



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**March 24, 2010**



# TACOMA HOUSING AUTHORITY

Michael Mirra  
Executive Director

## BOARD OF COMMISSIONERS

Ken Miller, Chair  
Janis Flauding, Vice Chair  
Dr. Arthur C. Banks  
Greg Mowat  
Stanley Rumbaugh

## REGULAR MEETING BOARD OF COMMISSIONERS

**WEDNESDAY, March 24, 2010**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Regular Meeting on **Wednesday, March 24, 2010 at 4:00 p.m.**

The meeting will be held at:

**902 South L Street  
Tacoma, WA 98405**

The site is accessible to persons with disabilities. Persons requiring special accommodations should contact Christine Wilson at (253) 207-4421, before 4:00 p.m. the day before the scheduled meeting.

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I, Christine Wilson, certify that on or before Friday, March 19, 2010, I FAXED, the preceding PUBLIC MEETING NOTICE to:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123
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	fax: tips@q13fox.com
KSTW-TV/Channel 11	602 Oaksdale Avenue SW Renton, WA 98055-1224	fax: 206-861-8915
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 resident organizations with notification requests on file*

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Christine Wilson  
Executive Administrator



# TACOMA HOUSING AUTHORITY

**AGENDA  
REGULAR MEETING  
BOARD OF COMMISSIONERS  
March 24, 2010, 4:00 PM  
(902 South L Street)**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
  - 3.1 Minutes of February 24, 2010 Regular Meeting
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. ADMINISTRATION REPORTS**
  - 6.1 Finance and Administration
  - 6.2 Real Estate Management and Housing Services
  - 6.3 Real Estate Development
  - 6.4 Community Services
- 7. OLD BUSINESS**
- 8. NEW BUSINESS**
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 11. EXECUTIVE SESSION**
- 12. ADJOURNMENT**

# MEETING MINUTES



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, February 24, 2010

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:00 PM on Wednesday, February 24, 2010.

### 1. CALL TO ORDER

Chairman Miller called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:02 PM without a quorum and proceed to items on the agenda that did not require a vote of the board.

### 2. ROLL CALL

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

#### PRESENT

#### ABSENT

#### Commissioners

Ken Miller, Chairman

Arthur Banks, Commissioner (arrived at 4:15 PM)

Stanley Rumbaugh, Commissioner (arrived at 4:40 PM)

Janis Flauding, Vice Chair

Greg Mowat, Commissioner

#### Staff

Michael Mirra, Executive Director

Christine Wilson, Executive Administrator

Ken Shalik, Finance Director

April Davis, REMHS Director

Nancy Vignec, Community Services Director

Barbara Tanbara, Human Services Director

Tina Hansen, Interim RED Director

Chairman Miller declared there was a quorum present @ 4:40 PM and proceeded.

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

Chair Miller asked for any corrections to or discussion of minutes for the regular meeting of the Board of Commissioners of Wednesday, January 27<sup>th</sup>. Commissioner Banks moved to adopt the minutes, Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

Chair Miller asked for any corrections to or discussion of minutes for the Study Session of the Board of Commissioners of Friday, February 5<sup>th</sup>. Commissioner Rumbaugh moved to adopt the minutes, Commissioner Bank's seconded.

Upon roll call, the vote was as follows:

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

**Motion Approved**

**4. GUEST COMMENTS**

Ms. Hope Rein stated that SAFE is doing well and they are currently working on the annual meeting planned for July. She reported that a trip has been planned to Pike Place Market in Seattle and she introduced resident Carl Mastherg, resident from Ludwig who also sits on the SAFE board.

**5. COMMITTEE REPORTS**

HOPE VI Community Task Force – No report

Finance Committee – No report

## 6. ADMINISTRATIVE REPORTS

### Finance Administration

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$4,062,714 for the month of January, 2010, Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

### **Motion approved.**

Director Shalik referred the board to his report, discussion ensued. He reported that THA received a 10% increase in HAP payments for 2010. ED Mirra elaborated and Director Shalik confirmed that with this news there will be no need to terminate vouchers and THA will be able to honor its commitment of vouchers to Sal 7. However, THA still cannot issue new vouchers to the waiting list. Director Shalik provided a VisualHomes update stating training issues and software modifications are currently being reviewed. There was some discussion about what the department meant by “critical” issue. Director Shalik clarified that it did not mean a “show stopper” for the agency.

### Real Estate Management and Housing Services

Director Davis referred the board to her report. Discussion ensued regarding the Annual Plan going out for public comment and referred to BOC to the Tacoma-Pierce County Health Department Salishan survey.

### Real Estate Development

Interim Director Hansen referred the board to her report. She stated that we are still waiting to hear about our HOPE VI application for Hillside Terrace. She introduced representatives from Absher Construction in the audience. She noted that the board will vote on a resolution this evening to authorize awarding the Hillside Terrace Construction Manager/General Contractor Services to Absher Construction.

### Community Services

Director Vignec referred the board to her report and introduced FIT staff members Mary Syslo-Seel, Colin De Forrest, and Megan Davis. They discussed the experience of the Fourth Annual THA Adopt a Family Program this last holiday season. In this effort, THA staff “adopted” all the Families in Transition families and insured that all members of each family received Christmas gifts. The Community Service staff then delivered the gifts. Mr.

DeForrest nad Ms. Davis noted how appreciative the families were. Ms. Davis underscored the importance of housing provided by THA to the success of these families.

**Human Resources**

Director Tanbara referred the board to her report. She discussed the Employee Opinion Survey that staff recently completed. She reported that the contractor is currently analyzing the results. She is also working to complete some ongoing union issues. The HR Policy rollout has been completed. Commissioner Rumbaugh asked about increases in health insurance costs over the past two years. Director Tanbara stated it has been 17%. Commissioner Rumbaugh followed up asking to see data for the past three years showing employee cost increases v. employer cost increases.

**7. NEW BUSINESS**

**7.1 RESOLUTION 2010-2-24 (1)**

**AMP1 RENOVATIONS AT 2 FACILITIES**

**Whereas,** The Housing Authority of the City of Tacoma (the “Authority”) solicited bids for AMP1 Renovations at 2 Facilities;

**Whereas,** The timely advertisements for bids were placed in the following publications, websites and dates; the Skanner and the Tacoma Small Business Incubator on January 5, 2010; the WEBS government projects website on January 5, 2010; bid documents were provided to 12 plan centers, and the Blue Book website on January 5, 2010.

**Whereas,** Thirteen (13) companies received the bid package;

**Whereas, Bids were received in the following amounts; The bid results from lowest to highest bid are as follows:**

<i>Company</i>	<i>Base Bid</i>	<i>Deductive Alt. #1</i>	<i>Deductive Alt. #2</i>	<i>Deductive Alt. #3</i>	<i>Responsive-Responsible Y / N</i>
<b>DOM CONSTRUCTION</b>	<b>\$ 731,350.00</b>	<b>\$9,465.00</b>	<b>\$3,000.00</b>	<b>\$22,000.00</b>	<b>N</b>
<b>TATLEY-GRUND</b>	<b>\$1,063,750.00</b>	<b>\$4,026.00</b>	<b>\$6,191.00</b>	<b>\$19,643.00</b>	<b>Y</b>
<b>CHRISTENSEN</b>	<b>\$1,115,950.00</b>	<b>\$11,000.00</b>	<b>\$6,000.00</b>	<b>\$15,000.00</b>	<b>Y</b>
<b>SHINSTINE</b>	<b>\$1,139,950.00</b>	<b>\$5,400.00</b>	<b>\$3,700.00</b>	<b>\$11,600.00</b>	<b>Y</b>
<b>SYNERGY</b>	<b>\$1,311,795.00</b>	<b>\$3,600.00</b>	<b>\$3,690.00</b>	<b>\$17,086.00</b>	<b>N</b>
<b>CHARTER</b>	<b>\$1,462,176.00</b>	<b>\$6,774.00</b>	<b>\$2,109.00</b>	<b>\$15,248.00</b>	<b>Y</b>

**Whereas,** Staff determined that the lowest responsive and responsible bidder is Tatley-Grund Inc.; and



**Whereas,** Total financing for the work is from 2009 ARRA Funds Capital Funds;

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

1. The bid for Contract Number WA: 5-AMP1-ARRA-02-09 Renovations at 2 Facilities for N. G Street AND N. K Street be accepted as a fair and reasonable bid and that the contract be awarded to Tatley-Grund Inc. in compliance with all bid documentation requirements in the amount of \$1,063,750.00 plus a Not to Exceed contingency of \$106,375.00.

**Approved: February 24, 2010**

\_\_\_\_\_  
Ken Miller, Chairman

Commissioner Banks 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

**Motion approved**

## **7.2 RESOLUTION 2010-2-24 (2)**

### **AMP 2 RENOVATIONS AT 3 FACILITIES**

**Whereas,** The Housing Authority of the City of Tacoma (the “Authority”) solicited bids for AMP2 Renovations at 3 Facilities;

**Whereas,** The timely advertisements for bids were placed in the following publications, websites and dates;

***The ITB was published in the Skanner and the Tacoma Small Business Incubator on January 12, 2010; The WEBS government projects website on January 12, 2010; Bid documents were provided to 12 plan centers, and the Blue Book website on January 12, 2010.***

**Whereas,** Twelve (12) companies received the bid package;

***Whereas, Bids were received in the following amounts;***

***The bid results from lowest to highest bid are as follows:***

<i>Company</i>	<i>Base Bid</i>	<i>6<sup>th</sup> Avenue Deductives</i>	<i>Fawcett Deductives</i>	<i>Wright Deductives</i>	<i>Responsive- Responsible Y / N</i>
<i>DOM CONSTRUCTION</i>	<i>\$793,500.00</i>	<i>\$70,250.00</i>	<i>\$210,000.00</i>	<i>\$157,000.00</i>	<i>N</i>
<i>CHRISTENSEN INC.</i>	<i>\$919,950.00</i>	<i>\$71,700.00</i>	<i>\$98,450.00</i>	<i>\$191,300.00</i>	<i>Y</i>
<i>C E &amp; C</i>	<i>\$1,232,739.00</i>	<i>\$64,586.00</i>	<i>\$138,555.00</i>	<i>\$346,398.00</i>	<i>Y</i>
<i>TATLEY - GRUND</i>	<i>\$1,543,813.00</i>	<i>\$88,631.00</i>	<i>\$165,422.00</i>	<i>\$616,155.00</i>	<i>N</i>
<i>SHINSTINE</i>	<i>\$1,805,700.00</i>	<i>\$61,700.00</i>	<i>\$133,000.00</i>	<i>\$165,000.00</i>	<i>Y</i>

**Whereas,** Staff determined that the lowest responsive and responsible bidder is Christensen Inc.; and

**Whereas,** Total financing for the work is from 2009 ARRA Funds Capital Funds;

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

1. The bid for Contract Number WA: 5-AMP2-ARRA-02-09 Renovations at 3 Facilities for Sixth Avenue, Fawcett and Wright Street be accepted as a fair and reasonable bid and that the contract be awarded to Christensen Inc. in compliance with all bid documentation requirements in the amount of \$919,750.00 plus a Not to Exceed contingency of \$138,050.00.

**Approved: February 24, 2010**

\_\_\_\_\_  
Ken Miller, Chairman

Commissioner Banks 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

**Motion Approved**

### **7.3 RESOLUTION 2010-2-24 (3)**

#### **AMP 3 RENOVATIONS AT 3 FACILITIES**

**Whereas,** The Housing Authority of the City of Tacoma (the “Authority”) solicited bids for AMP3 Renovations at 3 Facilities;

**Whereas,** The timely advertisements for bids were placed in the following publications, websites and dates;

*The ITB was published in the Skanner and the Tacoma Small Business Incubator on January 12, 2010; The WEBS government projects website on January 12, 2010; Bid documents were provided to 12 plan centers, and the Blue Book website on January 12, 2010.*

**Whereas,** 12 companies received the bid package;

*Whereas, Bids were received in the following amounts;*

<i>Company</i>	<i>Base Bid</i>	<i>Bergerson Deductives</i>	<i>Ludwig Deductives</i>	<i>Responsive- Responsible Y / N</i>
<i>C E &amp; C, INC.</i>	<i>\$409,560.00</i>	<i>\$28,788.00</i>	<i>\$23,448.00</i>	<i>Y</i>
<i>J.A.M. CONSTRUCTION</i>	<i>\$456,544.00</i>	<i>\$27,000.00</i>	<i>\$16,800.00</i>	<i>Y</i>
<i>CHRISTENSEN INC.</i>	<i>\$474,805.00</i>	<i>\$9,300.00</i>	<i>\$32,600.00</i>	<i>Y</i>
<i>LIBBY BUILDERS</i>	<i>\$486,440.00</i>	<i>\$17,467.00</i>	<i>\$35,820.00</i>	<i>Y</i>
<i>TATLEY - GRUND</i>	<i>\$509,737.00</i>	<i>\$31,525.00</i>	<i>\$27,162.00</i>	<i>Y</i>
<i>SHINSTINE</i>	<i>\$607,500.00</i>	<i>\$22,000.00</i>	<i>\$31,000.00</i>	<i>Y</i>
<i>SYNERGY</i>	<i>\$898,009.00</i>	<i>\$32,797.00</i>	<i>\$18,819.00</i>	<i>Y</i>

**Whereas,** Staff determined that the lowest responsive and responsible bidder is C E & C, INC.; and

**Whereas,** Total financing for the work is from 2009 ARRA Funds Capital Funds;

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

1. The bid for Contract Number WA: 5-AMP3-ARRA-02-09 Renovations at 3 Facilities for Bergerson Terrace, Dixon Village and Ludwig Apartments be accepted as a fair and reasonable bid and that the contract be awarded to CE & C Inc. in compliance with all bid documentation requirements in the amount of \$409,560.00 plus a Not to Exceed contingency of \$82,140.00.

**Approved: February 24, 2010**

\_\_\_\_\_  
Ken Miller, Chairman

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

Upon roll call, the vote was as follows:

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

**Motion Approved**

**7.4 RESOLUTION 2010-2-24 (5)**

**ARCHITECTURAL & ENGINEERING (A&E) SERVICES FOR  
MULTIFAMILY PUBLIC HOUSING UPGRADES (ARRA CAPITAL FUND  
PROJECTS)**

**WHEREAS**, The American Recovery and Reinvestment Act (ARRA) 2009 was signed into law by on February 17, 2009;

**WHEREAS**, The Housing and Urban Developments Office of Capital Improvements (OCI) announced that \$2.985 billion in Capital Fund formula grant funds were awarded pursuant to the ARRA;

**WHEREAS**, Tacoma Housing Authority (THA) received an award of \$4,096,616.00;

**WHEREAS**, THA received approval of Resolution 2009-05-27(1) for Architectural & Engineering Services;

**WHEREAS**, May 27, 2009 the Housing Authority Board of Commissioners approved Resolution 2009-05-27(1) authorizing the Executive Director to negotiate and award a Phase I Contract for the ARRA Capital Fund projects to The Casey Group for A&E Services in the amount not-to-exceed \$150,000 and in October 2009 Resolution 2009-10-28(1) increased the Phase I contract amount by \$12,000 and authorized the first project for the Phase II work for G Street Apartments in the amount of \$40,000 and in November 2009 Resolution 2009-11-18(1) increased the Phase II contract amount by \$324,000;

**WHEREAS**, The staff recommends the approval and appropriation of additional funds to cover completion of the work in Phase II of the contract.

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

1. Approve Resolution 2010-2-24(5) authorizing the Executive Director to increase the Phase II contract by \$48,000.00 for a total amount not-to-exceed \$574,000.00. The funding is to complete Phase II work at AMP1, AMP2 and AMP3 for the ARRA Capital Fund projects by The Casey Group for A&E Services.

**Approved:** February 24, 2010

\_\_\_\_\_  
Ken Miller, Chairman

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

Upon roll call, the vote was as follows:

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

**Motion Approved**

**7.5 RESOLUTION 2010-2-24 (6)**

**1800-2500 AUTHORIZATION TO AWARD HILLSIDE TERRACE  
CONSTRUCTION MANAGER/GENERAL CONTRACTOR SERVICES**

**Whereas,** The Housing Authority of the City of Tacoma (the “Authority”) solicited proposals for CM/GC Services;

**Whereas,** The timely advertisements for proposals were placed in the following publications and dates;

Various Plan Centers	12/18
William M Factory Small Business Incubator	12/18
Washington Electronic Business Solutions (WEBS)	12/18
The Blue Book	12/18

**Whereas,** Seven contractors presented proposals;

**Whereas,** The proposals were evaluated using the criteria outlined in the Request for 1 Proposals;

**Whereas,** Absher Construction Co. was the highest ranking firm;

**Whereas,** The Authority has developed a preliminary budget of \$22.5 Million for the project; and

**Whereas,** The Pre-Construction Services will be funded through Capital Funds;

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

1. The Executive Director has the authority to negotiate and execute the contract for Construction Manager/General Contractor Services for 1800/2500 Hillside Terrace with Absher Construction. The contract will be awarded in phases through amendments to the Pre-Construction Services Agreement.
2. The Executive Director has the authority to negotiate and execute the Pre-Construction Services Agreement in the amount not-to-exceed \$75,000.

**Approved: February 24, 2010**

\_\_\_\_\_  
Ken Miller, Chairman

Commissioner Banks 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

**Motion Approved**

**8. COMMENTS FROM COMMISSIONERS**

None.

**9. COMMENTS FROM THE EXECUTIVE DIRECTOR**

ED Mirra directed the board to his report. He reviewed the issues pertinent to THA presently before the state legislature.

**10. ADJOURNMENT**

There being no further business to conduct, Commissioner Banks moved to adjourn, Commissioner Rumbaugh seconded the motion. Meeting adjourned at 5:52 PM.

**APPROVED AS CORRECT**

**Adopted:** March 24, 2010

\_\_\_\_\_  
Ken Miller, Chair

HOPE VI Community Task Force  
*Commissioner Banks*

Finance Committee  
*Commissioner Mowat*

# ADMINISTRATION REPORTS



FINANCE  
AND  
ADMINISTRATION



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,387,362 for the month of February, 2010.

Approved: March 24, 2010

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Ken Miller, Chairman



# TACOMA HOUSING AUTHORITY

**Date:** March 24, 2010

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Finance and Administration Director

**Re:** Finance & Administration Department Monthly Board Report

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## 1. FINANCIAL STATEMENT COMMENTS

I present the February, 2010 disbursement report for your approval.

The Finance Department is submitting the financial statement for the month of January, 2010. For the operating surplus/(deficit) portion (line 64), January ended up with an operating surplus of \$233,355 for the month, and an operating deficit of \$281,844 year to date. The current projection for FY ending 06/30/10 is an operating deficit of approximately \$421,978, as opposed to a budgeted operating deficit of \$1,007,672. Line 67, which includes our transfer to development projects and reserve appropriations, projects a \$80,124 surplus at year end. With the revised budgeted numbers, there are no significant variations from budget at this point, with the majority of expenses coming in under budget. If we stay on our current track, it also appears we may not be utilizing as much of our reserves as anticipated.

## 2. INVESTMENTS

Surplus funds had been invested in Heritage checking, Money Market accounts and the Washington State Investment Pool. There is no change in the current Washington state collateralization policy and rates remain at .5%. The Washington State Investment pool meets the state requirements with interest rates a little higher than .2%.

## 3. INFORMATION TECHNOLOGY/SOFTWARE IMPLEMENTATION

THA is continuing to work with VisualHOMES to resolve long standing software issues. The biweekly meetings between our two agencies are proceeding on schedule. The following contains our latest update.

### INITIATIVES

#### Initiatives Completed

- Upgrade of SQL Server
- Upgrade to AccountMate 7.5 accounting software.

FINANCE DEPARTMENT MONTHLY REPORT

March 2010

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**Initiatives Underway**

- Upgrade of Purchase Requisitions – PRQ .net
- Upgrade of VMS reporting systems
- Partnership between VisualHOMES and THA in development of upgraded Tax Credit module.

**Initiatives Under Consideration**

- LRTran07 – Upgrade in Tax Credit modules for tenant accounting. Demonstration requested. Strong likelihood of upgrade.
- Sec8Tran08 – Demonstration requested to see if benefits for agency to upgrade
- Grant Processing and Reporting module – Discussed during visit at VisualHomes conference. Demonstration needed to determine improvements made since last time we used.

**ISSUES**

<b>Priority</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Critical</b>	<b>Total</b>
Total Support Requests	6	27	21	1	55
New this month	1	4	2	1	8
Bug Report Submitted	1	5	5		11
Modification Needed	4	11	4		19
Training Required	0	3	4		7
Upgrade Available	0	0	0		0
Action Required from THA	0	0	0		0
Under VH Review	0	0	0		0
In VH Development	0	0	0		0
In THA Testing	0	0	0		0
Issues resolved	1	8	8	1	18

**LEGEND**

- Bug Report Submitted – Bugs are considered errors within the current functionality. Please note enhancements to current functionality should not be categorized as bugs.
- Modification Needed – This category should include all requests for new functionality or enhancement of current functionality
- Training Required - A lack of understanding in the software has resulted in need for THA to schedule training. Issues in this category need to be addressed with staff training.

- Upgrade Available - The solution to the reported issue has already been resolved in a new release. THA needs to schedule an upgrade with VisualHOMES Support.
- Action Required from THA – VisualHOMES has requested additional information to provide clarification of the reported issue
- Under VH Review– VisualHOMES support staff handles issues related to minor system bugs, data issues and training. When in this category, the issue is being worked on.
- In VH Development – Issues (Bugs and/or Approved Modifications) in development will be addressed in future releases (builds) or added to technical specs of future enhancements.
- In THA Testing - VisualHOMES has tested and delivered the requested changes to THA for Acceptance Testing. THA will test the required changes and provide documented feedback/approval.
- Issues Resolved – Issues in the category have been resolved and a solution implemented by VH and THA.

#### 4. ASSET MANAGEMENT AND COMPLIANCE

##### **Compliance**

We have made tremendous progress in the area of compliance. Our PIC data is well-maintained and our submission rates are good. We implemented a process for quality assurance and have a schedule that will enable us to review a random sampling of files from each site and Leasing and Occupancy specialist in a twelve-month period. We also have been busy setting up our Tax Credit projects in the Washington State Housing Finance Commission's new program designed to monitor the status of every unit and enable us to submit our required reports electronically. We have been working closely with the Commission to resolve numerous issues inherent in any new system.

##### **Risk Management**

Over the past year, we have worked diligently to review THA's insurance coverages and ensure THA is adequately insured. Some of the milestones we have reached include hiring a broker to represent THA's Tax Credit portfolio; reviewing coverages for our partnerships and considering recommendations from our broker concerning possible changes; placing all of the policies for our Tax Credit properties under a single package policy; and analyzing and addressing any possible limitations in our coverage on the THA side. Through this process, we have not only properly addressed THA's risks, but we have also saved the agency money and improved the efficiency of our risk management operations.

##### **Asset Management**

In the area of Asset Management, we have been busy working with staff to streamline our purchasing processes and to provide meaningful data to review. We are working to create reports that are constructive, and to help non-accounting staff have information in a format that makes functional sense for their area of the agency.

**5. YEAR-END UPDATE**

Our audited version has been entered into the REAC website and we are waiting for the audit to be completed so we can submit it. By the time of the board meeting, it is anticipated the financial information will be returned from the Washington state auditors office and we will be able to submit.

**6. BUDGET**

FY 2011 budget documents have been provided to the different departments. Initial worksheets were returned to finance on March 12<sup>th</sup>. We are in the process of compiling the data so we can meet with the different departments and the cabinet to start working through the numbers.

**7. DESK MANUAL PROJECT**

The desk manual project is proceeding on schedule. Major processes have been identified and by this time the initial prioritization will have taken place, so we can start the process mapping phase of the project.

**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

		January, 2010				Thru 06/30/2010		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>OPERATING RECEIPTS</b>								
1	Tenant Revenue - Dwelling rent	218,183	1,496,136	1,410,721	6.05%	2,564,805	2,418,379	6.05%
2	Tenant Revenue - Other	5,724	41,844	28,292	47.90%	71,733	48,500	47.90%
3	HUD grant - Section 8 HAP reimbursemen	2,503,014	17,495,232	17,726,776	-1.31%	29,991,826	30,388,758	-1.31%
4	HUD grant - Section 8 Admin fee earned	196,289	1,519,111	1,451,147	4.68%	2,544,190	2,487,681	2.27%
5	HUD grant - Public Housing subsidy	159,975	1,590,806	1,477,665	7.66%	2,552,096	2,533,140	0.75%
6	HUD grant - Community Services/HOPE	30,316	389,492	536,407	-27.39%	667,701	919,554	-27.39%
7	HUD grant - Capital Fund Operating Reve	17,528	144,021	197,868	-27.21%	296,893	339,203	-12.47%
8	Management Fee Income	168,780	1,016,227	1,011,994	0.42%	1,742,103	1,734,846	0.42%
9	Fee For Service Income	10,178	140,152	141,257	-0.78%	240,261	242,155	-0.78%
10	Other Government grants	4,446	91,957	56,583	62.52%	101,957	97,000	5.11%
11	Investment income	3,762	29,132	35,365	-17.62%	49,941	60,625	-17.62%
12	Fraud Recovery Income - Sec 8	149	14,411	10,208	41.17%	24,705	17,500	41.17%
13	Other Revenue- Developer Fee Income	380,000	380,000	1,034,756	-63.28%	1,773,867	1,773,867	0.00%
14	Other Revenue	15,196	274,823	187,238	46.78%	321,125	320,980	0.05%
15	<b>TOTAL OPERATING RECEIPTS</b>	<b>3,713,540</b>	<b>24,623,344</b>	<b>25,306,276</b>	<b>-2.70%</b>	<b>42,943,202</b>	<b>43,382,188</b>	<b>-1.01%</b>
<b>OPERATING EXPENDITURES</b>								
<b>Administrative Expenses</b>								
16	Administrative Salaries	250,052	1,857,738	1,955,767	-5.01%	3,184,694	3,352,743	-5.01%
17	Administrative Personnel - Benefits	99,834	669,344	733,489	-8.75%	1,147,447	1,257,409	-8.75%
18	Accounting & Audit Fees	20,789	29,081	40,779	-28.69%	69,906	69,906	0.00%
19	Management Fees	139,549	838,853	888,037	-5.54%	1,513,034	1,522,349	-0.61%
20	Advertising	546	4,661	7,583	-38.54%	7,990	13,000	-38.54%
21	Data Processing Expenses	23,114	98,202	142,742	-31.20%	243,346	244,701	-0.55%
22	Office Supplies	13,008	53,033	62,978	-15.79%	90,914	107,962	-15.79%
23	Publications & Memberships	5,804	30,725	23,115	32.92%	45,171	39,625	14.00%
24	Telephone	7,152	55,495	60,958	-8.96%	95,134	104,500	-8.96%
25	Postage	3,922	22,592	28,239	-20.00%	38,729	48,409	-20.00%
26	Leased Equipment & Repairs	2,368	29,887	33,577	-10.99%	51,235	57,560	-10.99%
27	Office Equipment Expensed	0	22,275	55,942	-60.18%	38,186	95,900	-60.18%
28	Legal	6,836	70,506	54,017	30.53%	110,867	92,600	19.73%
29	Local Milage	271	5,968	13,260	-54.99%	10,231	22,731	-54.99%
30	Staff Training/Out of Town travel	6,004	70,436	104,577	-32.65%	150,747	179,275	-15.91%
31	Contract Services	5,615	176,360	227,278	-22.40%	377,331	389,619	-3.15%
32	Other administrative expenses	5,071	80,352	77,671	3.45%	137,746	133,150	3.45%
33	Due diligence - Development projects	0	0	29,167	-100.00%	25,000	50,000	-50.00%
34	Contingency	0	0	1,458	-100.00%	0	2,500	-100.00%
35	<b>Total Administrative Expenses</b>	<b>589,935</b>	<b>4,115,508</b>	<b>4,540,631</b>	<b>-9.36%</b>	<b>7,337,709</b>	<b>7,783,939</b>	<b>-5.73%</b>

	CURRENT MTH ACTUAL	January, 2010			Thru 06/30/2010			
		YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE	
<b>Tenant Service</b>								
36	Tenant Service - Salaries	64,006	443,964	425,068	4.45%	761,081	728,688	4.45%
37	Tenant Service Personnel - Benefits	25,974	167,700	155,496	7.85%	287,486	266,565	7.85%
38	Relocation Costs	14,390	47,138	55,417	-14.94%	110,808	95,000	16.64%
39	Tenant Service - Other	2,818	210,599	284,726	-26.03%	361,027	488,102	-26.03%
40	<b>Total Tenant Services</b>	<b>107,188</b>	<b>869,401</b>	<b>920,707</b>	<b>-5.57%</b>	<b>1,520,402</b>	<b>1,578,355</b>	<b>-3.67%</b>
<b>Project Utilities</b>								
41	Water	8,808	60,071	58,049	3.48%	102,979	99,513	3.48%
42	Electricity	5,461	96,447	134,380	-28.23%	165,338	230,365	-28.23%
43	Gas	6,425	36,171	45,992	-21.35%	62,007	78,843	-21.35%
44	Sewer	24,213	163,065	157,794	3.34%	279,540	270,504	3.34%
45	<b>Total Project Utilities</b>	<b>44,907</b>	<b>355,754</b>	<b>396,215</b>	<b>-10.21%</b>	<b>609,864</b>	<b>679,225</b>	<b>-10.21%</b>
<b>Ordinary Maintenance &amp; Operations</b>								
46	Maintenance Salaries	45,721	410,040	408,216	0.45%	702,926	699,798	0.45%
47	Maintenance Personnel - Benefits	15,919	143,507	135,727	5.73%	246,012	232,674	5.73%
48	Maintenance Materials	10,269	100,116	99,601	0.52%	171,627	170,745	0.52%
49	Contract Maintenance	53,564	530,116	516,733	2.59%	883,770	885,828	-0.23%
50	<b>Total Routine Maintenance</b>	<b>125,473</b>	<b>1,183,779</b>	<b>1,160,276</b>	<b>2.03%</b>	<b>2,004,335</b>	<b>1,989,045</b>	<b>0.77%</b>
<b>General Expenses</b>								
51	Protective Services	14,796	88,674	108,745	-18.46%	182,013	186,420	-2.36%
52	Insurance	15,005	120,403	116,454	3.39%	206,405	199,636	3.39%
53	Other General Expense	52,947	443,514	499,063	-11.13%	760,310	855,536	-11.13%
54	Payment in Lieu of Taxes	2,397	8,391	5,688	47.53%	14,385	9,750	47.53%
55	Bad Debt - Tenant Rents	0	6,114	10,792	-43.35%	18,500	18,500	0.00%
56	Interest Expense	24,523	203,720	350,459	-41.87%	629,234	600,786	4.74%
57	<b>Total General Expenses</b>	<b>109,668</b>	<b>870,816</b>	<b>1,091,200</b>	<b>-20.20%</b>	<b>1,810,846</b>	<b>1,870,628</b>	<b>-3.20%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 977,171</b>	<b>\$ 7,395,258</b>	<b>\$ 8,109,029</b>		<b>\$ 13,283,157</b>	<b>\$ 13,901,192</b>	
<b>Nonroutine Expenditures</b>								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	14,698	43,750	-66.40%	65,197	75,000	-13.07%
60	Casualty Losses	0	0	14,583	-100.00%	25,000	25,000	0.00%
61	Sec 8 HAP Payments	2,503,014	17,495,232	17,726,776	-1.31%	29,991,826	30,388,758	-1.31%
62	<b>Total Nonroutine Expenditures</b>	<b>2,503,014</b>	<b>17,509,930</b>	<b>17,785,109</b>	<b>-1.55%</b>	<b>30,082,023</b>	<b>30,488,758</b>	<b>-1.33%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>3,480,185</b>	<b>24,905,188</b>	<b>25,894,138</b>	<b>-3.82%</b>	<b>43,365,180</b>	<b>44,389,950</b>	<b>-2.31%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>233,355</b>	<b>(281,844)</b>	<b>(587,861)</b>	<b>-52.06%</b>	<b>(421,978)</b>	<b>(1,007,762)</b>	<b>-58.13%</b>
<b>Reserve/Capital Affecting Operations</b>								
65	THA transfer to development projects	(1,473)	(1,608,320)	(2,479,400)	-35.13%	(3,991,400)	(4,250,400)	-6.09%
66	Reserve Appropriations	19,289	1,885,905	3,080,418	-38.78%	4,493,502	5,280,717	-14.91%
67	<b>THA SURPLUS/(DEFICIT)</b>	<b>251,171</b>	<b>(4,259)</b>	<b>13,157</b>		<b>80,124</b>	<b>22,555</b>	



**TACOMA HOUSING AUTHORITY**  
**CASH BALANCES - February 28, 2010**

Account Name	Current Balance	Interest	
<b>HERITAGE BANK</b>			
Accounts Payable	\$ 4,115,580	0.500%	
Section 8 Checking	1,582,453	0.500%	
THA Investment Pool	282	0.500%	
THA LIPH Security Deposits	87,128	0.500%	
THDG - Tacoma Housing Development Group	10,438	0.500%	
LF - Windstar	2,038	0.500%	
LF - Stewart Court	139,996	0.500%	
LF - Stewart Ct Security Deposit Account	13,991	0.500%	
LF - SF 9Homes Alaska	160,914	0.500%	
LF - SF 9Homes Alaska Sec Dep Acct	14,339	0.500%	
LF - SFH No. Shirley	5,382	0.500%	
LF - SFH N Shirley Security Deposit Acct	1,034	0.500%	
LF - Wedgewood Homes	208,295	0.500%	
LF - Wedgewood Homes Security Deposit Acct	14,750	0.500%	
General Fund Money Market	3,479,355	0.500%	
<b>WASHINGTON STATE</b>			
Investment Pool	\$ 814,518	0.280%	
<b>US BANK</b>			
Payroll Account	\$ 7,209		
<b>CHASE</b>			
HSS-IDA Account	\$ 243	0.05%	
IDA Account	104,159	0.01%	
<b>TOTAL THA CASH BALANCE</b>	<b>\$ 10,762,103</b>		
<b>LESS:</b>			
<b>Restrictions:</b>			
HAP Reserves	\$ 582,630		
Section 8 Voucher Operating Reserves	-		
FSS Escrows	233,925		
Mod Rehab Operating Reserves	148,980		
PH Operating Reserves	4,234,698		
Security Deposit Accounts	125,388		
Salishan Sound Families - 608	282,314		
IDA Accounts - 604,605,611	104,402		
THDG - 048	10,438		
Wedgewood Operating Reserve	-		
<b>Agency Liabilities:</b>			
Windstar Loan - 042	338,654		
Local Fund Debt Service	235,223		
Citibank Loan for Area 3	3,300,000		
(\$3.3 million due Citibank Jan, 2011 if lots not sold)			
ABHOW Lease Option (Contingent until ABHOW breaks ground)	1,070,000		
<b>Total Restrictions</b>	<b>\$ 10,666,651</b>		
<b>THA UNENCUMBERED CASH \$ 95,452</b>			
<b>Agency Current Commitments:</b>			
	Commitment	Expended	Balance
Salishan Infrastructure (Area 2B) (532)	\$ 4,075,000	\$ 2,426,714	\$ 1,648,286
Habitat for Humanity Loan	135,000	135,000	-
Salishan Education & Training - On hold	234,000		-
Salishan 5 (905) - Not needed for Sal 5			-
Salishan 6			
Salishan 7			
Other Development Projects			
<b>Total Current Commitments outstanding</b>	<b>\$</b>	<b>\$ 1,648,286</b>	<b>\$ 1,648,286</b>
<b>Advances until Funding Source determined</b>			
Salishan 7	\$	513,585	
<b>Total Advances</b>	<b>\$</b>	<b>513,585</b>	

REAL ESTATE MANAGEMENT  
AND  
HOUSING SERVICES



# TACOMA HOUSING AUTHORITY

Date: March 24, 2010

To: THA Board of Commissioners

From: April Davis  
Director of Real Estate Management and Housing Services

Re: Department of Real Estate Management and Housing Services Monthly Board Report

## 1. HUD 5-YEAR AND ANNUAL PLAN

THA received confirmation from HUD that THA will no longer be required to submit an Annual Plan. The Annual Moving-to-Work (MTW) Plan will replace the Annual Plan for FY2011 forward.

Any revisions to the Annual MTW Plan that was prepared for THA's MTW application will go through a public review process and be presented to the Board of Commissioners for approval.

## 2. PROPERTY MANAGEMENT DIVISION

### 2.1 Physical Inspection Assessment Sub-System (PASS)

THA has received from HUD its PASS score for the following Asset Management Projects (AMP):

PASS INSPECTION REPORT				
AMP	Properties	Inspection Date	Score	Performance (High/Std/Troubled)
1	K Street, G Street, EB Wilson	11/21/2008	92	High
2	6th Ave, Wright, Fawcett	10/27/2008	86	Standard
3	Ludwig, Bergerson, Dixon	10/23/2008	93	High
4	Hillside 1800, Hillside 2500	3/6/2009	84	Standard
6	LIPH Scattered Sites	10/27/2008	70	Standard
7	Hillside 1 Tax Credit	1/27/2009	97	High
8	Hillside 2 Tax Credit	1/27/2009	99	High
9	Hillside 1500 Tax Credit	1/27/2009	99	High
10	Salishan 1 Tax Credit	1/28/2009	94	High
11	Salishan 2 Tax Credit	5/5/2009	75	Standard
12	Salishan 3 Tax Credit	TBD		
13	Salishan 4 Tax Credit	TBD		
14	Salishan 5 Tax Credit	TBD		
15	Salishan 6 Tax Credit	TBD		

**2.2 Performance Report Summaries:**

*2.2.1 Public Housing Information Center (PIC) reporting:*

THA's reporting rate for accurately submitting public housing program participation data (50058) to HUD is at 99% HUD requires a housing authority to accurately submit at 95% or better. The nearly 4% increase in the reporting rate can be attributed to the work of Deborah Ornellas, THA's Compliance Auditor, and the Site staff.

*2.2.2 Occupancy:*

Unit occupancy is reported for the first day of the month. This data is for the month of February 2010.

<b>OCCUPANCY SUMMARY REPORT</b>					
PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OCCUPIED	% MTH OCCUPIED	% YTD OCCUPIED
AMPs 1-6	594	21	573	96.0%	96.8%
Tax Credit Units	602	18	584	96.8%	97.0%
Local fund units	119	14	105	95.0%	95.0%
<b>All Total</b>	<b>1315</b>	<b>53</b>	<b>1262</b>	<b>96.6%</b>	<b>96.8%</b>

*2.2.3 Vacancy Unit Turn (PHAS/MASS Indicator #1):*

To earn maximum points for this sub-indicator housing authorities must complete unit turns at an average rate of 20 days or less per AMP.

For the fiscal year, the average unit turns across all AMPS was 47 days per turn. Management continues to track this data on a monthly basis. Improvement has been noted month to month

<b>February 2010 FYTD VACANT UNIT TURN REPORT (MASS #1)</b>							
AMP # *	Units Turned	Down Time	Make Ready	Lease Up	Days to Turn	Exempt Days	Avg Turn
AMP 1	11	1	73	438	512		46.55
AMP 2	21	16	168	686	870		41.43
AMP 3	23	39	618	479	1136		49.39
AMP 4	14	15	312	298	625		44.64
AMP 6	7	8	253	84	345		49.29
AMP 7	3	68	24	76	168		56

<b>February 2010 FYTD VACANT UNIT TURN REPORT (MASS #1)</b>							
AMP # *	Units Turned	Down Time	Make Ready	Lease Up	Days to Turn	Exempt Days	Avg Turn
AMP 8	2	88	0	49	137		68.50
AMP 9	4	172	0	37	209		52.25
AMP 10	0	0	0	0	0		0
AMP 11	2	0	0	9	9		4.5
AMP 12	1	0	0	62	62		62
AMP 13	4	79	77	164	320		80
Amp 14	0	0	0	0	0		0
AMP 15	0	0	0	0	0		0
<b>TOTALS</b>	<b>87</b>	<b>314</b>	<b>1525</b>	<b>2283</b>	<b>4122</b>		<b>47.38</b>

\*Please refer to the table in Section 2.1 for a list of the properties associated with each AMP.

#### 2.2.4 Work Order Report (PHAS/MASS Indicator #4):

The work order report accounts for two separate performance indicators in work order management, time to complete emergency work orders and average time to complete non-emergency work orders (routine). The performance indicators are recorded per AMP. HUD requires housing authority's to complete at least 99% of its annual emergency work orders within 24 hours.

In the month of February, all emergency work orders were completed within 24 hours.

A contract has been executed with a vendor for appliance repair services in Salishan. The vendor should begin responding to work requests in late March. This will allow maintenance to focus of regular, non-appliance work orders which should improve completion times.

**Work Order Completion Table:**

WORK ORDER COMPLETION REPORT (PHAS/MASS #4)								
AMP # *	Emergency				Non Emergency			
	February 2010		FYTD		February 2010		FYTD	
	# Completed	% Completed in 24 hrs	# Completed	% Completed in 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
AMP 1	0	0	29	100%	22	.95	327	4.95
AMP 2	0	0	9	100%	14	7.21	270	4.15
AMP 3	6	100%	49	100%	37	4.57	368	11.66
AMP 4	2	100%	32	100%	36	2.44	239	25.47
AMP 6	0	0	14	100%	9	1	108	18.17
AMP 7	0	NA	0	0%	1	0	23	5.61
AMP 8	0	NA	0	0%	0		14	9.71
AMP 9	0	NA	0	0%	0	0	2	8
AMP 10	0	NA	0	0	10	37.70	67	50.52
AMP 11	0	NA	0	0	10	21.80	52	51.52
AMP 12	0	NA	0	0%	6	8.83	55	31.93
AMP 13	0	NA	0	0%	2	1	65	32.85
AMP 14	0	NA	0	0%	1	3	22	7.05
Non-AMP	0	NA	4	100%	6	4.67	122	2.78
TOTALS	9	100%	138	100%	156	6.89	1745	14.82

\*Please refer to the table in Section 2.1 for a list of the properties associated with each AMP.

**Outstanding Work Orders Table:**

Outstanding Work Orders as of January 31, 2010					
AMP #	Open Emergency WO	Days Open	Open Non-Emergency	<25 Days open	>25 Days open
AMP 1	0	0	23	23	0
AMP 2	0	0	10	10	0
AMP 3	0	0	5	3	2
AMP 4	0	0	3	3	0
AMP 6	0	0	2	2	0
AMP 7	0	0	0	0	0
AMP 8	0	0	3	0	3
AMP 9	0	0	6	0	6
AMP 10	0	0	11	5	6
AMP 11	0	0	20	5	15
AMP 12	0	0	15	8	7
AMP 13	0	0	15	11	4
AMP 14	0	0	4	3	1
Non-AMP	0	0	3	1	2
TOTALS	0	0	124	76	48

**2.3 Salishan Association**

*2.3.1 Salishan Association Board:*

(a) Budget

The Board of Directors has approved a budget for 2010 and copies of the budget have been mailed out to all of the homeowners. Dues for the THA-owned units will increase by \$41 per month. The increase in dues for THA units will now include landscaping and security services; whereas these services were previously paid for out of the Salishan LLC budgets in addition to association dues. Dues for homeowners will increase by \$15 per month. Increases will be effective April 2010.

## **2.4 Community Development and Safety**

### *2.4.1 Salishan Association:*

- (a) The Tacoma Community Based Services (CBS) kick-off meeting was held on February 24<sup>th</sup> at First Creek Middle School. This was well attended by various community partners as well as several people from Salishan. The community identified gang activity, drugs and vandalism as top priorities for our focus areas.
- (b) The grand opening for the Tacoma Police Department's new Eastside Precinct located at 400 East 56<sup>th</sup> was held on February 25<sup>th</sup>. This facility will also be used for various meetings for committees located on the Eastside.
- (c) The votes are in and the Rental Cap passed. The Rental Agreement is an agreement between a landlord and a tenant which explains the rights and obligations of each party regarding the rental of property that will be used as a residence. This agreement provides standard rental provisions and guidelines for homeowners wanting to rent out their homes.

### *2.4.2 Comprehensive Health & Education Foundation (CHEF) Funding:*

Hip Hop Classes for youth and adult Zumba classes are now being offered on a weekly basis. We have about 15 people attending each of the classes and have added another Zumba class during the week due to the high demand and popularity of the class. Non-residents are charged a small fee to participate. Proceeds will go toward youth sports in Salishan.

## **3. RENTAL ASSISTANCE DIVISION**

### **3.1 Performance Report Summary:**

#### *3.1.1 Public Housing Information Center (PIC) reporting:*

THA's reporting rate for accurately submitting HCV program participation data (50058) to HUD is at 97%. HUD requires a housing authority to accurately submit at 95% or better.



3.1.2 *Housing Choice Voucher (HCV) Utilization:*

Housing Choice Voucher utilization is reported at 98% for the month of January and 102% for calendar year to date. Budget utilization is reported at 97.5% for calendar year to date. In the table below, you will note an increase in HAP funding for the month. This is attributed to retroactive funds received and not a permanent monthly increase in HAP.

HCV UTILIZATION SUMMARY REPORT					
Voucher			HAP		
	Month			Month	
Voucher Allocation	3,543		Budget	3,038,451	
Voucher Leased	3,476		Actual	2,452,408	
% Utilized	98		% Utilized	77%	

**VACANT UNIT TURN REPORT (MASS #1)**

For the Month of February, FY 2010

<b>AMP</b>	<b>Property</b>	<b>Units Turned</b>	<b>DownTime Days</b>	<b>Make Ready Days</b>	<b>Lease Up Days</b>	<b>Exempt Days</b>	<b>Days to Turn</b>	<b>Avg Turn</b>
AMP 1	K St	4	0	47	194	0	241	60.25
	G St	3	1	16	82	0	99	33.00
	EB Wilson	4	0	10	162	0	172	43.00
	AMP 1 Totals	11	1	73	438	0	512	46.55
AMP 2	6th Ave	9	9	49	255	0	313	34.78
	Wright	9	5	96	328	0	429	47.67
	Fawcett	3	2	23	103	0	128	42.67
	AMP 2 Totals	21	16	168	686	0	870	41.43
AMP 3	Ludwig	3	7	44	96	0	147	49.00
	Bergerson	15	21	311	219	0	551	36.73
	Dixon	5	11	263	164	0	438	87.60
	AMP 3 Totals	23	39	618	479	0	1,136	49.39
AMP 4	Hillside 1800	14	15	312	298	0	625	44.64
AMP 6	Scattered SFH	7	8	253	84	0	345	49.29
AMP 7	Hillside I	3	68	24	76	0	168	56.00
AMP 8	Hillside II	2	88	0	49	0	137	68.50
AMP 9	Hillside 1500 Block	0	0	0	0	0	0	#DIV/0!
AMP 10	Salishan I	0	0	0	0	0	0	#DIV/0!
AMP 11	Salishan II	2	0	0	9	0	9	4.50
AMP 12	Salishan III	0	0	0	0	0	0	#DIV/0!
AMP 13	Salishan IV	4	79	77	164	0	320	80.00
AMP 14	Salishan V	0	0	0	0	0	0	#DIV/0!
NON-AMP	Wedgewood	0	0	0	0	0	0	#DIV/0!
	Stewart	11	147	146	79	0	372	33.82
	Scattered SFH	2	0	0	2	0	2	1.00
	NON-AMP Totals	13	147	146	81	0	374	28.77
	Agency Totals:	87	314	1,525	2,283	0	4,122	47.38

**REAL ESTATE**

**DEVELOPMENT**



# TACOMA HOUSING AUTHORITY

DATE: March 24, 2010

TO: THA Board of Commissioners

FROM: Tina Hansen  
Interim Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

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## 1. SALISHAN/HOPE VI

### 1.1 Phase II Construction

#### 1.1.1 Area 2A

- *Education, Training and Retail Center:* Staff continues to pursue funding commitments and has applied for the City of Tacoma CDBG funding and will apply for the Washington State Department of Commerce Building Communities Fund (BCF) in early 2010. Staff also continues to pursue tenant prospects including Clover Park Technical College and Evergreen State College.

#### 1.1.2 Area 3

- *Lot Sales:* The sale of (9) building lots to Habitat for Humanity closed on December 10, 2009. Habitat is underway with the construction of the first three homes.

#### 1.1.3 Area 2B

- *Infrastructure:* The Joint Utility Trench (JUT) is complete on the North section and the South section is 75% complete with backfilling to begin March 22<sup>nd</sup>. The storm water pumping system is performing flawlessly. The first lift of all asphalt paving has been completed, including the parking pads. A small area of soils contaminated with fuel oil was discovered in block 28 in lots 17-18. Tests to determine the type of contamination were completed. Notification to the proper authorities is underway and remediation is planned for the end of March.
- *Salishan 7:* Current program plans include (90) project-based Section 8 rental units and (1) unrestricted manager's unit. Walsh

Construction continues excavation of the foundations and is working in block 24. The foundation footings and walls have been poured in block 25 and are being formed and poured in block 24. The first floor slab pours are scheduled for March 24<sup>th</sup> in block 25

*1.1.4 Arlington Rd*

Staff is reevaluating the best use and development of the Arlington Road property.

**1.2 Financial**

*1.2.1 Salishan Five:* THA received the second equity installment of approximately \$5.5 million. THA received \$500,000 in developer fee and the balance of the payment was used to pay down the construction loan. Staff will be working on placed in service materials for the Finance Commission and the Trust Fund.

*1.2.2 Salishan Six:* As Salishan Six is now completed and occupied, staff will start working on the next equity installment request and the placed in service requirements. Salishan Six will be placed into an investment fund. The investor made a site visit on March 16. Staff has been provided the due diligence list from the investor to enable this transaction.

*1.2.3 Salishan Seven:* THA closed on Salishan Seven January 29, 2010. Construction has begun.

*1.2.4 Area 3 Citi Bank Loan:* Staff is coordinating internally and has engaged the services of CSG Financial Advisors to develop a plan for working with Citi bank to restructure the existing loan.

**1.3 Construction Oversight Committee**

The December Construction Oversight Committee (COC) was held as scheduled on February 10, 2009. The committee was updated on all elements of Salishan as well as the Hillside Terrace Hope VI progress. The next meeting is scheduled for April 8, 2010.

## **2. PUBLIC HOUSING PROJECTS**

### **2.1 Scattered Sites**

*2.1.1 Disposition:* As the board is aware, staff is in the process of preparing two disposition applications: (1) for the disposition and eventual sale of (13) of the scattered sites, and (2) to dispose of (21) units for use as “market rate” housing that THA will continue to own and rent.

*2.1.2* THA will accept housing choice vouchers (HCV) for these rentals. On November 4, 2009 staff held an informative meeting for the residents of the (34) scattered sites, to handout information on the relocation process and answer any questions. Staff is currently working with the City on the required Environmental Review and RROF (Request for Release of Funds) of these properties. Staff has received and is reviewing appraisals of the 34 properties.

### **2.2 1800/2500 Hillside Terrace**

*2.2.1 Financing:* Staff submitted the HOPE VI application on November 12, 2009. Staff anticipates award notices by HUD by the end of March 2010.

*2.2.2 Architecture:* Schematic design for the limited design scope will be completed by GGLO by the end of March 2010.

*2.2.3 Construction:* Staff entered into a Pre-Construction Services Agreement with Absher Construction for Not-to-Exceed \$75,000. Staff has issued a Limited Notice to Proceed for schematic design drawing review and cost estimate.

## **3. CAPITAL FUNDS & AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) CAPITAL FUNDS**

**3.1 Planning/Bidding:** All Plans, Specifications and Bidding has been completed.

### **3.2 Construction:**

*3.2.1 Capital Funds:* W.G. Clark, the General Contractor for the G Street Repipe project, completed all interior plumbing work. All tenant relocation and interior work is finished and all tenants have moved back. Work continues in the common areas, mainly drywall restoration and painting. Project closeout is scheduled for mid to late April. The project is ahead of schedule.

### **3.3 ARRA**

- 3.3.1 *AMP 1:* Tatley-Grund was selected and approved by the Board of Commissioners as the General Contractor for AMP1 at the February board meeting. A preconstruction meeting was held by THA staff on March 3<sup>rd</sup> and a tenant meeting on March 11<sup>th</sup>. Construction is anticipated to begin March 22, 2010.
- 3.3.2 *AMP2:* Christensen Inc. was selected and approved by the Board of Commissioners as the General Contractor for AMP2 at the February board meeting. A preconstruction meeting was held by THA staff on March 3<sup>rd</sup> and a tenant meeting will be scheduled later in March. Construction is anticipated to begin March 25, 2010.
- 3.3.3 *AMP3:* Construction Enterprise & Constructors was selected and approved by the Board of Commissioners as the General Contractor for AMP3 at the February board meeting. A preconstruction meeting was held by THA staff on March 5<sup>th</sup> and a tenant meeting will be scheduled in April. Construction is anticipated to begin in May.
- 3.3.4 *Asphalt Removal & Replacement (AMPs 1, 2, & 3): AMP 1:* Northwest Asphalt was selected and approved by the Board of Commissioners as the General Contractor for the Asphalt Repair and Restriping at the February board meeting. A preconstruction meeting was held by THA staff on March 5<sup>th</sup>, and a Tenant meeting will be held later in March. Asphalt patching will begin in April and Sealcoating and Striping possibly as early as May, depending on the weather.
- 3.3.5 The ARRA funds were 100% obligated on March 5, 2010!

### **3.4 Gap Subsidy Competition Set-Aside for Bond Projects**

- 3.4.1 Due to THA not being awarded funding from NSP 2 the Hillsdale Heights project will continue to be on hold. Staff is currently reviewing if this project could be resurrected in phases by proceeding with the rental unit portion only.

### **3.5 Grants**

- 3.5.1 NSP 1: As the board is aware THA applied for and was awarded approximately \$780,000 in the first round of funding by the City of Tacoma. Staff in community services and development continues working together to identify houses to rehabilitate and sell to low and moderate income households. The selection of homes that would qualify is very narrow. Staff

is now working with a selected realtor. THA has made offers on several houses. The offer on 6514 E. Portland was accepted. THA's offer on 2323 South Ash also looks like it will be accepted. THA has three other offers pending.

- 3.5.2 *Salishan HOPE VI*: As was mentioned previously, with the turnover of the Salishan Six units THA has completed its development obligations under the HOPE VI grant. Real Estate Development, Community Services and Finance are working together to compile the HOPE VI Grant close out material which is due to HUD March 30, 2010. The second iteration of Abt's report is being reviewed. All items will be submitted to HUD by the end of March.

#### **4. M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING**

- 4.1** The Salishan Hope VI Construction Oversight Committee met on February 8, 2010. Salishan M/WBE utilization numbers incorporate site activity in Area 1, Area 2a and 2b, and Area 3. To date, the total minority and women-owned business (M/WBE) subcontracting equals about Thirty-five percent (35%) of total contract dollars awarded. Twenty-five percent (27%) of all contract dollars have been awarded to MBE firms, and ten percent (8%) to WBE firms. Forty percent (37%) of all contracts have been awarded to Tacoma based companies, and forty-nine percent (46%) have been awarded to Pierce County based companies. Section 3 results to date total 178. The project goal was 125. The next meeting is scheduled for April 8, 2010.
- 4.2** WG Clark is the contractor working on the G Street Repipe project. To date MBE subcontractor participation is at 2%.



**5. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES**

The following are the obligated and expenditures as of March 8, 2010

<b>Grant</b>	<b>Total Grant</b>	<b>Obligated</b>	<b>% Obligated</b>	<b>Expended</b>	<b>% Expended</b>	<b>Obligation Start Date</b>	<b>Obligation End Date</b>	<b>Disbursement End Date</b>
2007 CFP (P)	\$2,909,072	\$ 2,909,072	100%	\$2,897,100	99%	09/13/07	09/12/09	09/12/11
2008 CFP (P)	\$1,849,412	1,809,059	98%	\$1,143,591	62%	6/13/08	06/12/10	06/12/12
2008 CFP (1 <sup>st</sup> R)	\$1,351,655	\$1,351,655	100%	\$1,064,030	77%	6/13/08	06/12/10	06/12/12
Sal. HOPE VI (Revitalization)	\$35,000,000	\$35,000,000	100%	\$35,000,000	100%	04/26/01	12/31/10	12/31/10
2009 CFP	2,410,953	472,555	20%	146,800	.06%	9/15/09	9/14/11	9/14/13
2009 CFP (1 <sup>st</sup> R)	703,863	708,863	100%	0	0	9/15/09	9/14/11	9/14/13
2009 CFP (2 <sup>nd</sup> R)	54,932	54,932	100%	0	0	9/15/09	9/14/11	9/14/13
CFRG*	4,096,616	4,096,616	100%	272,025.00	.06%	3/18/09	3/17/10	3/17/12

\*Capital Fund Recovery Grant

\*\*The total grant was increased due to THA getting high performance dollars.

# COMMUNITY SERVICES



# TACOMA HOUSING AUTHORITY

Date: March 24, 2010  
To: THA Board of Commissioners  
From: Nancy Vignec  
Community Services  
Re: Monthly Board Report

## STRATEGIC OBJECTIVE: ASSISTANCE

THA will provide high quality housing and supportive services. Its supportive services will help people succeed as residents, neighbors, parents, students, and wage earners who can live without assistance. It will focus this assistance to meet the greatest need.

### 1. 2010 GOALS

Fifteen different major funding sources support the Community Services department's staff and activities. Most of these funding sources identify performance measures and goals. This report groups the various funding sources' annual goals by service area. It summarizes progress toward attaining annual goals during the month of February and for the calendar year 2010.

#### 1.1 Employment

The CS department offers employment services through its case workers and through a contract with Goodwill Industries. The case workers refer clients to local vocational training programs and then track their progress. The Goodwill employment specialist enrolled 3 public housing clients in his job preparation program during the month of February. Two clients were placed in jobs in February and both experienced an increase in earned income.

Activities	Month	YTD	Annual Goal	% of Goal
Clients enrolled in vocational training program	3	4	20	20%
Clients completed vocational training program	0	1	12	8%
Clients enrolled in employment readiness soft skills program	3	15	52	29%
Clients completed employment readiness soft skills program	1	1	44	2%
Job Placement	2	7	60	12%
Earned Income Increased	2	6	30	20%

## 1.2 Education

Bates continues to offer GED classes at the FIC. Standard class size is 18. The class currently exceeds standard size, with 20 participants. A total of 29 participants have attended since January 1, 2010.

Activities	Month	YTD	Annual Goal	% of Goal
Participants attending Bates GED classes	20	29	18	161%
Completes one or more GED tests	0	0	3	0%
Attains GED	0	0	3	0%

## 1.3 Family Self-Sufficiency Program

THA's Family Self-Sufficiency (FSS) program is a five year employment and savings incentive program funded by HUD and the City of Tacoma. One participant graduated and three new participants joined the program during the month of February,

Status	Month	YTD	Annual Goal	% of Goal
Current Participants	125	126	153	82%
Graduates	1	1	5	20%
Removed/Voluntarily Withdrawn	0	0	n/a	n/a
New Contracts Signed	3	7	10	70%
Escrow Balance	\$303,134.59			

## 1.4 Life Skills and Parenting Classes

THA contracts with Bates Technical College for Life Skills and Parenting classes and parenting support groups. Eight participants enrolled in the parenting class that began in February. THA plans to continue its partnership with Exodus Housing for a series of domestic violence support groups scheduled for the spring and fall of 2010.

Activities	Month	YTD	Annual Goal	% of Goal
Life Skills Enrollment	8	8	20	40%
Life Skills Completion	0	0	15	0%
Parenting Enrollment	8	8	25	32%
Parenting Completion	0	0	20	0%

### 1.5 Asset Building

The department provides financial literacy, credit counseling, homeownership counseling and individual development accounts to help THA clients build assets and prepare to become homeowners.

Activities	Month	YTD	Annual Goal	% of Goal
Financial Literacy Enrollment	0	4	120	3%
Financial Literacy Completion	1	2	72	3%
Credit Counseling Enrollment	0	0	17	0%
Credit Counseling Completion	0	1	10	10%
Homeownership Counseling	2	12	17	71%
Individual Development Account Participants	31	31	30	103%
Qualified Withdrawals	1	1	30	3%
Home Purchase	0	0	10	0%
Other Asset Purchases	1	1	20	5%

### 1.6 Neighborhood Networks and VITA

THA has Neighborhood Networks computer labs at Bergerson Terrace, Dixon Village, Salishan and Hillside Terrace. AmeriCorps members assigned to the computer labs are responsible for outreach and computer lab programming. Each lab has scheduled times for adult activities and for youth activities, including resume writing, research, and homework assistance.

THA hosts a VITA site at the FIC on Thursdays and Saturdays beginning February 11<sup>th</sup> and continuing through April 15<sup>th</sup>.

Activities	Month	YTD	Annual Goal	% of Goal
Computer Lab Participation	30	48	150	32%
VITA Tax Returns for THA clients	25	25	125	20%
EITC Received (PH only)	7	7	85	8%

### 1.7 Youth Activities

THA contracts with Girl Scouts of Western Washington to provide a youth mentoring program for Hillside Terrace, Bergerson Terrace and Salishan. At the beginning of 2010 there are 112 troop members including 64 THA residents. Northwest Leadership Foundation provides youth tutoring and after school programming at Lister Elementary school during the 2009/2010 academic year. There are currently 19 THA residents attending this activity.

Activities	Month	YTD	Annual Goal	% of Goal
Youth tutoring	19	19	35	54%
80% or better on computer skills post-test	0	0	25	0%
GPA improved .5 or more	0	0	15	0%
Life skills/financial literacy completed	0	0	75	0%
80% or better on life skills/financial literacy post-test	0	0	45	0%
Summer Program Enrollment	0	0	55	0%
Youth mentoring (PH only)	43	43	45	96%
Youth mentoring ongoing more than six months	8	8	40	20%
Youth Section 3 employed	0	0	4	0%

### 1.8 Senior and Disabled Services

The Senior and Disabled Services Program Specialist serves the 350 residents of THA's senior apartment buildings. The Specialist links residents with services to help them succeed as tenants. The services help elderly residents age in place. These services include COPES, housekeeping, transportation, social resources and home delivered meals. Tacoma Art Place offers arts and crafts on site at the senior buildings on a weekly basis.

Activities	Month	YTD	Annual Goal	% of Goal
Unduplicated client contacts	97	144	260	55%
Referrals	2	8	55	15%
Unduplicated situation/wellness counseling	20	33	150	22%
Assistance with correspondence for Entitlement Programs	2	6	40	15%

### 1.9 Families in Transition (FIT)

The Community Service Department's FIT program is funded by Washington Families Fund and Sound Families grants. FIT caseworkers help participants succeed as tenants, parents and wage earners.

	<b>WFF/Sound Families</b>		<b>Hillside Terrace</b>		<b>Tax Credit</b>	
<b>Total Current Caseload</b>	<b>19</b>		<b>4</b>		<b>5</b>	
	<b>Month</b>	<b>YTD</b>	<b>Month</b>	<b>YTD</b>	<b>Month</b>	<b>YTD</b>
Entrances	1	2	0	0	0	0
Graduations	0	0	0	0	0	0
Exits	0	0	0	0	0	0
Terminations	0	1	0	0	0	0

# EXECUTIVE DIRECTOR REPORT





# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

Date: March 17, 2010

To: THA Board of Commissioners

From: Michael Mirra  
Executive Director

Re: Executive Director's Report: March 2010

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This is my monthly report for March 2010. It supplements the Departments' reports. As the Board may recall, April and I will miss the board meeting. We will be in Washington D.C. for the Council of Large Public Housing Authorities (CLPHA) meeting, and other meetings.

## 1. **PRESIDENT OBAMA'S BUDGET PROPOSAL FOR HUD**

In February, President Obama's administration published its HUD budget proposals. Although it is a long way to a final budget, the President's proposal has some interesting features, including the following. You can find a helpful analysis at CLPHA's web site at <http://www.clpha.org/article/detail/?aid=44&nid=10> I also attach an analysis from the Committee on Budget and Policy Priorities.

- **Public Housing Operating Budget**  
HUD reports that this budget will fund public housing operating costs at 100% of the funding formula. That would be quite notable. I must mention the normal uncertainties. First, many informed voices believe that the formula is not adequate. Second, the formula is complex and what actually ends up coming to a PHA is hard to know in advance.
- **Public Housing Capital Program**  
The President's proposes to cut the capital fund appropriation from \$2.5 billion in FFY 2010 to about \$2.044 billion.
- **Housing Choice Voucher Program**  
HUD reports that the President's proposal will be enough to fund all vouchers currently in use and provide 100% of the funding formula for administrative expenses. That is good.

- **Housing Trust Fund**

The budget proposes \$1 billion for the new federal Housing Trust Fund. The Congress created this Trust Fund in 2008. The original notion was to fund this Trust Fund through dedicated funds outside the normal appropriations process. One way to do this was through mandatory annual contributions from Fannie Mae and Freddie Mac. However, the authorizing statute also allowed the director of the Federal Housing Finance Agency (FHFA) (the new regulatory agency created through the bill) to temporarily suspend the contributions if Fannie Mae and Freddie Mac could not afford to pay. As you may know, these organizations are not doing too well right now. As a result, the FHFA Director ordered that their contributions suspended. The \$1 billion in direct appropriations would be the first money into what is now an empty bucket.

- **HOPE VI/Choice Neighborhoods**

The President continues to develop his HOPE VI/Choice Neighborhoods initiative. In FFY 2010, Congress provided \$200 million for HOPE VI. At the Administration's request, Congress specified that \$65 million of this shall be for "Choice Neighborhoods" grants. These grants are to support "the transformation, rehabilitation and replacement housing needs of both public and HUD-assisted housing" and the transformation of "neighborhoods of poverty into functioning, sustainable mixed income neighborhoods with appropriate services, public assets, transportation and access to jobs, and schools, including public schools, community schools, and charter schools."

The Board has discussed this Choice Neighborhood's program because it may help with the redevelopment of the MLK corridor, including Hillside Terrace. We are waiting for HUD to issue the Notice of Funding Availability that will tell us if we qualify. We have heard, unfortunately, that HUD may limit the grants to neighborhoods at poverty rates lower than what we have in Tacoma.

In the FFY 2011, President Obama proposes to reduce HOPE VI funding to zero and to increase Choice Neighborhood funding to \$250 million.

- **School Based Vouchers**

The administration's budget would provide money for 6,000 Housing Choice Vouchers to help stabilize homeless families with school age children. The proposal would direct the PHA to coordinate with a school to improve school outcomes. HUD would award these vouchers in a national competition.

This proposal is very interesting to THA because it coincides nicely with THA's McCarver Elementary School Project, an element of our Education Project. Because of the work of Michael Power and Nancy Vignec, we already have the partnerships in place to compete for these vouchers. It is gratifying to see HUD follow us on this trajectory exploring the important links between housing and school success.

- **Transforming Rental Assistance**

The most notable proposal in the budget addresses the long term inadequacy of the public housing budgets. In an acknowledgement that those budgets will never be adequate, the proposal provides a way out. In summary, it allows PHAs to opt out of the public housing program and turn units into some version of project based voucher units.

This would have two advantages. **First**, it would pay market rate rents, which are almost always higher than the public housing operating subsidy. **Second**, PHA could then borrow against that rental stream to fix up properties. This is why at Salishan, for example, we “traded” out as many public housing units as HUD would allow in exchange for project based voucher units. This allowed us to borrow the money to build Salishan. This is also why Salishan is now cash flowing.

This proposal, then, will be interesting. It will no doubt have complications and details to watch. We will track it as it works its way through Congress.

## 2. **EMPLOYEE OPINION SURVEY**

The Board has received the results of the Employee Opinion Survey that we commissioned Washington Employers to conduct. The results show some strengths as well as ways that THA’s management needs to improve. We can understand three categories of the main concerns:

- Need for better communication
- Need to address long standing problems in systems that make work harder
- Need to hold people more accountable for poor performance and reward people better for good performance.

The cabinet has been discussing this in detail, with the help of the person who conducted the survey. We are preparing our response to the survey, including how we will ask staff to help us decide what we can and should do to address the concerns. Some of the fixes are already underway. Some of them will be relatively easy to do, some will not be easy. Our goal remains to make THA one of the best places to work.

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March 16, 2010

## OBAMA BUDGET INCLUDES MAJOR PLAN TO PRESERVE NEEDED AFFORDABLE HOUSING

### Proposal Would Provide More Adequate and Sustainable Funding, Expand Housing Choices for Low-Income Families

by Will Fischer

The President's \$350 million Transforming Rental Assistance (TRA) initiative, outlined in his fiscal 2011 budget, would enable local housing agencies and private owners to more easily preserve affordable housing, in part by giving them more adequate and sustainable funding to operate it. As a result, TRA would help preserve an estimated 300,000 affordable apartments (both publicly and privately owned) in its first year and more in later years. Most of these apartments house low-income elderly people and people with disabilities, and without TRA many of these units would eventually become uninhabitable or be lost as affordable housing in other ways.

In addition, TRA would make other improvements to rental assistance programs (including public housing) that would give families with housing subsidies the choice to rent housing in a wider range of neighborhoods, which would allow them better access to employment or educational opportunities. TRA also would streamline administration of these programs.

**Public housing preservation:** Of the 300,000 apartments that the Department of Housing and Urban Development (HUD) estimates TRA would reach during its first year, as many as 280,000 would be in public housing, which now assists 1.2 million units. The federal government has consistently provided less funding for public housing than agencies need to operate and occasionally renovate it. As a result, more than 165,000 public housing units have been demolished or otherwise removed from the available stock in the last 15 years, and the remaining units have a backlog of unmet renovation needs of at least \$20 billion (and possibly considerably more).

To address this problem, TRA would give agencies the option to convert public housing units to a new type of long-term housing subsidy. That would help preserve the units for the long term in two main ways:

- *Sustainable funding levels.* Of the \$350 million that the President has requested for TRA, \$290 million would boost subsidies for underfunded public housing developments to a level that is adequate to sustain them in good condition over time.

- *Greater ability to leverage private investment.* The rules governing the new subsidies would allow housing agencies to more easily borrow private funds to perform needed renovations. HUD estimates that TRA would enable agencies to obtain \$7.5 billion in private financing.

**Preservation of private affordable housing:** TRA would allow the private owners of units that are supported through three small rental assistance programs to convert about 20,000 such units to new long-term subsidies that would preserve the units as affordable housing. Under current law, subsidies for many of these units will end in the coming years because there currently is no adequate mechanism to extend their subsidy contracts.

**Other improvements to rental assistance programs:** TRA would make a number of other changes as well:

- *Giving residents more choice.* Currently, residents of public housing and most private subsidized developments lose their subsidy if they move. In developments converted under TRA, by contrast, a family that has lived in an apartment for a period of time — most likely a year — would be able to move using the first “tenant-based” voucher that becomes available in the Section 8 housing voucher program. (Families use these vouchers to rent a modest unit of their choice in the private market.) By providing greater choice to low-income families in this way, TRA can support other important policy goals, such as helping to re-employ jobless Americans by enabling them to move to pursue a job opportunity.
- *Helping voucher holders move to areas with greater opportunities.* To help families with tenant-based vouchers move to neighborhoods with lower poverty rates, TRA would provide funds to cover support services for families and outreach efforts and incentives to encourage landlords in such areas to rent to voucher holders. Today, voucher holders often struggle to rent housing in low-poverty areas, which tend to have less crime, better schools, and more jobs but also tighter rental markets.
- *Streamlining administration of rental assistance programs.* TRA would provide incentives for some of the 2,400 state and local agencies that administer vouchers to consolidate aspects of their programs. Agencies then could eliminate duplicative functions and achieve economies of scale. In addition, agencies serving larger geographic areas would be better positioned than agencies with small jurisdictions to help families choose from a range of neighborhoods.

While it should enact a version of TRA, Congress should not neglect other investments to help meet affordable housing needs. TRA’s basic approach is sound, and it would help preserve valuable affordable housing (although some important details will not be filled in until HUD submits legislation to authorize the initiative, which it plans to do this spring). But TRA may not be appropriate for all subsidized units, and in any case the 300,000 conversions proposed for the first year will only reach a fraction of the subsidized housing stock. Congress will need to provide adequate resources for units that are *not* converted, including by fully funding operating subsidies for public housing and, at a minimum, avoiding cuts in public housing capital funding.

In addition, whether it adopts TRA or not, Congress should substantially expand the number of tenant-based vouchers. Such an expansion would strengthen the option to move that TRA would provide to residents of converted developments, since it would better assure that a tenant-based voucher would be available if a family wished to move. But independent of TRA, new vouchers are

needed to address the large unmet need for housing assistance. This need is especially pressing during the current economic downturn, when unemployment and homelessness rates are unusually high.

TRA would serve as an important complement to another effort to strengthen HUD's rental assistance programs, the Section 8 Voucher Reform Act (SEVRA). SEVRA, which the House Financial Services Committee passed in July 2009, would establish a stable, efficient system for funding housing vouchers and streamline a number of rules governing vouchers and other forms of rental assistance. In its budget documents, HUD notes that enactment of parts of SEVRA is "integral" to TRA.

## **Preserving Needed Affordable Housing**

More than a dozen HUD rental assistance programs help more than 4.6 million low-income families across the country afford housing. Generally, these programs provide subsidies that enable assisted families to rent decent housing while paying no more than 30 percent of their income for rent and utilities. More than 2.5 million assisted families live in apartments with ongoing "project-based" rental assistance — that is, subsidies tied to a particular public or privately owned housing development. (The box on page 5 summarizes HUD rental assistance programs.)

In recent decades, hundreds of thousands of public and private subsidized units have been lost. More than 165,000 public housing units have been demolished or otherwise removed from the stock without being replaced, often because the agency administering the units received inadequate funding to operate and occasionally renovate them, and the condition of the units consequently deteriorated. In addition, many private owners of subsidized units have opted to stop receiving subsidies, frequently because they determined it would be more profitable to charge market rents for the units.

The loss of these public and private subsidized units does not automatically reduce the number of low-income families receiving housing assistance, since most of the lost units are replaced with "tenant-based" Section 8 housing vouchers. These vouchers, which allow a family to rent a modest unit of its choice in the private market, are a highly effective form of housing assistance. But it would be unwise to allow large numbers of project-based units to be replaced with tenant-based vouchers, for several reasons:

- **Preserving private and public subsidized housing units can be the most cost-effective way to help low-income people afford housing.** Studies have found that tenant-based vouchers are more cost-effective than building *new* affordable housing.<sup>1</sup> But it often will be even more cost-effective to preserve an *existing* subsidized housing development in which the federal government and state and local agencies have already made substantial investments.<sup>2</sup>
- **Some public and other subsidized housing developments are located in neighborhoods where it would otherwise be hard for low-income people to rent housing.** Generally, tenant-based vouchers are more effective than other forms of housing assistance in helping families move to high-opportunity areas. However, some subsidized housing developments are located in areas that have low poverty rates, strong schools, and good access to jobs and

transportation, but where it is difficult for a low-income family to rent housing even with a voucher. Frequently this is because there is little other moderately priced rental housing in the neighborhood. Moreover, these are generally neighborhoods where it would be difficult to develop new affordable housing, because community opposition is often strong and land costs may be high.

- **Some people are better served by having the option to live in project-based subsidized housing.** A substantial majority of the people served by public housing and private project-based subsidized housing are elderly or have disabilities. Many people in these groups successfully use vouchers to rent housing of their choice (and some strongly prefer to do so), but others have difficulty finding suitable housing because of mobility limitations and other factors. Some public and private subsidized developments are configured to accommodate people with mobility impairments and other special needs. It is important to preserve such developments so that they are available as an option for people who would struggle to use vouchers.

TRA would preserve subsidized housing by allowing housing agencies and private owners to convert subsidized housing units to a new form of rental assistance, which would provide long-term project-based subsidies designed to be adequate to sustain the units as affordable housing. (HUD's proposal does not specify many details of the rules that would govern the new subsidies, but indicates that those rules would combine features that have proven effective from two existing programs: project-based Section 8, and the separate project-based voucher component of the Section 8 voucher program.)

The 300,000 TRA conversions planned for the initiative's first year would be targeted on two categories of subsidized housing that, for different reasons, are especially vulnerable to loss:

- As many as 280,000 of the units would be in public housing developments, which have been placed in jeopardy by a history of chronic federal underfunding and a subsidy structure that makes it difficult to obtain private financing for needed renovation.<sup>3</sup>
- The remaining 20,000 units are predominantly privately owned and are assisted through several small subsidy programs. These programs lack adequate mechanisms to extend expiring subsidy contracts with the projects' owners and to provide the owners with incentives to continue participating, so these units face a particularly high risk of loss when current contracts expire.

### **Preserving Public Housing Units**

TRA would help preserve public housing in two main ways. First, by providing subsidies similar to project-based vouchers and project-based Section 8, it would allow housing agencies to obtain more private financing (or obtain it on better terms) than existing public housing subsidies do. Agencies would have greater flexibility to use the annual subsidies and mortgages on the properties as collateral to obtain financing. In addition, lenders likely would perceive the subsidies as a more reliable means of repayment, because Congress has provided adequate funding more consistently for vouchers and project-based Section 8 than for public housing. HUD estimates that the first phase of TRA conversions would allow agencies to leverage about \$7.5 billion in private investment.

## Overview of HUD Rental Assistance Programs

HUD provides rental assistance to more than 4.6 million families through more than a dozen programs.

- **Section 8 Housing Vouchers** are administered by 2,400 state and local housing agencies, which pay the voucher subsidy to a private landlord. Most of the 2.1 million vouchers in use today are **tenant-based vouchers**, meaning that families can use them to rent a modest unit of their choice in the private market. Agencies may use up to 20 percent of their voucher funds for **project-based vouchers**, which must be used in a particular housing development.
- Under **Project-Based Section 8**, HUD provides subsidies to development owners, either directly or through an intermediary such as a state housing finance agency. Most of the 1.3 million project-based Section 8 units are owned by private or non-profit entities, but about 40,000 are owned by housing agencies that also administer public housing or vouchers.
- **Public housing** units are owned and operated by about 3,100 local (and in a few cases state) housing agencies, including about 1,500 agencies that also administer vouchers. Agencies receive federal subsidies to support public housing through the Public Housing Operating and Capital Funds. There are about 1.2 million public housing units across the country.
- The **Rent Supplement, Rental Assistance Payment (RAP)**, and **Section 8 Moderate Rehabilitation** programs together subsidize about 54,000 largely private units. These programs are similar to project-based Section 8 but are subject to some distinct rules.
- Several other HUD programs provide rental assistance. The largest is **Section 202**, which provides ongoing project-based rental assistance to 107,000 units of housing for the elderly.

Second, TRA would modestly increase the annual subsidies provided to public housing developments. The two primary public housing funding streams, the operating fund and the capital fund, consistently provide less funding than is needed to maintain and operate public housing and carry out needed renovations. As a result, more than 165,000 units have been lost without being replaced since 1995, and public housing developments have accumulated a backlog of unmet renovation needs of about \$20 billion (and perhaps considerably more).<sup>4</sup> TRA would increase funding for public housing units to a level that would be closer to the subsidies in the voucher and project-based Section 8 programs and should be adequate (in combination with expanded private financing) to carry out needed renovations and sustain the units over time.

In the current budgetary environment, it is unlikely that Congress will provide sufficient funding to address the bulk of the public housing capital backlog *except* through an approach that, like TRA, combines modestly higher annual subsidies with greater ability to leverage private funds.<sup>5</sup>

TRA conversion may not be appropriate for all public housing developments (and, in any case, only about one-fourth of public housing units would initially be converted under TRA), so the existing public housing funding streams will continue to play a central role in sustaining and renovating public housing. Thus, Congress should fully fund the Public Housing Operating Fund and, at a minimum, maintain the Public Housing Capital Fund appropriation at the 2010 level



adjusted for inflation. The Administration's 2011 budget request appears to fully fund operating subsidies, based on information now available about the amount for which housing agencies likely will be eligible. But it proposes to cut capital funding by \$500 million, to \$2.0 billion.

### **Preserving Private Units in Small Rental Assistance Programs**

TRA would also seek to convert about 20,000 units in privately owned developments assisted through three small programs established in the 1960s and 1970s: the Rent Supplement, Rental Assistance Payment (RAP) and Section 8 Moderate Rehabilitation (Mod Rehab) programs. The existing subsidy contracts for many of the units assisted through these programs will expire in the coming years, and there are not adequate mechanisms in place to extend the contracts and provide owners with incentives to continue to accept subsidies and rent their units to low-income families. Under TRA, owners could receive new long-term, renewable contracts that would replace the existing contracts, thus preserving the units as affordable housing.<sup>6</sup>

Conversion of rent supplement, RAP, and Mod Rehab units would also reduce the unnecessarily large number of programs used to provide federal rental assistance. The total number of units in these three programs is small (about 54,000).<sup>7</sup> If TRA is sustained for several years, it should be feasible to convert all of the units and to replace these programs entirely. This would reduce administrative burdens for HUD and complexity for companies or non-profit organizations that own properties that are assisted through multiple programs.

### **Expanding Choice for Low-Income Families**

TRA also includes a series of measures to give low-income families greater flexibility in using housing subsidies in a wide range of neighborhoods, including areas with low poverty rates.

#### **Giving Families in Project-Based Developments the Option to Move or Stay**

TRA would expand the choices available to residents of converted project-based developments by allowing them to opt to move with the next tenant-based voucher that becomes available after they have lived in the development for a period of time. A new family that has been on the waiting list for assistance would then move into the vacated project-based unit. This "mobility option" is already available to tenants in project-based voucher developments, who are permitted to relocate after one year, but not to residents of public housing or developments subsidized through other programs.

Permitting families to choose whether to stay in project-based housing or use their subsidy to move elsewhere enables them to better match the location of their homes to the circumstances of their lives. It can allow, for example, a laid-off worker to relocate to pursue a job opportunity, a family with children to move near a grandparent who can provide child care, an elderly person or person with a disability to move near a medical facility that provides a particular type of care, or a domestic violence victim to flee an abuser — all without losing their subsidy.

Many public and private project-based developments provide living environments that are beneficial for low-income families; as noted above, some are located in high-opportunity

neighborhoods or tailored to particular populations, and some match the needs of individual families for other reasons. By allowing families who wish to leave to do so, TRA's mobility option would free spaces in project-based developments for families who want to live there and for whom those developments provide particularly strong benefits. The mobility option thus allows the federal government to get more "bang for the buck" from both project-based and tenant-based subsidies, since it would mean that each type of subsidy would be more likely to go to a family for whom it would provide the greatest benefit.

In addition to giving families wider choices, the mobility option would impose a measure of discipline on a development's management. If a development were so unsafe or badly maintained that many tenants moved out after brief stays, management would face higher costs (to prepare units for new tenants and process paperwork related to turnover) and could also face lower rent revenue (since under the current project-based voucher program, payments cannot be made for a unit that has been vacant for more than 60 days, and it may be difficult to fill units in that time). HUD could also use the rate at which tenants choose to leave project-based developments to identify developments where conditions may be deteriorating and additional oversight may be needed.

#### *Additional Tenant-Based Vouchers Would Strengthen Impact of Mobility Option*

Congress could strengthen the mobility option by accompanying TRA with a substantial number of new tenant-based vouchers. The option would be beneficial even if the number of project-based tenants with the choice to move were relatively high compared to the number of tenant-based vouchers in a given area. But the project-based tenants then might have to wait for a voucher to become available, and unassisted families would have to wait longer to obtain tenant-based vouchers (because many of the available vouchers would go to project-based tenants).

The 300,000 conversions HUD proposes for the first year of TRA would be unlikely to create such an imbalance at the national level, since there would be close to seven tenant-based vouchers for each TRA unit. But those conversions could create imbalances in some local areas where the ratio of tenant-based vouchers to converted units happens to be lower. Providing added tenant-based vouchers would help the mobility option function more effectively in those areas. Moreover, if HUD expanded TRA to include many more units in later years, a large increase in the number of tenant-based vouchers would be needed.

Independent of TRA, there is a compelling case for Congress to provide a substantial number of new vouchers: currently, fewer than one in four eligible families receives any form of federal rental assistance. New vouchers would have a powerful effect in reducing homelessness and housing instability — problems that have major effects on children's health and development — and are particularly needed as families struggle to cope with poverty and joblessness during the current economic downturn.

### **Providing Services for Families and Incentives for Owners**

Research shows that residing in areas of concentrated poverty can have harmful effects on families' well being, increasing the chances that they will become crime victims, lack adequate access to basic services and jobs, and be compelled to send their children to failing schools. Studies suggest that housing vouchers can enable families to move to low-poverty neighborhoods. But studies also

suggest that vouchers are not nearly as effective as they could be in supporting such moves, and particularly in enabling families to stay in low-poverty areas once they have moved.

TRA would provide funds to enable agencies to implement policies designed to strengthen the voucher program in this regard. These would include services for families, such as counseling to help them find housing in higher-opportunity areas and support services to help them remain there, as well as outreach efforts and incentives to encourage owners in such areas to rent to voucher holders. These policies would benefit tenants in developments converted under TRA as well as other families seeking to move with a voucher.

### **Encouraging Agencies to Consolidate Program Administration**

TRA would encourage agencies that administer both vouchers and public housing to switch from local to regional administration of vouchers, in two ways.<sup>8</sup> First, it would give agencies that consolidate aspects of their voucher programs preference to convert public housing units that they administer; the proposal sets aside some 130,000 of its 280,000 public housing conversions for agencies that carry out such consolidations. Second, TRA would provide funds to cover the upfront cost of consolidating programs, such as merging computer systems.<sup>9</sup>

Many vouchers today are administered by local agencies whose jurisdictions cover only small segments of metropolitan regions. For example, more than 30 agencies currently administer vouchers in the Albany, New York metropolitan area. The majority of these agencies administer fewer than 100 vouchers, and some as few as 20.

Consolidating voucher administration would yield a number of benefits. Most significantly, it would help agencies provide broader choices for families with vouchers. Agencies administering vouchers in small jurisdictions often have little capacity to help families find housing in another part of a metropolitan area or provide other assistance with cross-jurisdictional moves. Moreover, when a voucher holder moves from one jurisdiction to another, this can create costs or administrative burdens that can give agencies a strong incentive to discourage moves.

In addition, consolidation could reduce administrative costs by enabling agencies to eliminate duplicative functions and achieve economies of scale. It could also make it easier for agencies to coordinate services for housing assistance recipients with workforce development, social service, and other agencies administered at the state, regional, or county level. Finally, it could simplify participation in the voucher program for owners with multiple properties in an area, by providing a single point of contact rather than requiring them to deal with a number of different agencies.

TRA would also encourage the integration of agencies that administer public housing but not vouchers into a broader system that would support mobility for low-income families, by setting aside the remaining 150,000 TRA public housing conversions for public housing-only agencies. After conversion, these agencies would continue to own and operate the developments, but an existing voucher agency or some other entity would administer the subsidy and make tenant-based vouchers available to residents.

### *Consolidation Should Be Balanced Against Other Preservation Priorities*

While the goals of streamlining voucher administration and integrating public housing-only agencies into a system that provides choice to tenants are important, they will need to be balanced against TRA's most important potential purpose — preservation of needed public housing.

Since the number of TRA conversions is limited, it would be desirable to target them on developments where they are most needed (because the development faces an imminent risk of loss) or where preservation would have the greatest benefit (for example, because the development is in a neighborhood with good schools and low crime but little affordable rental housing). HUD has not indicated that TRA would contain such targeting. Instead, HUD's budget documents propose that all public housing developments administered by agencies that undertake consolidation or administer only public housing will receive preference for conversion over all other developments.

This would bar use of TRA to preserve high-priority public housing developments that happen to be administered by agencies that do not consolidate their voucher programs — even if the agency is willing to consolidate but unable to do so because of lack of cooperation from neighboring agencies. To avoid this, it will be important that TRA's selection criteria consider other priorities along with consolidation.

### **Key Details of Plan Remain to Be Filled In**

HUD has left many details of TRA open, some of which will have considerable bearing on the plan's effectiveness in preserving affordable housing. Two areas where there are important unanswered questions are discussed below. Legislation authorizing TRA, which HUD expects to submit to Congress by spring, should fill in many of the details.

#### **Preserving Units Over the Long Term**

The new subsidies under TRA would provide added resources to preserve public housing, but in theory, converting public housing to another form of assistance could also create new risks to the developments' long-term preservation.

Public ownership of public housing has insulated the developments from market pressures that have pushed private owners to opt out of other subsidy programs, and restrictions on agencies' ability to mortgage developments have largely prevented developments from being lost to foreclosure.

HUD has indicated that its plan will include measures to eliminate or minimize these risks. The agencies that now own public housing developments would continue to do so. And while agencies would be able to mortgage properties to obtain private loans, HUD has indicated that there would be protections to keep the risk of foreclosure to a "*de minimis*" level and to ensure that even if some properties are foreclosed upon, the new owners will be required to retain them as affordable housing. While this is encouraging, the specific nature of these protections will be crucial.

## Rights of Residents

HUD budget documents commit to retaining some specific protections for residents in the wake of TRA conversions. For example, according to HUD, housing agencies and owners would be prohibited from using conversions as cause for evicting tenants, and tenant rent payments would continue to be determined using a formula similar to that in place today. As noted above, TRA would substantially expand tenant rights in one area, by giving public housing tenants an option to move without losing assistance.

It is not clear how TRA would affect other key rights and protections, however, including some that differ substantially among public housing, project-based vouchers, and project-based Section 8. For example, families in public housing have substantially stronger rights to establish resident organizations and provide input into management of their developments than families in developments assisted through other programs. This input can play an important role in improving the quality of a development. TRA consequently would provide more effective rental assistance if it incorporated some key resident participation requirements from public housing. HUD has not indicated whether it will propose this.

## Conclusion

If enacted, the “Transforming Rental Assistance” proposal would be the most important new initiative to preserve federally subsidized housing in more than a decade. While key details remain to be filled in, TRA would preserve hundreds of thousands of affordable housing units and make other major improvements to the federal rental assistance programs. Congress should approve a version of the initiative to help avert the continued loss of needed affordable housing.

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<sup>1</sup> U.S. General Accounting Office, *Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs*, 2002.

<sup>2</sup> For example, a 2008 CBPP analysis estimated that the cost of modestly rehabilitating and sustaining existing public housing over 30 years would be 8 percent less than the average cost of converting these units to tenant-based vouchers. Barbara Sard and Will Fischer, “Preserving Safe, High-Quality Public Housing Should Be a Priority of Federal Housing Policy,” Center on Budget and Policy Priorities, October 2008, <http://www.cbpp.org/cms/index.cfm?fa=view&id=655>.

<sup>3</sup> According to HUD, initial conversions also could include some units that are subsidized through a program other than the voucher or public housing programs (such as project-based Section 8), but are administered by a state and local agency that also administers vouchers and/or public housing. HUD estimates that there are 40,000 such units around the country.

<sup>4</sup> A 2008 CBPP analysis estimated that \$22 billion would be needed to rehabilitate public housing developments to a modest standard, and that if 100,000 units had to be replaced rather than rehabilitated, the total need would rise to about \$32 billion. (Sard and Fischer, 2008, <http://www.cbpp.org/cms/index.cfm?fa=view&id=655>). In 2009, however, the amount of funds provided to address public housing capital needs exceeded the amount of new capital needs likely to have accumulated (largely as result of \$4 billion in supplemental public housing capital funds provided as part of the 2009 American Recovery and Reinvestment Act). As a result, the amount needed to rehabilitate public housing has

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likely fallen to about \$20 billion, and the amount needed if 100,000 units are replaced has likely fallen to about \$30 billion.

<sup>5</sup> Alternatively, Congress could seek to address the backlog of repair needs by increasing appropriations for upfront grants through the Public Housing Capital Fund. This approach has advantages, since upfront grants avoid the interest and transaction costs that accompany borrowing and would be appropriate for some developments (particularly those with only modest capital needs).

However, it would be unrealistic to rely on upfront grants to meet a large share of capital needs in public housing. Congress would need to nearly quadruple the \$2.5 billion provided for the capital fund in 2010 in order to provide \$7.5 billion in added funds (the amount HUD estimates TRA would make available in the first year through increased private financing). And in order to address the full backlog of \$20 billion or more, this increased level of funding would need to be sustained for several years. Given the grim long-term fiscal outlook and increasing calls for restrictions on growth in federal funding for nondefense discretionary (i.e., non-entitlement) programs, the chances of such a large infusion of public housing funding appear remote.

While Congress did provide \$4 billion in added public housing capital funds as part of the American Recovery and Reinvestment Act in 2009, that legislation was passed as an emergency measure to address the economic downturn, and consequently was not subject to the budget rules that apply to the regular appropriation process. It is possible that further economic recovery legislation will provide some additional funds for public housing; the House passed a jobs bill in December 2009 that included \$1 billion for this purpose. But such emergency measures will be rare and are unlikely to provide more than a small share of the amount needed to address the public housing capital backlog.

<sup>6</sup> The largest project-based subsidy program, project-based Section 8, already has strong and sophisticated mechanisms to extend contracts and encourage owners to accept the extensions. While those mechanisms could be improved in some respects, TRA conversions are not needed to preserve those units.

<sup>7</sup> HUD's 2011 Congressional Budget Justifications report that as of 2009 there were 15,845 RAP units and 13,683 Rent Supplement units. The 54,000 figure also includes an estimated 25,000 Mod Rehab units. This excludes "Single-Room Occupancy" Mod Rehab units, which are administered separately from the main Mod Rehab program and would not be targeted for initial TRA conversions.

<sup>8</sup> Roughly 1,500 of the 3,100 agencies that administer public housing also administer vouchers. About 900 agencies administer vouchers but not public housing.

<sup>9</sup> The Administration's budget requests a total of \$50 million for efforts to help voucher holders move to low-poverty areas and to cover costs of streamlining voucher administration.