Day
April 10 - Hug your Dog Day
April 12 - Grilled Cheese Day
April 22 - Earth Day
April 29 - International Dance Day

Birthdays

April 2 - Marvin Gaye
April 4 - Maya Angelou
April 7 - Jackie Chan
April 15 - Leonardo da Vinci
April 16 - Charlie Chaplin
April 22 - Jack Nicholson
April 23 - William Shakespeare

History

- The month of April is named after the Greek Goddess of love, Aphrodite. It is also the season where many animals are coming out of hibernation, birds fly back northward to settle, and the first flowers start to bloom.
- Our first President George Washington was inaugurated on April 30, 1789.
- The Titanic sank on April 15, 1912.
- The first Webster Dictionary was copyrighted by Noah Webster on April 14, 1828.
- The Revolutionary War in America began on April 19, 1775.

PROPERTY MANAGEMENT MAINTENANCE ACTIVITIES

Staff was occupied with escorting the new fire alarm company, Performance Systems, Inc. (PSI) technicians to complete the monitoring turn over from the current provider. In addition, HVAC preventive maintenance began with the changing of MERV – 13 filters. The Senior & Disabled properties have increased the sanitization schedules throughout the portfolio in response to the Coronavirus and Covid-19.

PORTFOLIO WIDE

- Roofs and gutters cleaning
- Reduce sidewalk trip hazards
- Pressure wash walkways and retaining walls
- Remove furniture from all common areas and playgrounds to promote and support social distancing
- Foodbank set up
- Shop clean and safety hazard painting





TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: April 22, 2020

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. THA received Housing and Urban Development (HUD) approval at the end of February. We are working toward closing which is expected to occur in Q2 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.

Staff is working with TCRA to execute a CDBG grant to fund off-site right-of-way work. This grant will be with THA and loaned to the Partnership per the THA Master Loan Agreement executed at closing.


Construction

Marpac mobilized beginning July 1, 2019. Overall the project is 40% complete and tracking slightly early for completion schedule. To date the contractor has finished all site underground and site concrete is 95% complete. Rough carpentry is at 95% complete which allows for MEP&F rough-in. Roof sheathing a weather barrier is in place which facilitates the start of drying out the building.

Marpac and all sub-contractors are following the Governor's COVID 19 directive indicating affordable housing construction as an essential business activity. There are approximately 50 workers on site.

Social Equity Goals

Marpac has exceeded their goals for Minority and Women Owned Businesses; however, they have been unable to achieve the Section 3 project goals. Section 3 goals focus on creating jobs for and filling new jobs with extremely low income and underserved persons. Staff is working with Marpac to change this trend, although it is more challenging in this climate as most sub-contractors have teams from prior jobs and construction is slowing down a bit, which means the demand for new employees is not as strong as it was a few years ago.

		
Social Equity Criteria	Project Goal	Bid Results
Section 3 Business Utilization	10%	0%
MWBE Contracting	18%	29.54%
* MWBE percentages includes Marpac as MBE		

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 to limit the capital investment into the buildings prior to redevelopment is being re-evaluated in light of THA's agreement to keep some of the buildings leased for another five to ten years. Electrical access is being installed to allow food trucks to operate on a semi-permanent basis.

3.1.3 Leasing

Although CB Danforth continues to market the available property, COVID has affected leasing prospects. CB Danforth is surveying current tenants at the property to determine if they will have challenges paying rent, plan to seek a loan or funding through CARES and if not, why not. Most businesses at James Center are small retailers, services and restaurants who are adversely impacted by the pandemic.

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 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 to be made by the end of May 2020. Their consultant, ZION has completed a market analysis to understand the demand for student housing. As part of this analysis, ZION offered some alternative development structures. For example, the TCC Foundation would purchase the land and enter into a turnkey development. The Foundation would own the property, and this would become an income producing asset for the Foundation. This is a new approach and THA staff are reviewing the partnership documents from other Community Colleges who have used this route. Most of these Colleges have been in California or Oregon.

THA has amended the contract with Ankrom Moisan to create design guidelines for this project. A final draft was completed by the end of December 2019 and is currently being reviewed by staff. Ankrom Moisan is preparing some façade improvement that could be installed on the buildings THA plans to hold for the next five to ten years. These improvements would activate the site and bring more modern touches to the exterior of the building. Staff believe this will help with leasing the remaining vacant spaces.

3.1.5 Operating Performance

Property cash flow is steady and work orders are minimal. A minor roof leak in building 1614 is being addressed through an insurance claim. 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

The conversion to permanent financing occurred February 24, 2020. This will be the final report.

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. The City Public Works Department agreed to complete the off-sites for this project and will use \$500,000 of the \$1.5M from the City to complete this work. THA staff are pleased that the off-site improvement requirements were resolved in this way.

Korsmo Construction is the contractor for the project. Construction is progressing with few glitches. The building is 95% complete and Korsmo

projects the CRC will be complete by the end of April instead of May 2020 as was previously projected. At this time, CYS plans to move in late May.

3.3.2 Arlington Apartments

All the foundations, floors and first and through fourth floor framing for the apartments is complete. The roof should go on in the next few weeks. The HVAC sub-contractor left the site due to COVID and all other sub-contractors have continued to work, some with smaller crews and some with larger crews. Work is progressing and Korsmo projects substantial completion by November 3rd, which is six weeks ahead of the original completion schedule.

Korsmo tracks the amount of contracts given to local, minority, women and small businesses. Altogether, 54% of the construction contract is being completed by companies meeting these definitions. Small, women and minority owned businesses received 18% of the construction contract. These targets are below the goals established for this project.

In an effort to increase contracting to SMWBE goals, Korsmo hosted several sub-contractor forums.

KORSMO	Contract Amounts	Results	Goals
Local	\$10,581,399	36%	30%
Minority	\$2,299,038	8%	14%
Women	\$255,686	1%	8%
Small	\$2,749,519	9%	5%
Total	\$15,885,642		

4. DEVELOPMENT PIPELINE PROJECTS

4.1 Hilltop Lofts and THA Owned Properties' Master Development Plan

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. The final 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. The final draft of the Hilltop Community Framework plan will be distributed to commissioners at the February meeting.

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 has been secured. The last source was the 9% tax credits. Funds had already been awarded by the City of Tacoma, Pierce County and Housing Trust Fund. The City, County and HTF application were a joint submission of THA and Horizon Housing Alliance. Horizon was the sole applicant for the tax credits and were the second highest scorer for the 2020 9% tax credit round. This means that staff will finalize negotiations with Horizon Housing Alliance in the near future so work can begin on this project. Moving this project forward will meet the timeline THA and the City agreed upon for developing the Hilltop Lofts project. According to the covenants recorded on the land, financial feasibility for the projects had to be determined by April 30, 2018, and permanent financing in place by June 1, 2020. The partnership with Horizon Housing will meet this covenant. We are working toward an early fall 2020 closing on Hilltop Lofts.

4.1.1 City of Tacoma 311 Mobilization

RED has a contract with the City of Tacoma to conduct outreach with community partners to adopt the City's 311 code enforcement hotline. We held a number of events in late 2019 however, there has not been much engagement in 2020 due to loss of staff and the COVID-19 crisis. Hopefully we will be able to continue our engagement activities by late spring/early summer.

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 HAC are co-sponsoring bi-monthly events (Hilltop Happenings). The first was held on September 14 in People's Park. It was both a celebration of students' return to school and a Reclamation of the Park after recent troubling events. In November we invited a member of the Puyallup Tribe to talk about the Native American culture. On January 11, 2020, we had a storyteller, Zelda Foxall, come share the story of Claudette Colvin, a young civil rights activist in the 1950s. This was held at 950 Gallery where attendees also had the opportunity to see Dionne Bonner's exhibit "A Pioneering Spirit: The Fight for Liberty and Freedom". In March we held a Census 2020 focus event at the WA State Historical Museum where attendees were able to see the Men of Change exhibit.

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). We applied for \$85,000 of predevelopment funds to Impact Capital on behalf of Shiloh to pay for the feasibility studies and early design work in March. We issued an RFP for A&E work in February. Applications were due March 18; interviews will be the week of April 13.

4.4 Gault School Site

On January 7, 2020, THA entered into a Letter of Interest with Tacoma Public Schools (TPS) for the acquisition of the Gault School site. Due to complications with doing business and conducting community engagement during the Covid-19 pandemic, on March 30, 2020, the Letter of Interest was amended to extend the date by which the first phase of community engagement must be completed to June 15th and defined a date by which THA must enter into a PSA to July 15th, should THA choose to enter into a PSA. THA is in the initial due diligence phase. THA is working with BDS Planning & Urban Design to coordinate the first-phase community engagement work. THA, TPS and BDS conducted the community engagement "kick-off" meeting on March 24, 2020. THA also participated in a meeting with the representatives of the entities that are parties to the Interlocal Agreements related to the Gault School pool. The first meeting indicates that the

parties are on the same page and share the goal to work together to dissolve and/or request release of covenants that impede forward progression of the Gault School acquisition by THA.

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 executed a settlement agreement with the owner and compensated 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. completed the installation of the vapor mitigation systems at both sites. The consultant completed the DOE-required reporting. The Environmental Restrictive Covenants need to be filed and then the investor will release the \$548,000 in escrow and \$3,452,000 in developer fee.

6. Tenant Improvement (TI)

6.1 902 First Floor TI

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. THA programming is experiencing growth and the staff required to support that growth necessitates the consideration of all available options. A lease option is being explored with the owners of Chelsea Heights. THA would occupy 4788 square feet of office space located within four blocks of the 902 South L Administrative Building. Staff is evaluating workspace opportunities in the event of a successful lease agreement. In addition, staff is evaluating alternate workspace prospects using remote, telework and/or shared office space.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-04-22 (1)

Date: April 22, 2020

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: The Rise at 19th – Conversion of HUD-VASH Vouchers to Project-Based VASH Vouchers

This resolution authorizes the conversion of eighteen (18) Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) vouchers to project-based VASH vouchers at Tacoma Housing Authority's (THA) new housing development The Rise at 19th.

Background

The Board of Commissioners adopted Resolution 2018-05-23 (5) to execute an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract and Housing Assistance Payment (HAP) Contract between THA and 1800 Court F LLLP (The Rise o 19th) for fifty-three (53) Project Based Vouchers. The Board of Commissioners then adopted Resolution 2019-0-22 (7), authorizing eleven (11) additional vouchers in the AHAP and HAP contracts upon execution. The total number of Project-Based vouchers in the AHAP increased to sixty-four (64). The AHAP for this property was signed on June 26, 2019.

The Rise at 19th has tax credit set-asides for homeless and disabled households, as well as families with children. All households must be at or below 60% AMI, with thirty-two (32) units reserved for households at or below 30% AMI. The combination of all sixty-four (64) units receiving Project-Based assistance from THA with the specific tax credit set-asides ensures that very low and low-income families can live at this property.

The rate of homelessness amongst the nation's veteran population is staggering. This, coupled with additional needs often present in serving the veteran community, led the Department of Housing and Urban Development (HUD) to create Veterans Affairs Supportive Housing (VASH) vouchers. This program is a partnership between HUD and the Department of Veterans Affairs (VA). Some of the most vulnerable veterans are identified by the VA, and if they are homeless and actively engaged with case management services through the VA they are eligible for a HUD-VASH Voucher. VA case managers refer veterans to the local housing authority when vouchers are available.

Housing authorities are invited to apply for HUD-VASH vouchers on an annual basis. THA submits applications for additional HUD-VASH vouchers at every opportunity in order to ensure they are available for the veteran population in our community. Currently, THA has one-hundred fifty-seven (157) VASH HCV in its ACC, with 35 available for issuance. The most recent award of HUD-VASH vouchers to THA was twenty-five (25) in November 2019. THA deferred the effective date of this award to May 1, 2020. In addition, THA partners with several community-based organizations that house veterans in their respective portfolios, assisting thirty (30) units with Project-Based vouchers. THA works closely with the Department of Veterans Affairs Puget Sound Health Care System (American Lake Division) to receive referrals and house homeless veterans. While the utilization of Project-Based VASH vouchers is strong, the full utilization of the HUD-VASH vouchers has been more challenging in recent years.

While we are confident there is a need for homeless veterans to utilize these specialized vouchers, various factors have contributed to their underutilization. The VA has been understaffed with case managers, leading to fewer referrals and case management availability in our region. This is not a problem unique to THA as housing authorities throughout the area have experienced the same effect. Tacoma's high demand housing market has also led to the underutilization of vouchers despite over 400 homeless Veteran families in Pierce County. Project-Based vouchers at the Rise at 19th are a direct response to help address the VA's utilization challenges. We believe that converting eighteen (18) of the available thirty-five (35) HUD-VASH vouchers into Project-Based vouchers will provide needed housing for veterans in our community experiencing homelessness and put these vouchers to use in housing reserved for them.

HUD approval is not required for this conversion. However, a letter of support from the Department of Veterans Affairs Puget Sound Health Care System (American Lake Division) is needed prior to this action, stating it is in support of the decision and committing to continued provision of case management services. On March 5, 2020, THA received this letter of support from the VA, meeting HUD's only requirement for conversion of these vouchers (See Exhibit A). THA and the VA have a strong working relationship, which will streamline the referral of households to occupy the eighteen (18) Project-Based VASH units set aside at The Rise. THA would allocate eighteen (18) of the most recent twenty-five (25) HUD-VASH vouchers awarded to be converted to Project-Based vouchers.

Recommendation

Approve Resolution 2020-04-22 (1) authorizing the conversion of eighteen (18) HUD-VASH Vouchers to Project-Based VASH Vouchers at THA's new housing development The Rise at 19th.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-04-22 (1) **(The Rise at 19th – Conversion of HUD VASH Vouchers to Project-Based VASH Vouchers)**

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

WHEREAS, the Rise at 19th has sixty-four (64) units that will receive Project-Based assistance from THA; and

WHEREAS, the Rise at 19th will house low-income and very low-income households in our community; and

WHEREAS, THA has underutilized HUD-VASH vouchers available; and

WHEREAS, THA is committed to providing housing for homeless veterans in our community; and

WHEREAS, THA and the Department of Veterans Affairs Puget Sound Health Care System (American Lake Division) concur that the conversion of these HUD-VASH vouchers will provide an additional housing option for many homeless veterans in our community; now, therefore, be it

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

Approve the conversion of eighteen (18) HUD-VASH Vouchers to Project-Based VASH Vouchers at THA's new housing development The Rise at 19th.

Approved: April 22, 2020

Derek Young, Chair



DEPARTMENT OF VETERANS AFFAIRS
Puget Sound Health Care System
1660 South Columbian Way
Seattle, WA 98108-1597

MAR 05 2020

American Lake Division
Tacoma WA 98493-5000

In Reply Refer To: 663/S-00

Seattle Division
Seattle WA 98108-1597

Michael Mirra, Executive Director
Tacoma Housing Authority
902 S. L St.
Tacoma, WA 98405

Dear Mr. Mirra:

I am pleased to be able to offer this letter of support on behalf of the Tacoma Housing Authority's (THA) application to convert 18-20 HUD-VASH housing choice vouchers to Project-Based Vouchers. This project is an agreement between Tacoma Housing Authority and VA Puget Sound Health Care System.

THA has developed a project called "The Rise," focusing on households that are homeless individuals, homeless families with children and physically disabled individuals. This project is located in the City of Tacoma, which has a high-demand housing market, creating a challenge for HUD-VASH participants to secure housing their housing-choice voucher. This has led to the underutilization of vouchers, despite over 400 homeless Veteran families in Pierce County. THA has agreed to low-barrier rental criteria for HUD-VASH participants, further removing challenges for Veterans experiencing homelessness to be housed.

THA has been an outstanding HUD-VASH program partner, working collaboratively with VA Puget Sound Health Care System and the larger community toward the goal of ending Veteran homelessness. The VA Puget Sound Health Care System is a proud supporter of THA and we are confident that this conversion of HUD-VASH vouchers to project-based HUD-VASH vouchers will serve our collective effort to end Veteran homelessness. Should you have any questions about this letter of support, please contact Rachel Silis, Supervisory Social Worker, Community Housing and Outreach Services (CHOS), VA Puget Sound at (253) 583-2826.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Tadych", is written over a horizontal line.

Michael C. Tadych, FACHE
Director

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-04-22 (2)

Date: April 22, 2020
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2020 Agency Budget

This resolution would adopt Tacoma Housing Authority's (THA) budget for 2020. The details are set forth in the attachments.

SOME BACKGROUND

By this resolution, the Board would adopt the final THA budget for FY 2020. It would replace Resolution 2019-12-11 (4), which served as a Continuing Resolution budget to authorize expenditures of funds for 2020 in the meantime.

Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes, each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The budget process this year was unusual. Congress was late, again, in passing a 2020 budget. Then HUD asked Congress for a one-month extension on its time to translate the appropriation into allocations for the housing authorities. THA did not learn its allocation until deep into March. As a result, the Board decided to delay its adoption of a final THA budget April.

The Board provided direction for writing this budget through discussions with the liaisons from the Finance Committee, the current chair, and other board members. I have provided additional direction to staff based on these discussions. The Finance Director facilitated multiple meetings with the other Directors to come up with a budget to present to both me, and now the Board. At its April 3rd budget study session, the Board indicated approval of the budget that staff now submits. As was the case last year, one of the biggest topics of discussion have been the expenditure of THA's Housing Assistance Payment (HAP) funds. This is the largest

allocation of federal funding that THA receives, approximately \$50.1 million in 2020, as well as the largest expenditure of funds (\$43.1 million). The Board then received a preview of the budget proposal at its Study Session on April 3rd.

Here are some of the notable features of the proposed budget:

- The budget is based on current year federal funding.
- The 2020 budget accounts for our strategic objectives.
- The 2020 budget fits recurring and non-projected oriented expenses within recurring income.
- This budget anticipates THA receiving approximately \$7.7 million from our Renew Tacoma Housing (RTH) Rental Assistance Demonstration (RAD) conversion in the form of final Developer Fees (\$3.1 million), and cash flow payments from time of conversion (\$2.1 million non-recurring, \$500K recurring. (The final Developer Fee and non-recurring cash flow is a carry over from 2019, as it was anticipated to be paid during that period. Due to environmental issues on a couple of properties, it was delayed)
- The budget provides funding for ongoing client support. 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. An additional 3 positions are being budgeted for 2020 in an effort to better serve our existing clients.
- We have community partners that will provide funding for youth asset building activities for the foreseeable future.
- The budget invests in THA's financial future and promotes redevelopment of additional affordable housing in the community by providing due diligence funds for existing and future opportunities.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather the continuing budget challenges. As we remain in an unsettled environment for predicting future HUD funding, this approach should continue to serve the agency well.
- The 2020 Budget proposal leaves THA with adequate reserves of both Moving to Work (MTW) and non-MTW funds. There are also reserves accumulated by the sale of ACC property (Salishan lots and AMP 6 Single Family homes), which are designated by HUD under the terms of the demo/dispo application for rehab or existing and developing of new affordable housing in the community. Additionally, we are anticipating that there will be HAP reserves remaining at HUD at the end of 2020 due to cash management regulations they are following regarding disbursement of funds.

I am pleased to present this budget proposal to the Board. It reflects discussions throughout the year by both the Board and staff. The proposed budget leaves THA in good shape for 2020. It allows THA to continue core programs. It allows for 100% MTW utilization of voucher allocation. It also allows THA to continue its special programs that continue to distinguish THA nationally for its innovation, such as the education program, children's match savings accounts, client support to help families prosper, rapid rehousing, and assistance to Tacoma Community College (TCC) students who are homeless.

It is important to note that this budget does not account for the financial effect of the Coronavirus pandemic. If there is any substantial deviation, we will propose a mid-course revision. We will keep the Board informed.

PRINCIPLES GUIDING THE BUDGET CHOICES

Staff have used the following principles to guide the preparation of this budget proposal:

- **THA's strategic directives**

THA's statement of vision, mission and values, and our strategic objectives remain our primary principles that guide our work, including budget choices. Each department considered the priority of programs and projects serving each strategic objective when proposing its own budget. The budget proposal allows us to proceed with our most important initiatives.

As in the past, this budget seeks to retain what is distinctive about THA: we do not confine our mission to being a landlord and disbursing monthly rental assistance checks. We also are real estate and community developers. We seek ways to spend our housing dollar to leverage other outcomes: increased earned income of our families, improved educational outcomes, and improved asset building. Our efforts to do this have become signature attributes of THA. These have distinguished THA from its counterparts. As we craft the budget each year, depending on the funding we receive we make judgements. One of the basic tenets that we keep in front of us is that we would rather retain a meaningful measure of these functions, even on a reduced scale, rather than derail the significant movement forward on important initiatives due to fear of reduced funding. If we retain at least a minimal presence in these areas it allows us to later pick these initiatives back up and move them forward easier than if we had to start from scratch.

- **Congressional appropriations**

Congress is supposed to adopt a federal budget by October 1st. Per usual, there were delays, and the federal budget was not approved until late December. HUD is required to provide Housing Authorities their funding level within two months (end of February), but requested an extension until March 27th. We received the funding information on March 26th.

Overall HUD funding for 2020 (\$3.6 million) was better than 2019, where we saw a \$2.9 million increase over 2018. Actual increases for a Housing Authority are based on a variety of factors, including changes in rents for each area, as well as increase or decrease of units, and does not necessarily follow the Appropriation changes.

- **Recurring income and expenses**

We seek a budget where our recurring income pays for our recurring, and non-project oriented expenses. We try not to spend reserves on recurring expenses because it is not sustainable. Our proposed budget provides a comfortable aggregate surplus of recurring income over recurring expenses.

- **Reserves and reserve spending**

Reserves are important. We want to keep enough for important purposes; to operate safely, to make credit worthy to investors and partners, and to allow enough funding for real estate development opportunities when they arise. We continue to identify minimum and maximum levels of reserves overall and for each type of reserve. A determination is then made by the Board as to what level of reserves is optimal. For our MTW funds, we will have approximately \$1 million in reserves at THA, and \$2 million at HUD at year end. For our Business Activity funds (Non-MTW without restrictions), we anticipate approximately \$8.5 million, or \$2.3 million over optimal.

The budget also spends reserves per the Board's principles direct. The best use of reserves is to fund activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. A substantial portion of the spending of non-MTW reserves is on development projects that we expect could earn us a developer fee, increase the number of affordable housing units for the community, and provide ongoing cash flow for the agency.

For the 2020 budget we will continue to invest in our new IT platform; ramp up our process improvement and documentation effort; upgrade our website and remodel the 1st floor at our 902 S. L administration building. We will also continue to support our families with services. As we typically have in recent years, we have set funds aside for property purchases (\$2 million this year), as well as look at other development opportunities, such as the Hilltop Redevelopment, James Center, and currently Gault School.

NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones for this budget:

- **Budgeting at 2020 funding levels**

In 2018 and 2019, we received a combined \$4.2 million dollars in HAP increases. The federal government passed the 2020 budget in December, with us finding out late March our 2020 funding, which was a \$3.6 million increase from 2019. This represents a 9.4% increase in funding from 2019.

- **THA's Uses of Funds**

The budget would use \$6.9M that could fund more housing vouchers on other purposes. This would leave 670 families unserved on the waiting list. That means the reasons for spending the money on other purposes need to be very good ones. This budget would spend that money on purposes that THA judges are very good.

- Back filling the Congressional underfunding of the portfolio
- Back filling the Congressional underfunding for administering the voucher program.
- Real estate development
- Supportive services
- Education Project
- Strengthening administrative systems to provide good customer service and maintain THA's standards of stewardship.

The attached Uses of Funds chart depicts these choices. It also shows three metrics that help keep THA within bounds in its other uses of HAP funds. By those metrics, THA is well within bounds. These are the three metrics:

- *Utilization:* THA is budgeting to serve 100% of its assigned baseline number of households.
- *Voucher Administrative Expenses:* While THA uses HAP money to backfill the Congressional underfunding of voucher administration, it does not backfill even up to what THA would spend if Congress funded the expenses at 100%.
- *Backoffice Expenses:* THA spends about 12% of its funds on total backoffice expenses. That is a reasonable amount for an organization as complex and heavily regulated as a public housing authority

- **Public Housing (PH) Operating Subsidy**
Public housing operating subsidy is no longer a factor in the agency budget, as we only have 5 units of PH remaining. We are looking at bringing on Public Housing Faircloth units and transitioning them to Rental Assistance Demonstration (RAD) at some point. If this is done, due to the timing of how long a property may be Public Housing before being transitioned, we may periodically receive funds in this category.
- **Housing Assistance Program (HAP) savings**
Over the years, as a MTW agency, due to changing our occupancy standards to 2 individuals per bedroom; discontinuing utility allowance payments instituting minimum rents at \$75 per unit; and transitioning new households to HOP, THA achieved HAP savings of approximately \$6.5 million as of 2013. During the next few years with reduced funding, and increasing HAP payments, this had dropped to approximately \$4 million. With the HAP increases over the past two years (\$6.5 million), the savings is back up to \$7.0 million with 100% utilization. This allows some flexibility and provides us an opportunity to look at the HOP program, and our concern regarding the rent burden on those families.
- **Section 8 Admin Fee**
Section 8 Admin Fees are budgeted at 82% of authorized amount. This % is based upon an average of what we received over the past few years.
- **Wages and salaries**
For 2020 we are budgeting to include a 3% increase for OPEIU non-represented and Trades staff, along with an extra 2.0% for Variable Pay based on performance. Scheduled increases are budgeted for July 1. There is an additional \$175K added to the Executive Department's Special Recognition fund above the 2% to recognize extraordinary efforts throughout the agency during 2020, especially during the pandemic. This resolution would also authorize the Executive Director to approve raises above 3% if he determines the demands placed on staff warrants additional compensation in that area.

- **Employee benefits**

We calculated the costs of employee benefits on the following assumptions:

Health Care benefits

We plan for a 5% increase in the Laborers trust for our maintenance staff, effective July 1st. For our OPEIU and Non- represented staff, there was less than a 1% increase in rates from 2019 for PEBB.

Dental

There was a minimal increase over 2019's costs.

Retirement

Washington State employer portion of retirement plan is budgeted at the 12.86%. This rate has been increasing the last couple of years.

Short- and Long-Term Disability/Life Insurance

There was a reduction in these costs due to the Family Medical leave Act yet had minimal impact on the budget.

Unemployment Insurance

THA pays out all unemployment claims and remains self-insured for 2020. We are maintaining the accrual at 1.5% in 2020. THA pays for all the claims from this accrual.

Benefits, on average, are 40.0% of salary dollars.

- **Property Reserves**

We will maintain a six-month operating reserve based on expenses, as well as a replacement reserve for all properties that we own. This accounts for the \$2.5 million reserve level for this category.

SOME BUDGET DETAIL

- **Special Program Initiatives**

The budget provides approximately \$1.3 million for special program initiatives that the Board will recognize from past discussions:

- DSHS-PHA child welfare collaboration
- Rapid rehousing for homeless families
- Housing for unaccompanied youth

The funding for special programs represents housing an equivalent of approximately 100 families per year.

- **HAP Expenditures**
Due to increasing upward pressure in the area's housing market, our HAP average has been increasing by approximately \$2 per month since 2016. We are budgeting for our 2020 HAP anticipating this trend of rent increases will continue, but at a little bit slower rate, or approximately \$1.50 per year.
- **Tax Property Cash Flows**
For 2020, there is \$500K in recurring cash flow from Renew Tacoma Housing, and approximately \$200K projected from the Salishan properties. As we transitioned to RAD for Hillside 1 & 2, along with Salishan's 4-6 in 2019, the amount of recurring cash flow to THA should increase starting in 2021 as there was an increase in contract rent for the properties at the time of conversion.
- **IT/Process Improvements/Document Management**
We transitioned to our new IT platform (OpenDoor and Intacct) in 2017. The new platform is solid, and well designed. As this was a platform that was built specifically for THA, we need to ensure it provides good quality information and performance to meet THA's needs. As we have utilized it for a couple of years, we have determined enhancements, along with standardizations and bumps around processes that need to be developed. With that in mind, we are planning on putting renewed and more focused emphasis on our Process Improvement and Documentation effort. In the past we have hired a Business Process Improvement Manager to lead the effort. As that has not been fully successful, a decision was made to implement a Team Approach that included IT, Project Managers from major functional areas, and moving to a robust document management platform. Additional staff are being hired for this effort. We anticipate that this will be a 3-year intensive effort, with ongoing updates and maintenance after that.
- **Client Support**
THA continues to move forward with both the Education and Scholar incentives programs. Funding has been received by a variety of grantees to assist us in moving forward in both areas. In 2019, we started charging each unit a \$250 annual fee to pay for supportive services to help our tenants be successful in their tenancy. This fee was made possible when we determined the rents for our Public Housing properties when they transitioned to Project Based Section 8 RAD units and helps offset the MTW funds utilized for this area. We also have staff assigned to support our Voucher tenants and partnering them with 3rd party services when necessary.
- **The Rise at 19th**
THA will complete The Rise on 19th by early 2021, with lease up commencing last quarter of 2020. Construction began in 2019. In total, THA will put in approximately \$2.5 million from its restricted ACC funds to fill the funding gap for this project. All but \$571K of these funds were utilized in 2019, with this remaining amount included in the 2020 budget.

- **Arlington Drive Youth Campus**
THA has received 9% tax credits, and funds from the State, City, and other local resources for the development. Both the 16 bed Crisis Residential Center for homeless youth, and a 58-unit rental housing for homeless young adults ages 18-24 started construction in 2019. The local funds procured are flowing through THA financials as loans. \$335K was budgeted as a THA sponsor loan for the development in 2020, if needed.
- **James Center North**
This complex was purchased in 2017, with commercial leases in place. THA is still investigating redevelopment opportunities, and working to come up with a plan for its redevelopment in the early 2020's. The development will be a mix of Affordable Housing, along with student housing, market rate and commercial.
- **Hilltop**
The redevelopment of the Hilltop area will remain a priority in 2020.

We have changed our approach somewhat and working with two outside parties on the development of the properties (Inland and Horizon) where they would take the lead on the development of the parcels.

THA is committed to moving forward with this development, with initial site plans in place. Tax credits have been applied for and approved for homeless housing on the Mr. Mac site.

We also remain on the lookout for opportunities to purchase land for our redevelopment efforts in this part of the community.

- **902 South L Additional Needs**
In 2019, it was determined that additional repairs in the Rental Assistance and Administration areas needed to be addressed. We are also experiencing some issues with the roofing that need to be addressed, as well as our HVAC system. \$1.5 million is included in the budget to address these issues. Additionally, \$150K has been budgeted to relocate a portion of the staff to the Chelsea for the foreseeable future due to staffing needs. With the pandemic, and increased ability to telework, we will be reevaluating the decision for additional space, yet will move forward with the 902 additional remodel most likely this summer.
- **Reserve Appropriations/Operating Transfers**
In the budget, we specify certain areas where we will either make transfers from certain areas or pull from reserves rather than operations for expenditures. For FY 2020, due to the non-recurring income resulting from the final developer fee, and back cash flow from Renew Tacoma Housing, we not anticipate we will need to dip into operating reserves to balance the budget. The following is important to note though:

- Budgeted \$335K from the restricted ACC lots sales proceeds for funding gap at the Arlington Crisis Residential Center.
 - Budgeted \$130K of restricted ACC lots sales for potential funding gap at the Arlington Youth Rental Housing.
 - Budgeted \$571K of restricted ACC lots sales for remaining funding gap at The Rise on 19th.
 - Budgeting a \$992K transfer of funds from THA owned rental properties to Business activities at end of 2020 in order to maintain optimal Operating and Replacement reserves at the properties.
- **Use of MTW Flexibility**
Due to our MTW flexibilities, we have had the ability to combine our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. With our Public Housing primarily converted to Section 8 RAD units by the end of 2019, our flexibility basically lies in combining our Section 8 Housing Choice Voucher HAP funds and Section 8 admin fees for those units into a single funding source to carry out the mission of the MTW demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.
 - **Reserves**
The budget will leave us with the following reserves as indicated in Attachment A:

○ MTW Reserves	\$ 942,000
○ Business Activities (Non-MTW) Reserves	\$ 8,541,000
○ PH Owned Property Reserves	\$ 2,500,000
○ Reserves with Restrictions	\$ 6,968,000
○ Heritage Line of Credit – BFIM Buyout	\$ 2,500,000
○ Section 8 Reserves Held at HUD	<u>\$ 2,077,000</u>
	\$ 23,528,000

RECOMMENDATION

I recommend that the Board adopt Resolution 2020-04-22 (2) to formally approve THA's Fiscal Year 2020 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-04-22 (2) (Fiscal Year 2020 Annual 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, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma has reviewed and provided input to the proposed Fiscal Year 2020 annual budget; and

WHEREAS, this resolution replaces Continuing Resolution Budget 2019-12-11(4) passed in December, 2019; now, therefore, be it

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2020 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Administration	\$ 3,649,941
Client Support & Empowerment	2,033,216
Executive	1,150,743
Finance	1,532,223
Human Resources	725,002
Policy, Innovation and Evaluation	1,251,061
Rental Assistance	47,663,663
Real Estate Development	2,761,683
Property Management Overhead	1,586,499
Property Budgets	<u>2,342,937</u>
Subtotal	64,696,968
 <u>Additional Cash Outflows</u>	
Debt Service	74,994
Capital Expenditures	10,519,000
Replacement Reserves	<u>172,650</u>
Subtotal	10,766,644
 TOTAL APPROVED BUDGET	 \$ <u>75,463,612</u>

Approved: April 22, 2020

Derek Young, Chair



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra
Date: March 30, 2020
Re: Proposed Budget for FY 2020

At its meeting on April 22nd, the Board is scheduled to adopt THA's final budget for FY 2020, which began on January 1st. This new budget would replace the Continuing Resolution Budget passed by the Board December 12, 2019. The Board has a study session on April 3rd at noon to review the proposed budget. I have had discussions with various board members regarding the draft, and what is in store for 2020. I write to describe this proposal.

PLEASE REMEMBER:

All Board meetings during the COVID-19 pandemic, until further notice, will occur remotely and not in person.

1. BUDGET PRINCIPLES

The draft budget resolution conforms to the following four budget principles that have served us well for the past 16 years.

- *Presume upon the worst of the plausible budgets pending in Congress.*
In a more orderly world, by October 1st Congress would pass a budget for the following year. That would allow THA to write its own budget knowing its income. However, usually Congress is late. That was the case this year. When this happens THA has to place its bets. To do this THA uses an important budget principle: it budgets to the worse of the plausible budget proposals pending in Congress.

This year, we adopted a similar strategy. The THA Board adopted a continuing resolution of its own in December. This kept THA functioning upon the same expenditure levels in 2019. We then waited for Congress to pass a real budget, and for HUD then to tell us under that budget what our allocation would be.

We have just received good news from HUD about our allocation. We will receive an increase of **\$3.6 million**. This is more than the \$2.5 million increase we had estimated when we drafted this budget. That estimate turned out to be conservative, as we intended it to be.

- *Recurring income covers recurring expenses.*
We strive for a budget in which recurring income covers recurring expenses. We try not to spend reserves on recurring expenses. We are pleased to submit this budget proposal and its anticipated recurring operating surplus of about **\$1.6 million**. This is the highest we have seen in years. This is primarily due to our conservative estimate on what our increase this year would be.

This budget principle requires us to characterize an income or an expenditure as either recurring or nonrecurring. The main characterization challenge is how to regard the substantial amounts of income THA receives from its real estate development activities. This income varies a lot from year to year, and its amount is always hard to anticipate. In that respect it is not recurring. Yet, it has been reliable enough within some ranges to invite us to rely on it. This budget finds a middle ground. It regards deferred developer fee as recurring, and the remaining development income as nonrecurring. Also, we characterize all development related expenses as nonrecurring.

- *We use reserves for nonrecurring expenditures that make us money, save us money, or make us more efficient or stronger.*
As I explain above, we do not like to use reserves on recurring expenses. Our main use of reserves continues to be real estate development. We are budgeting \$2 million for property purchases, which will either make us money and/or house more people that need affordable housing in an underserved market. We are also budgeting \$1.5 million for additional improvements to the 902 building. For 2020, we would continue to invest in our IT structure and our Business Process Improvement Project.
- *We keep reserves that are within the designated ranges for each type of monies: not too much and not too little.*
THA needs adequate reserves for three main reasons. **First**, reserves help us operate safely with some measure of assurance and stability, especially considering the uncertainties of federal funding. Our reserves, for example, were reassuring to have during the recent governmental shutdowns. For this purpose, we like to have at least 2 months of operating expenses, or about \$ 8 million. **Second**, we need a healthy balance sheet to make THA credit worthy when it seeks financing and partners. **Third**, we must amass reserves in anticipation of a real estate purchase or development.

Yet, THA does not want too much in reserve. We have too many needs to address in our community to be leaving too much money idle. Also, HUD has taught us that it is capable of sweeping our reserves. For this reason, for example, we like to keep our MTW reserves low.

For all these purposes we seek to have between \$9.2 million and \$16.1 million. This budget proposal would leave THA with approximately \$23.5 million in reserves for all purposes. Although this is higher than we need, this budget commits most of that amount for specific purposes. Also, approximately \$7 million of those funds are restricted by HUD to particular uses.

2. SUMMARY

I attach budget documents that describe the proposal in summary and in detail. The actual budget resolution, along with agency commitments, will be in the Board packet for the April 22nd Board meeting. We have changed the software we use to develop the budget. In addition to the documents, we will present the budget using the new software. We will summarily present the budget by department. If the Board wishes, the software will allow us to drill down into granular detail at both the study session and the board meeting.

Of the attached documents, Attachment A shows the reserve levels at both the beginning and end of the year. It will also show notable non-recurring items. We will also provide a THA property budget as in the past. The following gives an overview of the budget and the important factors that we considered in drafting this budget proposal.

2.1 Operating Surplus

This proposal presents an operational budget of about \$64.7 million. In its operational aspect, there is a surplus of approximately **\$1.6 million**. The surplus is due to approximately \$5.5 million in Renew Tacoma RAD proceeds consisting of the final developer fee payment and deferred cash flow. The budget also includes the \$3.6 million increase in HAP funding over 2019 levels.

2.2 Capital Expenditures

The capital budget would have the agency expend a little more than \$10.5 million in 2020.

- The primary focus of this expenditure is about \$6 million for the development of Arlington Drive Campus for Homeless Youth and Young Adults, and The Rise at 19th. Approximately \$1 million comes from reserves associated with our restricted ACC sales proceeds, with the remaining from the city, county, and state.
- \$2 million is set aside for Property Purchases and \$1.5 million for additional rehab needs at the Administrative Office Building at 902 South L.
- The budget anticipates \$575K of income from the sale of the remaining Salishan lots.
- There are approximately \$500K in capitalized IT equipment and programming.

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2.3 Adequate Reserves Committed to Specific Purposes

The budget anticipates that we will start FY 2020 with reserves of approximately \$23.7 million and end with \$23.5 million. We do not dip into reserves to end up with a balanced budget even with our nonrecurring expenses. But the budget commits those reserves to important purposes:

- \$2.5 million are property reserves.
- \$2.5 million are restricted until mid-2021 as requested by BFIM upon its buyout in 2018. This amount covers any potential Tax Credit losses.
- The budget restricts approximately \$7 million of funds coming from the sale proceeds of property that formerly was public housing, with funds being used for affordable housing development or purchases.
- In the MTW pot of funds, at the end of 2019, THA held \$2.2 million and HUD held \$2.4 million of THA funds due to the HUD rules of Cash Management rules. For 2020, we propose to fully use most of these funds, leaving THA with a MTW balance of \$942K that THA will hold and approximately \$2 million that HUD will hold.
- Attachment A, #3, provides a snapshot of the Budget Impact on Reserves based on the 2020 budget.
- The proposal for the 2020 Board Reserve Commitments are shown in Attachment A, # 6.

2.4 Uses of THA Funding

An important consideration for the Board and the budget asks how THA is spending the money it gets that is available to pay for housing vouchers. Vouchers are the main way we house people. THA's MTW status allows it to spend that money also on other purposes. Of the \$39.8 million we receive that we could spend on vouchers, we spend about \$6.9 million on other purposes. Doing that leaves 670 households unserved. This means that those other purposes need to be important. We judge that they are:

- maintaining the portfolio because Congress underfunds it
- administering the voucher program, because Congress underfunds it as well
- supportive services to the clients we house or pay to house
- the Education Project
- administrative services to maintain our standards of stewardship and customer service (We are grateful for the IT and staff investments we have made as we manage through this pandemic.)

The attachment entitled *Uses of THA Funding* provides more detail about these choices.

We must be mindful of these choices. We use some metrics that would warn us if we are spending too much on these other purposes. By those metrics we are doing well.

- *Utilization Rate of 100%*
The main metric is whether we are at 100% utilization. HUD assigns to all MTW agencies a “baseline” number of families we must serve. Serving them all would be a utilization rate of 100%. Meeting this standard is the main benchmark that we are spending the funds appropriately. We met this standard in 2019. We are pleased to present a budget that would have us meet it again in 2020.

This is a notable achievement considering Tacoma’s very tight and expensive rental market. This market makes it hard for our voucher holders to find landlords willing to rent to them. In general, landlords prefer other tenants with stronger rental, credit or criminal histories. We have reached 100% utilization in two main ways: increasing the number of Project Based units and inventing a new Property Based Subsidy model that has proved popular with landlords. Both of these programs reserve housing for our clients, sparing them the challenge of shopping for housing in a brutal market. The increase funding for 2020 also helps keep our utilization at 100%.

- *Amount Spent on Voucher Administration Below HUD’s Standard*
HUD calculates how much it should cost a PHA to manage its voucher program. Congress then appropriates some portion of that, usually around 80%. That underfunding is called a proration. We spend HAP dollars backfilling these loses. Yet we do not want to backfill too much. The attachment shows that we don’t. If we fully backfilled, we would spend \$882,700 on voucher administration and spend what HUD says it should cost us to manage the voucher program. Instead, we backfill with \$676,500. This means we are still spending less on voucher administration than HUD thinks is necessary. That too is a reassurance.
- *Spending 12.68% Overall on Administration*
We do not want to spend too much on overall administration. The attachment shows that we are spending 12.68% of our money on “administration”. We judge this is a reasonable percentage for such a highly regulated organization like a public housing authority, especially one like THA with high standards of stewardship.

2.5 RAD Transition

In 2020, all of our public housing units (except for 5) will have transitioned over to Project Based Section 8 units under the RAD program. We will therefore no longer be receiving any substantial public housing subsidy or capital funds. We have used HAP money to increase the contract rents for these tax credit properties, so they cash flow. That too is a backfilling of Congressional underfunding.

2.6 Budget Continues THA's Project Priorities

The proposed budget funds THA's mainline programs and allows THA to continue the following notable initiatives:

Rapid rehousing for homeless families/youth
Education Program expansion – Youth & College
Section 8 lease up support
Continued IT and process improvement
Arlington development
Property purchases
James Center North predevelopment
Savings Account for the Children of Salishan
Enhanced client support
The Rise at 19th development
Hilltop redevelopment
902 South L improvements

3. A LOOK AHEAD TO FY 2020

We can look ahead to 2020 to see some challenges as well as opportunities. Here are some notable examples of each.

3.1 COVID-19 Pandemic

The COVID-19 pandemic poses an important uncertainty to this budget. We have never before experienced something like this. Along with the rest of the country, we are living through an experiment in improvisation. We do not know what it will mean for THA and its finances. We are struggling with operational challenges of social distancing, the dislocation of staff, arranging to serve and feed vulnerable clients, temporary shut down or slowdown of business, and the general unease. We may also face some notable new expenditures. These include:

- *Increased HAP expenditures.* Of the nearly 5,000 households that THA houses or pays to house, 1,350 of them are dependent on earned income. Most of their jobs are in the low-wage service trade. Many of these clients may be losing their jobs as the economy shuts down in response to the Governor's Stay Home order. Most of them may be entitled to have THA decrease their rent or their share of rent to reflect their loss of income. For those households who are THA tenants, THA will lose that rental income.

For those households who are voucher clients, THA will reduce the tenant's share of the rent and increase its share. All this may be very expensive.

- THA is also incurring new expenses because of the pandemic. *E.g.*, sanitizing our properties twice a day; deep cleaning when we have reason to think a tenant has the virus; enhanced services to our clients.

On April 27th, the President signed the CARES Act. This Act expends \$2 trillion to help the nation cope with the pandemic. \$12 billion of that money goes to HUD. Of that amount about \$ 2 billion goes to public housing authorities for public housing and voucher programs. We will not for a while know how much of it will find its way to THA.

We are tracking our expenses associated with the Coronavirus. We do that with the hope of reimbursement from HUD or other sources.

We have not made any adjustments to the budget to account for the COVID-19 pandemic. There are too many uncertainties. We will keep the Board informed as the picture clarifies.

3.2 Tacoma's Rental Market and Federal Funding

In 2018, we received our first increase in HAP in approximately 5 years (3.6%). In 2019, we received a 7.9% increase or \$2.9 million. We just found out last week the 2020 increase would be 9.4%, or \$3.6 million. This increase will allow us some flexibility. It will also help us meet the extra expenditures the COVID-19 pandemic may impose.

It is important we be mindful that future funding may not be so generous, even with escalating rental costs. Also, if budgeting gets tight, we may see inflation factors close to the market with larger pro-ration deductions, which could effectively reduce funding in the future. So, we need to remain cautious in our decisions.

3.3 Moving to Work (MTW) Changes

With the current MTW contract ending in 2028, we do not have to worry about any contract changes unless they come through federal appropriations. With the conversion of all but 5 of our Public Housing units to RAD, our federal funding will consist solely of Section 8 HAP and Administrative expense, starting this year. Our HAP funding is tied to HUD's inflation factor and pro-ration. Section 8 funding has traditionally been better for the agency than public housing, so we believe the movement to RAD of our Public Housing units will assist us in funding and stability.

3.4 Property Purchases

We will continue to hunt for properties to buy. Let us remember that there are three reasons why we would consider such a purchase:

- the property will make us money either in its rental stream or its investment value;
- the purchase will make or keep a property affordable to low-income households;
- the property is poorly managed or maintained and THA's purchase can help a neighborhood and the tenants by improving the property's management or maintenance.

Let us also remember that our chances to buy property often come by surprise. We need to be flexible to take advantage of the chances when they come. So, this may have us spend deeper into reserves than we are budgeting to do.

3.5 Property Sales

We anticipate selling the remaining Salishan lots for \$575K in 2020. Also, we may sell the Bismark single family home. We have been using it as a Crisis Residential Center. We will no longer need it for that purpose when the Arlington Drive Crisis Residential Center opens later this year.

Writing a budget for an organization as complex as THA takes a lot of work. I thank the entire staff for their effort, diligence, and good humor. Their effort was especially notable because, at the same time, we had to puzzle our way through this pandemic. I especially thank our Finance Director, Ken Shalik. He led the many discussions. He also applied his customary excellent judgment. He brings a necessary caution to the question, nicely spiced with a full appreciation for THA's mission and ambition. THA is very fortunate in its staff all year long. We are also lucky with our Board and its good judgment, its appetite for risk, and its own focus on THA's mission and ambitions. That good fortune shows particularly at budget time, especially during a pandemic.

Thank you.



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2020 Budget April, 2020

The green boxes below denote the main decisions for the THA Board. The contents of the green boxes are staff proposals.

The yellow boxes below and other text contain information and staff proposals that will help the Board decide.

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Reserves 01/01/20	-	Minimum	Maximum	Amount to Reserve	=	Amount of reserves available to use in FY-2020
a. MTW Reserves	\$2,157,000		\$ 600,000	\$ 4,600,000	\$750,000		\$1,407,000
b. Business Activities (Non-MTW) reserves	\$7,011,000		\$4,000,000	\$6,500,000	\$6,500,000		\$511,000
c. THA Owned Rental Property	\$2,388,000		\$2,100,000	\$3,000,000	\$2,500,000		(\$112,000)
d. Reserves with Restrictions (ACC sale proceeds)	\$7,299,000		\$0	\$0	\$0		\$7,299,000
e. Heritage Line Of Credit - BFIM investor buyout Reserve	\$2,500,000		\$2,500,000	\$2,500,000	\$2,500,000		\$0
f. Section 8 Reserves held at HUD.	\$2,427,000		\$0	\$0	\$0		\$2,427,000
Totals	\$23,782,000		\$9,200,000	\$16,600,000	\$12,250,000		\$11,532,000

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$13,680,700	1/2 month	\$ 600,000	4 months	\$ 4,600,000
	Total	\$ 600,000	Total	\$ 4,600,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2020

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$52,899,000		\$51,685,000		\$1,214,000
Non-MTW	\$4,706,000		\$5,407,000		(\$701,000)
Properties	\$3,695,000		\$2,579,000		\$1,116,000
Total	\$61,300,000		\$59,671,000		\$1,629,000

3. BUDGET IMPACT - RESERVES - FY-2020

		Non - MTW					Total
	MTW	Business Activities	THA Owned Rental Property	Reserves with Restrictions (ACC sale proceeds)	Heritage Line Of Credit - BFIM investor buyout Reserve	Section 8 Reserves held at HUD.	
Estimated Reserves - 01/01/20	\$2,157,000	\$7,011,000	\$2,388,000	\$7,299,000	\$2,500,000	\$2,427,000	\$23,782,000
a. Recurring Surplus/(Shortfall) ¹	\$1,214,000	(\$701,000)	\$1,116,000				\$1,629,000
Non-Recurring Income/(Expense)							Amount
b. Non Recurring Income - Operational	\$1,136,000	\$7,306,000					\$8,442,000
c. Non Recurring Income - Capital	\$0	\$5,252,000		\$575,000			\$5,827,000
d. Non Recurring Expenses - Operational	(\$1,524,000)	(\$3,737,000)	(\$12,000)				(\$5,273,000)
e. Non Recurring Expenses - Capital	(\$2,041,000)	(\$7,582,000)	\$0	(\$906,000)			(\$10,529,000)
f. Operating Transfers		\$992,000	(\$992,000)			\$0	\$0
g. HUD HAP Drawdown						(\$350,000)	(\$350,000)
h. Projected Reserves - 12/31/20	\$942,000	\$8,541,000	\$2,500,000	\$6,968,000	\$2,500,000	\$2,077,000	\$23,528,000

4. **FY-2020 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/20	Minimum	Maximum
a. MTW Reserves	\$942,000	\$600,000	\$4,600,000
b. Business Activities (Non-MTW) reserves	\$8,541,000	\$4,000,000	\$6,500,000
c. THA Owned Rental Property	\$2,500,000	\$2,100,000	\$2,500,000
d. Reserves with Restrictions (ACC sale proceeds)	\$6,968,000	\$0	\$0
e. Heritage Line Of Credit - BFIM investor buyout Reserve	\$2,500,000	\$2,500,000	\$2,500,000
f. Section 8 Reserves held at HUD.	\$2,077,000	\$0	\$0
g. Totals	\$23,528,000	\$9,200,000	\$16,100,000

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$750,000	\$192,000
\$6,250,000	\$2,291,000
\$2,500,000	\$0
\$0	\$6,968,000
\$2,500,000	\$0
\$0	\$2,077,000
\$12,000,000	\$11,528,000

5. **A LOOK AHEAD AT FY-2020 and beyond (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)**

5.1	New Recurring FY020 Income	New Recurring FY020 Expense	Amount
a.	Section 8 HAP - HUD increase		\$36
b.	Section 8 Admin Fee- Salishan & Hillside RAD units		\$250,000
c.	Cash Flow - RTH Tax Credit Properties		\$500,000
d.		HAP MTW Supplement - Salishan/Hillside RAD conversion	(\$475,000)
e.		HAP expenditures due to increased occupancy and rents	(\$500,000)
f.		Chelsea Heights Lease	(\$150,000)
g.		Staffing Costs - Prorated based on projected 2020 hire date.	(\$410,000)
5.2	Recurring FY021 Income	Recurring FY021 Expense	Amount
a.	Section 8 HAP - HUD increase		TBD
b.	Cash Flow - Tax Credit Properties (Salishan & Hillside RAD)		TBD
5.3	Non-Recurring FY021 Income	Non-Recurring FY021 Expense	Amount
a.	Developer Fee - Bay Terrace - Rise at 19th		\$755,000
b.	Developer Fee - Arlington Rental Housing		\$1,021,800
5.4	Non-Recurring FY022 Income	Non-Recurring FY022 Expense	Amount
a.	Developer Fee - ?		

6. Board Commitments	2019 Commitments	Balance at end of 2019	Included in 2020 Budget	Future Commitments	MTW or Non- MTW	Period
a. Arlington Youth Housing	\$500,000	\$500,000	\$581,000	\$0		
b. Bay Terrace 3 Funding Gap	\$500,000	\$500,000	\$180,000	\$0		
c. Business Process Improvement Project			\$500,000	\$1,500,000	MTW	2021-2022
d. Childrens Savings Account Cohort payments	\$270,000	\$270,000	\$0	\$300,000	MTW	
e. Development Projects	\$2,500,000		\$0	\$2,500,000	Non MTW	2021 Forward
f. Education Projects - CHAP/TSHAP	\$310,000	\$310,000	\$0	\$1,200,000	MTW	2021-2025
g. Faircloth RAD units				\$1,500,000	MTW	2021-2024
h. James Center North Loan Payment				\$1,000,000	Non MTW	2021
i. James Center North Loan Payment				\$3,000,000	Non MTW	2023
j. James Center North Loan Payment				\$2,000,000	Non MTW	2025
k. Key Bank Loan Payment				\$715,000	Non MTW	2024
l. Open Door Future Enhancements	\$500,000	\$500,000	\$530,000	\$1,000,000	MTW	2021-2022
m. Property Acquisitions			\$2,000,000	\$2,000,000	Non MTW	2021 -
n. Section 8 HOPP Increases	\$0	\$0	\$0	\$1,500,000	MTW	2021 -
o. Reserves						
1. Business Activity Reserves				\$6,750,000	Non MTW	In perpetuity
2. MTW Reserves				\$750,000	MTW	In perpetuity
3. THA Property Reserves				\$2,500,000	Non MTW	In perpetuity
Totals	\$4,580,000	\$1,580,000	\$3,791,000	\$28,215,000		

Back-up Detail - Notable Items

7. Non-Recurring Income: FY-2020

Sources of Non-Recurring Income	Amount	MTW/Non-MTW/Properties	Department
Operational			
a. 2019 HAP income carryover to 2020	\$0	MTW	RA
b. Arlington Crisis Center Project Admin Fee	\$87,500	Non-MTW	RD
c. <i>Developer Fee Income</i>			
1. Renew Tacoma Housing RAD - (Final Payment)	\$3,400,000	Non-MTW	PM
2. Alberta J Canada Renovation (RD)	\$450,000	Non-MTW	RD
d. Public Housing Capital Funds (Final Year carryover)	\$786,000	MTW	PM
e. Grant Income (All grants with end dates)	\$1,294,000	Non-MTW	CS/PI
f. <i>Other Revenue</i>			
1. Renew Tacoma Housing Waterfall pymt (2016-2018)	\$2,100,000	Non -MTW	PM

Capital	Amount	MTW/Non-MTW/Properties	Department
g. Court F (Rise at 19th)		\$300,000	
1. City of Tacoma (COT) -CBDG Loan	\$300,000	Non -MTW	RD
h. Arlington - CRC		\$2,252,000	
1. City of Tacoma Funds	\$1,808,000	Non -MTW	RD
2. Pierce County Funds	\$366,000	Non -MTW	RD
3. Solar Loans	\$78,000	Non -MTW	RD
i. Arlington - Rental Unit Development		\$2,700,000	
1. State HTF - \$4.29 mill; 1.15 mill remaining 2020	\$1,150,000	Non -MTW	RD
2. FHLB	\$800,000	Non -MTW	RD
3. AHP Loan	\$750,000	Non -MTW	RD
j. Salishan- Market Rate Lots sale (ACC sales proceeds)	\$575,000	Reserves w/ restrictions	RD

8. Notable Non-Recurring Expenses (Non Grant Funded) - 2020

8.1 Operational

	Amount	MTW/Non-MTW/Properties	Department
a. <i>Salaries</i>		\$975,000	
1. New project oriented positions	\$550,000	MTW/Non-MTW	Multiple
3. Overtime/Interns/Transitions	\$250,000	MTW/Non-MTW	Multiple
4. Executive Special Recognition Funds	\$175,000	MTW/Non-MTW	EX
b. <i>Information Technology Expenses</i>		\$250,000	
1. Open Door Programming	\$200,000	MTW/Non-MTW	AD
2. Software Implementation Costs	\$50,000	MTW/Non-MTW	AD
c. <i>Office Equipment</i>		\$60,000	
1. Office Furniture & Equipment	\$17,000	MTW/Non-MTW	Multiple
2. Computer Replacements & Smartboard	\$43,000	MTW/Non-MTW	Multiple
d. <i>Legal</i>		\$180,000	
1. New or upcoming Development Projects/Acquisitions	\$80,000	Non-MTW	RD
2. Sal 4 - 6 Investor Buyout, Faircloth	\$100,000	MTW/Non-MTW	AD
e. <i>Staff Training/Out of Town Travel</i>		\$82,000	
1. Marketing Cloud Training	\$40,000	MTW/Non-MTW	AD
2. Lean Training -BPI	\$20,000	MTW/Non-MTW	AD
3. Executive Coaching	\$22,000	MTW/Non-MTW	Multiple
f. <i>Administrative Contracts</i>		\$145,000	
1. PIE initiatives/evaluations	\$120,000	MTW	PI
2. Leadership Team Development (HR)	\$25,000	MTW/Non-MTW	HR
g. <i>Due Diligence - Development Opportunities</i>		\$950,000	
1. Existing Opportunities	\$785,000	Non-MTW	RD
2. New Opportunities	\$65,000	Non-MTW	RD
3. Potential land/building acquisition (RD)	\$100,000	Non-MTW	RD
h. <i>Tenant Services</i>		\$115,000	
1. Security Deposit Assistance (RA)	\$45,000	MTW	PM/RA
2. Safe Streets Grant - Community Engagement	\$70,000	MTW	CS
i. <i>General Expenses</i>		\$65,000	
1. Buyout Alliant - Hillside 1500	\$65,000	Non MTW	RD
j. <i>Contingency (Line 33)</i>	\$105,000	Non-MTW	EX

8.2 Capital

	Amount	MTW/Non-MTW/Properties	Department
a. IT Equipment	\$231,000	MTW	AD
b. Website/Portal Development	\$250,000	MTW	AD
c. Maintenance Vehicles	\$50,000	MTW	PM
d. Arlington - CRC		\$2,587,000	
1. City of Tacoma Funds	\$1,808,000	Non-MTW	RD
2. Pierce County Funds	\$366,000	Non-MTW	RD
3. Solar Loans	\$78,000	Non-MTW	RD
4. THA Sponsor Loan	\$335,000	Reserves w/ restrictions	RD
e. Arlington - Rental Unit Development		\$2,830,000	
1. State HTF - \$4.29 mill; 1.15 mill remaining 2020	\$1,150,000	Non-MTW	RD
2. FHLB	\$800,000	Non-MTW	RD
3. AHP Loan	\$750,000	Non-MTW	RD
4. THA Sponsor Loan (ACC Sales Proceeds)	\$130,000	Reserves w/ restrictions	RD
f. Court F (Rise at 19th)		\$871,000	
2. City of Tacoma (COT) -CBDG Loan	\$300,000	Non-MTW	RD
3. THA Sponsor Loan (ACC Sales Proceeds) - remaining for 2020 expenses)	\$571,000	Reserves w/ restrictions	RD
g. New Acquisitions	\$2,000,000	Non-MTW	RD
h. 902 Additional Remodel	\$1,500,000	MTW	RD

10. Notable Postion Changes - FY 2020

Position	Department
##### <i>Currently Occupied Position Upgrades</i>	
a. Compliance Auditor Upgrade	AD
b. Project Manager 1 to Project Manager 2	AD
c. Project Manager 1 to Project Manager 2 (2)	RD
d. Salesforce Analyst to Salesforce Administrator	AD
##### <i>New Positions - Recurring</i>	
a. Associate Director	RA
b. Caseworkers (2)	CS
c. Electronic Content Manager	AD
d. Housing Specialist	RA
e. Maintenance Specialist (Rise & Arlington)	Properties
f. Office Assistant - FIC	PM
g. Program Specialist	CS
h. Property Manager (Rise & Arlington)	Properties
i. Property Specialist (2) Rise & Arlington	Properties
##### <i>New Positions - Classified as Non Recurring in 2020</i>	
a. BPI Project Managers (4)	AD
b. Arlington & Rise staff pre leasing (3)	PM
c. Program Speicalist (Grant Funded)	CS
##### <i>Postions deteted</i>	
a. Operations Coordinator	RA

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Resolution 2020-04-22(2)

Attachment B

Tacoma Housing Authority
FY-2020 Budget

Accounts	<u>AD Admin Overhead</u>	<u>CS Client Support and Empowerment</u>	<u>EX Executive</u>	<u>FD Finance</u>	<u>HR Human Resources</u>	<u>PI Policy, Innovation & Evaluation</u>	<u>PM Property Management Overhead (Rollup)</u>	<u>RA Rental Assistance</u>	<u>RD Real Estate Development</u>	<u>Agency Total</u>
Revenue - Operations										
Revenue	659,181	1,251,832	143,148	686,668	115,119	390,000	11,054,504	54,615,398	827,268	69,743,118
Total Revenue	659,181	1,251,832	143,148	686,668	115,119	390,000	11,054,504	54,615,398	827,268	69,743,118
Expenses - Operations										
Operating Expense	3,649,941	2,033,216	1,150,743	1,532,223	725,002	1,251,061	3,883,336	4,606,213	2,761,683	21,593,418
Non-Operating Expenses	-	-	-	-	-	-	46,100	43,057,450	-	43,103,550
Total Expenses - Operations	3,649,941	2,033,216	1,150,743	1,532,223	725,002	1,251,061	3,929,436	47,663,663	2,761,683	64,696,968
Surplus/(Loss) - Operations	(2,990,760)	(781,384)	(1,007,595)	(845,555)	(609,883)	(861,061)	7,125,068	6,951,735	(1,934,415)	5,046,150
Capital Expenses/(Revenue)	(481,000)	0	0	0	0	0	(232,650)	0	(4,161,000)	(4,874,650)
Liabilities and Equities	0	0	0	0	0	0	(74,994)	0	0	(74,994)
Net Surplus/(Loss)	(3,471,760)	(781,384)	(1,007,595)	(845,555)	(609,883)	(861,061)	6,817,424	6,951,735	(6,095,415)	96,506

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**Tacoma Housing Authority - Property Budget
FY- 2020**

Accounts	<u>902L 902 South</u> <u>L St - Admin</u> <u>Office (Rollup)</u>	<u>FIC1 Salishan-</u> <u>Family</u> <u>Investment</u> <u>Center (Rollup)</u>	<u>SALM Salishan-</u> <u>Maintenance</u> <u>Shop</u>	<u>SAL7 Salishan 7</u>	<u>HLCR Highland</u> <u>Crest</u> <u>Apartments</u>	<u>JAMC James</u> <u>Center North</u>	<u>KEYB Key Bank</u> <u>Building</u>	<u>MMAC Mr Mac</u> <u>1124 MLK</u>	<u>OUTR Outrigger</u> <u>Apartments</u>	<u>POAK Prairie</u> <u>Oaks</u>	<u>Subtotal</u>
Revenue - Operations											
Revenue	-	-	-	1,118,870	973,914	775,863	36,000	11,160	554,770	224,010	3,694,587
Total Revenue	0	0	0	1,118,870	973,914	775,863	36,000	11,160	554,770	224,010	3,694,587
Expenses - Operations											
Operating Expense	273,837	122,741	12,330	773,534	594,231	474,177	1,200	1,530	316,919	170,246	2,740,745
Non-Operating Expenses	-	33,500	-	11,100	-	-	-	-	-	-	44,600
Total Expenses - Operations	273,837	156,241	12,330	784,634	594,231	474,177	1,200	1,530	316,919	170,246	2,785,345
Surplus/(Loss) - Operations	(273,837)	(156,241)	(12,330)	334,236	379,683	301,686	34,800	9,630	237,851	53,764	909,242
Capital Expenses/(Revenue)	(1,510,000)	-	-	(72,000)	(32,850)	(50,000)	-	-	(12,550)	(5,250)	(1,682,650)
Liabilities and Equities	-	-	-	(12,500)	-	-	-	-	(62,494)	-	(74,994)
Net Surplus/(Loss)	(1,783,837)	(156,241)	(12,330)	249,736	346,833	251,686	34,800	9,630	162,807	48,514	(848,402)

TACOMA HOUSING AUTHORITY

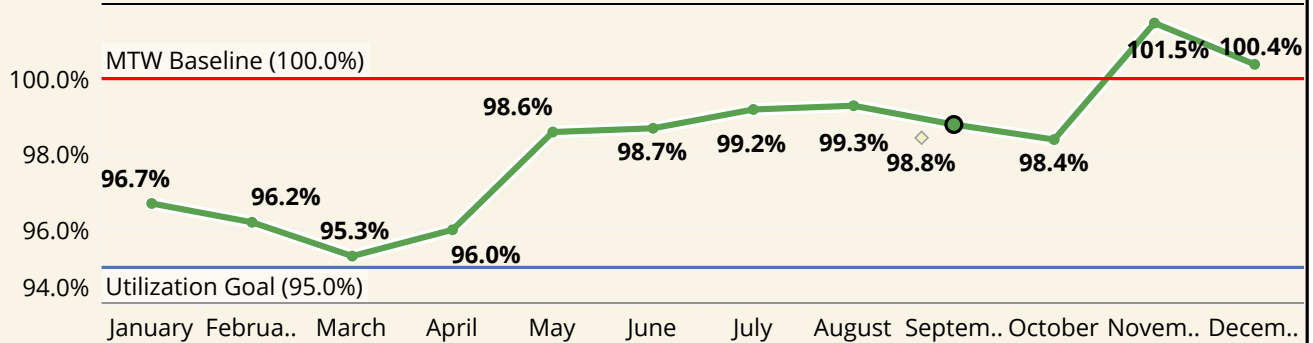
THA USES OF FUNDING - 2020 Budget

March 27, 2020

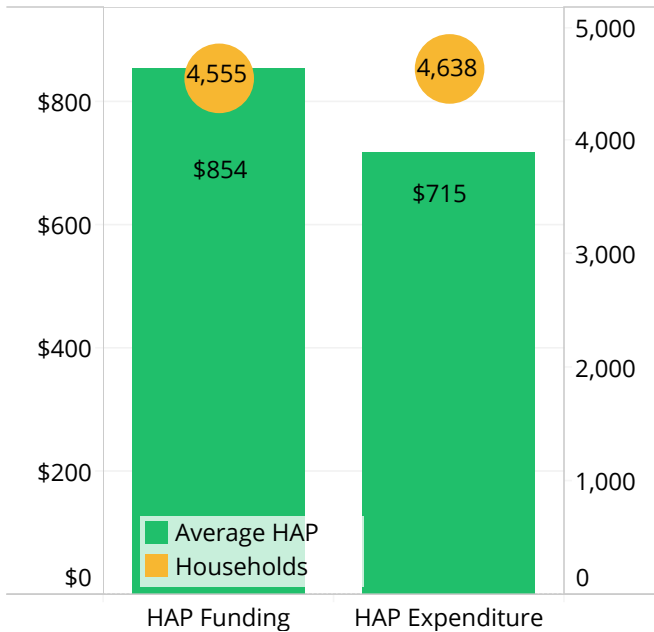


This document illustrates the choices THA faces when allocating its housing resources to housing and other related purposes. THA uses 87.8% of rental assistance funding on rental assistance. With this funding, THA projects it will serve 100% of its MTW baseline in 2020. It spends the balance on managing its rental housing portfolio, supportive services, administrative support, and other agency activities including backfilling HUD's underfunding of those functions.

Overall MTW Utilization for 2019

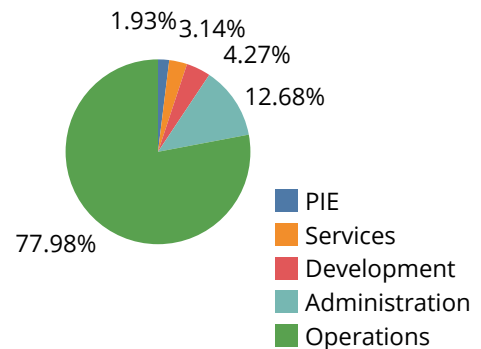


MTW Households Served in 2020



HAP Funding: **\$46,660,500** | HAP Expenditure: **\$39,793,800**

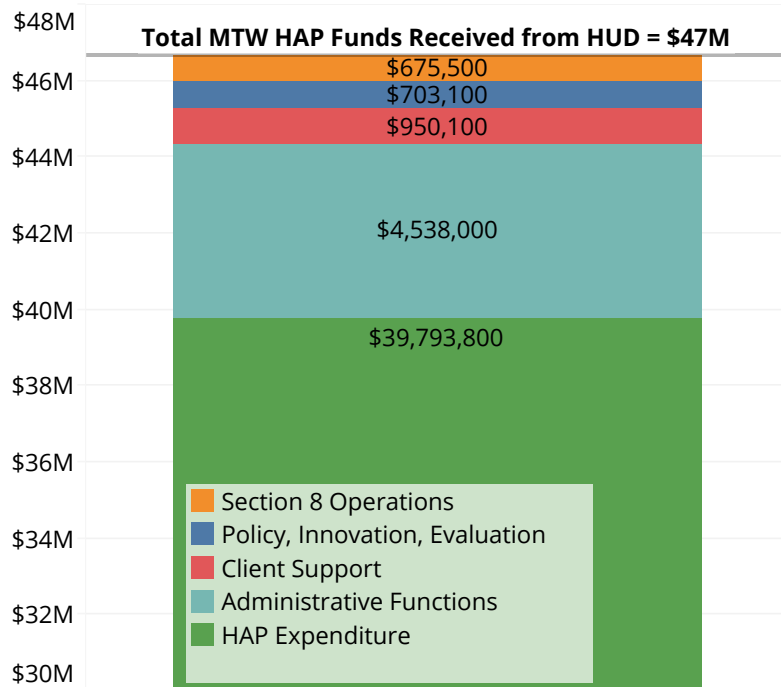
Agency Wide Expenditures by Type



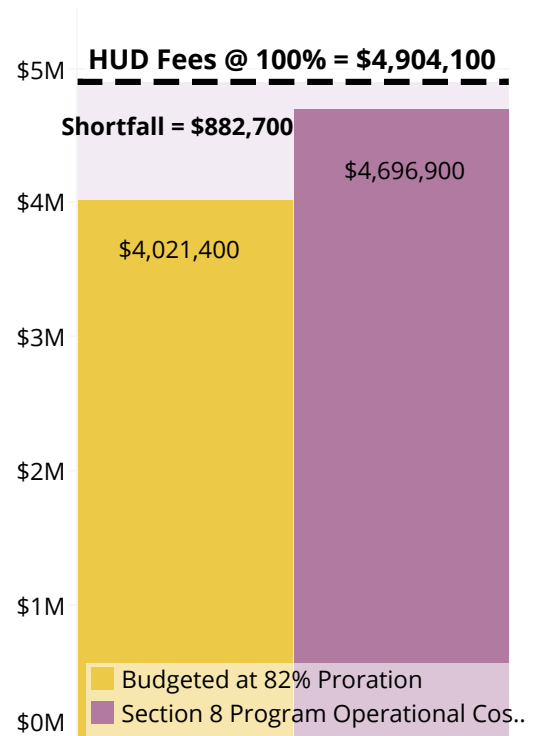
Agency Wide Expenditures by Type

	% Amount	Amount
Operations	77.98%	\$50,449,000
Administration	12.68%	\$8,202,000
Development	4.27%	\$2,761,700
Services	3.14%	\$2,033,200
PIE	1.93%	\$1,251,000
Grand Total	100.00%	\$64,696,900

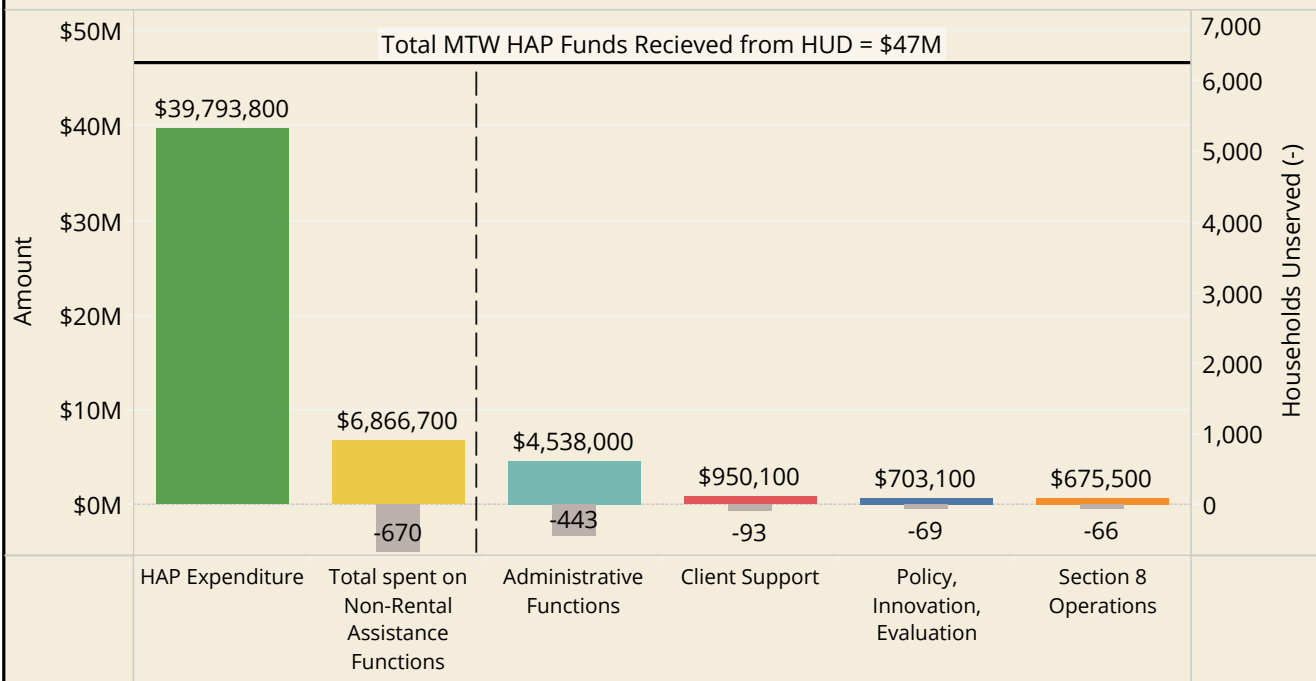
MTW HAP, HAP Expenses, and HAP Reprogrammed Uses



HUD Section 8 Admin Fees



MTW HAP/ Reprogrammed Uses with Households Unserved



Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-04-22 (3)

Date: April 22, 2020
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: 2020 Board Commitments

This resolution would update the Board's commitment of Tacoma Housing Authority's (THA) reserves. These reserves are essential for purposes vital to THA's mission and to cover important obligations.

Background

THA is a Moving to Work (MTW) agency, and therefore subject to Housing and Urban Development (HUD) Cash Management rules. At the moment, any eligible Housing Assistance Payment (HAP) funds not reported on the agency's month report as HAP expenditures remain at HUD until the agency submits a request based on expenditures to draw it down.

Furthermore, HUD is not requiring MTW agencies to report on the status of their commitments on their Voucher Management System (VMS) report annually.

Over the years, THA has built up reserves in both its MTW and Business Activity areas. In doing so, the agency plans for the future in both capital and operational areas and identifies areas where the Reserve funds will allow THA to move forward on accomplishing its goals.

Formally committing these funds with Board approval is a useful planning tool. It also helps HUD understand their purposes.

This Resolution updates the list of commitments.

Recommendation

Approve Resolution 2020-04-22 (3) committing THA reserves as identified in the attached Schedule of Board Reserve Commitments.



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-04-22 (3) (Commitment of Agency Reserves)

WHEREAS, for THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and have assembled reserves for those purposes; and

WHEREAS, the Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

WHEREAS, the attached Schedule of MTW Reserve Commitments updates Resolution 2018-12-12 (2), and reflects the Authority's current plans for such capital and operational expenditures of THA' reserve's, both MTW and Non-MTW; and

WHEREAS, the Authority intends to include a Schedule of Board Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it

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

1. The Board authorizes commitments of the Authority's Reserves as outlined in the attached Schedule of THA Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes THA's Executive Director to include the latest THA Reserve Commitments in the annual MTW Report submitted to HUD.

Approved: April 22, 2020

Derek Young, Chair

2020 Schedule of Board Reserve Commitments

Board Commitments	2019 Commitments	Balance at end of 2019	Included in 2020 Budget	Future Commitments	MTW or Non-MTW	Period
a. Arlington Youth Housing	\$500,000	\$500,000	\$581,000	\$0		
b. Bay Terrace 3 Funding Gap	\$500,000	\$500,000	\$180,000	\$0		
c. Business Process Improvement Project			\$500,000	\$1,500,000	MTW	2021-2022
d. Childrens Savings Account Cohort payments	\$270,000	\$270,000	\$0	\$300,000	MTW	
e. Development Projects	\$2,500,000		\$0	\$2,500,000	Non MTW	2021 Forward
f. Education Projects - CHAP/TSHAP	\$310,000	\$310,000	\$0	\$1,200,000	MTW	2021-2025
g. Faircloth RAD units				\$1,500,000	MTW	2021-2024
h. James Center North Loan Payment				\$1,000,000	Non MTW	2021
i. James Center North Loan Payment				\$3,000,000	Non MTW	2023
j. James Center North Loan Payment				\$2,000,000	Non MTW	2025
k. Key Bank Loan Payment				\$715,000	Non MTW	2024
l. Open Door Future Enhancements	\$500,000	\$500,000	\$530,000	\$1,000,000	MTW	2021-2022
m. Property Acquisitions			\$2,000,000	\$2,000,000	Non MTW	2021 -
n. Section 8 HOPP Increases	\$0	\$0	\$0	\$1,500,000	MTW	2021 -
o. Reserves						
1. Business Activity Reserves				\$6,750,000	Non MTW	In perpetuity
2. MTW Reserves				\$750,000	MTW	In perpetuity
3. THA Property Reserves				\$2,500,000	Non MTW	In perpetuity
	\$4,580,000	\$1,580,000	\$3,791,000	\$28,215,000		