



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

May 23, 2018



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

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

REGULAR MEETING Board of Commissioners

WEDNESDAY, May 23, 2018

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, May 23, 2018, at 4:45 pm.**

The meeting will take place at:

**401 North G. Street
Tacoma, WA 98403**

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 May 23, 2018, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

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

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

Sha Peterson
Executive Assistant



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

May 23, 2018, 4:45 PM

401 North G. Street, Tacoma, WA 98403

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of April 25, 2018—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Client Services
 - 7.3 Property Management
 - 7.4 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2018-05-23 (1) 1800 Hillside Terrace A&E Services
 - 9.2 2018-05-23 (2) Authorization to Form a Tax Credit Entity With Respect to the Arlington Youth Campus Project
 - 9.3 2018-05-23 (3) 1800 Hillside Terrace—Project Based Section 8 Vouchers
 - 9.4 2018-05-23 (4) Utility Allowance Schedule Update
 - 9.5 2018-05-23 (5) Approval for Up To 50 Project-Based Vouchers for the College Housing Assistance Program (CHAP)
 - 9.6 2018-05-23 (6) Sale of Portion of Hillside Heights
 - 9.7 2018-05-23 (7) Update to Payment Standards
 - 9.8 2018-05-23 (8) James Center North Planning Services A&E (**WALK-ON**)
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, APRIL 25, 2018

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 602 S. Wright Avenue, Tacoma, WA 98403 at 4:45 PM on Wednesday, April 25, 2018.

1. CALL TO ORDER

Commissioner Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:59 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Chair Janis Flauding
	Vice Chair Minh-Anh Hodge
Commissioner Arthur Banks (left early at 6:36 pm)	
Commissioner Stanley Rumbaugh (arrived late at 5:21 pm)	
Commissioner Derek Young	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
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
Greg Claycamp, Client Services Director	
Sandy Burgess, Administrative Services Director	

Commissioner Banks declared there was a quorum present @ 5:00 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Commissioner Banks asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners on Wednesday, March 28, 2018. Commissioner Rumbaugh moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

United Way of Pierce County Dona Ponepinto, President and CEO

Dona thanked Tacoma Housing Authority and its board for their support for the Centers for Strong Families (CSF). According to residents, the greatest community need is support for struggling families. United Way of Pierce County partnered with United Way of Pacific Northwest to develop the Asset Limited, Income Constrained, Employed (ALICE) report, providing a comprehensive picture of financial need across Idaho, Washington, and Oregon beyond traditional federal poverty guidelines. United Way firmly believes that no family should struggle to meet their basic needs. United Way pulled together stakeholders to talk about a national model that focuses on helping families move to self-sufficiency. In 2016, United Way of Pierce County launched the Center for Strong Families with two agencies: Goodwill and Sound Outreach. United Way wanted to create a network of partners, integrate services, bundle them together, and provide coaching.

United Way of Pierce County Korbett Mosesly, Director of Family Stability Initiatives

According to Korbett there are pitfalls along the way to self-sufficiency. The ALICE model focuses on the financial bottom line for families, helping people increase their income, decrease their debt and improve their credit score. Having economic stability means having sufficient income for daily expenses and enough for savings. United Way started off with two CSF sites and now has five sites. Each site provides one-on-one coaching to discuss job retention and improved client services. United Way uses Salesforce to generate numerous reports and uses data to improve strategies and opportunities for targeting different resources. Pierce County Housing Authority is fully implementing this model with their Family Self-Sufficiency (FSS) clients. United Way is excited with the potential of providing CSF services at THA sites.

Commissioner Young asked about the extent of United Way's involvement in creating a model with a partner like Sound Outreach. According to Korbett, United Way makes sure the model is done appropriately and data is entered correctly. Staff look at data every month in search of innovative opportunities that help pinpoint areas of coaching to improve practices. According to Director Claycamp, if CSF is successful, then THA's programs will be successful as well, especially in schools. He added that it is important to have access to bundled services and the CSF's network to help our clients. THA is completing the application to start CSF at South Outreach and FSS workers are training for certification. The Capacity Building grant will allow THA to fund the CSF. Sound Outreach has been building its capacity. The expectation is to serve 150 unique families per year. THA will test the program's capacity to extend it to the Elementary School Housing Assistance Program (ESHAP).

Shammai Durette, Fawcett Resident

Shammai found holes outside the building so he is concerned about rat infestation. He requested pest control at Fawcett. He asked why certification was received early when it is usually done around May. Director Black will gather information and get back to Shammai. He also wanted to know why the Housing Opportunity Program (HOP) amount has not changed. According to Director Black, THA did an analysis of the program, will do further analysis and go back to the board with strategies, but no changes yet.

Senta McKnight, Fawcett Resident

Senta is the new Tenant Residents Action Coalition (TRAC) president. She invited the commissioners to the next TRAC meeting scheduled for May 2 at 10 am. She informed the board that security personnel at Fawcett are not doing their job. ED Mirra encouraged her to report on issues such as this. Senta also wanted to know how to run the TRAC meetings. Commissioner Rumbaugh suggested having an agenda for her meetings.

Hope Rehn, Wright Resident

Hope was recently admitted to the hospital and when she came home, she was informed by Property Manager Eric Owens that she is a drug dealer and will be getting a 30-day eviction notice. According to Hope, she asked her daughter to take care of her unit while she was in the hospital. She didn't know that her daughter had a warrant for arrest. Her neighbor Daniel wanted to help and let her daughter in her unit. She doesn't understand why Daniel received an eviction notice when he was only trying to help. She asked Eric for a copy of THA's grievance policy and was informed that she could find it on the internet. She also informed the board that the handicap door is too heavy to be a handicap door. Director Black will work with Director Johnson regarding Hope's concerns.

Susan Harmon Payne, 6th Avenue Resident

Sixth Avenue residents are expected to receive new kitchen counter tops. Susan seeks to keep her present counter because the proposed counter tops have a flat surface, which she does not like. She can see the importance of replacing the original counter, but is requesting to keep her current one because she doesn't have a problem with it. She also mentioned security issues at her building -- people just coming in unattended. She recommended asking tenants to note who comes in unattended with a timeline. Real Estate Development Department Manager Karen Peterson will confer with Susan regarding her kitchen counter top.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

The Real Estate Development Committee will be scheduling a meeting and will hopefully have a report at the next meeting.

Finance Committee—Vice Chair Hodge and Commissioner Young

Nothing to report.

Education Committee—Vice Chair Hodge

Nothing to report.

Citizen Oversight Committee—Commissioner Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

The Executive Director recounted that THA's board approved a 95% utilization rate, testing Housing and Urban Development's (HUD) rule to meet 100% of the HUD assigned baseline. HUD has approved THA's lowered rate. THA's MTW Manager John Concannon also invited a discussion about how to count toward the baseline those households who receive THA's assistance through the county's rapid rehousing program.

THA asked the City for an additional \$800,000 for the Arlington Drive Youth Campus Crisis Residential Center. This would supplement the \$1 million the City has already committed. ED Mirra recounted his discussions with City Council members.

THA is trying to find a service provider for the Arlington Drive housing for homeless young adults. There are four options: (1) issue an RFP to find a highly capable organization that knows how to do this, (2) find an organization that cannot do it all but partners with sub-contractors who can do it, (3) THA will contract with an array of providers, or (4) build in-house capacity and eventually turn it over to an organization that will become Pierce County's home grown capacity. A Way Home WA will help THA figure this out. In addition, THA is about to hire Director Claycamp's successor who has the ability to design and manage such services.

ED Mirra reported that he was thinking of splitting the Client Services department into two: a department of rental assistance and a department of community services.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to THA's cash position and expense reports. THA has approximately \$15M in cash including \$3.3M in unencumbered funds. He noted that THA will not be buying Allenmore Brownstones and will not be spending the cash that purchase would have required. Commissioner Rumbaugh asked if THA would be adding the same number of units at James Center that it would have added at Allenmore. Director Shalik thinks THA will add more.

The Washington State Auditors will be arriving on June 1. ED Mirra updated the board about the audit underway by the HUD Office of Inspector General's (OIG).

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,909,287 for the month of February, 2018. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Services

Client Services (CS) Director Greg Claycamp directed the board to his report. THA received notification that it is being fully funded for the ROSS service coordinator grant. HUD will provide THA with \$246k over the next three years to fund the program manager of community services. ED Mirra thanked Director Claycamp for his services to THA.

Director Black discussed the problems with the OpenDoor software conversion and the troublesome rent statements going out to landlords. As a result, four property management firms are considering discontinuing their participation in the voucher program. Staff are communicating with them and other landlords. THA will have the redesigned rent statement ready by June 1st. Director Black noted the new state law prohibiting landlords from discriminating against Section 8 tenants.

Property Management

Property Management (PM) Director Frankie Johnson was not in attendance. Director Black addressed the board on her behalf. Cheryl Kehoe has been promoted to Salishan

Portfolio Manager. Barb Pearsall filled that position on an interim basis and had a lot to contribute in that role. Denise Day Joseph who oversees the senior properties will be moving in Cheryl's prior role. This is the second month in a row that the unit turn key to key has decreased. Staff are doing a great job making the unit turns.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick was not in attendance. RED Department Manager Karen Peterson addressed the board on her behalf.

- THA pulled its offer to Allenmore Brownstones due to difficult HUD financing requirements.
- THA received an allocation of tax credits for Hillside Terrace 1800 block; THA will be submitting a tax credit application for Arlington.
- THA received additional funding for CRC.
- There is another potential opportunity for THA to purchase three projects with a total of 260 units. About 15 years ago, THA provided bond financing and received a right of purchase. The price would be about the same as Allenmore would have cost but for 6 times the number of units.
- Staff will move back to the Family Investment Center (FIC) office on May 14. Roof replacement will start next month and will take about a week. Maintenance shop will be completed mid-May. The FIC remodel includes Heritage Bank and THA will have an event to further publicize the Children's Savings Account. THA is still waiting for information from the Department of Ecology about the Wright Street building, but the goal is to close out and receive \$6.5M in equity by July for RAD.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2018-04-25 (1) (Authorization to Adopt New Procurement Policy)

A **RESOLUTION** concerning procurements conducted by tax credit and other legal business entities of which the Tacoma Housing Authority is either a member or partner.

WHEREAS, The Housing Authority adopted an updated procurement policy (Resolution 2017-10-25 (2)); and

WHEREAS, The Housing Authority maintains a Small Works Roster (SWR); and

WHEREAS, The Housing Authority proposes membership to Municipal Research and Services Center (MRSC) Rosters; now, therefore, be it *Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington, as follows:*

1. Tacoma Housing Authority is authorized to apply for membership in MRSC.
2. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
3. This resolution shall be in full force and effect from and after its adoption and approval.

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

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

Motion Approved: March 28, 2018

Janis Flauding, Chair

**9.2 THA BOC Resolution 2018-04-25 (2)
(Heritage Bank 2018 Line of Credit)**

A RESOLUTION providing for the issuance of a single revenue note of the Authority in the principal amount of not to exceed \$2,500,000 at any one time outstanding, the proceeds of which will be used to reimburse Heritage Bank for draws on a letter of credit to be established by Heritage Bank for the Authority; determining the form, terms and covenants of the note; authorizing the execution and delivery of documents and certificates in connection with the note; creating a note fund; and providing for the delivery of the note to Heritage Bank.

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

WHEREAS, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects,” to “provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” to “lease or rent any dwellings, buildings, structures or facilities embraced in any housing project,” and to “make and execute contracts and other instruments, including but not limited to partnership agreements”; and

WHEREAS, Pursuant to the authority provided by RCW 35.82.070, the Authority participated in the formation of, and is the general partner or managing member of, Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (each, a “LIHTC Entity”); and

WHEREAS, The LIHTC Entities developed and operate the following affordable rental housing projects in the City of Tacoma on property leased to the LIHTC Entities by the Authority (collectively, the “Projects”): the project commonly known as Hillside I, located at 2300 Block South G Street, the project commonly known as Hillside II, located at 2300 Block South G Street, the project commonly known as Salishan One, located at 1724 East 44th Street, the project commonly known as Salishan Two, located at 1725 East 44th Street, and the project commonly known as Salishan Three, located at 1724 East 44th Street; and

WHEREAS, Boston Financial Investment Management and/or its affiliates (collectively, “BFIM”) owns all of the limited partner interest and investor member interest in the LIHTC Entities; and

WHEREAS, BFIM is willing to transfer its investor interests in the LIHTC Entities to the Authority (or an affiliate of the Authority), so long as the Authority (i) commits to comply with existing regulatory agreements applicable to each Project, (ii) agrees to pay BFIM for any costs associated with the loss or recapture of LIHTCs suffered by the LIHTC Entities, and (iii) provides security to BFIM for THA’s potential liability for LIHTC losses and recapture; and

WHEREAS, BFIM has agreed to accept a letter of credit from Heritage Bank, in the stated amount of \$2,500,000, as security for the Authority’s potential LIHTC liability to BFIM, and Heritage Bank has committed to make such letter of credit available for the Authority; and

WHEREAS, Heritage Bank has committed to accept a cash-secured note from the Authority to evidence the Authority’s obligations to reimburse the Bank for draws made on said letter of credit; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 through 35.82.130, provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes, may cause such obligations to be payable from all or part of its revenues or assets generally, and may pledge as security for such obligations all or any part of the Authority’s rents, fees, revenues or assets; and

WHEREAS, RCW 35.82.040 provides that a housing authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper; and

WHEREAS, The Board of Commissioners of the Authority (the “Board”) finds it necessary and advisable and in the best interest of the Authority to issue the Note (defined herein) to aid in financing housing projects (by providing for the acquisition

of BFIM's interests therein) to provide dwelling accommodations for persons of low income within the City of Tacoma, Washington; and

WHEREAS, Heritage Bank has offered to extend a line of credit evidenced by the Note, on terms described herein, to provide money for those purposes; now, therefore, be it

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

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

"Authority" means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

"Bank" means Heritage Bank, as registered owner of the Note.

"Board" means the Board of Commissioners of the Authority.

"Commitment Letter" means the commitment letter with respect to the Note provided to the Authority by the Bank dated March 26, 2018, as it may be amended and supplemented, setting forth certain terms under which the Bank agrees to purchase the Note.

"Draws" means incremental draws upon the Note.

"Event of Default" has the meaning ascribed to such term in Section 11 of this resolution.

"Executive Director" means the Executive Director of the Authority.

"General Revenues" means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay debt service on the Note and are not now or hereafter pledged, by law, regulation, contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

"HUD" means the U.S. Department of Housing and Urban Development.

"Letter of Credit" means the irrevocable letter of credit with a stated amount of \$2,500,000 provided by

"Interest Payment Date" means the first business day of each calendar month.

“Interest Period” means, with respect to any principal amount of the Note bearing interest at the Note Rate, any of the following periods of time, as applicable: (i) the period from (and including) the date of the Draw with respect to such principal to (and including) the day immediately preceding the earlier of (a) the date such principal is prepaid pursuant to Section 7 of this resolution and (b) the first Interest Payment Date occurring after the date of said Draw; and (ii) the period from (and including) an Interest Payment Date to (and including) the day immediately preceding the earlier of (a) the next succeeding Interest Payment Date and (b) the date such principal is prepaid pursuant to Section 7 of this resolution. No Interest Period may extend beyond the Maturity Date.

“Maturity Date” means January 1, 2021, as such date may be extended in accordance with Section 3.

“Note” means the Taxable Revolving Line of Credit Revenue Note, 2018 of the Authority issued pursuant to, under the authority of, and for the purposes provided in this resolution.

“Note Fund” means the Authority’s Taxable Revolving Line of Credit Revenue Note, 2018, created by this resolution for the purpose of paying principal of and interest on the Note.

“Note Rate” means, for each Interest Period, the rate of interest per annum equal to the sum of (i) the average rate paid by the Bank on the Authority’s deposits maintained with the Bank during such Interest Period, and (ii) 2.0%.

“Note Register” means the books or records maintained by the Note Registrar containing the name and mailing address of the registered owner of the Note.

“Note Registrar” means the Executive Director.

“Registered Owner” means the Bank, as registered owner of the Note, or any subsequent owner of the Note.

Section 2. Authorization and Description of Note. For the purpose of reimbursing the Bank from draws made on the Letter of Credit, the Authority may borrow money from time to time pursuant to a revolving line of credit extended by the Bank under the terms of this resolution and the Commitment Letter, and shall issue the Note in a principal amount of not to exceed \$2,500,000 at any one time outstanding. The Note shall be designated the Taxable Revolving Line of Credit Revenue Note, 2018 of the Authority; shall be issued in registered form; shall be dated its date of delivery to the Bank; and shall mature on the Maturity Date.

The Authority may request Draws upon the Note in any amount on any business day during the term of the Note for the purposes identified above, subject to the terms of the Commitment Letter. No Draw may exceed the total amount to be reimbursed to the Bank from a draw made on the Letter of Credit, and the proceeds of each Draw shall be used immediately to pay such amount. Draws shall be

recorded in such form as the Authority and the Bank may agree. Draws shall be limited to an aggregate principal amount of \$2,500,000 outstanding at any time.

The outstanding principal of the Note shall bear interest at the applicable Note Rate for each Interest Period, and shall be paid in arrears on each Interest Payment Date. Interest on the Note shall be computed on the basis of a 360-day year and the actual number of days elapsed for the actual number of days the principal amount is outstanding. The principal of the Note, together with all accrued and unpaid interest thereon, is due on the Maturity Date.

If the Note is not paid when properly presented at the Maturity Date, the Authority shall be obligated to pay interest on the Note from and after the Maturity Date until the principal of and interest on the Note is paid in full.

Section 3. Authorization for Extension and Modification of Note. The Executive Director is authorized, without further action of the Board but only with the consent and approval of the Bank, in the Bank's sole discretion, to (A) extend the then-current Maturity Date of the Note to any date on or before January 1, 2022, and (B) modify the interest rate or interest rate formulae applicable to Draws on the Note, so long as the interest rate formula selected to be applicable to the Note immediately after such modification does not cause the Note to bear interest at a rate in excess of 5% per annum as of the effective date of such modification, if the Executive Director determines that such extension and/or modification is in the best interest of the Authority, all as long as the provisions of Section 8 of this resolution regarding security for the Note are not changed in any material respect. The Executive Director is authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and modification of the interest rate formula, including but not limited to the payment of Bank fees and execution of documents. The Executive Director's execution of documents in connection with the modification or extension of the Note as described herein will constitute conclusive evidence of his or her approval of the extensions and/or modifications described therein and the approval of the Authority of such extensions and/or modifications.

Section 4. Designation of Officers to Make Draws. The Board authorizes the Executive Director or his or her designee to make Draws against the Note in such amounts, at such times as he or she may determine hereafter, those Draws to be made in accordance with the terms and provisions set forth herein and in the Commitment Letter.

Section 5. Note Registrar; Registration and Transfer of Note. The Executive Director shall serve as Note Registrar for the Note. The Note Registrar shall keep, or cause to be kept, at his or her office in Tacoma, Washington, sufficient books for the registration of the Note (the "Note Register"), which shall contain the name and mailing address of the registered owner of the Note. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Note in accordance with the provisions of the Note and this resolution, to serve as the

Authority's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this resolution.

The Note shall be issued only in registered form as to both principal and interest and recorded on the Note Register. The Note may not be assigned or transferred by the Bank, except that the Bank may assign or transfer the Note to any successor to the business and assets of the Bank.

Section 6. Place, Manner and Medium of Payment. Both principal of and interest on the Note shall be payable in lawful money of the United States of America solely out of the Note Fund. Payment of interest on each Interest Payment Date, and of principal at maturity or prepayments of principal, shall be paid by check or draft of the Authority mailed or by immediately available funds delivered on or before each Interest Payment Date or the maturity or prepayment date to the registered owner at the address appearing on the Note Register on the last day of the month preceding the payment date. Upon the final payment of principal of and interest on the Note, the registered owner shall surrender the Note at the principal office of the Note Registrar in Tacoma, Washington, for destruction or cancellation in accordance with law.

Section 7. Prepayment of Note. The Authority reserves the right to prepay all or a portion of the principal of the Note at any time without penalty. Any prepayment shall be accompanied by the amount of accrued interest on the principal amount prepaid. Written notice to the Bank of any intended prepayment or redemption of the Note shall not be required. Interest on the Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

Section 8. Note Fund; Security for the Note. The Note Fund is created as a special fund of the Authority and is to be known as the Taxable Revolving Line of Credit Revenue Note Fund, 2018. The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Note.

The Authority pledges to deposit General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Note when due. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on parity with payments on the Note. At its option, the Authority may pledge any portion of the General Revenues to the payment of other obligations of the Authority, such payments to have priority over the payments to be made on the Note with respect to that portion of the General Revenues so pledged.

The Note shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the Note shall so state on its face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the Note nor in any event shall principal of and interest on the Note be payable out of any funds other than the Note Fund. The owner of the Note shall not have recourse

to any other fund of the Authority other than the Note Fund, or to any other receipts, revenues or properties of the Authority other than as described herein and in the Note. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Note.

Section 9. Covenants. The Authority hereby covenants as follows with respect to the Note and the Authority's obligation to make payments thereon:

(a) The Authority shall, at all times until the later of the Maturity Date or the date all principal of and interest on the Note, maintain the following accounts at the Bank: Account No. 307110072 (designated "Accounts Payable"); Account No. 307112128 (designated "Section 8"); and Account No. 10055000681 (designated "Salishan 7") (collectively, the "Accounts"). The Authority shall maintain an aggregate balance in the Accounts at any time equal to the amount then available to be drawn on the Letter of Credit (which amount shall not exceed \$2,500,000). The Bank is authorized to limit withdraws from the Accounts at any time the combined balance on deposit in the Accounts is less than one-third of the amount then available to be drawn on the Letter of Credit.

(b) The Authority shall provide to the Bank the Authority's audited annual financial statements within 30 days after the Authority's receipt of the Washington State Auditor's opinion letter pertaining thereto.

(c) The Authority shall provide to the Bank, by September 30 of each year, internally prepared six-month interim financial statements of the Authority.

Section 10. Representations. The Authority hereby makes the following representations to the Bank:

(a) The Authority is a duly organized public body corporate and politic of the State of Washington, validly existing under the laws of the State of Washington, and has full power and authority to perform its obligations under this resolution and the Note.

(b) The execution and delivery of this resolution and the Note, and the performance of the Authority's obligations hereunder and thereunder, will be duly authorized by all requisite Authority actions and proceedings, and this resolution and the Note will each constitute the legal, valid and binding obligation of the Authority, enforceable against it in accordance with its terms.

(c) There are no liens or encumbrances on the Accounts other than those disclosed to the Bank.

(d) The Authority is in compliance in all material respects with all laws, rules, restrictions, orders and regulations applicable to the Authority where a the failure

to so comply could reasonably be expected to have a material adverse effect on the Authority's ability to repay the Note.

(e) There is no litigation or claim pending or, to the best knowledge of the Authority, threatened against the Authority, to the extent that any such litigation or claim could reasonably be expected to have a material adverse effect on the Authority's ability to repay the Note.

Section 11. Events of Default and Remedies. If an Event of Default occurs then, at the option of the Bank, the principal of and interest on the Note shall become immediately due and payable. "Event of Default" means the declaration by the Bank of an event of default as a result of a determination by the Bank that:

(a) There has been a failure to pay principal or interest on the Note, when due;

(b) There has been a failure by the Authority to comply with any of its obligations, or to perform any of its duties, under this resolution or the Note, which failure continues, and is not cured, for a period of more than 60 days after the Lender has made written demand on the Authority to cure such failure;

(c) Any representation made in Section 10 of this resolution proves to have been materially incorrect, as reasonably determined by the Bank after investigation and discussion with the Authority;

(d) The Authority shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the Authority, or of all or a substantial part of the assets of the Authority, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Authority in any bankruptcy, reorganization, moratorium or insolvency proceeding;

(e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for the Authority or of all or a substantial part of the assets of the Authority, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days; or

(f) The Authority suffers a material adverse change to its financial condition that could reasonably be expected to have a material adverse effect on the Authority's ability to repay the Note.

Section 12. Form and Execution of Note. The Note shall be prepared in a form consistent with the provisions of this resolution and state law, shall bear the manual

or facsimile signatures of the Chair of the Board and Executive Director and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

The Note shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Note bears a Certificate of Authentication manually signed by the Note Registrar stating: "This Note is the fully registered Taxable Revolving Line of Credit Revenue Note, 2018, of the Housing Authority City of Tacoma described in the Note Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Note ceases to be an officer of the Authority authorized to sign notes before the Note is authenticated or delivered by the Note Registrar or issued by the Authority, the Note nevertheless may be authenticated, delivered and issued and, when authenticated, issued and delivered, shall be as binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign the Note. The Note also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Note, is an officer of the Authority authorized to sign notes, although he or she did not hold the required office on the date of issuance of the Note.

Section 13. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Note and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Note. The appropriate Authority officials are authorized and directed to do everything necessary for the issuance, execution and delivery of the Note. The Executive Director is authorized to execute the Note and any other documents reasonably required to be executed in connection with the issuance of the Note and to ensure the proper use and application of the proceeds of the Note, and to effect any extension of the maturity of the Note as described in Section 3.

The Note will be prepared at the Authority's expense and will be delivered to the Bank together with the approving legal opinion of Foster Pepper PLLC regarding the Note.

Section 14. Approval of Transaction. The Bank has issued a Commitment Letter proposing to purchase the Note at a price of par, under the terms and conditions contained in this resolution and the Commitment Letter, including the payment of a fee to the Bank in the amount of \$500.00 plus the fees and expenses of the Bank's legal counsel and any other out-of-pocket costs incurred by the Bank, each payable at closing. The Board finds that the Bank's proposal is in the best interest of the Authority and authorizes the Executive Director to accept an offer on the same

terms and conditions as contained in the Commitment Letter, and covenants that the Authority will comply with all terms and conditions of the Commitment Letter.

Section 15. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director may in the absence of such person be taken by the Vice Chair of the Board or a duly authorized acting Executive Director of the Authority, respectively.

Section 16. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 17 Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

CERTIFICATE

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

1. That the attached Resolution No. 2018-04-25 (2) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on April 25, 2018, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on April 25, 2018.

HOUSING AUTHORITY OF THE CITY OF TACOMA

By: _____
Michael Mirra, Executive Director

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

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2 (Commissioner Banks left the meeting early)

Motion Approved: March 28, 2018

Janis Flauding, Chair

9.3 THA BOC Resolution 2018-04-25 (3)
(Authorization to Acquire Limited Partner and Investor Member Interests in Certain Existing THA-Controlled Entities)

A RESOLUTION authorizing the Authority to acquire the investor interests in Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three, LLC; authorizing the execution and delivery of certain agreements and other documents with respect to the acquisition of such interests; and providing for other matters properly related thereto.

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

WHEREAS, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects,” to “provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” to “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” and to “make and execute contracts and other instruments, including but not limited to partnership agreements”; and

WHEREAS, Pursuant to the authority provided by RCW 35.82.070, the Authority participated in the formation of, and is the general partner or managing member of, Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (each, a “LIHTC Entity”); and

WHEREAS, The LIHTC Entities developed and operate the following affordable rental housing projects in the City of Tacoma on property leased to the LIHTC Entities by the Authority (collectively, the “Projects”): the project commonly known as Hillside I, located at 2300 Block South G Street, the project commonly known as Hillside II, located at 2300 Block South G Street, the project commonly known as Salishan One, located at 1724 East 44th Street, the project commonly known as Salishan Two, located at 1725 East 44th Street, and the project commonly known

as Salishan Three, located at 1724 East 44th Street; and

WHEREAS, Boston Financial Investment Management and/or its affiliates (collectively, “BFIM”) owns all of the limited partner interest and investor member interest in the LIHTC Entities; and

WHEREAS, BFIM is willing to transfer its investor interests in the LIHTC Entities to the Authority (or an affiliate of the Authority), so long as the Authority (i) commits to comply with existing regulatory agreements applicable to each Project, (ii) agrees to pay BFIM for any costs associated with the loss or recapture of LIHTCs suffered by the LIHTC Entities, and (iii) provides security to BFIM for THA’s potential liability for LIHTC losses and recapture; and

WHEREAS, BFIM has agreed to accept a letter of credit from Heritage Bank, in the stated amount of \$2,500,000, as security for the Authority’s potential LIHTC liability to BFIM (the “Letter of Credit”), and Heritage Bank has committed to make such Letter of Credit available for the Authority; and

WHEREAS, The Board finds and determines that the Authority can obtain greater control of the various projects owned by the LIHTC Entities if it acquires such investor interests from BFIM, and that such greater control is in the best interests of the Authority and the persons it serves; now, therefore, be it

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

1. The Authority’s Executive Director and Deputy Executive Director (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized on behalf of the Authority to negotiate with BFIM regarding the Authority’s acquisition of BFIM’s interests in each LIHTC Entity.
2. Subject to the limitation specified in Section 5 of this resolution, the Authority is authorized to acquire all of BFIM’s interests in each or any of the LIHTC Entities. Each Authorized Officer is delegated the authority to determine the order in which BFIM’s interests are to be acquired; which BFIM’s interests, if any, are to be acquired; and the amount (subject to the limitation specified in Section 5 of this resolution) the Authority will pay to BFIM with respect to any such acquisition.
3. Each Authorized Officer is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as each LIHTC Entity’s general partner or managing member) with respect to any acquisition to be made pursuant to this resolution to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, such agreements, certificates, documents and instruments as are necessary or appropriate in each Authorized Officer’s discretion to give effect to this resolution and to consummate such acquisition; and (ii) take any other action that each Authorized Officer deems necessary and advisable to give effect to this resolution and consummate the transactions contemplated herein.

4. If the Authority acquires the interests of BFIM in any LIHTC Entity, each Authorized Officer is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the LIHTC Entity's general partner or managing member) to cause BFIM to transfer all of its interests in each LIHTC Entity to the Authority and/or an affiliate of the Authority, including but not limited to Tacoma Housing Development Group.

5. The Authority is authorized to expend up to \$560,000, in the aggregate, of available Authority funds in connection with the acquisition of BFIM's interests in the LITHC Entities, as well as payment of any applicable filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

6. The Authorized Officers are authorized to cause Heritage Bank to issue the Letter of Credit to BFIM, and to execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, such agreements, certificates, documents and instruments on behalf of the Authority as are necessary or appropriate in each Authorized Officer's discretion in connection with the Letter of Credit.

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

8. This resolution shall be in full force and effect from and after its adoption and approval.

CERTIFICATE

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

1. That the attached Resolution No. 2018-04-25 (3) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on April 25, 2018, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on April 25, 2018.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director

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

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2 (Commissioner Banks left the meeting early)

Motion Approved: March 28, 2018

Janis Flauding, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 6:58 PM.

APPROVED AS CORRECT

Adopted: May 23, 2018

Janis Flauding, Chair



TACOMA HOUSING AUTHORITY

Real Estate Development Committee

Commissioner Stanley Rumbaugh

Finance Committee

Commissioner Minh-Anh Hodge

Commissioner Derek Young

Citizen Oversight Committee

Chair Arthur C. Banks

Education Committee

Commissioner Minh-Anh Hodge



TACOMA HOUSING AUTHORITY

**COMMENTS FROM THE
EXECUTIVE DIRECTOR**



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: May 15, 2018
Re: Executive Director's Monthly Report

This is my monthly report for May 2018. It supplements the departments' reports.

1. NEW DIRECTOR OF CLIENT SERVICES!

I am very pleased to report that we have found our next Director of Client Services! Her name is Cacey Hanauer. She has a distinguished career serving people in need, especially people in dire need, especially children. Most recently she comes to us from the YMCA of Greater Seattle.

Unlike the YMCA of Pierce County, which mainly offers recreational activities, the YMCA of Greater Seattle is a prominent provider of human services. Cacey worked for the Y for seven years. For the past three of those years, she directed the Y's Young Adult Services. Supervising a staff of more than 30 people, she led programs serving teenagers who are homeless or who are aging out of foster care. For four years before that, she directed the Y's program of Foster Care Transitions. Earlier in her career she was a case manager for chronically homeless and mentally ill adults and a residential counselor for children who have experienced complex trauma. This expertise will serve us well as we plan the Arlington Drive Youth Campus. Cacey is above all a manager and a leader. She has designed and evaluated human services. She brings to us an emphasis on evidence-based services. She has experience systemizing processes to make services more effective and efficient. She also has extensive experience supervising and leading others. She has a bachelor's degree in education from Central Washington University and a master's degree in therapy and counseling from Antioch University.

Cacey will attend the Board meeting on May 23rd. She starts work at THA on May 29th. Please help us welcome Cacey to THA.

2. POSSIBLE DEPARTMENT REORGANIZATION

Last month I reported that we were considering some reorganization of the departments. We are thinking of dividing the Department of Client Services into two departments: a Department of Rental Assistance, which Julie LaRocque would direct; a Department of Community Services, which Cacey would direct. Cacey is ready to direct either the one large department or the smaller department. In my report in April I set forth the advantages and disadvantages of doing this. I hope to report my decision at the Board meeting. I am inclined to split the department. A main reason to do it is because the staff favor it.

If we do this, then some further reorganization will be necessary. With an additional department, I will then have eight direct reports covering nine areas of responsibility. That is too many and too much. A likely answer will have April and me divide supervisory

responsibilities of the departments. I attach a draft organizational chart showing what this might look like.

3. ARLINGTON DRIVE YOUTH CAMPUS: CITY FUNDING

The Board knows that the City and the County have agreed to fund THA's construction of the Crisis Residential Center (CRC) at Arlington Drive Youth Campus. The City had already committed \$1 million. Since then we have finished the design and received the updated construction cost estimates. We asked the City for another \$800,000 and the County for another \$250,000. The County has agreed. We are in promising discussions with the City Council. I attach some material we are using to explain our request. Perhaps I will have some news by the Board meeting.

4. PROPERTY MANAGEMENT SUCCESS: Unit Turn Time Less Than 20 Days Three Months Running

The Board will note that the report from the Department of Property Management delivers the good news that our average unit turn time in May – key to key – is 19 days. This marks the third month in a row that we have hit our benchmark of less than 20 days. Commissioners will remember that we have been waiting for this progress for a long while. I think several factors explain this success: intelligent and focused rethinking of our processes; dedication by a talented staff; and leadership by Frankie Johnson to insist on getting it done, to equip her staff with the resources they need, and to inspire them to excel.

5. MISCELLANEOUS

5.1 Salishan Evictions Reconsidered: The Need for Standards of Conduct for Tenants, Appropriate Consequences for Violations, THA Values of Understanding, Flexibility, and a Nurturing Patience with Children, and the Importance of a School District Partner That Shares Those Values.

Recently we had reason to serve eviction notices on 6 Salishan families. Teenage girls from each family broke into an empty apartment. This is a serious matter that our staff had to take seriously. That reflects well on their high standards of stewardship.

Yet, what happened next also reflects very well on their stewardship of other values: the welfare of the families we serve, especially those with children, the importance that a violation of the rule not only have consequences but also that those consequences be proportionate to the offense and offer appropriate opportunity for atonement. What happened next also shows the value of our partnership with the school district and its staff who share these same values.

All these values are on full display in the attached string of emails among school staff and Frankie. This exchange shows several things. It shows the high quality of our staff as they balance many competing interests in a hard job. It shows a superb, dedicated school staff who are focused on the welfare of their students. It shows the

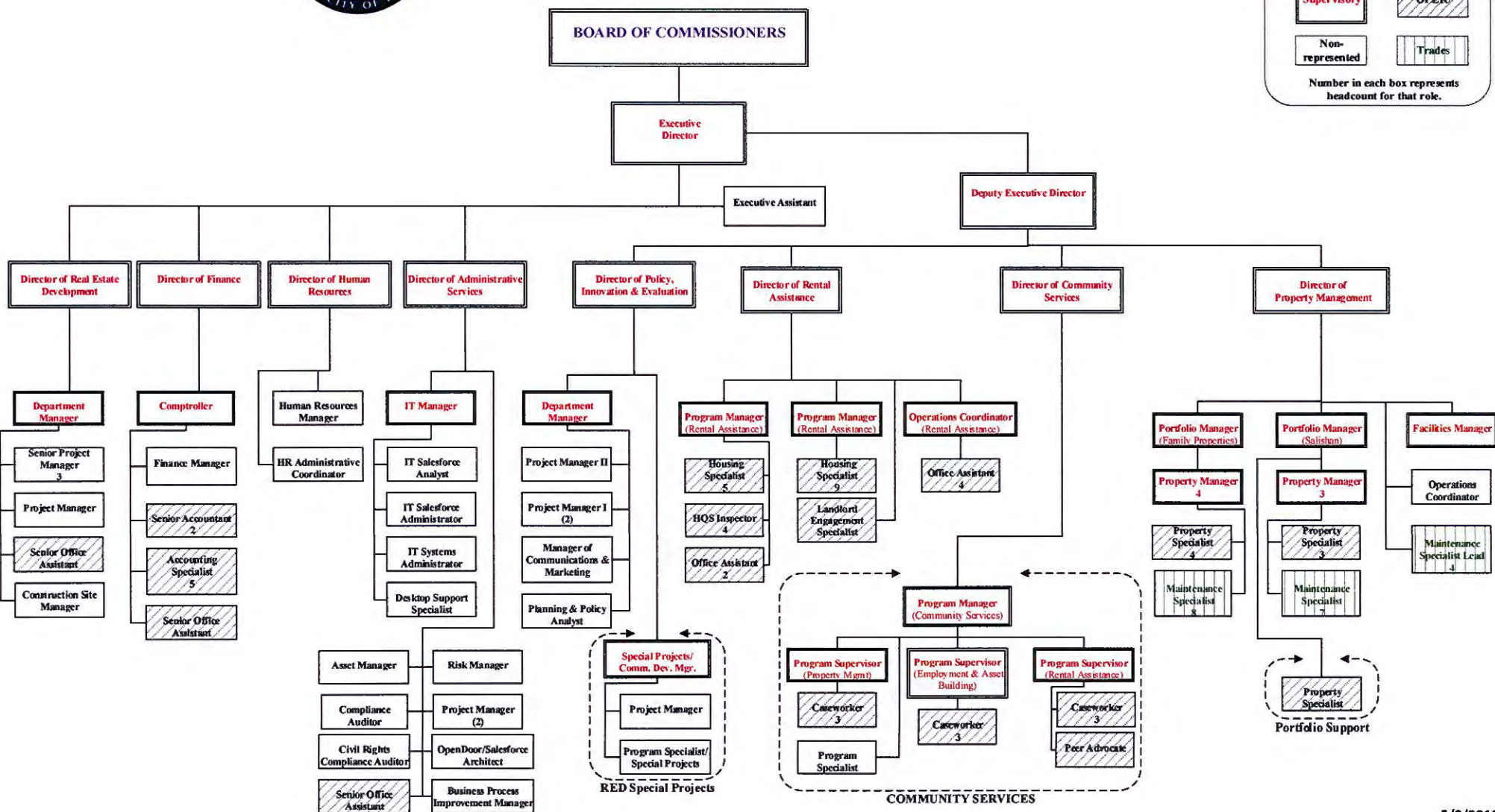
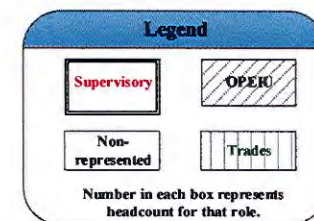
strength of our relationship with the school staff that allows them to feel the confidence to speak up with us for their students and to presume that THA shares their values. Their confidence in THA in that way is a high compliment to our staff.

5.2 Tiki Apartments: Update

The Commissioners probably have read or heard news reports of the evictions at the Tiki Apartments. A new owner is planning a major fix-up, long overdue. This will require the displacement of all 60 households, all of them very low income, many of them with disabled members. The City, led by our Mayor, has stepped in to help with the relocation, with the assistance of area social service providers. THA has also been in communication with the new owner. At the Board meeting, I will report on all these efforts and discussions.



TACOMA HOUSING AUTHORITY
AGENCY-WIDE
ORGANIZATIONAL CHART
<< DRAFT >>





**THA's Request for \$1.8 million in City Funding
for
Arlington Drive Youth Campus CRC
April 25, 2018**

- More than a year or so ago, the City and the County committed the money to build the CRC. We estimated then we needed a \$1 million from the City and \$250,000 from the county. This was an estimate in advance of the actual design work. We understand that \$1 million money does not require further Council action. [The county has committed its \$250,000].
- Since our design work finished and construction cost estimates came in THA asked the City for another \$800,000 and the county for another \$250,000.
- We expect to receive the county's increase.
- We do not need this additional \$800,000 from the City in 2018. We can wait for the City's 2019 budget. What we do need now is the City's commitment that we will get the funds in 2019. I understand this is called a "forward commitment". That forward commitment will allow THA to do two things now: (i) THA can front the money in the meantime and break ground this August or September; we will front the money using part of the \$4.29 million appropriation the state legislature gave us for Arlington; we need to reserve all of that state money for the phase 2 rental housing for homeless young adults, but with the City's forward commitment for the CRC we can tap the state money in the meantime knowing that the city's 2019 money will back fill; (ii) We can apply this June to the Washington State Housing Finance Commission for tax credits for phase 2; that application requires us to tell the Commission that we are fully funded for the campus; with the city's full commitment of \$1.8 million we can do that.

- We need this full \$1.8 million commitment memorialized by early June in time for our application to the Finance Commission. We would like THA and the City, if possible, to memorialize this \$1.8 million City commitment in one development agreement. That agreement will also include the other terms we discussed.
- Also by June we will need a City letter of support for our Housing Commission tax credit application.

We are very grateful to the City. Its money in Arlington is a very good investment and why we can understand it as a good use of funds that Salishan has already paid to the City:

- Arlington Drive is a critical part of Phase 3 of the city’s strategy to address the public health emergency the Council has declared. That declaration expressly mentioned homeless young people. Phase 1 of that strategy is cleaning up the encampments, which had their share of young people. Phase 2 created the “Temporary Transitional Centers”.

Phase 3 is the hard one. It requires housing options to get people out of the Temporary Transition Centers. THA, with nonprofit partners, are the City’s main sources of housing for these purposes. Yet very few of these resources serve youngsters and young adults.

Arlington Drive will be the main way the City and county will get this done. For example, the CRC alone will serve 500 homeless youth without families. They will stay an average of 12 days. Its service model shows a 91% rate of success of discharging these youngsters to safe and permanent housing. Sometimes this will be back with families patched together. Sometimes to new families formed with other responsible adults. Sometimes it will mean foster care. And sometimes it will stabilize a 17 year old in independent living, perhaps at Phase 2 Arlington. Phase 2 will house 40 to 50 homeless young adults in rental apartments. About 10% of them will be parents of babies or toddlers. They too will have services to stabilize them, attend to their medical and counselling needs, get them back to school or enroll them in job training.

In all these ways, this campus will have Tacoma and Pierce County showcase how to do this work right and at scale.

- THA has undertaken a very robust effort to consult with a wide array of community voices, including ENACT, the South Tacoma Neighborhood Council, area businesses, churches, homeowners, renters, community groups, and social service providers. Importantly, we also consulted with formerly homeless youth and young adults. (Their voices are usually absent from such discussions.) THA received, and experienced, a warm welcome for this campus. We judge that this welcome arises from two sentiments. Both of them distinguish the Eastside in ways that we can wish from other neighborhoods. **First**, it arises from a genuine community concern for homeless young people. **Second**, it arises from an astute community judgment that serving these young people will improve and protect neighborhoods.
- The City's money to build this campus will be a bargain in comparison with the public costs of homelessness among youngsters and young adults.
- In a meaningful way, Salishan has already paid back the \$1.8 million, and more. Since 2006, its homeowner properties that THA brought to Salishan have paid property taxes in the amount of \$5,596,537. Each year from now on, they will pay \$1.2 million more.

Contact:

Michael Mirra

Tacoma Housing Authority

(253) 207-4429

mmirra@tacomahousing.org

From: [LINDA BOURLET](#)
To: [Michael Mirra](#)
Subject: concerns...
Date: Thursday, May 10, 2018 11:17:10 AM
Importance: High

Good morning Michael,

I am hoping that you remember me. I am the Family Liaison at Lister. We have mailed a couple of times, met at the Eastside Parade and we spoke at a gathering where Carla and Mayor Strickland spoke.

I am very concerned over a situation that is happening with one of our Lister families.

P has been served a notice of termination of tenancy from THA. It is my understanding that a number of families have received this same notice after their children went into a vacant unit. The children are being held responsible for their families tenancy being terminated.

I have met with Ms. W and her girls. She and they are devastated. The daughter, R, who was caught in the unit is carrying the ENTIRE burden of her family losing their housing. I am VERY worried about her. They have lived in Salishan for 10 years and have never been late on rent or had any major incidences to my knowledge. Ms. W has been an active/supportive parent at Lister for as long as I remember. She is always available if we have to call and has always held her kids accountable for their behaviors. She works full time and is doing the best she can. She deserves such better treatment than this. To my knowledge, there were no conversations prior to her being called in the offices and given the termination paperwork. She has asked for a grievance hearing but is extremely fearful that if she speaks up for herself that she will be evicted.

I am reaching out to you because I trust you and I believe that you are a compassionate man who works hard for Tacoma families and children. Please help this family. She is doing her best for herself and her family. Her 12 year old daughter made a mistake and we feel like they are being grouped in with 5 other families and being made an example of. This little girl is bearing the brunt of her family not having a home. I just can't let this happen to her. This just can't be.

I have reached out to Toniya and asked to talk with her in her office and haven't heard back. I know that Barb is on vacation and I don't know if she is aware of what is going on.

I would love to meet with you and whomever to work through this. I am sickened and need help. Please.

Looking forward,

From: [KYLE MOOR](#)
To: [Michael Mirra](#)
Subject: PW & family
Date: Thursday, May 10, 2018 11:50:30 AM

Hello Mr. Mirra,

I am a social worker at Willie Stewart Academy, and one of our students here is Honesty Wright. Honesty was upset at school last week, and when I met with her she said that her family was losing their housing in the Salishan development. I confirmed this with her mother, P, and it sounds like H's 12 year-old sister entered an abandoned house on the property with some slightly older teens—definitely an unsafe behavior—which is resulting in the termination of the family's lease. On my end, I just want to advocate for the family and comment on Honesty as a student and citizen.

Since coming to Willie Stewart Academy, H has rarely missed a day of school. Most students only attend one session (morning or afternoon); H stays for both sessions and works very diligently. She has not had any behavior problems all year, and instead has been a leader, coaching other students and encouraging them. It seems that after struggling in her younger days, H has really found a rhythm and is very motivated to graduate and better her situation. She recently attended a job fair and was hired on the spot, and reports that her part-time work is going well.

H told us she might have to drop out of school to work full time in order to help her family since they are being evicted. This would be a shame and would set her and her family back tremendously, as she currently has a great deal of momentum towards graduation and wants to attend college and continue to set a good example for her siblings. I fear that if they lose housing, much of this momentum will be lost, and another child & family will be stuck in a cycle of poverty.

If there is anything you can do help this family keep their housing, or obtain affordable housing elsewhere, it would really go a long way. I wouldn't be writing this if I wasn't inspired by this student's self-motivation—we don't see it very often.

In service,
Kyle

Kyle Moor, MSW, CDP
School Social Worker
Willie Stewart Academy
Tacoma Public Schools
253.571.3286
kmoor@tacoma.k12.wa.us

From: [Frankie Johnson](#)
To: [LINDA BOURLET](#)
Cc: [Michael Mirra](#); [KYLE MOOR](#)
Subject: Re: Salishan Eviction - xxx
Date: Monday, May 14, 2018 9:24:55 PM
Attachments: [image001.png](#)

You are very welcome. Our children need to know that second chances are possible and that WE are here to help families be as successful as possible.

Frankie

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: LINDA BOURLET <LBOURLE@Tacoma.K12.Wa.US>
Date: 5/14/18 6:56 PM (GMT-08:00)
To: Frankie Johnson <fjohnson@tacomahousing.org>
Cc: Michael Mirra <MMirra@tacomahousing.org>, KYLE MOOR <kmoor@Tacoma.K12.Wa.US>
Subject: Re: Salishan Eviction - P

Thank you.

Thank you from the bottom of my heart and with ALL that I am.

Thank you for implementing restorative justice and for taking this opportunity to teach our children that there are appropriate consequences to their actions and that we WANT them to succeed and will help them learn their way.

Thank you for your humane handling of this and for using due diligence and compassion in your decision.

Thank you for not further traumatizing families who are already living in trauma.

Thank you all.

Sent from my iPhone

On May 14, 2018, at 5:01 PM, Frankie Johnson <fjohnson@tacomahousing.org> wrote:

All,

My apologies for the delayed response to this email. I wanted to have a full account of the circumstances that led up to the eviction notice before responding.

Let me thank Linda and Kyle for your impassioned statements of support on behalf of the W family. Your perspectives have helped me to come to a possible alternative resolution.

I propose that I will contact Ms. W and the other families to make them aware that the eviction has been suspended for now. I would like to meet with the families (and the Salishan staff) to discuss lease enforcement that will allow them to continue their tenancy. If agreed, we will work with them and our case management team on some possible community service for the girls involved to understand that actions have consequences. Nevertheless, the families will not lose their housing for this incident.

Please be assured that we will do our best to keep P and family in place. We will also work with the other families to offer the same options.

Thank you, again for taking the time to reach out to us. We appreciate our partnership with you both.

Thank you,
Frankie Johnson
(253)274-5583

From: Michael Mirra
Sent: Thursday, May 10, 2018 1:33 PM
To: Frankie Johnson
Cc: 'kmoor@Tacoma.K12.Wa.US'; 'LBOURLE@Tacoma.K12.Wa.US'
Subject: Salishan Eviction - P
Importance: High

Dear Frankie:

I append two emails about a pending Salishan eviction that require your immediate attention. One email is from Linda Bourlet, Family Liaison at Lister, and the other email is from Kyle Moor, Social Worker at Willie Stewart Academy. Both Linda and Kyle write about the family of P W. Apparently we are seeking the family's eviction because a daughter entered an abandoned house with some older teens. Linda and Kyle explain the hardship that this eviction will cause. They also explain the distress the matter is already causing to the daughter, who must feel responsible for her family's coming displacement. Linda and Kyle offer their attestation in support of the daughter and the family.

Please:

- stop all steps toward this eviction until you have reviewed the matter and reported back to me;

- inquire into whether we are pursuing other evictions resulting from the incident of teenagers entering an abandoned home; perhaps those other evictions also need review even if the other families are without the support of the schools.

Linda and Kyle's email show above. I expect that they would be willing to consult with you directly if doing so would help your inquiry.

If possible, I would like to hear from you **by tomorrow**. If indeed we will not pursue the eviction I would like that good news to reach the family and the daughter before the weekend.

Thank you.

Michael

Michael Mirra
Executive Director
Tacoma Housing Authority
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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 \$4,886,511 for the month of April, 2018.

Approved: May 23, 2018

Janis Flauding, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of April 2018

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Account						
Accounts Payable Checks	Check #'s	91,618	-	91,749		
Business Support Center				471,176	Program Support	
Moving To Work Support Center				37,048		
Moving To Work Buildings (used by Support Center)				413,896		
Tax Credit Program Support Center				9,552		
Section 8 Programs				185,772	Section 8 Operations	
Hillsdale Heights				1,489	Properties	
Highland Crest Apts				1,038		
James Center				344		
KeyBank Building				2,360		
Mr Mac Building				17		
Outrigger				7		
Salishan 7				15,400		
Salishan Common Areas				52		
THDG - General				1,327	THDG	
Hillside Terrace 1800 Court G Development				2,850	Development	
James Center				59,421		
New Look/Alberta J Canada-Development				26		
Salishan Common Areas				677		
Salishan Area 4 - Arlington				1,846		
Salishan Developer Fee				1,527		
Program Income				8,228		
Bus Development Activity				4,409		
MTW Development Activity				132	Community Service	
CS General Business Activities				500		
Community Services MTW Fund				8,338		
Education Private Grants (Gates, etc.)				45,125		
HUD-ROSS Svc Coord				40	Public Housing	
AMP 6 - Scattered Sites				87,192		
AMP 7 - HT 1 - Subsidy				4,962		
AMP 8 - HT 2 - Subsidy				8,182		
AMP 9 - HT 1500 - Subsidy				1,041		
THA SUBTOTAL				1,373,973		
Hillside Terrace 1 through 1500				2,408	Tax Credit Projects - Reimbursable	
Bay Terrace I&II & Community Facility				2,101		
Alberta J Canada Bldg				31,200		
Renew Tacoma Housing				6,772		
Salishan I - through Salishan 6				9,438		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				51,919		1,425,892
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	482,355	-	482,384	36,364	
	ACH				2,837,360	\$ 2,873,724
Payroll & Payroll Fees - ADP						\$ 586,895
Other Wire Transfers						
						\$ -
TOTAL DISBURSEMENTS						\$ 4,886,511



TACOMA HOUSING AUTHORITY

Date: May 23, 2018

To: THA Board of Commissioners

From: Ken Shalik
Finance Department Director

Re: Finance Department Board Report

1. FINANCIAL STATEMENT

I present the April, 2018 disbursement report for your approval.

The Finance Department is submitting the financial statement for the period through March 31, 2018. This is the first financial report for the year. As it is still early in the year, it represents a snapshot of where we currently stand financially. In the first quarter, there are nuances as far as payments being frontloaded for the year, or times where revenues or payments do not come in until later on in the year.

In reviewing the financials, Line 68 – Surplus/(Deficit) before Capital Expenditures shows a surplus of \$201,928 YTD. There are minimal Housing Assistance Program (HAP) funds remaining at Housing and Urban Development (HUD) as we complete monthly reconciliations and draw down as needed. Line 73 reflects a deficit of 167 YTD. This is due to \$200k being expended for Scattered Site homes preparing them for sale, with no sales proceeds by the end of March.

On the expense side of the financials, even though there are some significant fluctuations on actuals to budget YTD, the majority of it has to do with timing issues, and should level out over the course of the year. We will pay attention as the year goes on and address any issues we may see.

On the income side, on line 7, we had yet to draw down any Capital Fund money through March. Lines 10 (Investment Income), Line 12 (Developer Fee), and Line 13 (Other Revenue) represents approximately \$7.0 million in income that we received this year for closeout of Rental Assistance Demonstration (RAD) (\$6.5 million) along with \$500k developer fee for Bay Terrace Phase 2.

We are also anticipating receiving notice of how much funds we will receive for Section 8 HAP and admin fee shortly. Based on Appropriations approval, it is anticipated we will be receiving more than what was budgeted. It could be upward of \$1 million.

For 2018, in preparing the cash position, upon approval of the buyout of BFIM as the investor of Hillside 1 & 2 and Salishan's 1-3 in April's Board meeting, I have included the buyout amount and restricted the \$2.5 million in collateral needed in the General Fund for

any potential Tax Credit losses until the end of the compliance period (2020). The MTW cash balance (line 2) is at \$726k, which is the floor we set for payment of MTW expenses. The unencumbered funds (line 7) balance is approximately \$1 million after making the adjustments for the BFIM buyout. We were aware that we would be dipping under our desired level in 2018, and would be replenished by the RAD proceeds. Due to circumstances beyond our control, we will be receiving funds later than anticipated, and need to be mindful of our cash position until such time as funds are received.

The following is a synopsis of the Cash Flow (CF) waterfall for our Tax Properties for the Year 2017. At the completion of each year, the agency does an analysis of excess cash (if available), and per the Limited Partnership Agreements, distributes cash per the waterfall established for each property. Funds that come into THA include any Developer Fee (DF) remaining, the Company Management Fee, and if there is still remaining cash, Accrued Interest Payments. Every year we accrue interest for the THA loans to the Tax Credit properties. We do not include them in our budget as there is no guarantee funds will be available to pay them. For 2017, THA received \$307,367 of interest on the THA loans. For 2016, we received \$85,079.

**THA Tax Credit Projects
 Summary of Cash Flow Waterfall Distributions
 For the year ending 12/31/17**

	<u>Management Fee(s) to GP</u> (a)	<u>Interest to THA- Sponsor Loan</u> (b)	<u>Fees to LP</u> ©	<u>Tax Credit shortfall pymt to LP</u> (d)	<u>Total</u> €	<u>Comments</u>
Salishan I	N/A	-	-	-	-	No CF
Salishan 2	N/A	13,956	6,477	-	20,433	
Salishan 3	N/A	267,164	20,770	-	287,934	
Salishan 4	-	-	-	-	-	No CF
Salishan 5	-	-	-	-	-	No CF
Salishan 6	6,509	-	6,361	-	12,870	
Hillside Phase 1	5,000	-	2,500	-	7,500	
Hillside Phase 2	-	-	-	-	-	No CF
Hillside 1500	6,562	26,247	-	-	32,809	
Bay Terrace	N/A	-	-	-	-	No CF
Bay Terrace II	-	-	-	-	-	Disbursement- 2019
Renew Tacoma	-	-	-	-	-	Disbursement- 2019
Total payments	\$18,071	\$307,367	\$36,108	\$0	\$361,546	

Total Distributions to THA (a + b) \$ 325,438

Distributions to THA in 2017

\$ 145,557

Increase (decrease) in distributions to THA from 2017

\$ 179,881



CF - Cash Flow
GP - General Partner
LP - Limited Partner

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at .45%. The Washington State Local Government Investment Pool currently provides a return rate of .73%.

3. AUDIT

The Washington State auditors will be here in June to start the audit. They will have staff assigned to us and will complete both the single and financial audit at the same time in order to complete by the September 30th HUD REAC submission due date. They will finish up with the Accountability audit later on in the year. The entrance conference will be sometime in July after they start. With the IT conversion occurring in 2017, there will be a small IT review conducted as part of the audit.

4. BUDGETS

As there are no major challenges that we are seeing regarding the 2018 budget, including funding changes, we will not be completing a mid-year budget review in 2018. Any major changes that would most likely occur is within the capital area, and anything regarding capital work is brought forward to the board for approval. 2019 budget preparation will commence late July, early August.

5. YEAR END UPDATE

There is no update at this time.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

Through March 2018				Thru 12/31/2018		
	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS						
1 Tenant Revenue - Dwelling rent	654,744	600,041	9.12%	2,618,976	2,400,162	9.12%
2 Tenant Revenue - Other	44,941	30,813	45.85%	154,764	123,250	25.57%
3 HUD grant - Section 8 HAP reimbursemen	9,904,955	9,475,762	4.53%	38,019,820	37,903,047	0.31%
4 HUD grant - Section 8 Admin fee earned	815,591	828,154	-1.52%	3,262,364	3,312,617	-1.52%
5 HUD grant - Public Housing subsidy	305,655	250,781	21.88%	1,122,620	1,003,125	11.91%
6 HUD grant - Community Services	49,626	68,695	-27.76%	198,504	274,779	-27.76%
7 HUD grant - Capital Fund Operating Reve	0	126,646	-100.00%	550,000	506,585	8.57%
8 Management Fee Income	791,457	824,893	-4.05%	3,165,828	3,299,571	-4.05%
9 Other Government grants	24,898	39,626	-37.17%	149,592	158,502	-5.62%
10 Investment income	19,704	1,064,570	-98.15%	4,178,816	4,258,280	-1.87%
11 Fraud Recovery Income - Sec 8	330	2,500	-86.80%	1,320	10,000	-86.80%
12 Other Revenue- Developer Fee Income	150,000	597,216	-74.88%	2,388,863	2,388,863	0.00%
13 Other Revenue	365,861	538,558	-32.07%	2,063,444	2,154,230	-4.21%
14 TOTAL OPERATING RECEIPTS	13,127,762	14,448,253	-9.14%	57,874,911	57,793,011	0.14%
OPERATING EXPENDITURES						
Administrative Expenses						
15 Administrative Salaries	1,387,821	1,629,205	-14.82%	5,976,284	6,516,819	-8.29%
16 Administrative Personnel - Benefits	550,521	672,422	-18.13%	2,377,084	2,689,689	-11.62%
17 Audit Fees	0	19,507	-100.00%	78,240	78,028	0.27%
18 Management Fees	600,205	643,694	-6.76%	2,400,820	2,574,776	-6.76%
19 Rent	0	3,600	0.00%	0	14,400	0.00%
20 Advertising	1,199	3,384	-64.56%	12,297	13,535	-9.15%
21 Information Technology Expenses	107,543	137,355	-21.70%	505,172	549,418	-8.05%
22 Office Supplies	6,980	18,100	-61.44%	67,920	72,400	-6.19%
23 Publications & Memberships	26,580	16,521	60.89%	66,082	66,082	0.00%
24 Telephone	13,939	22,126	-37.00%	70,756	88,502	-20.05%
25 Postage	5,851	8,530	-31.41%	28,403	34,120	-16.75%
26 Leased Equipment & Repairs	30,121	34,463	-12.60%	120,484	137,850	-12.60%
27 Office Equipment Expensed	16,138	26,351	-38.76%	64,552	105,403	-38.76%
28 Legal	32,064	70,938	-54.80%	288,256	283,750	1.59%
29 Local Milage	1,761	2,350	-25.06%	7,044	9,400	-25.06%
30 Staff Training/Out of Town travel	28,462	77,762	-63.40%	113,848	311,047	-63.40%
31 Administrative Contracts	36,998	151,528	-75.58%	597,992	606,110	-1.34%
32 Other administrative expenses	35,662	31,323	13.85%	142,648	125,290	13.85%
33 Due diligence - Perspective Development	20,443	108,750	-81.20%	431,772	435,000	-0.74%
34 Contingency	0	30,125	-100.00%	0	120,500	-100.00%
35 Total Administrative Expenses	2,902,288	3,708,030	-21.73%	13,349,654	14,832,119	-9.99%

		Through March 2018			Thru 12/31/2018		
		YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
Tenant Service							
36	Tenant Service - Salaries	192,606	222,476	-13.43%	870,423	889,902	-2.19%
37	Tenant Service Personnel - Benefits	83,334	106,471	-21.73%	366,335	425,884	-13.98%
38	Relocation Costs	1,855	15,625	-88.13%	40,000	62,500	-36.00%
39	Tenant Service - Other	81,886	61,263	33.66%	327,544	245,050	33.66%
40	Total Tenant Services	359,680	405,834	-11.37%	1,604,302	1,623,336	-1.17%
Project Utilities							
41	Water	22,695	18,088	25.47%	90,780	72,350	25.47%
42	Electricity	29,875	16,075	85.85%	119,500	64,300	85.85%
43	Gas	1,445	1,281	12.78%	5,780	5,125	12.78%
44	Sewer	42,379	44,033	-3.76%	169,516	176,130	-3.76%
45	Total Project Utilities	96,394	79,476	21.29%	385,576	317,905	21.29%
Ordinary Maintenance & Operations							
46	Maintenance Salaries	36,341	48,095	-24.44%	165,364	192,378	-14.04%
47	Maintenance Personnel - Benefits	10,168	12,211	-16.73%	48,672	48,843	-0.35%
48	Maintenance Materials	25,294	27,313	-7.39%	101,176	109,250	-7.39%
49	Contract Maintenance	109,105	136,935	-20.32%	491,420	547,740	-10.28%
50	Total Routine Maintenance	180,908	224,553	-19.44%	806,632	898,211	-10.20%
General Expenses							
51	Protective Services	4,682	3,450	35.71%	18,728	13,800	35.71%
52	Insurance	79,184	47,931	65.20%	216,736	191,724	13.05%
53	Other General Expense	323,514	296,228	9.21%	1,294,056	1,184,913	9.21%
54	Payment in Lieu of Taxes	3,596	3,131	14.86%	14,385	12,524	14.86%
55	Collection Loss	0	14,936	-100.00%	45,000	59,742	-24.68%
56	Interest Expense	95,845	133,175	-28.03%	532,700	532,700	0.00%
57	Total General Expenses	506,821	498,851	1.60%	2,121,605	1,995,403	6.32%
58	TOTAL OPERATING EXPENSES	\$ 4,046,092	\$ 4,916,744		\$ 18,267,769	\$ 19,666,974	
Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	8,978	3,750	139.40%	35,910	15,000	139.40%
60	Casualty Losses	0	1,250	-100.00%	0	5,000	-100.00%
61	Sec 8 HAP Payments	8,861,629	8,917,530	-0.63%	35,946,516	35,670,119	0.77%
62	Total Nonroutine Expenditures	8,870,607	8,922,530	-0.58%	35,982,426	35,690,119	0.82%
63	TOTAL EXPENDITURES	12,916,698	13,839,273	-6.67%	54,250,195	55,357,093	-2.00%
64	OPERATING SURPLUS/(DEFICIT)	<u>211,064</u>	<u>608,980</u>	<u>-65.34%</u>	<u>3,624,716</u>	<u>2,435,918</u>	<u>48.80%</u>
65	Debt Service Principal Payments	(9,135)	(16,895)	-45.93%	(67,581)	(67,581)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	201,928	592,084	-65.90%	3,557,135	2,368,337	
67	Reserve Appropriations - Operations	0	0	0.00%	0	0	0.00%
68	Surplus/Deficit Before Capital Expenditures	<u>201,928</u>	<u>592,084</u>		<u>3,557,135</u>	<u>2,368,337</u>	
69	Capitalized Items/Development Projects	(1,239,637)	(1,845,006)	-32.81%	(2,073,550)	(7,380,025)	-71.90%
70	Reserve for Replacement	(28,013)	(28,013)	0.00%	(112,052)	(112,050)	0.00%
71	Revenue - Capital Grants/Sale of Property	0	538,834	-100.00%	900,000	2,155,335	-58.24%
72	Reserve Appropriations - Capital	1,037,542	1,444,163	-28.16%	1,618,550	5,776,650	-71.98%
73	THA SURPLUS/(DEFICIT)	<u>(167)</u>	<u>702,062</u>		<u>3,890,083</u>	<u>2,808,247</u>	

TACOMA HOUSING AUTHORITY			
CASH POSITION - April 2018			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		2,560,718	0.45%
Section 8 Checking		1,974,351	0.45%
THA Affordable Housing Proceeds-Salishan		3,436,461	0.45%
THA Scattered Sites Proceeds		3,670,162	0.45%
FSS Escrows		145,853	0.45%
CSA Escrows		100	0.45%
Note Fund Account		101	0.45%
Credit Card Receipts		9,657	0.45%
Key Bank Security Deposits		4,006	0.45%
THA Investment Pool		333	0.45%
THA LIPH Security Deposits		602	0.45%
THA Travel Advance Account		2,005	0.45%
THDG - Tacoma Housing Development Group		736,887	0.45%
Salishan 7		1,824,418	0.45%
Salishan 7 Security Deposit		27,551	0.45%
Salishan 7 Replacement Reserve		249,508	0.45%
Salishan 7 Operating Reserve		200,896	0.45%
Outrigger Operations		145,395	0.45%
Outrigger Security Deposit		27,901	0.45%
Outrigger Replacement Reserve		87,874	0.45%
Highland Crest Operations		268,231	0.45%
Highland Crest Security Deposit		40,861	0.45%
Highland Crest Replacement Reserve		200,079	0.45%
Prairie Oaks Operations		75,821	0.45%
Prairie Oaks Security Deposit		3,258	0.45%
Prairie Oaks Replacement Reserve		16,770	0.45%
Payroll Account		9,597	0.45%
WASHINGTON STATE			
Investment Pool		\$ 99	0.87%
1. TOTAL THA CASH BALANCE		\$ 15,719,496	
Less:			
2. Total MTW Cash Balance		\$ 726,000	
<i>Less Minimum Operating Reserves</i>			
2.01 Public Housing AMP Reserves (4 months Operating Exp.)			
2.02 S8 Admin Reserves (3 months Operating Exp.)		726,000	
2.10 Total Minimum Operating Reserves		\$ 726,000	
3. MTW Cash Available (Lines 2-2.10)		\$ -	
3. MTW Cash Held By HUD			
3.11 Undisbursed HAP Reserves Held by HUD		\$ -	
3.20 Total MTW Cash Held By HUD		\$ -	

TACOMA HOUSING AUTHORITY				
CASH POSITION - April 2018				
4. Non MTW Cash Restrictions				
<i>Other Restrictions:</i>				
4.01	Mod Rehab Operating Reserves	62,632		
4.02	VASH, FUP & NED HAP Reserves	121,062		
4.03	FSS Escrows	159,896		
4.04	Security Deposit Accounts	104,179		
4.05	Gates Foundation	344,203		
4.06	Highland Crest Replacement Reserves	200,079		
4.07	Outtrigger Reserves	87,874		
4.08	Prairie Oaks Replacement Reserves	56,770		
4.09	Salishan 7 Reserves	790,405		
4.10	THDG	736,887		
4.11	Area 2B Sales Proceeds (Afford Hsg)	3,436,461		
4.12	Scattered Sites Proceeds (Afford Hsg)	3,670,162		
4.13	BFIM Buyout LOC Collateral-Potential TC Loss	2,500,000		
4.20	Total - Other Restrictions		\$ 12,270,609	
5. Agency Liabilities:				
5.13	Agency Contracted or Budgeted Commitments ¹		\$ 1,930,934	
5.12	Development Draw Receipts for Pending Vendor Payments		\$ -	
5.14	Development Advances/Due Diligence Commitments		\$ (293,475)	
5.20	Total Agency Liabilities		\$ 1,637,459	
6. Total Non MTW Cash Restrictions (Lines 4.20+5.20)			\$ 13,908,068	
7. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-6)			\$ 1,085,428	
8. 2017 Board Reserve Commitments				
8.01	Renovation/Remodel of Salishan FIC/Maintenance Shop		\$ 1,241,650	Under Contract
8.02	Software Conversion		300,000	Ongoing
8.03	Education Projects - McCarver & Others		310,000	Future
8.04	Childrens Savings Cohort payments		270,000	Ongoing
8.05	Development Projects (Hilltop)		2,500,000	Future
8.06	Bay Terrace 3 Funding Gap		2,500,000	2019
8.10	Total Reserve Commitments (Lines 8.01 through 8.04)		\$ 7,121,650	
9. Agency Contracted or Budgeted Commitments remaini		Board Approval	Expended	Balance Remaining
9.01	Salishan/Maintenance Shop remodel	\$ 1,473,301	\$ 890,247	\$ 583,054
9.02	902 Elevator Modernization	\$ 467,377	\$ 417,377	\$ 50,000
9.03	James Center North Capital	\$ 350,000	\$ 75,120	\$ 274,880
9.04	Alberta Canada Tenant Improvements	\$ 463,000	\$ -	\$ 463,000
9.05	BFIM Buyout	\$ 560,000		\$ 560,000
¹ Total Contracted or Budgeted Commitments outstanding				\$ 1,930,934
Agency Advances for Current Development Projects				
	Arlington Heights		\$ 293,475	
			\$ -	
Total Agency Advances			\$ 293,475	



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: May 23, 2018

TO: THA Board of Commissioners

FROM: Client Services

RE: Client Services 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. COMMUNITY SERVICES: Caroline Cabellon, Community Services Program Manager

2.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

March 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	17	7	21	28
Family Self Sufficiency (FSS)	0	5	199	199
General Services	6	8	67	86
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	24	28	24	45

March 2018	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Children's Savings Account (CSA) K-5th Grade	2	0	68	68
Children's Savings Account (CSA) 6th - 12th Grade	0	0	55	55
Elementary School Housing Assistance Program (ESHAP)	0	0	36	36
Senior & Disabled	3	0	37	37
DEPARTMENT TOTAL	52	48	507	554

2.2 PROGRAM UPDATES

2.2.1 Programming Updates

Family Self-Sufficiency (FSS)

Success story: A.H. is a resident of Salishan. She graduated from the FSS program this month with an escrow check for \$6,500. After recruitment into FSS, she completed her C.N.A. certification and found steady full time employment. Her exemplary attendance and work ethic earned her two raises and a renewed sense of confidence. She intends on adding a phlebotomy certificate to further increase her wages. THA is proud to continue to support A.H. on her journey towards self-sufficiency.

Children's Savings Account (CSA) Program

The CSA team participated in the annual Seeds of Peace Youth Summit at First Creek Middle School in March. Program Specialist Trish Mozo and Program Supervisor Nicole Meshesha conducted a workshop with 22 youth. The workshop centered around the concept of a Dream Tree, where students were encouraged to start envisioning their future successes. The CSA team also worked in partnership with Pierce Conservation District and Salishan Association in March to plan the first Salishan Eco-Camp during Spring Break.

Senior & Disabled Programming

In March, trips to the food bank with resident volunteer-provided transportation started on a regular schedule, and participation has already been increasing. Staff also continued working with the Tacoma Resident Advisory Council (TRAC) Board around their ongoing organizational challenges and needs.

3. RENTAL ASSISTANCE AND LEASING: Julie LaRocque, Associate Director of Client Services

Housing Choice Voucher utilization is reported at 93.3% for the month of April 2018.

Below is a breakdown of the utilization of THA's special programs and project based vouchers:

Program Name	Units Allocated	Units Leased	Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	150	20	85%
NED (Non Elderly Disabled) Vouchers	100	93	8	93%
FUP (Family Unification Program)	50	44	5	88%
CHOP (Child Welfare Housing Opportunity Program)	20	13	5	65%
McCarver Program	50	35	3	70%
CHAP (College Housing Assistance Program)	150	39	40	26% *
TOTAL	547	374	81	68%

** The CHAP program is currently issuing vouchers in an attempt to increase utilization. TCC is taking applications for the CHAP expansion. These numbers make a large impact on the total for these Special Programs. Referrals are coming in quickly which is shown by the number of clients currently shopping.*

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace 1 & 2	72	72	100%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	12	86%
Guadalupe Vista	40	36	90%
Harborview Manor	145	145	100%
Hillside Gardens	8	7	88%
Hillside Terrace 1500	12	11	92%
Hillside 2300	13	13	100%
Nativity House	50	46	92%
Pacific Courtyards	23	20	87%
New Tacoma Phase II	8	8	100%
Salishan 1-7	340	337	99%
Tyler Square	15	15	100%
TOTAL	750	732	97.6%

3.1 College Housing Assistance Letter

The Rental Assistance department received a thank you letter from a College Housing Assistance participant that we wanted to share with the board. The letter is as follows:

Good afternoon Ms. Prentice,

I have been meaning to thank you and your program for the tremendous help that you and this program have provided for me. I am finally settling into my apartment and just want to personally thank you and the program. It has been such a relief to be able to provide and put a roof over me and my son. This housing opportunity is truly and great fully appreciated with all of my heart. I am beyond thankful for the help TCC has offered for single moms/students like myself. Not only I'm grateful for this program but also I got the chance to be assisted with the NW furniture referral and getting help with some furniture to start. This has truly been a blessings after sleeping on the floor for quite some time. I am just beyond thankful and want to show you my appreciation for being able to be a part of this program and the lives it has changed to those who need it.

Although I am going through many hardships and struggles, being a part of this program has truly been an eye opener and I just want to show my greatest gratitude and will keep you updated with my grades and such, just to be able to keep up with being in this program. Again, I just wanted to personally e mail you and this program to say thank you. Thank you for the resources and for this program. Have a wonderful day.



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: May 23, 2018

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

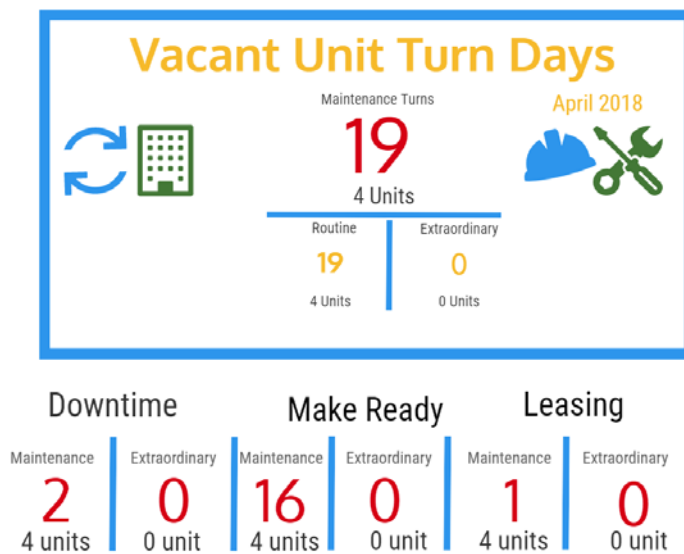
1. OCCUPANCY OVERVIEW

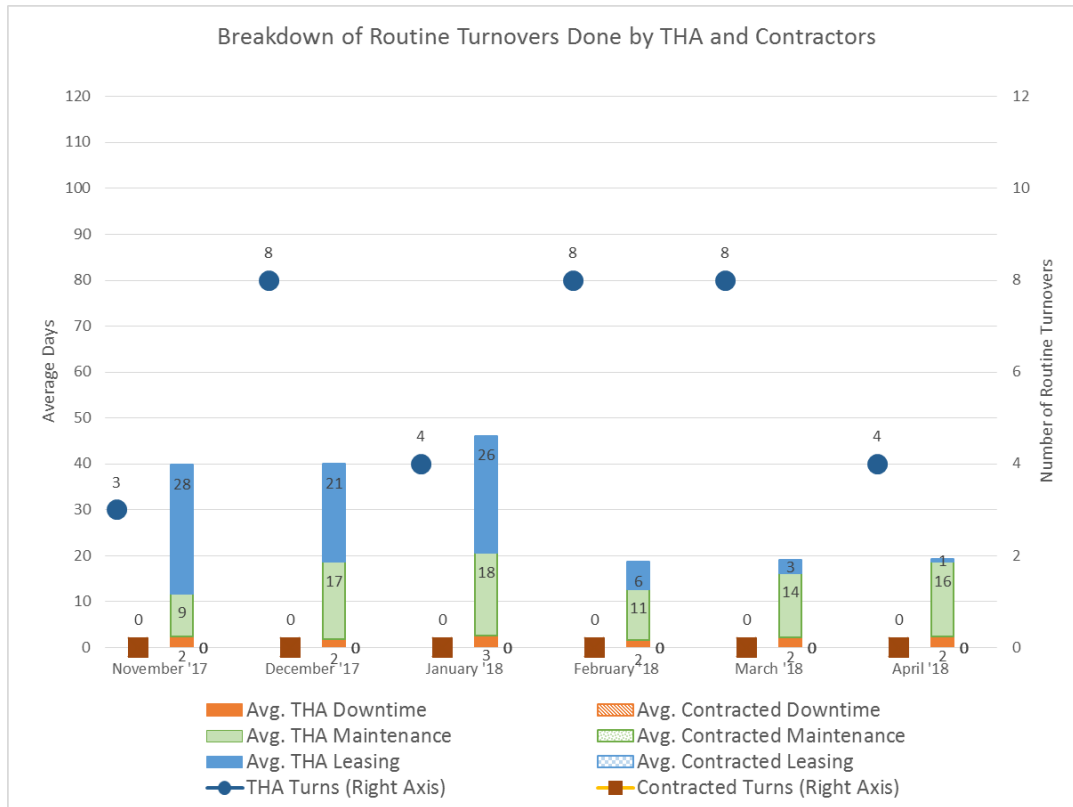
1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	0	0	206	100%	99%
Family Properties	118		0	116	98%	99%
Salishan	631	2	0	629	99%	99%
Senior/Disabled	353	1	0	352	99%	99%
All Total	1,308	3	0	1,305	99%	99%

Unit occupancy is reported for the first day of the month. This data is for the month of April 2018. The chart above reflects all of THA's units for a total of 1,308.

1.2 Vacant Unit Turn Status





All Turns - Performed by THA and Contractors

Today's Date 5/10/2018

6-months - based on month and year selected from orange cell

		All THA Turnover Information						
Year	Month	Total Number of Turns	Total THA Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2018	April	4	4	0	19.5	2.3	16.5	0.8
2018	March	8	8	0	19.0	2.1	14.0	2.9
2018	February	9	8	0	18.5	1.5	11.1	5.9
2018	January	4	4	0	46.0	2.5	18.0	25.5
2017	December	11	11	0	49.7	2.9	21.2	25.6
2017	November	5	5	0	57.8	2.2	27.0	28.6
		All Contracted Turnover Information						
Year	Month	Total Number of Turns	Total Contracted Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2018	April	4	0	0	0.0	0.0	0.0	0.0
2018	March	8	0	0	0.0	0.0	0.0	0.0
2018	February	9	1	0	50.0	1.0	48.0	1.0
2018	January	4	0	0	0.0	0.0	0.0	0.0
2017	December	11	0	0	0.0	0.0	0.0	0.0
2017	November	5	0	0	0.0	0.0	0.0	0.0

The average unit turn time for the month of April was 19 days for four (4) routine unit turns by Tacoma Housing Authority (THA) staff.

Routine - units with repairs that fall under the category of normal wear and tear that can be repaired within 5-15 days.

Extraordinary- units with heavy damage as a result of the tenancy, including meth, extensive damage and casualty loss that cannot be repaired in less than 30 days.

Exempt - units with special circumstances, such as transfers, temporary hotel holds or moves relating to a Reasonable Accommodation.

Proposed Changes for Improvement in Unit Turn Times:

- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
 - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
 - ✓ Procure contractors who will respond to request for service if needed that have the appropriate staff to assign multiple units.
 - ✓ Increase inspections to deter heavy damage at move out.
 - ✓ Unit work every working day. Unit is the sole priority by assigned staff.
 - ✓ Use of tracking charts to monitor projected progress.
- **Leasing**
 - ✓ Prescreen to identify ready applicants.
 - ✓ Site-based leasing. Concentrated efforts on units. Each property staff will be responsible for the leasing efforts to fill their units.
 - ✓ THA staff will undergo training to better lease out units that are not subsidized. THA is competing with the open market in some cases. Having better tools and tactics will be helpful to attract applicants that will accept the units in a timelier manner.

Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

1.3 THA Meth Data Trends

Per July 2017 Board discussion, Meth information will be included only when there are updates to report.

1.4 Work Orders

Completed WO's by Priority For Month Ending April 2018

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	23	2	2	27
902 Admin Building	1			1
Bay Terrace Phase One	8			8
Bay Terrace Phase Two	4	2	1	7
Bergerson Terrace	47	4	3	54
Dixon Village	20	4	2	26
E.B. Wilson	16			16
Fawcett Apartments	6			6
Hillside Terrace 1500 Block	6	1		7
Hillside Terrace Ph 1	1			1
Hillside Terrace Ph II	3			3
Ludwig Apartments	15	7	1	23
North G St	19			19
North K St	18		1	19
Salishan Five	22	1		23
Salishan Four	13			13
Salishan One	19			19
Salishan Seven	13	1		14
Salishan Six	46			46
Salishan Three	35	2		37
Salishan Two	54	1		55
Wright Ave	16			16
Grand Total	405	25	10	440

In the month of April, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 405 non-emergency work orders with a total of 1,570 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 13 days.

Property Management (PM) continues to bring down the number of outstanding work orders and improve customer service.

**Open Work Orders by Priority BR
For Month Ending April 2018**

Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	21	1	0	22
Bay Terrace Phase One	6	0	0	6
Bay Terrace Phase Two	25	1	1	27
Bergerson Terrace	3	0	0	3
Dixon Village	4	0	0	4
E.B. Wilson	2	0	0	2
Fawcett Apartments	1	0	0	1
Hillside Terrace 1500 Block	31	0	0	31
Hillside Terrace Ph 1	4	0	0	4
Hillside Terrace Ph II	5	1	0	6
Ludwig Apartments	1	0	0	1
North G St	2	0	0	2
North K St	12	0	0	12
Salishan Five	8	0	0	8
Salishan Four	4	0	0	4
Salishan One	3	0	0	3
Salishan Seven	9	0	0	9
Salishan Six	16	0	0	16
Salishan Three	11	0	0	11
Salishan Two	14	0	0	14
Wright Ave	2	0	0	2
Grand Total	184	3	1	188

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

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



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: May 23, 2018

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

Discussions continue with Bates Technical College and Community Health Services regarding the Salishan Core. Staff also showed space at the Family Investment Center (FIC) to a local child care operator who expressed some interest in providing day care or before/after school programs at this location. These discussions are all in the very early stages.

1.2 Salishan Family Investment and Maintenance Shop Renovations

Construction inside the Family Investment Center (FIC) building is complete. Furnishings and new doors will be installed in early May and staff will move back in mid-May. Heritage Bank plans to open May 17th. The new roof will be complete the first week of May. Finishes on the Maintenance Shop Mezzanine are underway with completion expected the week of May 21st. Contractor is on time and within budget and work is satisfactory.

2. NEW DEVELOPMENT

2.1 1800 Hillside Terrace Redevelopment

Scope

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

Proposed Distribution by BR and Set Aside

	1-BR	2-BR	TOTAL
	56	14	70
Homeless	11	3	14
Disabled	11	3	14
Low Income	48	8	56

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

Financing

The project total development cost is currently budgeted at \$20,166,000 and is fully funded. On January 25, 2018, staff was informed THA's tax credit application was successful in receiving an allocation of annual tax credits of \$1,424,413 generating an estimated \$13,104,600 in equity. On March 23, 2018, staff was informed of an award of \$1,850,000 from the Washington State Department of Commerce Housing Trust Fund. The below table reflects all development sources.

Residential Source Name	Residential Source Type	Committed Amount
Permanent Tax-Exempt Loan	Private	\$3,040,000
Tax Credit Equity	Private	\$13,104,600
UDAG Grant	TCRA	\$300,000
HTF	State – Housing Trust Fund	\$1,800,000
Sponsor Financing	Sponsor	\$1,921,400
	Total	\$20,166,000

Procurement

On April 17, 2018, staff received 9 competitive proposals for A&E Services. During the week of April 30, 2018, staff interviewed 4 of the top scoring firms. At the conclusion of the interviewing process, staff recommended SMR Architects as providing the most responsive proposal and compelling interview. SMR has extensive experience in designing housing for residents requiring supportive services. SMR is also the firm working on the design of Arlington Drive. Staff find SMR to be very responsive to feed back on their design and effective during the community consultation process.

RESOLUTION 2018-05-23 (1) 1800 Hillside Terrace A&E Services will be considered by the Board at the May, 2018 Board meeting.

3. OTHER PROJECTS

3.1 James Center North

Staff is preparing a resolution for Board consideration that will recommend a firm which will provide master planning services. This will be a walk on because staff needed to do additional due diligence which could not be completed by the time the packet materials were required.

Background

Tacoma Housing Authority (THA) purchased James Center North because it offers a unique opportunity to acquire a property that is attractive for public and private developers. It is positioned in such a way 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).

Capital Improvements

Minor capital repairs are to be completed on an as needed basis in order to keep the property functioning yet limiting the capital investment into the buildings prior to redevelopment.

Leasing

CB Danforth continues to market the available property and provide tours to prospective tenants.

- A 3-year NNN lease has been executed for Tacoma's Best Piercing in unit 1614 -6. The tenant is completing their improvements and should open for business by June 2018.
- Month-to-month leases are being renegotiated with tenants to extend for two to three years at market rents to stabilize cash flow and allow for THA flexibility to redevelop. Kim Anh has executed an extension to their lease for 2 years at a 3% increase to their current lease rate. THA has the option to terminate the lease after this period with 90 days' notice provided.
- A five (5) year lease is being negotiated with a prospective tenant in unit 1614-E. Additional details will be provided at a later date.

Predevelopment

The Urban Land Institute (ULI) report has been drafted and a final version is being edited. A representative from ULI is prepared to present their recommendations at a Board study session in the near future.

The Request for Qualifications for master planning, architectural and engineering services was issued and seven (7) responses were received. Interviews will be held the week of May 14. The interview committee will include THA staff and external representatives from TCC and the City of Tacoma's Planning Division. A board

resolution recommending a contract with the selected firm will be presented at the May 23, 2018 Board meeting.

Staff met with Vestar, the owner of James Center South. They have agreed to collaborate with the Master Planning work THA is undertaking for James Center South. Efforts are also underway to work with representatives from Fircrest and University Place. City boundaries for these communities are within one-mile of James Center. These communities are evaluating redevelopment options and want to be sure planning efforts are coordinated.

Operating Performance

Property cash flow is steady and work orders are minimal. Previously identified capital improvement repair items are being regularly addressed. Repair costs are consistent with feasibility estimates. A 2018 budget has been approved and Common Area Maintenance (CAM) costs have been calculated and will be charged to tenants.

Reporting and Compliance

The first biannual report has been sent to Enterprise. They are satisfied with THA's progress and communication. Enterprise staff will be invited to the next presentation of recommendations by the Urban Land Institute from their evaluation of James Center.

3.2 Public Housing Scattered Sites

Former Public Housing Scattered site homes are being rehabilitated and sold at market value. To achieve affordability for households earning 50% to 80% of the Area Median Income (AMI), THA will place a restriction for the difference between market value and the effective sales price on the property. The effective sales price is what a buyer earning 50% to 80% of the AMI can afford. The value of the difference between the market value and effective sales price will be captured in the restrictive covenant in the form of a forgivable loan of which 20% of the loan value will be forgiven every year.

3.2.1 Two homes have been purchased by residents of public housing. One of these buyers was a priority 1 buyer.

3.2.2 The following chart shows the number of units sold, listed, sold price and net proceeds.

Units Sold	Combined Market Value	Combined Sold Price	Combined Rehab Costs	Total Sales Costs	Net Proceeds
21	\$4,355,000.00	\$4,364,964.60	\$510,008.00	\$906,079.16	\$2,943,877.44
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
3	\$667,000.00	\$667,000.00	\$94,300.00	\$105,000.00	\$467,700.00
Units in Construction	Scope Preparation	Occupied			
9	1	1			



5814 Swan Creek - Listed



3.2.3 Rehabilitation Work on Scattered Site Units and Sold:

- Bids for the rehabilitation work on 4 more houses were received. Libby Builders and XRT Construction have presented the lowest bids for the next 2 rehabilitation projects. Contracts are being drawn up with these two contractors to begin the rehabilitation anticipated to start mid-April and end mid-June.
- 6750 East B, 4909 35th St NE, 618 Prospect, and 3008 S 13th St houses are all in final punch and will be listed by mid-April.
- 21 houses sold, 13 houses remain.
- 5801 East Roosevelt is the last house out to bid.
- Bids are due for 5801 East Roosevelt on 4/6/18.
- All houses are expected to be completed and on the market by the end of June.
- All tenants have been relocated.
- CYS is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity. Staff have been asked to research selling this house to CYS for a permanent Crisis Residential Center.
- Offers are pending on 2225 East George, 4823 East M Street, and 5814 Swan Creek. Closings should be complete on all 3 properties by the end of May.

3.3 Consulting and Community Engagement

Staff is working with the Korean Women's Association (KWA). The joint response to Metro Parks for repurposing of the Portland Community Center was submitted in April and interviews are scheduled for early June. KWA plans to relocate their senior programs to the Center and update the facility to support this work. KWA will also offer a host of community-based services and continued programming at the property. THA would enter into an inter-governmental agreement with Metro Parks and then lease the building to KWA.

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

Construction

Rehabilitation work is underway, with few issues encountered so far. Construction is currently 16% complete. The contractor has been focusing on demolition. Approximately 95% of the building exterior siding has been demolished exposing approximately 1500 sf of dry rot. This was anticipated and the cost to fix will be covered from the contingency. The contractor has also been installing new windows and reconfiguring two residential units to accommodate the new community room.

3.5 Arlington Drive Property

The City of Tacoma allocated \$700,000 to the Tacoma Community Redevelopment Authority (TCRA) and \$300,000 in CDBG funds for the development of the Crisis Residential Center (CRC). THA has asked for another \$800,000. Pierce County is contributing \$250,000. Staff submitted a proposal request for another \$500,000 in capital from Pierce County and has been recommended for \$250,000 in CDBG funds. Some of the CDBG requirements could significantly affect the established timeline for groundbreaking on the CRC. Staff are evaluating options to meet the August groundbreaking date.

The state legislature has allocated \$4.29M to support the development of the Arlington Drive Project. At this time, staff expects to devote a majority of these funds to the rental housing component of the project.

SMR Architects has completed the master site planning and related preliminary work. A portion of the SMR work will be reimbursed as part of the City of Tacoma/Pierce County agreement for building the CRC and THA will fund the balance associated with the larger master planning process. THA will also develop a portion of the site for rental housing for homeless young adults ages 18-24. THA will fund this development with LIHTC and related sources. The design development is complete and an initial cost estimate for the CRC has been completed. The cost estimate is significantly higher than anticipated because this project has to meet commercial codes and specific licensing requirements. Staff continue engaging in conversations with the City of Tacoma, Pierce County and others about covering these additional costs.

THA has engaged the Corporation for Supportive Housing (CSH) to assist with issuing an RFP for a service provider for the rental housing component of the Arlington Campus. On March 29, 2018, CSH conducted sessions with THA staff and external partners to seek input on critical considerations to be included in the RFP. An executed agreement with a service provider is an important factor in obtaining state and local funding, including 9% low income housing tax credits. Services to be offered to homeless young adults are a core component of long term success for this project. THA will apply for an allocation of 2019 tax credits for the rental housing component of this project in June 2018.

The firm of BDS Planning and Urban design was selected as the consultant for the community engagement and consultation effort. The fourth Community Advisory Committee meeting was held October 12th at the FIC.

3.6 Colored Women's Club

THA and the Colored Women's Club (CWC) have resumed conversations regarding the redevelopment of CWC's property located at 2316 Yakima. CWC would like to create a mixed use building that has new office space for them plus a social hall with a commercial kitchen and office space for other African America organizations on the first floor and residential units for seniors on floors 2-6. The parcel next to the CWC was recently sold. THA and CWC met with the new owner and THA's Deputy Executive Director and he was receptive to a collaboration. His architect has done a draft massing study to give an idea of what a jointly developed project might look like. Conversations among the three parties continue. THA's role is to be determined based on the outcome of the conversations with the adjoining property owner.

4. DEVELOPMENT PIPELINE PROJECTS

4.1 Intergenerational Housing at Hillsdale Heights

Staff will present a recommendation to the Board for their consideration to sell a portion of the Hillsdale Heights property to KWA so they may develop a senior housing project. KWA is supportive of an inter-generational housing community and has agreed to use THA as its developer for the senior housing project.

4.2 Hilltop Lofts and THA Owned Properties' Master Development Plan

THA and the City extended the timeline by two years for THA to develop the Hilltop Lofts project. The Council approved the extension request at its November 3, 2015, meeting. The Quit Claim deed was recorded January 18, 2018. According to the covenants recorded the same day, financial feasibility needs to be determined by April 30, 2018, and permanent financing needs to be in place by June 1, 2020. Staff are reviewing financing options for this site and need to confer with City regarding the time table. Staff anticipate issuing an RFQ for architecture services in June. THA is now managing the lease for the Mr. Mack store. The new owner of the business is trying to sell. If that is not successful they may liquidate.

4.2.1 City of Tacoma 311 Mobilization

RED, in partnership with the Hilltop Action Coalition, will facilitate the outreach and mobilization so that residents of the Hilltop understand and use the City's 311 customer service line. This will be completed through a series of workshops, events, canvassing and literature creation. The agreement with the City has been executed and planning work initiated. One of the deliverables is a short documentary. The final filming of the documentary was

done Thursday March 22nd at Tacoma Community Arts. We have received the final version of the video. We are awaiting some direction from the City of Tacoma staff before the final touches can be added and we can show the video to the general public.

4.2.2 Housing Hilltop

THA has begun conversations with external partners for development of the THA parcels on the Hilltop. The Greater Tacoma Community Foundation (GTCF) is interested in locating on the Hilltop. GTCF is working with Forterra and THA to determine feasibility. The group will be meeting monthly.

THA has also commenced conversations with external partners to develop a homeownership program to help those displaced, or at risk of being displaced to purchase homes at an affordable price and address some of the homes in need of rehabilitation. This group will also be meeting monthly.

5. Renew Tacoma Housing, LLLP

5.1 Construction

2

Property	Construction start	Construction schedule complete	Units complete	Units underway	Units remaining
Bergerson	5/4/2016	12/27/2016	72	0	0
E.B. Wilson	5/4/2016	12/27/2016	77	0	0
Dixon Village	9/16/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	3/15/2017	41	0	0
Fawcett	1/9/2017	5/24/2017	30	0	0
K Street	10/11/2016	3/27/2017	43	0	0
Wright Street	2/6/2017	10/5/2017	58	0	0
6 th Avenue	4/1/2017	9/26/2017	64	0	0
G Street	3/7/2017	9/7/2017	40	0	0

2016 Projects: Bergerson, Dixon and E.B. Wilson

The *Certificates of Substantial Completion* were issued on December 27, 2016, for Bergerson, Dixon and E.B. Wilson sites required to be delivered in 2016 and the tax-exempt bond “50% test” was met for each site.

2017 Projects: Ludwig, Fawcett, K Street, 6th Avenue, Wright, G Street

The *Certificates of Substantial Completion* were issued on December 21, 2017, for Ludwig, Fawcett, K Street, 6th Avenue, Wright and G Streets and the tax-exempt bond “50% test” met for each site.

Project Close-out/Conversion:

It is anticipated that the close-out requirements necessary to release the second equity installment will be complete by July, 2018. Key variables that can impact the

timeframe are resolution/close-out of the environmental escrow and L & I's release of retention.

5.2 Watch list

Environmental

6th Avenue:

The Department of Ecology (DOE) issued a *No Further Action* letter for 6th Street.

K Street:

It now appears that DOE will issue the *No Further Action* letter for K Street in April, 2018. There is the possibility that the original long-term monitoring requirements for K Street may be waived.

Wright Street:

DOE staff stated that removal of contaminated dirt is not required because of the cost. DOE anticipates requiring an Environmental Restrictive Covenant to be filed, issuing of a *No Further Action* letter and long-term monitoring. As stated above, it is anticipated that the *No Further Action* letter may be available in April, 2018. DOE is considering lengthening the testing intervals of the required long-term monitoring.

Wright Street Neighboring Property:

The environmental condition exists only on the edge adjoining THA property. Of two test bores, one tested clean and the other dirty. The toxic dirt is so far below the surface that no risks for gardening exist right now.

Depending on the DOE's final requirements, THA may buy the neighbor's entire property versus encumbering a portion of the property by filing an Environmental Restrictive Covenant on the contaminated portion of the property. Most likely, the property owner and/or lender will object to the encumbrance.

THA staff made the decision that it will not pursue further legal action against Superior Linen. THA will continue to pursue grants that may reimburse some of the environmental cost.

5.3 Issues Encountered/Status

Elevators

Modernization of elevators is complete. The work to replace the single bottom jack at one of the Ludwig elevators is complete.

The following information provides a status as of Draw #19.

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$10,533,299	\$13,490,199
Construction (includes owner's contingency)	\$33,155,555 (includes \$500,000 reallocation from Environmental Escrow + \$100,000 seismic bracing release)	\$34,067,779	***(\$312,224)
Environmental Escrow	\$3,500,000	**\$1,100,000	\$2,400,000

*Excludes \$30,640,000 Site/Building Acquisition expended at closing draw.

**\$600,000 reallocated to construction budget due to 6th Avenue "No Further Action Letter" issued by DOE. \$500,000 reallocated to construction due to significant progress on K and Wright Street remediation.

***Excess "soft cost" budget will cover the \$312,224. Extra construction work was required to meet the 50% test.

5.4 Walsh Construction - MWBE and Section 3 Reporting

	GOAL	ACTUAL AS OF 5/31/2017
MBE	14%	8.78%
WBE	8%	.29%
Section 3 Business	----	7.41%
Section 3 New Hires	30%	27.78% (20 new hires)

Section 3 New Hires:

- The above information represents a combination of Section 3 hires that were hired by Walsh prior to the start of Rental Assistance Demonstration (RAD) and subsequently assigned to RAD and new Section 3 hires in which their initial assignment is the RAD project.

Also please note that the above information is a computation of the % of new hires that meet the Section 3 guidelines under RAD. There were 70 hires total for the RAD project.

Walsh provided some context for why meeting the Minority and Women Business Enterprise (MWBE) goals is a challenge:

- The small work scope is such that it is difficult to package scopes into smaller packages to achieve minority and MWBE results. This is easier to do on larger, single purpose projects;

- The RAD project is complex and maintaining the aggressive schedule is critical. There are significant consequences to any delays in the work. For example, the investor is expecting delivery of 3 projects by the end of 2016. If any one of the projects is not delivered, there is a serious financial and reputational risk. Also, if there are delays in the work, the project will face increased relocation costs;
- AVA Siding is a Section 3 business; however, due to market conditions and their work load, RDF Builders has had to step in and take over some of the siding scope simply to finish the project on time;
- Cerna Landscaping, WCC's go-to MBE landscape subcontractor failed on the Bergerson project, again due to an excessive amount of work that they could not complete;
- There has been difficulty identifying MWBE subs; unfortunately Walsh's outreach results were not what they had hoped; and,
- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at National Association of Minority Contractors (NAMC) meetings, and phone calls were outstanding. We simply had trouble finding MWBE subcontractors. It is possible that this can be attributed to the significant amount of work underway in the South Sound.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (1)

Date: May 23, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: 1800 Hillside Terrace Architectural & Engineering (A&E) Services

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and execute a contract for A&E services for the 1800 Hillside Terrace redevelopment.

Background

On March 20, 2018, THA staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the redevelopment of 1800 Hillside Terrace.

We posted the Request for Qualifications on Washington Electronic Business Solutions, (WEBS) and THA's website.

Nine (9) firms responded to the RFQ by the date of April 17, 2018. All proposals were responsive and responsible. A review team comprising of THA staff reviewed and scored the proposals. The committee completed the first stage of the review process and determined that four (4) firms would advance to the second stage of the review with oral interviews. A maximum of 100 points were available. Points were organized into four primary sections, with proposals scored on several factors, including:

Scoring Section 1 is: Organizational and Staff Capacity (30 Points)

Scoring Section 2 is: Relevant Experience and Past Performance (25 Points)

Scoring Section 3 is: Approach and Response to Scope of Services (25 Points)

Scoring Section 4 is: Interview and references (20 Points)

After the oral interviews the evaluation team voted unanimously in favor of proceeding with contract negotiations with the firm of SMR Architects. The evaluation scores are as noted below:

Proposal Scoring Table

Firm	Panelist 1					Panelist 2					Panelist 3					Average			
	A	B	C	D	T	A	B	C	D	T	A	B	C	D	T	1	2	3	4 Total
Ankrom Moisan	26	23	23		72	25	24	22		71					0	17.00	15.67	15.00	0.00 47.67
BCRA	26	23	24		73	28	24	24		76					0	18.00	15.67	16.00	0.00 49.67
Casey+DeCant Arch	30	25	24	16	95	29	24	24	16	93				18	18	19.67	16.33	16.00	16.67 68.67
GGLO Design	30	25	25	17	97	29	25	24	17	95				20	20	19.67	16.67	16.33	18.00 70.67
Innova Architects	23	20	20		63	28	24	20		72					0	17.00	14.67	13.33	0.00 45.00
Jon Graves	26	23	20		69	28	22	20		70					0	18.00	15.00	13.33	0.00 46.33
SMR	30	25	25	19	99	29	25	24	18	96				20	20	19.67	16.67	16.33	19.00 71.67
LRS	27	23	24		74	26	24	22		72					0	17.67	15.67	15.33	0.00 48.67
Rice Fergus Miller	27	25	24	18	94	29	24	24	17	94				19	19	18.67	16.33	16.00	18.00 69.00

Recommendation

Based on the above scores, staff recommends awarding a contract to the firm of SMR Architects to perform architectural and engineering services for the 1800 Hillside Terrace redevelopment in the amount not-to-exceed \$900,000. If staff is unable to negotiate a contract with the highest ranking firm of SMR Architects, authorize the Executive Director to negotiate and award a contract with the second highest ranking firm of GGLO Architects.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (1) (1800 Hillside Terrace A&E Services)

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

WHEREAS, On March 20, 2018, Tacoma Housing Authority (THA) Staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for the 1800 Hillside Terrace Redevelopment; and

WHEREAS, The RFQ was posted on the Washington Electronic Business Solutions and THA's websites; and

WHEREAS, Nine (9) firms submitted proposals by the deadline of April 17, 2018, all were deemed responsive and responsible; and

WHEREAS, An evaluation team, comprised of THA staff reviewed and scored the proposals according to evaluation criteria listed in the RFQ; and

WHEREAS, The evaluation team voted unanimously in favor of awarding a contract to the firm of SMR Architects; now, therefore, be it

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

Negotiate and award a Contract for the Architectural and Engineering Services for 1800 Hillside Terrace Redevelopment in an amount not-to-exceed of \$900,000 to SMR Architects. If staff is unable to negotiate a contract with the highest ranking firm of SMR Architects, authorize the Executive Director to negotiate and award a contract with the second highest ranking firm of GGLO Architects.

Approved: May 23, 2018

Janis Flauding, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (2)

DATE: May 23, 2018

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Authorization to form a tax credit entity with respect to the Arlington Youth Campus project

Purpose

This resolution would authorize Tacoma Housing Authority (“THA”) to form a new limited liability limited partnership (the “Partnership”) with Tacoma Housing Development Group (“THDG”) to develop the housing portion of THA’s proposed Arlington Youth Campus project, to be located on Arlington Drive, in Tacoma, Washington. The Arlington Youth Campus project is expected to consist of rental housing for youth ages 18 to 24 experiencing homelessness (the “Project”), and a separate Crisis Residential Center for youth ages 12 to 17 experiencing homelessness. In particular, the resolution authorizes THA to:

- (1) form the Partnership;
- (2) prepare, execute and submit to Washington State Housing Finance Commission any agreements or other documents necessary to secure the proper approval of THA’s use of low-income housing tax credits for the Project; and
- (3) expend such funds as may be necessary to be paid by THA in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Background

By Resolution 2016-6-22 (5), the THA Board approved the use of Arlington Drive as a youth campus. As envisioned, the campus will provide a 12-bed Crisis Residential Center which offers temporary housing for homeless youth age 12-17. It will also include a 58-unit apartment building for young adults, age 18-24, who are experiencing homelessness.

The proposed campus will provide youth with their own campus separated from the surrounding area by First Creek Gulch, but close enough to have a residential feel. We have undertaken a thoughtful consultation process that includes the Salishan Association, neighborhood leaders,

and individuals working with youth and young adults and youth experiencing homelessness.

THA is in the process of developing a financing and development plan for this project. The new rental units will be affordable to homeless young adults age 18-24, whose incomes are between 30% to 60% of the Area Median Income. The 58-unit building will have 11 two-bedroom units and the balance will be one-bedrooms. It will include community space for classes and resident events, private office space for staff and service providers and a communal laundry.

THA expects to lease the land and improvements to the LLLP for up to 99 years.

The financing structure is expected to include, but not be limited to, tax credit equity, City of Tacoma/TCRA funding, state funds, county funds, private debt, bonds and possibly THA funds.

Recommendation

Approve Resolution No. 2018-05-23 (2).



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (2) **(Arlington Youth Campus – Tax Credit Partnership)**

A RESOLUTION authorizing the Authority to form a limited liability limited partnership, and providing for other matters properly related thereto.

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

WHEREAS, The Authority owns approximately 3.5 acres of land on Arlington Drive, in Tacoma, Washington, upon which the Authority intends to develop a rental housing project for youth ages 18 to 24 experiencing homelessness (the “Project”), and a Crisis Residential Center for youth ages 12 to 17 experiencing homelessness; and

WHEREAS, The anticipated financing for the Project will come from various sources, including low-income housing tax credits, commercial loans, and state and local funds, and certain of these funding sources will require the formation of a limited liability limited partnership to maximize the benefits and minimize the risks to the Authority; and

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

WHEREAS, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” “make and execute contracts and other instruments, including but not limited to partnership agreements,” and “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income;” and

WHEREAS, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper;” and

WHEREAS, The Board finds and determines that both the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City, and that any financing provided by the Authority for the Project is important for project feasibility and is necessary to enable the Authority to carry out its powers and purposes under chapter 35.82 RCW; and

WHEREAS, Based on the consideration of funding sources available for the Project, the need for affordable housing in the City, and other matters, it is necessary that the Authority proceed with the transactions described in this resolution; now, therefore, be it

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

1. The Authority is authorized to participate in the formation of, and become a partner in, a Washington limited liability limited partnership (the “Partnership”). The Board intends that the Partnership will acquire, construct, equip, operate and maintain the Project and receive low-income housing tax credits in connection therewith. The Authority’s Executive Director, the Authority’s Deputy Executive Director and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership; and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority’s Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.
2. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership’s general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce (or the Washington State Housing Finance Commission, as applicable), and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low-income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue “9%” or “4%” tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation (or approval), and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation initially is made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low-income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if

the Executive Director determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Project) may be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of the Project; (xi) take all necessary and appropriate actions for the Partnership to acquire the Project by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xii) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Project; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

3. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend money to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% per annum).
4. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.
5. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
6. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 23, 2018

Janis Flauding, Chair

CERTIFICATE

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

1. That the attached Resolution No. 2018-05-23(2) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on May 23, 2018, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on May 23, 2018.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (3)

Date: May 23, 2018

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: 1800 Hillside Terrace – Project Based Section 8 Vouchers

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to contract between Tacoma Housing Authority and 1800 Court F LLLP for fifty-three (53) Project Based Vouchers.

Background

THA has secured 9% tax credits for the redevelopment of 1800 Hillside Terrace and the project is fully funded. The redevelopment project schedule plans for design and construction completed by the end of 2020 and will produce approximately 70 new affordable apartment units. THA plans to provide project based vouchers in 53 of the 70 units. The units with project based subsidy will be set aside for households with the following incomes:

1800 Hillside Terrace - PBV's		
<i>Bedroom Size</i>	<i>No. of Units</i>	<i>AMI Served</i>
1 bedroom	18	30%
1 bedroom	9	40%
2 bedroom	17	30%
2 bedroom	9	40%
Total	53	

These vouchers are an important part of the overall financing and operating structure for the redevelopment by subsidizing rents for the deeply affordable units listed above. THA is also planning for an additional 17 unsubsidized units serving households at 60% of the Area Medium Income level.

Recommendation

Approve Resolution 2018-05-23 (3) authorizing THA's Executive Director to execute an Agreement to Execute a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with 1800 Court F LLLP.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (3) (1800 Hillside Terrace – Project Based Section 8 Vouchers)

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

WHEREAS, THA has been awarded 9% Tax Credits for the redevelopment of 1800 Hillside Terrace with approximately 70 affordable apartment units; and

WHEREAS, THA is seeking to subsidize fifty-three (53) 30% & 40% AMI units with Project Based Section 8 Vouchers and contract these vouchers to 1800 Court F LLLP; and

WHEREAS, through THA's Moving-to-Work (MTW) flexibilities, 1800 Court F LLLP is not required to compete for vouchers; and

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

WHEREAS, The contract(s) shall be negotiated with an investor and shall be in effect for up to fifteen years (15); now, therefore, be it

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

Authorize THA's Executive Director to execute an Agreement to Execute a Housing Assistance Payment (AHAP) and Housing Assistance Payment (HAP) contract with 1800 Court F LLLP to subsidize fifty-three (53) 30% & 40% AMI apartment units.

Approved: May 23, 2018

Janis Flauding, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (4)

DATE: May 23, 2018
TO: THA Board of Commissioners
FROM: Michael Mirra
Executive Director
RE: Utility Allowance Schedule Update

This resolution will adopt updated utility allowance schedules that will be used for the income-based calculation of rent for Tacoma Housing Authority (THA) rental assistance programs.

Background

Every year, Tacoma Housing Authority (THA) reviews its utility allowances. During this review, THA must determine if utility rates have changed. THA must update any bedroom size utility allowance when the analysis shows rate changes of ten percent or more to reflect the new utility rates.

THA staff worked with Seasholtz Consulting Inc. to analyze the 2017/2018 utility rates. This analysis included a review using two separate analysis techniques. The first was a review of local energy, water, sewer and garbage rates. The second was a review of methodology used in past analyses. Our current utility rates are based on the Housing and Urban Development (HUD) model which uses a general algorithm to estimate kWh consumption for single-family and multi-family (2-4 unit apartments) structures based on ZIP code and climate data. It does not necessarily reflect area conditions.

This year and in years forward, we recommend using an analysis of local consumption and utility rates to set these allowances. Although this schedule results in some decreases in utility allowances compared to the current schedule, it is based on a more relevant set of underlying consumption data. By developing a partnership with Tacoma Public Utilities (TPU) to collect regular updates to electrical consumption, THA will be able to continually update its schedule using a rolling average of local data. Even though some of the changes do not rise to the threshold, we are recommending that we change all of the utility allowances to establish a new baseline using only the TPU data.

Below is a summary of the recommendations compared to the current schedule:

Proposed 2018 UA Schedules

Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$52	\$54	\$67	\$94	\$114	\$128
Tenant	\$131	\$138	\$168	\$213	\$251	\$282

Current UA Schedules

Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$45	\$58	\$77	\$106	\$130	\$151
Tenant	\$115	\$134	\$167	\$210	\$248	\$284

% Changes by bedroom

Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	+15.6%	-6.9%	-13.0%	-11.3%	-12.3%	-15.2%
Tenant	+13.9%	+3.0%	+0.6%	+1.4%	+1.2%	-0.7%

Recommendation

Approve Resolution 2018-05-23 (4) authorizing THA to adopt updates to the all bedroom size utility allowances effective October 1, 2018.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (4) **(Update to Utility Allowance Schedule)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to update THA's utility allowances.

WHEREAS, Utility allowances must be reviewed annually; and

WHEREAS, Public Housing Authorities (PHAs) must revise utility allowances if they change more than ten percent; and

WHEREAS, Changes to the utility allowances must be approved by the Board of Commissioners; now, therefore, be it

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

Authorizes THA to adopt updates to the all bedroom size utility allowances effective October 1, 2018 as set forth in the accompanying memo.

Approved: May 23, 2018

Janis Flauding, Chair

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (5)

Date: May 23, 2018

To: THA Board of Commissioners

From: Michael Mirra, Executive Director

Re: Approval for up to 50 Project-Based Vouchers for the College Housing Assistance Program (CHAP)

THA's Board of Commissioners approved resolution 2017-06-28 which increased the number of rental subsidies available for the College Housing Assistance Program to 150 households. This resolution would approve the conversion for up to 50 College Housing Assistance Program tenant based vouchers to project-based vouchers, if necessary.

Background

The Tacoma Housing Authority (THA), in partnership with Tacoma Community College (TCC), administers the College Housing Assistance Program (CHAP). CHAP provides eligible TCC students who are homeless, or at-risk of becoming homeless, with rental assistance. The pilot program—which provided 25 vouchers to homeless students—has been expanded to 150; 25 of those vouchers are allocated to formerly incarcerated students who have participated in a postsecondary education program while incarcerated. Throughout this memo, CHAP participants who will enroll into the re-entry expansion will be referred to as Opening Doors participants.

The program model presumes that program participants with tenant based rental assistance can find housing reasonably close to the TCC campus. They can no longer do this in Tacoma's new housing market of higher rents and lower vacancies. Opening Door participants face even more challenges in finding housing because of their criminal history and incarceration.

In response, THA and TCC propose to project-based housing vouchers into rental housing in Tacoma that then would be dedicated to all participants in the TCC program. This resolution, if the Board approves it, would allow for that. In ways described below, THA and TCC consulted with community stakeholders to inform this proposal.

Here are the factors that support the need to shift this portion of the program from a tenant-based voucher to a project-based voucher model.

1. Tacoma faces a crisis shortage of affordable housing. The increases in rent are being driven by the growing number of people living in Pierce County, which—along with the

neighboring King and Snohomish counties—have seen the population grow to nearly 3.9 million residents.¹ In addition to population growth which makes the private rental market more competitive; there is a shortage of affordable homes with an average of 29 available affordable homes per 100 extremely low-income renter households². In Tacoma’s current market, an annual income of \$49,177 is needed to afford a two-bedroom rental at Housing and Urban Development’s (HUD) Fair Market Rent; while the average earned income for current CHAP participants is \$8,638. The influx of new residents are driving rent increases and creating a shortage of affordable housing adversely impacting those who are often in the greatest need for safe and affordable housing.

2. This housing shortage affects TCC applicants to the CHAP. During the application process, 47% of CHAP applicants are withdrawn from the waiting list before they are even issued a voucher. In most cases, this is because the applicant is no longer enrolled in courses at TCC. While the data does not tell us why these students are dropping out, we do know that housing is fundamental in maintaining stability. To date, there have been 212 CHAP applicants. Of the CHAP applicants who have been issued vouchers nearly a quarter of them were unable to utilize their voucher. CHAP applicants who have successfully utilized their voucher do so with an average time between voucher issuance and lease up being 54 days. This may be skewed to represent shorter shopping times as several CHAP applicants already had a place of residence. Taking a look at CHAP applicants that are currently shopping, the average shopper has been looking for 105 days. The data shows that CHAP applicants are struggling to not only lease up, but for those who have leased up are shopping for housing for three months or more.
3. Formerly incarcerated students face additional challenges because of their criminal justice system involvement. These challenges show in several ways. **First**, a recent of THA landlords assessed their screening practices. So far, the survey resulted in 88 responses. The results show that 64 percent of landlords always conduct criminal background screenings with 30 percent looking back indefinitely. Only 18 percent of landlords reported that they do not conduct criminal background screenings. All other screening qualifications aside, future Opening Doors participants who will have just exited prison, are already disqualified from many rentals in Tacoma. This survey also asked if a landlord has ever rented to someone with a criminal background, and if so, what led them to approve the application for tenancy; and many responded that applicants had enough time between their conviction and the time of application (as well as demonstrated rehabilitation). Applicants just exiting prison have not had the opportunity to build credibility by these standards.

Second, in addition to the criminal background barrier, all program participants would need to demonstrate their suitability as a tenant just as any renter would be required. Those who are just being released from incarceration or attempting to exit homelessness may not have rental history, credit history, and/or employment. Participation in CHAP is

¹ <http://www.thenewstribune.com/news/business/article206326214.html>

² National Low Income Housing Coalition – 2018 Washington Housing Profile – February 26, 2018

actually an opportunity for participants to demonstrate rehabilitation and build positive rental history.

Third, “(s)erving [prison] time also seems to have a detrimental impact on the quality of housing as those recently returned home often report living in less healthy conditions than before their imprisonment.”³ Since housing choice is limited, those without support will often be left with taking whatever they can find. Safe, healthy housing is important for personal development and provides an environment where an individual can focus on self-improvement.

Fourth, it can take a long time for even the average CHAP participant to acquire all the necessary documents to ensure program eligibility, in addition to the long time that will inevitably be spent shopping for housing. The time all this takes is exhausting and critical for any homeless student. It can be particularly daunting for Opening Doors participants. They commonly must have housing as a part of their DOC/court ordered obligations. To help ensure a successful transition from release into housing and education, Opening Doors participants need immediate access to housing. Taking a note from the challenges seen with CHAP applicants generally, early housing interventions are important to the program success of Opening Door participants.

Benefits of Project-Basing Vouchers

A project based housing unit can help to quickly house all CHAP students. Such a unit offers a solution in terms of timing, stability and affordability. This eliminates the struggle of spending three months or more shopping to find a suitable unit; and also guarantees a secured unit. A project-based voucher also ensures the participants have an affordable unit throughout the duration of their education.

Project-base housing also makes it easier to incorporate supportive services into the model, especially for Opening Doors participants who will need support. THA and TCC hope to arrange these services with community-based organizations that offer supportive services (i.e., counseling, employment training) to house formerly incarcerated students will aid in the successful transition from incarceration back into the community.

There is an additional possible benefit of project-basing these vouchers. Property managers and landlords who agree to project-base vouchers for CHAP participants may also become interested in further project-basing units for all THA clients beyond the CHAP program.

Community Consultation

THA conducted conversations with different stakeholders, including the Washington Department of Corrections, currently incarcerated students, and community corrections staff. The stakeholders confirmed the challenges that formerly incarcerated people face when attempting to secure housing after exiting the criminal justice system.

³ Lebel, T. P. (2017). Housing as the Tip of the Iceberg in Successfully Navigating Prisoner Reentry. *Criminology & Public Policy*, 16(3), 891-908.

THA visited Washington Correction Center for Women (WCCW) to talk to women currently enrolled in educational programs in the facility. The intent of the visit was to gauge the needs and opinions of potential future applicants. THA created a presentation which introduced the CHAP program and also explained the differences between a tenant-based voucher and a project-based voucher. There were about 15 women in attendance and all were surveyed. In addition to the on-site visit, an additional 42 were given paper surveys to document the need/opinions of women enrolled in educational programs at WCCW. During the site visit, the women unanimously voted on the project-based model. Having immediate access to housing seemed to be the women's highest priority when they exit. Below are some notable findings from the WCCW surveys (57 total) and site visit:

26%	54%	25%	23%	53%	11%
will not have a place of residence to exit to	indicated 'housing' as one of their top five concerns	have an eviction on their record	do not have funds for application fees, deposits, etc.	will not have income at exit	will not have support from friends/family/community

One woman talked about the opportunity and saw it as a transitional period to be used to secure immediate housing and then work towards becoming more self-sufficient, which would allow the women to then seek housing according to their preferences. Further consultation will be conducted and considered.

Recommendation

THA and TCC staff request to the THA Board of Commissioners to authorize up to 50 College Housing Assistance Vouchers to be project based for all CHAP participants.

The initial request would have asked for project-based vouchers only for Opening Door participants; however, for two reasons the request has expanded to include all CHAP participants. The **first** is that THA and TCC are unable to determine exactly how many Opening Door participants we can expect at any given time. It would be unreasonable to hold project-based units specifically for Opening Door students while many CHAP participants lose out on this housing opportunity because they were unable to lease up successfully in the private market. The **second** is all CHAP students, not just Opening Doors participants, need the benefit of project-based housing. They are all having trouble finding housing.

If the Board approves this recommendation, THA would issue a Request for Proposal to elicit interest from potential housing and service providers.

Based on this information, staff recommend adopting resolution 2018-5-23 (5).



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-25 (5) **(Conversion of CHAP tenant based vouchers to project based vouchers)**

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

WHEREAS, THA has been providing tenant based voucher assistance to College Housing Assistance Program (CHAP) participants; and

WHEREAS, CHAP tenant based vouchers provides rental assistance to homeless and near-homeless TCC students, and is expanding to also serve recently incarcerated students; and

WHEREAS, Converting tenant-based vouchers to project based vouchers for CHAP participants would guarantee access to housing; and

WHEREAS, THA is committed to increasing access to housing for TCC students, including individuals with convictions histories; now, therefore, be it

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

Authorizes Tacoma Housing Authority to convert up to 50 HOP vouchers for the College Housing Assistance Program to be project based.

Approved: May 23, 2018

Janis Flauding, Chair

Resolution 6



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (6)

Date: May 23, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Option to Sell a Portion of Hillsdale Heights

Purpose

The purpose of this memo is to request approval to enter into an option to sell approximately three acres of the Hillsdale Heights property to the Korean Women's Association (KWA) for development of senior housing.

Background

KWA is searching for a site to construct 50 to 150 rental units for senior housing. It has been challenging to find a location that meets their requirements. In addition, KWA has learned that Housing and Urban Development (HUD) will release funds under its 202 senior housing program. KWA has experience using this type of funding and we believe competition for these funds will be fierce. To be competitive for this funding, KWA will need a site.

The KWA senior housing will nicely fit THA's plan for the site to develop an intergenerational housing campus. The campus will provide rental housing for low-income families who are fostering or adopting children and housing for seniors who will be respite care givers and honorary grandparents to those families. The KWA senior building will provide those seniors. KWA is also interested in providing the supportive services to the families.

THA purchased this 6.67 acre property in 2007 for \$870,000. THA will sell 3 acres to KWA for its senior building. The sale would be contingent on the following:

1. Sale price will be fair market value.
2. KWA must use the property only as affordable housing for low-income seniors.
3. KWA receiving 100% of the financing for the project.
4. THA will be KWA's developer, pursuant to an agreement that THA and KWA will sign. Pursuant to that agreement, the developer fee will go to THA except for an amount KWA might earn for any development work the agreement will assign to KWA.

5. THA must approve the design.
6. KWA will not be able to assign the Purchase and Sale Agreement or later sell the property without THA's consent.
7. KWA or any future owner will not be able to change the use or the affordability of the property without THA consent.
8. KWA agrees to abide by Fair Housing values and practices in the management of the project.
9. KWA agrees to collaborate with THA in the planning and implementation of uses that THA will select for the balance of the property. This use may include the intergenerational housing campus, in which case KWA will elicit the interest of the seniors to support the fostering and adopting families.
10. KWA will work with THA to secure support for the project on the local, state and national level.

Recommendation

Approve this resolution to authorize the executive director to negotiate and execute an agreement to sell to KWA a portion of Hillsdale Heights for the development and operation of senior housing on the terms set forth above.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (6) (Option to Sell a Portion of Hillsdale Heights)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing THA's Executive Director to finalize negotiations to sell up to three acres of the Hillsdale Heights parcel to the Korean Women's Association (KWA).

WHEREAS, THA owns and manages affordable rental housing in Tacoma; and

WHEREAS, THA has worked in partnership with the Korean Women's Association on its Senior Housing Development at Salishan; and

WHEREAS, Sale of the property will improve KWA's ability to secure financing to develop the project; and

WHEREAS, KWA has expressed an interest and support for working on an intergenerational housing campus; and

WHEREAS, KWA has agreed that THA will be the developer of the Senior Housing; and

WHEREAS, Time is of the essence to prepare a response to a HUD 202 housing grant planned for release in spring of 2018; and

WHEREAS, KWA has agreed to pay fair market value for the property; now, therefore, be it

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

The executive director is authorized to negotiate, and if those negotiations are successful, to execute an agreement to sell to KWA approximately 3 acres of Hillsdale Heights for the development of senior housing on the terms set forth in the accompanying memo.

Approved: May 23, 2018

Janis Flauding, Chair

Resolution 7



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (7)

DATE: May 23, 2018
TO: THA Board of Commissioners
FROM: Michael Mirra
Executive Director
RE: Update to Payment Standards

This resolution will authorize Tacoma Housing Authority (THA) to adopt new 2018 payment standards for use in THA's rental assistance programs.

Background

Each year Housing and Urban Development (HUD) releases rent data for the Tacoma-Pierce County metropolitan rental market. These data set HUD's "fair market rents" (FMR) for our area for the following year, in this case 2018. Housing authorities must set their payment standards within 90-110% of the HUD FMR. The payment standards are then used in determining the maximum amount of subsidy THA will pay to landlords. They are also used in the calculation of THA tenant and participant rents.

THA is required to complete an assessment of its tenant data and make adjustments to its payment standards based on this data. In addition to tenant data, THA uses a third-party report regarding the region's rental market. Previously, THA received a report from Dupre & Scott (D&S) semi-annually regarding the region's rental market. THA used Dupre & Scott's September 2017 report, along with other relevant data presented below to make a recommendation to the Board to not adjust the payment standards during 2017. We also decided that we would review the report and other relevant data in the spring of 2018 to determine if any changes should be considered. The payment standards were last changed effective January 2017.

This analysis became more challenging and problematic with the notice from Dupre & Scott that they were closing their business as of January 1, 2018, and that the last report would be the September 2017 publishing. We located several other sources and were able to piece together an accurate picture, yet it is not as robust as the D&S report.

The following table compares the HUD 2018 FMR to the existing payment standards:

Unit Size	FY2018 FMR	Current THA payment standard
Studio	\$773	\$766
1 bedroom	\$881	\$885
2 bedroom	\$1145	\$1142
3 bedroom	\$1666	\$1622
4 bedroom	\$2017	\$2012
5 bedroom	\$2320	\$2314
6 bedroom	\$2622	\$2616
7 bedroom	\$2925	\$2917
8 bedroom	\$3227	\$3219

Analysis

THA staff considers the following factors during the payment standard review:

- Shelter burden (% of household income paid for rent and utilities)
- Availability of suitable units with rents below the payment standards
- Size and quality of units selected by tenants
- Average number of shopping days under current payment standards
- Vouchers that have expired without leasing
- Port outs since THA last revised its payment standards
- Comparison with average Tacoma rents
- Estimated financial impact to THA

1. Shelter Burden (% of households paying more than 30% of income towards rent)

1.1. **September 2017** – 26% for our traditional Housing Choice Vouchers (HCV) and 33% for our Housing Opportunity Program (HOP) clients.

1.2. **April 2018** – 29% for our traditional HCVs and 29% for our HOP clients.

2. Vacancy Rate and Rent by Tacoma Neighborhood

September 2017 (Dupre & Scott Survey)

	Pierce County	Stadium	South Tacoma	North Tacoma	Mid Tacoma	East Tacoma	Downtown
Vacancy Rate (%)	3.3%	2.2%	2.7%	2.2%	3.1%	2.4%	3.9%
Average Rent (\$)	\$1130	\$1103	\$1041	\$1355	\$1054	\$881	\$1273

March 2018 (McCament and Rogers Survey along with other data):

	Low Income	Affordable Market	Market Rate	Out of Downtown
Vacancy Rate (%)	7.0%	3.0%	2.0%	4%
Average Rent (\$) 2 Bdrm (low end)	\$932	\$758	\$1201	\$1345

3. Comparison of Current Payment Standard and Rents

The following table compares the **current** payment standards and actual average rent amount as a % of 2018 FMR and THA actual average rent amounts across entire portfolio.

	Current THA Payment Standard 2017	Payment Standard as Percent of FY2018 FMR	Actual Average Rent Amount	2018 Actual Rents as Percent of Payment Standards
Studio	\$766	99.1%	\$665	86%
1 bedroom	\$885	100.5%	\$799	91%
2 bedroom	\$1142	99.8%	\$962	84%
3 bedroom	\$1662	99.8%	\$1291	77%

4. Housing Quality Standard (HQS) Pass/Fail Rates

During our September 2017 analysis, the HQS pass rate was 83%. Currently, 81% of all units selected by clients eventually pass inspections. This is based on comparing the number of initial inspections in relation to the number of failures and turn-backs.

5. Shopping Days

Since October 2017, on average, traditional voucher assisted households moving from one unit to another secure and move into a unit within 89 days. HOP clients have averaged 116 days of shopping for this same category. HOP clients new to the program averaged 164 days.

6. Expired and Unused Vouchers

Since October 1, 2017, 35 HOP relocation subsidies have been withdrawn without leasing up. There has not been any new-to-program clients during this time frame that have been withdrawn due to an expired voucher.

7. Port Outs

As of April 1, 2018, we have 154 clients that have ported out. This is a 14% increase since last analysis.

8. Rent Increases Processed

From January 1, 2017 to date, THA Rental Assistance staff has processed approximately 2300 rent increase requests. The average increase has been calculated at approximately \$92.

9. Estimated Financial Impact to THA

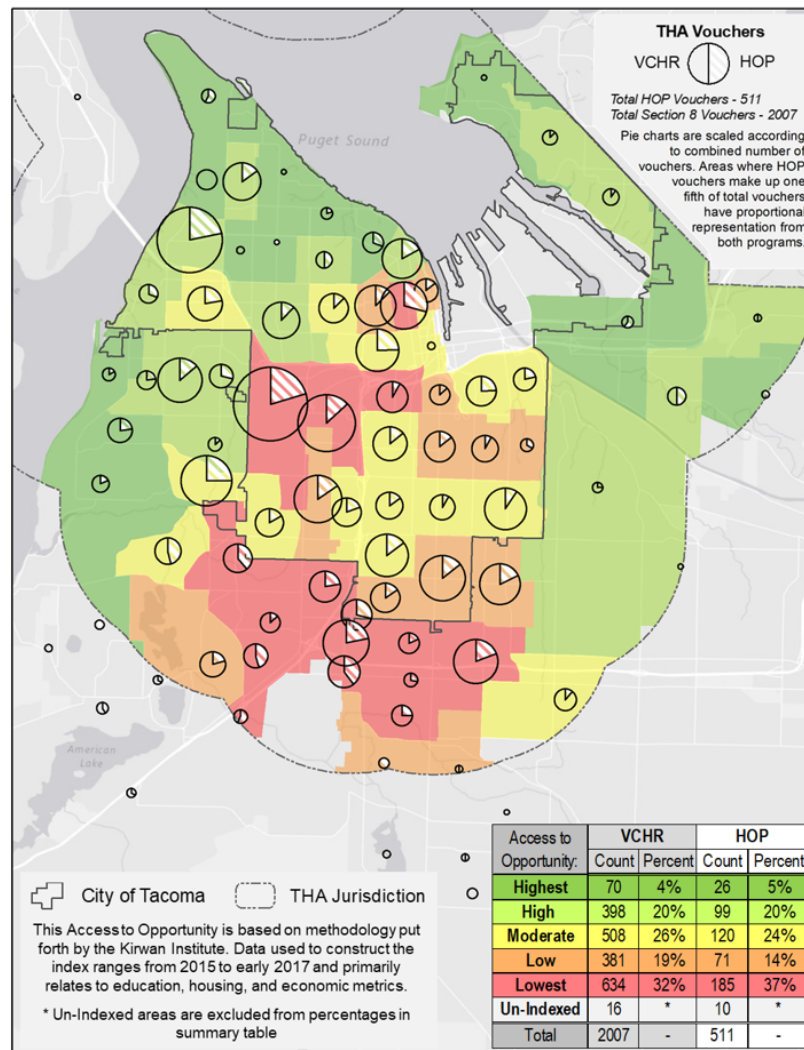
Raising THA's payment standards will have a financial impact on the THA budget. Finance however has indicated that the potential assistance this could provide to our clients would offset the nominal cost of the increase and was supportive.

10. Households Leasing In High Opportunity Neighborhoods

During this year's evaluation staff were asked to evaluate whether payment standards should be set by neighborhood to give households greater access to higher opportunity neighborhoods. The Kirwan Institute created a system of identifying high opportunity neighborhoods within cities. The system takes educational, housing and economic factors into account. The Puget Sound Regional Council adapted this model to take local factors into account for the Puget Sound region. THA has adapted it further to account for Tacoma versus Seattle conditions.

As of fall 2017, approximately half of HOP and HCV participants were leased in high to moderate areas of opportunity. 24% of HOP & HCV participants leased up in the "high" or "highest" areas of opportunity. An additional 25% of households lease up in "moderate" areas of opportunity. An analysis and mapping of lease up locations in 2013 compared to 2017 highlights that a greater number of participants are leasing up in areas of lower opportunity today. Below is the map of voucher households by opportunity areas:

HOP & VCHR: Access to Opportunity



THA's current payment standard for a 2-bedroom apartment is **more than 100% of the average rent** in Pierce County as well as the Stadium, South Tacoma, Mid Tacoma and East Tacoma neighborhoods. THA's payment standard falls below the average rent in North Tacoma (84%) and Downtown (90%).

The proposed payment standard change detailed in this memo would increase the aforementioned percentages to 89% of average rent for North Tacoma and 94% of average rent for Downtown. Increasing the payment standard has a potential to increase a household's ability compete for rental units in areas of higher opportunity.

	Pierce County	Stadium	South Tacoma	North Tacoma	Mid Tacoma	East Tacoma	Downtown
Vacancy Rate (%)	3.30%	2.20%	2.70%	2.20%	3.10%	2.40%	3.90%
Average Rent (\$)	\$1,130	\$1,103	\$1,041	\$1,355	\$1,054	\$881	\$1,273
2017 THA Payment Standard as a Percentage of Average Rent	101%	104%	110%	84%	108%	130%	90%
Proposed Payment Standard as a Percentage of Average Rent	106%	109%	115%	89%	114%	136%	94%

We can surmise a number of reasons why participants might be continuing to lease in areas of lower opportunity:

10.1. Rents are rising and the payment standard is not enough

THA's current payment standard for a 2-bedroom apartment is above 100% of the average rent in Pierce County as well as the Stadium, South Tacoma, Mid Tacoma and East Tacoma neighborhoods. THA's payment standard falls below the average rent in North Tacoma (84%) and Downtown (90%). However, THA's proposed payment standard change would increase those percentages to 89% for North Tacoma and 94% for Downtown.

THA could consider adjusting its payment standards by zip code which would increase the payment standard for higher opportunity areas such as North Tacoma. However, payment standards based on zip code would likely cause sizeable rental assistance reductions for households renting in lower opportunity areas (such as East Tacoma). It is likely that those rent decreases would be greater than the rent increases in higher opportunity areas. The negative impacts of this change outweigh the potential benefits at this time. This option should be revisited in the future.

10.2. The fixed subsidy often results in an increase of the tenant portion of the rent (for HOP) pushing tenants to search for lower rent areas

THA does not find this to be true. THA has experienced an increase in households living in lower opportunity areas regardless of voucher program. In 2017, HOP and HCV households lived in similar areas across THA's jurisdiction. 51% of

both HOP and HCV households lease up in the “low” or “lowest” areas of opportunity. Slightly more HOP participants live in the “lowest” areas of opportunity. Very similar percentages of HOP & HCV households live in the “moderate”, “high”, and “highest” areas of opportunity.

10.3. Rising rental rates across Tacoma result in an increase of the tenant’s portion of the rent which pushes households to search for lower rent areas

Rents are increasing across Tacoma and not just in areas of higher opportunity. In 2016 and 2017 approximately 50% of households receiving assistance from THA (not in THA properties) received a rent increase. In 2017, the average rent increase was \$92, which is a 10% of the average household’s rent.

10.4. There are fewer options available in higher opportunity areas because landlords can be picky in a low vacancy market

10.5. Households that are being placed on a fixed subsidy are shopping for the least expensive units to rent so they can afford to keep the unit after the THA subsidy ends.

During the analysis of the HOP program we found that most households will exit HOP with shelter burdens that exceed 50% of the household’s income.

Encouraging households to lease more expensive housing in more expensive neighborhoods could have a negative impact on their ability to maintain housing after the five-year term limit.

THA could take a more aggressive approach to moving households to areas of higher opportunity and adjust the payment standards to reflect small area fair market rents. Payment standards calculated by small areas or zip codes would increase the rental assistance provided for higher opportunity areas such as North Tacoma. Staff do not recommend this approach because: (1) 50% of households are already leasing in high to moderate opportunity areas; (2) this change would make the programs harder to understand and manage in this already challenging rental market; (3) it could potentially set time-limited households up for failure; and (4) it would redirect funds that could otherwise be used for security deposits, landlord incentives or other strategies to improve leasing throughout the rental market.

Recommendation

After review of our current payment standards and the other factors listed in this analysis, we recommend that THA increase its payment standards to 105% of the HUD 2018 Proposed FMRs for the 0, 1, and 2 bedroom units, and 100% of the 2018 FMR for remaining bedroom sizes.

	FY2018 FMR	Current THA payment standard	Proposed THA Payment Standard	2018 Payment Standard as Percent of 2018 FMR
Studio	\$773	\$766	\$812	105%
1 bedroom	\$881	\$885	\$925	105%
2 bedroom	\$1145	\$1142	\$1202	105%
3 bedroom	\$1666	\$1622	\$1666	100%
4 bedroom	\$2017	\$2012	\$2017	100%

5 bedroom	\$2320	\$2314	\$2320	100%
6 bedroom	\$2622	\$2616	\$2622	100%
7 bedroom	\$2925	\$2917	\$2925	100%
8 bedroom	\$3227	\$3219	\$3227	100%

Staff recommends approving Resolution 2018-05-23 (7) authorizing THA to adopt new payments standards effective October 1, 2018.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (7) **(Update to 2018 Payment Standards)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to increase THA's payment standards.

WHEREAS, HUD sets fair market rents annually; and

WHEREAS, The housing authority sets payment standards based on market and participant data; and

WHEREAS, New payment standards will go into effect July 1, 2018; now, therefore, be it

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

The Board authorizes THA's Executive Director to increase THA's payment standards to 105% of the 2018 HUD fair market rents for 0, 1, and 2 bedroom units and 100% for the remaining bedroom sizes effective October 1, 2018.

Approved: May 23, 2018

Janis Flauding, Chair



TACOMA HOUSING AUTHORITY

WALK-ON RESOLUTION

**THA BOC Resolution 2018-05-23 (8)
James Center North Planning Services A&E**



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (8)

Date: May 23, 2018
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: James Center North Planning Services A&E

This resolution will allow THA to enter into a contract for master planning services for James Center North.

Background

On October 25, 2017 THA purchased James Center North (JCN) for the purposes of redevelopment. It offers a unique opportunity to acquire a property that is attractive for public and private developers. It supports development of market rate and affordable rental housing in a mixed-use development. It also supports Transit Oriented Development (TOD) as it is within walking distance of a transit center, grocery stores, parks and Tacoma Community College (TCC).

For the past seven (7) months, THA has been working to stabilize and increase occupancy in order to maximize revenue for THA's redevelopment effort. THA contracted with the Urban Land Institute to organize a Technical Assistance Panel of professionals in order to recommend options for redevelopment. In general, these recommendations support THA's vision for the site.

On April 4, 2018, THA staff issued a Request for Qualifications from firms interested in providing architectural and engineering services (A&E) for the James Center North master planning. The A&E team will provide professional Architectural, Engineering and planning services in order to fulfill the goal of redeveloping the James Center North property. This RFQ provides THA with the option to use the selected firm to undertake full architectural and engineering tasks on any affordable housing THA builds at James Center.

The RFQ was posted on the Washington Electronic Business Solutions, the Bluebook and THA's website on April 4, 2018. Notices were also sent to previous RFP holders of record.

A pre-submittal conference was held on April 13, 2018. The THA Project team reviewed the scope of work and the RFQ process at the conference. Twelve (12) firms attended the conference. Questions were answered via an addendum.

Eight (8) proposals were submitted by the deadline of May 4, 2018. One (1) Submission was determined to be nonresponsive.

An evaluation team comprised of three (3) THA staff, reviewed and scored the proposals according to the evaluation criteria listed in the RFQ. The committee completed the first stage of the review process and determined that four (4) firms would advance to the second stage of the review - the oral interviews. A maximum of 100 points were available. Points were organized into four primary sections, with proposals scored on several factors, including:

1. Organizational and Staff Capacity (30 Points);
2. Approach and Response to Scope of Services (25 Points);
3. Demonstrated Success for Similar Projects (25 Points); and,
4. Interview and References (20 Points). This section is only for the 4 firms selected for interviews.

After the oral interviews the evaluation team, which included THA staff, a representative from the real estate community and a representative of the City of Tacoma's Planning Department, voted unanimously in favor of proceeding with contract negotiations with Ankrom Moisan. The evaluation scores from interviewed firms are noted below:

Firm	Panelist 1					Panelist 2					Panelist 3					Average
	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	
Ankrom Moisan	25	23	25	16	89	25	22	20	20	87	28	24	24	20	96	91
Hewitt	26	23	23	15	87	25	20	22	18	85	28	22	22	20	92	88
BCRA	27	24	24	14	89	25	22	20	17	84	26	23	22	18	90	87
Torti Galas	27	24	22	12	85	25	22	22	15	84	27	22	25	15	89	86
LRS	25	23	23	0	71	25	20	15	0	60	24	22	21	0	67	66
GGLO	25	20	25	0	70	20	20	20	0	60	28	20	22	0	70	66
Rice Fergus Miller	27	20	20	0	67	20	18	15	0	53	25	20	20	0	65	61
Bush Roed Hitchings																Non responsive

Recommendation

Approve Resolution No. 2018-05-23 (8) to award a Contract for Architectural and Engineering Services for James Center North Master Planning in an amount not-to-exceed of \$250,000 for the predevelopment phase of work. This work will begin the summer of 2018. If staff is unable to negotiate a contract with the highest ranking firm, the Executive Director is authorized to negotiate and award a contract with the second highest ranking firm.



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-05-23 (8)

(Approval to Negotiate and Award a Contract for the Architectural and Engineering Services for James Center North Master Planning)

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

WHEREAS, The Housing Authority of the City of Tacoma (the “Authority”) approved resolution 2017-8-23 (4) authorizing the acquisition of property located at 1620 S. Mildred Street; and

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

WHEREAS, On April 4, 2018 Tacoma Housing Authority (THA) Staff issued a Request for Qualifications (RFQ) from firms interested in providing architectural and engineering services for parcels comprising “the James Center North Master Plan”; and

WHEREAS, The RFQ was posted on the Washington Electronic Business Solutions, Bluebook and THA’s website on April 4, 2018; and

WHEREAS, Eight (8) firms submitted proposals by the deadline of May 4, 2018, seven (7) were deemed responsive; and

WHEREAS, An evaluation team, comprised of three THA staff reviewed and scored the proposals according to evaluation criteria listed in the RFQ; and

WHEREAS, An interview team comprised of three THA staff and two community representatives interviewed four firms; and

WHEREAS, The evaluation and interview team voted unanimously in favor of awarding a contract to the firm of Ankrom Moisan; now, therefore, be it

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to award a contract for architectural and engineering services for James Center North in an amount not-to-exceed of \$250,000 to Ankrom Moisan Architects. If staff is unable to negotiate a contract with Ankrom Moisan, the Executive Director may negotiate and award a contract with the second highest ranking firm of Hewitt.

Approved: May 23, 2018

Janis Flauding, Chair