



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET


November 19, 2014



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

——
Stanley Rumbaugh, Chair
Dr. Arthur C. Banks, Vice Chair
Janis Flauding
Rose Lincoln Hamilton
Minh-Anh Hodge

REGULAR MEETING BOARD OF COMMISSIONERS

WEDNESDAY, November 19, 2014

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, November 19, 2014 at 4:45 PM**

The meeting will be held at:

**Bergerson Terrace
5317 South Orchard Street
Tacoma, WA**

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.

I, Christine Wilson, certify that on or before November 14, 2014, I FAXED/EMAILED, 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	emailed to tips@q13fox.com
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

and other individuals and resident organizations with notification requests on file

Christine Wilson
Executive Administrator



TACOMA HOUSING AUTHORITY

**AGENDA
REGULAR MEETING
BOARD OF COMMISSIONERS
November 19, 2014, 4:45 PM
5317 South Orchard Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of October 22, 2014 – Regular Meeting
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Real Estate Management and Housing Services
 - 7.3 Real Estate Development
 - 7.4 Community Services
- 8. NEW BUSINESS**
 - 8.1 2014-11-19 (1), Scattered Site Public Housing Homeownership
 - 8.2 2014-11-19 (2), Payment Standards for Housing Choice Voucher Program
 - 8.3 2014-11-19 (3), Approving Washington Youth and Families Fund Memorandum of Understanding
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**
- 11. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, October 22, 2014

(The italicized font indicates quorum changes gained/lost/or maintained in the document).

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L. Street, Tacoma, WA at 4:45 PM on Wednesday, October 22, 2014.

1. CALL TO ORDER

Chair Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:45 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Stanley Rumbaugh, Chair	
Arthur C. Banks, Vice Chair	
Janis Flauding, Commissioner	
Rose Lincoln Hamilton, Commissioner	
Minh-Anh Hodge, Commissioner (arrived at 5:08 PM)	
Staff	
Michael Mirra, Executive Director (attended via phone)	
Christine Wilson, Executive Administrator	
Ken Shalik, Finance and Administration Director	
April Black, REMHS Director (attended via phone)	
Barbara Tanbara, Human Resources Director	
Greg Claycamp, Community Services Director (attended via phone)	
Kathy McCormick, RED Director	
Todd Craven, Administration Director	

Chair Rumbaugh declared there was a quorum present @ 4:46 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 22, 2014. Commissioner Banks moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Ms. Kaylan Adora, resident of Bay Terrace addressed the board. She reported that herself and 7 other Bay Terrace residents are concerned with a letter they received about a rent increase. Ms. Ardora proceeded to explain that she approached Property Management staff at Bay Terrace about the rent increases and was told they could not explain the reason for the increase. She read from past BOC minutes concerning bond language describing the responsible parties for repayment. Some discussion ensued about what this letter might be. Ms. Ardora did not keep a copy. Ms. Black stated that she is not aware of any such letter. Ms. Black stated that she will inquire further into the matter. Chair Rumbaugh asked Ms. Ardora to follow-up and provide a copy of the letter. Ms. Ardora stated she will get a copy of the letter to Ms. Christine Wilson.

5. COMMITTEE REPORTS

Real Estate Development Committee – There is no report. The committee will meet prior to the next BOC meeting. There may be an executive session scheduled for the next meeting to discuss possible purchase and sale agreements.

Finance Committee – No report

Citizen Oversight Committee – No meeting

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra directed the board to his report. He noted the draft Strategic Planning document, which will come to the board in December in a form similar to that draft. He reviewed the importance of the document and expressed pleasure that we were close to finalizing it. Chair Rumbaugh said that he reviewed the draft, and stated his appreciation for it and superb the staff work it required. He also noted that the performance measures and results once up on the digital dashboard for the world to see will make THA even more transparent to the community. ED Mirra also reported on the recent Department of Health hearing on its proposed new thresholds for meth testing.

Finance

Director Shalik directed the board to his report. He stated that he will provide the quarterly report at the November board meeting. He also discussed the Bay Terrace conversion pay down with the Board, stating that RED had come to him and asked if we could pay down the loan early (2014) to reduce interest costs for the construction project. As the funds would come from the MTW program, and also Capital Fund Replacement Housing factor, board support was requested. As there would be, an immediate reimbursement from HUD of the funds, there was no major impact on the cash position. Director Shalik advised the board we will need to move the November 14 study session for the budget review to December 5 or 12. Ms. Wilson will contact the board for their availability.

Chair Rumbaugh called to adopt a consent motion ratifying the payment of cash disbursements totaling \$5,321,530 for the month of September. Commissioner Banks moved to ratify the payment of cash disbursements. Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

AYES:	5
NAYS:	None
Abstain:	None
Absent:	0

Motion approved.

Real Estate Management and Housing Services

Director Black directed the board to her report. She reviewed the unit turn table in her report stating the next couple months will see spikes in the numbers due to vacancies. She reported there are only three units left to lease at Bay Terrace. Chair Rumbaugh asked if there is any extraordinary remediation of those vacant units. Director Black stated the Bergerson Terrace units that were flooded would fall into that category. Portfolio Manager Pat Patterson stated there are a couple of scattered site units testing positive for meth. Director Black stated that Rental Assistance is continuing to issue HOP vouchers. She is analyzing why the vouchers are leasing up at a slower rate. She believes it could be due to a tightening of the rental market. She is also reviewing the payment standards to see if an increase is needed. THA received 25 new VASH vouchers. Chair Rumbaugh asked the New Nativity House will house those coming out of the juvenile justice or foster care system. Director Black stated that she did not believe so. She will report back with more details.

Real Estate Development

Director McCormick directed the board to her report. There will be a Brown Star Open House on October 28th and she invited the board to attend. 48 units are being proposed for this site. THA is very interested to hear from the community about their desires for the property. Chair Rumbaugh asked if we have engaged the healthcare community. Director McCormick stated yes. THA hopes to set aside some of the units for clinic staff.

She met with the executive director of MLKHDA regarding THA's possible purchase of the New Look Apartments. The LASA construction project is moving along well. The latest challenge is funding for the service component. Pierce County is proposing to reduce its funding for services from \$1M to \$500K. Director McCormick will keep the board apprised. At the last board meeting, she was asked to bring back options for replacement of the 902 HVAC system. The initial estimate was not a solid estimate. She presented three HVAC options and stated her recommendation for the middle option. She asked for Board direction. Chai Rumbaugh and the other commissioners expressed approval of the \$454,200 option that she recommended. Director McCormick stated the 2015 budget proposal will include this expenditure.

Community Services

Director Claycamp directed the board to his report. He highlighted the McCarver project. He reported that the third party evaluator will shortly deliver his draft third year report. Director Claycamp reported on some preliminary results from that pending report. Chair Rumbaugh asked about the expansion of the McCarver project. Director Claycamp stated that the decision will arise from discussions with the school district that should begin as soon as we have the third year report. Director Claycamp stated that the search for the Asset Building Specialist is complete. Chair Rumbaugh asked for clarification of the Youth Activities report. Director Claycamp stated that the data contained an oversight; the report will be corrected in the November board report.

Administration

Director Craven directed the Board to his report. He reviewed the Enterprise RFP. He discussed the dashboard abilities. THA's RAD application remains only 4,000 over the 60,000 national cap set by congress. HUD believes that applications ahead of THA's will continue to fall out, moving THA ever further up to the top of the list. Chair Rumbaugh stated his interest in preserving the ability to offer larger sized units within THA's portfolio.

Human Resource

Director Tanbara directed the Board to her report. She reported that the Trades Council membership has ratified the collective bargaining agreement proposal. Included in the contract is a 3% salary increase, an opportunity for variable pay in 2015, and the implementation of performance work standards. THA received an EEOC claim. The turnover rate bumped up a bit.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2014-9-24 (1), Approval of THA's 2015 Moving to Work Plan

Annual Moving to Work Plan Certifications of Compliance

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

Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan Amendment

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan Amendment for the PHA fiscal year beginning 1/1/2015, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of
Commissioners or Board of Directors in order to incorporate any public comments into the Annual
MTW Plan Amendment;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age
Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968,

Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part

8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.

13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).

17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

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

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Motion Approved: October 22, 2014

Stanley Rumbaugh, Chair

8.2 RESOLUTION 2014-10-22(2), APPROVAL OF COLLECTIVE BARGAINING AGREEMENT WITH PIERCE COUNTY, WASHINGTON BUILDING AND TRADES COUNCIL

Whereas, The collective bargaining agreement between the Tacoma Housing Authority (THA) and the Pierce County, Washington Building and Trades Council (Trades Council) expired on May 31, 2014;

Whereas, THA and the Trades Council have reached a tentative agreement on a new collective bargaining agreement, a copy of which is attached to this resolution;

Whereas, on October 2, 2014, the THA staff in the Trades Council bargaining unit have voted to ratify the tentative contract; and,

Whereas, the Board of Commissioners finds that the collective bargaining agreement is fair and reasonable and that it would serve THA's interests;

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

The Board authorizes the Executive Director to execute the collective bargaining agreement with the Pierce County, Washington Building and Trades Council.

Approved: October 22, 2014

Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Motion Approved: October 22, 2014

Stanley Rumbaugh, Chair

**8.3 RESOLUTION 2014-22-10 (3), PROJECT BASED VOUCHER
CONTRACT RENEWAL-- ELIZA MCCABE**

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

Whereas, Tacoma Housing Authority (THA) has ten (10) project based vouchers (PBV) at the Eliza McCabe Townhouses;

Whereas, THA's contract to provide those vouchers has expired;

Whereas, the contract will be negotiated with the property and will be in effect for up to ten years (10).

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

1. the Executive Director is authorized to execute a new Project Based Housing Assistance Payment (HAP) contract with Eliza McCabe Townhouses for ten (10) vouchers.

Approved: October 22, 2014

Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Motion Approved: October 22, 2014

Stanley Rumbaugh, Chair

8.4 RESOLUTION 2014-22-10(4), Project Based Voucher Renewal, Flett Meadows Apartments

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

Whereas, Tacoma Housing Authority (THA) has project based vouchers (PBV) at the Flett Meadows Apartments under a contract that has expired;

Whereas, Flett Meadows Apartments has thirteen (13) project based vouchers

Whereas, the contract will be negotiated with the property and will be in effect for up to ten years (10).

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

1. The Executive Director is authorized to execute a new Agreement to Execute a Housing Assistance Payment (AHAP) and/or Housing Assistance Payment (HAP) contracts with Flett Meadows Apartments.

Approved: October 22, 2014

Stanley Rumbaugh, Chair

Commissioner Flauding motioned to approve the resolution. Commissioner Lincoln Hamilton seconded the motion.

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Motion Approved: October 22, 2014

Stanley Rumbaugh, Chair

9. COMMENTS FROM COMMISSIONERS

Commissioner Flauding thanked staff for the draft Strategic Objective Performance Measures. She also thanked staff for successfully completing the negotiations with the Trades Council. Chair Rumbaugh brought up a request from the City of Tacoma to take a position on mandatory sick leave for employees. The board requested more information on this proposal. ED Mirra will provide it.

10. EXECUTIVE SESSION

None

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:30 PM.

APPROVED AS CORRECT

Adopted: November 19, 2014

Stanley Rumbaugh, Chair

Finance Committee
Commissioner Lincoln Hamilton

Real Estate and Development Committee
Commissioner Rumbaugh

Citizen Oversight Committee
Commissioner Banks

ADMINISTRATION REPORTS

EXECUTIVE DIRECTOR REPORT



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: November 13, 2014
Re: Executive Director's Report

This is my monthly report for November 2014. The departments' reports supplement it.

1. **THA 2015 BUDGET**

As Ken Shalik reports, staff is working diligently on a 2015 budget proposal for the Board to review and approve in December. The Board is set to review the proposal at a study session on December 5th at noon. Allow me to review the budget principals we use every year. They have served us well.

- Since we do not know our federal allocation, we must take some bets when we adopt our own budget. As a cautious matter, we will budget to the least favorable of the plausible possibilities. This year that means we will budget to the version of the budget that the House has already passed. The recent elections make this version even more likely. By that version, we will get in 2015 about the same as we received in 2014.
- Recurring operating expenses will not exceed recurring expenses. In other words, we will not spend reserves on recurring expenses.
- We will spend reserves on activities that (i) make us money; (ii) save us money; or (iii) makes us stronger.
- We will keep our various reserves at levels that are above minimum levels we need for responsible operations and below maximum levels. In other words, we need reserves that are adequate but that do not have us sitting on too much unused cash.

We can also look a bit farther ahead, to 2016. The full sequestration cuts we avoided in 2013 are scheduled to resume in January 2016 unless Congress changes direction. A full sequestration cut would be \$3 million for THA. There are only a few ways to take \$3 million out of THA's operating budget of \$45 million. It is hard to take \$3 million out of staff costs of about \$5 million without crippling the agency. It is hard to take it out of the portfolio. A portfolio of rental property is not like food stamps, Medicaid, Social Security, or public assistance. It is not even like housing vouchers. When the money runs out for those programs, the government can close the window and politely tell people to go away. The portfolio is different. The morning after the money runs out, it

will still be on the ground filled with tenants to whom THA will still owe important landlord obligations. It will still be next to neighbors and in communities to whom THA owes important obligations to keep the property in good shape. Its good shape is necessary for another reason. Our portfolio is the public face of everything that THA and HUD do. What our community thinks of us will depend on the condition of the portfolio.

The only plausible way to take \$3 million out of THA is from its rental assistance programs. It is our largest expense. Each year we pay about \$32 million to landlords for our share of rent for voucher families. There are only two ways to reduce this amount by \$3 million. The **first** way is to remove large numbers of households from the program. To save \$3 million, we would have to remove about 350 families. THA has never terminated a household for lack of money and the board has expressed no appetite to start. The **second** way is to “thin the soup”. This would ask each household to accept a lower subsidy so we can either avoid terminations or even serve more families. This was the strategy of the HOP program we started more than two years ago. Its savings allowed us to weather the limited sequestration cuts of 2013. At a time when other PHAs were cutting or freezing vouchers, THA was able to add 120 families to its program.

In anticipation of the 2016 sequestration cut, we are now planning to extend the “soup thinning” to the present voucher population to avoid the need to terminate any of them. April’s department will lead the planning and community consultation effort this will take. As we plan and make these choices, we must be mindful of not only the voucher population who may receive less from us but those of them we save from termination and the people on our waiting list our cuts may allow us to serve.

Let us all remember that the policy choices we face will not be reasons to celebrate. If Tacoma did not have an affordable housing crisis or if THA was flush with cash to meet it, we may not “thin the soup”. But we must make our choices with the need we face and the resources we have.

The main challenge will be consulting and communicating adequately. We cannot hope that everyone will agree with our choices. We do hope that they will at least have reason to understand us.

2. **STRATEGIC PLANNING**

Last month I anticipated that this month I would have the strategic objective’s performance measures, baselines and targets for board to review and approve. I must report that I expect to have them to the board in January. We need more time because of the press of other business, and the need for yet more work on the draft. That you for your patience. It will be worth the wait.

3. MTW: UPDATE ON CONTRACT EXTENSION

I have no specific news on the negotiations with HUD over the extension of the MTW contracts. However, I must report that the issue is getting some unhelpful attention inside Congress. I attach a letter from Senator Grassley of Iowa, with a letter that he and others received from “advocates” opposing MTW.

4. POSSIBLE RE-ORGANIZATION

The board may recall that we asked a consulting firm called TCAM to look over our property management function and recommend ways to improve it. In August, the board received a copy of its recommendations, along with our plan to consider them. As I noted then Sandy Burgess, our asset manager, is leading the staff discussions that will have us decide which recommendations to adopt, with one exception. I will lead the discussion on the recommendation that we make property management its own department. Those discussions are underway. I enclose my memo to the cabinet setting out the factors and questions that will influence my decision about the recommendation. I will be meeting with staff from each of the affected departments for further discussion. I hope to make a decision by Thanksgiving.

5. WASHINGTON STATE LEGISLATIVE SESSION

The Washington State legislature convenes in January. It is a budget session. The budget discussions will focus on the legislature’s obligation to fund k – 12 education arising under the Supreme Court’s decision in *McCleary v. State* and recent initiative that mandates spending to reduce class sizes. The initiative does not say where the money shall come from.

I append a revised version of the THA proposal that the legislature dedicate a portion of its *McCleary* spending to house homeless school children. I also append two other pages describing our need for state capital dollars for Bay Terrace Phase 2 (\$3 million) and Hilltop Lofts (\$2 million). It is not clear if the legislature will even pass a capital budget.

6. MISCELLANEOUS

6.1 Holiday Reminder about the Open Public Meetings Act

I enclose a copy of my annual reminder to the board about the Open Public Meetings Act and its important requirements. It reads as follows:

At this time of year, it is more likely that Commissioners may find themselves attending the same social gathering. THA may even host some of them. These will not be publicly noticed as a regular or special meeting of the Board. I review below the main requirements of the Open Public Meetings Act and the precautions Commissioners must take during these gatherings to avoid violating it. These precautions should not deter any of you from attending, and enjoying, these social gatherings.

Three Commissioners constitute a Board quorum. If at least three of you attend such informal gatherings, the state's Open Public Meeting Act imposes limits on what you can discuss together. In general, you may not take "action" as the Board. The Act defines "action" broadly to include even "discussions:"

"Action" means the transaction of the official business of a public agency by a governing body including but not limited to receipt of public testimony, deliberations, discussions, considerations, review, evaluations, and final actions. [emphasis added]

This means that three or more Commissioners should not discuss Board or THA business at such informal gatherings. If they do, they would violate two rules: the rule that all action occur at a properly called meeting; the rule that all meetings be open to the public.

The Act, however, permits such informal gatherings as long as no "action" takes place:

It shall not be a violation of the requirements of this chapter for a majority of the members to travel together or gather for purposes other than a regular meeting or special meeting as these terms are used in this chapter: **PROVIDED**, That they take no action as defined in this chapter. [emphasis added]

Commissioners also avoid the appearance of a violation. For this reason, they should avoid sitting or congregating in groups of three or more if possible.

If you have any questions, please call me. Thank you for your understanding.

Friday, November 7th, 2014

The Honorable Julian Castro, Secretary
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Secretary Castro,

We represent housing advocates who work with clients and community members in the jurisdictions of public housing agencies (PHAs) that have Moving to Work (MTW) status. We look forward to working with you to further HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes for all.

We are writing to ask HUD to take immediate action to create a more open, inclusive, and transparent process as HUD negotiates the terms for any potential extensions to Moving to Work Agreements past their current 2018 expiration. Consistent with the statutory language creating the MTW program, we specifically request that HUD consult with advocates during the contract negotiations. Indeed, Congress was clear that "in making assessments throughout the demonstration, the Secretary *shall* consult with representatives of public housing agencies *and residents*."¹ As a first step, we urge HUD to make the baseline language it is crafting for MTW extension contracts available for public comment and discussion, and solicit and consider input from resident and community advocates on the conditions for extensions and the terms of the extension agreements.

As you undoubtedly know, HUD's MTW demonstration is steeped in controversy. In addition to receiving criticism from advocacy agencies providing services to PHA residents in deregulated jurisdictions, HUD's own Office of the Inspector General and the U.S. Government Accountability Office have released studies critical of the MTW program's underlying structure and HUD's implementation and oversight of the program, including the [GAO's 2012 Evaluation](#) and the [HUD IG's 2013 Study](#). These studies indicate that the Moving to Work program lacks performance standards and evaluation, and HUD has not provided critical oversight to agencies participating in the MTW program to evaluate agencies' compliance with statutory requirements or verify agencies' self-reported performance data.

Based on these pervasive critiques, we believe that any extension of the MTW demonstration must be done with thoughtfulness, diligence, and open discussion of the lessons learned from HUD's previous experiments in deregulation, which simply have not demonstrated any of the programmatic results this venture was designed to achieve.

The current MTW Agreements do not expire until 2018. We understand that HUD's stated goal for beginning MTW extension discussions in 2014 has been to develop better tools and standards to enable more effective regulation and oversight of MTW Agencies moving forward. We support any process that will ensure that new language in MTW contracts will provide clear metrics for performance, clear processes for evaluation, and clear protocols for HUD to monitor and enforce

¹ Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. No. 104–134, § 204(h)(1), 110 Stat. 1321 (emphasis added).

Agencies' compliance with statutory requirements and standards, even amidst the flexibility the MTW program intentionally allows.

We strongly support some goals HUD has put forward for the extensions, including establishing requirements that agencies use the bulk of their voucher funds for vouchers, higher baselines to determine if agencies are assisting “substantially the same” number of families, and more rigorous evaluation of policies that pose risks to participants. Effective requirements in these areas would have major benefits for low-income families. Without more information on the details, however, it is impossible for us to assess whether the changes HUD plans will bring about meaningful improvements.

As advocacy organizations who work with tenants who are the “end-users” of HUD’s programs in regions de-regulated under the MTW program, we believe we have experiences and observations that can help contribute to HUD’s success in amending the program.

We have documented concerns with the current MTW Agreements that are not adequately addressed by the limited information HUD has released about the planned extensions. These concerns include but are not limited to:

- **How new MTW Agreements will prevent de-regulated PHAs from diverting significant resources out of their housing programs into unrestricted cash reserves or towards other questionable uses such as excessive executive compensation.** These actions clearly contradict MTW’s statutory goal to, “reduce cost and achieve greater cost effectiveness.”² The agreements should, for example, include clear limits on reserve levels and specific sanctions for agencies that exceed those limits.
- **How HUD will evaluate the real effects of proposed or existing major policy changes allowed under MTW, such as time limits, work requirements, and major rent changes,** to assess whether these changes are achieving the program’s statutory goals of helping families achieve economic self-sufficiency and increasing housing choice, or instead just creating a revolving door of homelessness and hardship. HUD has indicated that it will require more rigorous evaluation of some new policies, but it should also seek to evaluate policies already in place and should make clear that it will prohibit agencies from adopting risky measures like time limits and work requirements unless funding for a rigorous evaluation is available.
- **How HUD will define, monitor, and enforce, the new standard of 90% voucher utilization, both before and after new MTW agreements go into effect.** This standard will be far more effective if HUD uses the voucher funding formula to enforce it, and if it prohibits agencies from counting funds spent for purposes other than rental assistance toward voucher utilization.
- **How HUD will define and enforce the requirement to assist substantially the same number of families.** HUD has indicated that it will adjust the baseline number of families agencies must assist upward, but unless HUD also defines “assisted families” to include only families receiving substantial rental assistance this requirement will have little meaning.
- **How HUD will ensure appropriate hardship exemptions are in place.**

² Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. No. 104–134, § 204(a), 110 Stat. 1321.(emphasis added)

- **How HUD will ensure MTWA jurisdictions increase housing choices and mobility to opportunity communities among program participants.**

Thank you for considering this request.

Through a collaborative, thoughtful, transparent and inclusive approach, we are confident that we can work with HUD and participating public housing agencies to create targeted revisions to the MTW program which clarify performance metrics, and create clear processes for evaluation and oversight. Our goal is to create a structure that provides both flexibility and discipline--- A well-considered framework for any continuation of the program will better ensure we realize the original goals of the MTW program, which were to expand housing choice, increase cost effectiveness, and help families achieve self-sufficiency.

Congratulations on your confirmation as HUD Secretary.

Sincerely,

Asian Americans Advancing Justice- Asian Law Center
San Francisco Bay Area, California
Christina Dang and Thomas Lee, Staff Attorneys

Atlanta Legal Aid Society, Inc.
Atlanta, Georgia
Margaret L. Kinnear

Cabrini Green Legal Aid Clinic
Chicago, IL
Jill Roberts and Ryann Moran, Staff Attorneys

Center for Tax and Budget Accountability,
Ralph Martire, Executive Director

Chicago Housing Initiative
Chicago, IL
Leah Levinger, Executive Director

Community Alliance of Tenants,
State of Oregon
Steve Weiss, Board President

Community Legal Services
Philadelphia, Pennsylvania
Rasheedah Phillips, Housing Law Division

Delaware Housing Coalition
State of Delaware
Trish Kelleher, Director of Housing

Housing Action Illinois
State of Illinois
Bob Palmer, Policy Director

Jane Addams Senior Caucus,
Chicago, IL
Lori Clark, Executive Director

Law Foundation of Silicon Valley
San Jose, California
Nadia Aziz, Senior Attorney

Legal Aid Society of San Mateo County
San Mateo County, California
Shirley E. Gibson, Directing Attorney

Legal Assistance Foundation
Chicago, IL
Lawrence Wood, Housing Practice Group Director

Logan Square Neighborhood Association
Chicago, IL
John McDermott, Housing & Land Use Director,

Lugenia Burns Hope Center
Chicago, IL
Rod Wilson, Executive Director

Massachusetts Alliance of HUD Tenants
State of Massachusetts
Michael Kane, Executive Director

Metropolitan Housing Coalition
Louisville, Kentucky
Cathy Hinko, Executive Director

Metropolitan Tenants Organization
Chicago, IL
John Bartlett, Executive Director

Mid-Minnesota Legal Aid
Minneapolis, MN
Dorinda L. Wider

National Alliance of HUD Tenants
National
Charlotte Delgado, Board President

National Housing Law Project
National
Deborah Thrope, Staff Attorney

North Carolina Justice Center
State of North Carolina
Bill Rowe, General Counsel and Director of Advocacy

Northwestern University School of Law
Chicago, IL
John S. Elson, Professor of Law

Organizing Neighborhoods for Equality
Chicago, IL
Jennifer Ritter, Executive Director

People for Community Recovery,
Chicago, IL
Cheryl Johnson, Executive Director

Sargent Shriver National Center on Poverty Law
Chicago, IL
Kate Walz, Director of Housing Justice

Tenants Union of Washington State
State of Washington
Jonathan Grant, Executive Director

Cc:

Senator Mark Kirk, Illinois
Senator Dick Durbin, Illinois
Senator Chuck Grassley, Iowa
Senator Jeff Merkley, Oregon
Senator Amy Klobuchar, Minnesota
Senator Al Franken, Minnesota
Senator Patty Murray, Washington State

Congressman John Lewis, 5th Congressional District, GA
Congressman John Yarmuth, 3rd Congressional District, KY
Congresswoman Jan Schakowsky, 9th Congressional District, IL
Congressman Luis Gutierrez, 4th Congressional District, IL
Congressman Danny Davis, 7th Congressional District, IL
Congressman Mike Quigley, 5th Congressional District, IL
Congressman Bobby Rush, 1st Congressional District, IL
Congressman Robin Kelly, 2nd Congressional District, IL
Congressman Keith Ellison, 5th Congressional District, MN

**Statement of Senator Charles E. Grassley
Before the United States Senate
November 12, 2014**

Mr. President: I intend to object to consideration of the nomination of Lourdes Castro Ramirez to be the Assistant Secretary of the Department of Housing and Urban Development (HUD) for the Office of Public and Indian Housing.

Over the last four years, I've been raising concerns about serious problems at public housing authorities and HUD's failure to address them. The Office of Public and Indian Housing is responsible for overseeing the public housing authority program.

I recently learned that HUD is negotiating new, ten year contracts with the thirty-nine housing authorities participating in the Moving to Work (MTW) demonstration program. The Office of Public and Indian Housing is also responsible for administering this program but has failed to conduct proper oversight for years.

The current contracts don't expire until 2018 so there's no need to rush into signing new contracts. Instead, I recommend HUD takes serious steps to address the program deficiencies and determine if this demonstration should continue.

A group of housing advocacy organizations sent a letter to HUD on November 7, 2014 raising concerns about the lack of transparency in the MTW contract negotiations. I am requesting that a copy of this letter is included with my statement in the record.

These organizations represent the people directly impacted by HUD decisions. They're asking questions that would strengthen the program and protect funding from abuse. But HUD is blocking them from participating in the process. Only the MTW agencies are allowed to review the contracts and comment on the proposed changes.

According to HUD briefing materials, the MTW housing authorities operate about 14 percent of the nation's housing stock and receive over \$3 billion in funding per year, equal to about 20 percent of total program funding. Yet, HUD has failed to require any meaningful accountability or transparency.

This has led to financial abuses at the Chicago Housing Authority and other MTW housing authorities.

On October 23rd, I sent a letter to HUD about the Chicago Housing Authority (CHA), a Moving to Work participant. CHA has diverted approximately \$432 million in federal funding into a reserve fund instead of issuing over 13,500 vouchers to Chicago families who need affordable housing assistance.

For example, the Atlanta Housing Authority has at least twenty employees receiving annual compensation ranging between \$150,000 and \$300,000 per year. The

executive director explained that these high salaries are necessary “to both ‘attract and retain’ competent staff.”

The executive director of the Philadelphia Housing Authority also received a high salary over \$300,000 per year. He also threw lavish parties, provided patronage to friends and supporters, and secretly paid sexual harassment claims.

Instead of providing safe, affordable housing for those in need, housing authority officials are using federal funding to feather their own nests. HUD tells me these problems are anomalies which lead me to believe the Department may be turning a blind eye to program failures no matter what the costs.

Both the HUD Inspector General and the Government Accountability Office, or GAO, audited the MTW program. Both determined that little program oversight is actually being done.

HUD has no procedures to verify agency self-reported performance data and HUD officials weren't even aware that they were required to perform annual risk assessments. HUD also has no program-wide performance indicators that would help determine if this program is a success or failure.

Worse yet, HUD never performed mandatory program evaluations to determine if the agencies complied with their MTW agreements or whether they should still be in the program. Department officials said they lack the funding to performing the evaluations. Under the current budget climate, additional funding may not be available anytime soon.

In other words, HUD can't tell me if the Moving to Work program actually works or if it will work in the future.

GAO officials informed me that the Agency may be close to closing three recommendations. For the other five recommendations, they are waiting for HUD to provide additional documentation about what steps are being taken or what is needed to close each of them.

Instead of taking steps to improve program performance and provide more effective oversight, the Agency is, instead, rushing to extend contracts for an additional ten years.

I expect a lot more answers and accountability before there is a vote on Ms. Castro Ramirez's nomination. HUD must also refrain from adding new housing authorities to the MTW program until the Agency provides GAO with the requested information and a definitive timeline for closing the outstanding recommendations.



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

Date: November 13, 2014

To: THA Board of Commissioners

From: Michael Mirra

Re: Social Gatherings of Three or More Commissioners

At this time of year, it is more likely that Commissioners may find themselves attending the same social gathering. THA may even host some of them. These will not be publicly noticed as a regular or special meeting of the Board. I review below the main requirements of the Open Public Meetings Act and the precautions Commissioners must take during these gatherings to avoid violating it. These precautions should not deter any of you from attending, and enjoying, these social gatherings.

Three Commissioners constitute a Board quorum. If at least three of you attend such informal gatherings, the state's Open Public Meeting Act imposes limits on what you can discuss together. In general, you may not take "action" as the Board. The Act defines "action" broadly to include even "discussions:"

"Action" means the transaction of the official business of a public agency by a governing body **including** but not limited to receipt of public testimony, deliberations, **discussions, considerations**, review, evaluations, and final actions.
[emphasis added]

This means that three or more Commissioners should not discuss Board or THA business at such informal gatherings. If they do, they would violate two rules: the rule that all action occur at a properly called meeting; the rule that all meetings be open to the public.

The Act, however, permits such informal gatherings as long as no "action" takes place:

It shall **not** be a violation of the requirements of this chapter for a majority of the members to travel together or gather for purposes other than a regular meeting or special meeting as these terms are used in this chapter: **PROVIDED, That they take no action as defined in this chapter.** [emphasis added]

Commissioners also avoid the appearance of a violation. For this reason, they should avoid sitting or congregating in groups of three or more if possible.

If you have any questions, please call me. Thank you for your understanding.

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,169,181 for the month of September, 2014.

Approved: November 19, 2014

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,865,598 for the month of October, 2014.

Approved: November 19, 2014

Stanley Rumbaugh, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of October, 2014

		Check Numbers			
		From	To	Amount	Totals
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,778	- 2,787	1,342	
Accounts Payable Checks	Check #'s	83,437	- 83,679		
Business Support Center				331,509	Program Support
Moving To Work Support Center				76,897	
Tax Credit Program Support Center				9,325	
Section 8 Programs				136,884	Section 8 Operations
SF Non-Assisted Housing - N. Shirley				430	Local Funds
SF Non-Assist Housing - 9SF Homes				47	
Wedgewood				170	
Salishan 7				37,920	
Tacoma Housing Development Group				890	
Hillsdale Heights				3,895	Development
Salishan Developer Fee				1,532	
AG Hsg Recovery Grant				2,883	
Development Activity				17,128	
Salishan Area 2B-Dev				5,576	
Salishan Area 4				7,979	
Hillside Terrace 2500 Court G Development				604	
Prairie Oaks (LASA)				592,851	
Hillside Terrace 2500 Yakima Development				1,485	Community Service
CS General Business Activities				80	
Weyerh. Homeless Grant				13	
Community Services MTW Fund				2,944	
Gates Ed Proj Grant				605	
WA Families Fund				1,652	
Pierce Co. 2163 Funds				30	Public Housing
AMP 1 - No K, So M, No G				42,696	
AMP 2 - Fawcett, Wright, 6th Ave				63,901	
AMP 3 - Lawrence, Orchard, Stevens				46,310	
AMP 4 - Hillside Terr - 1800/2500				1,172	
AMP 5 - Salishan Common Areas				205	
AMP 6 - Scattered Sites				4,875	
AMP 7 - HT 1 - Subsidy				25	
AMP 8 - HT 2 - Subsidy				2,602	
AMP 9 - HT 1500 - Subsidy				5	
AMP 10 - SAL 1 - Subsidy				11,114	
AMP 11 - SAL 2 - Subsidy				10,612	
AMP 12 - SAL 3 - Subsidy				8,220	
AMP 13 - SAL 4 - Subsidy				11,776	
AMP 14 - SAL 5 - Subsidy				13,479	
AMP 15 - SAL 6 - Subsidy				12,442	
Allocation Fund				80,038	Allocations-All Programs
THA SUBTOTAL				1,544,142	
Hillside Terrace 1 through 1500				1,624	Tax Credit Projects - billable
Bay Terrace				630	
Salishan I - through Salishan 6				431	
Salishan Association - Operations				230	
TAX CREDIT SUBTOTAL (Operations - billable)				2,915	1,547,057
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,386	- 481,411	24,141	
	ACH	67,287	- 68,717	2,467,225	\$ 2,491,366
Payroll & Payroll Fees - ADP					\$ 827,175
Other Wire Transfers					
Local Funds Semi-Annual Bond Payment - Heritage				-	
					\$ -
TOTAL DISBURSEMENTS					\$ 4,865,598



TACOMA HOUSING AUTHORITY

Date: November 19, 2014

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

I present the October, 2014 disbursement report for your approval.

The Finance department is submitting the agency wide financial statement through the month of September, 2014. Overall, THA remains in good financial shape and expects to end out the year with a surplus. For the month of August, on line 72, the YTD deficit is \$76,289. I am currently projecting a surplus of \$463,782 compared to the budgeted amount of \$255,506 at the end of the year. I expect that there may be some modifications to the amount as we close the year, but am not expecting any major changes.

There are some variances in the report. I will address a few of the larger dollar amounts with variances below:

- *Line 3 – HUD Grant – Section 8 HAP reimbursement* – The 2014 budget authorization was at 99.7% of appropriations. HUD cash management procedures dictate that HAP funds will not be disbursed at a level in excess of our needs. HUD provides us cash at the level of the previous quarter's actual HAP disbursements. We have to ask for any funds to supplement other MTW expenses separately. This will cause us to operate at a deficit at different times during the year until funds are drawn. Due to our level of MTW expenditures over the course of the year there will be funds remaining at HUD at the end of 2014.
- *Line 9 – Other Government Grants* – Included in the budget is approximately \$60K for a blight abatement program, which we have not instituted yet. There are fees from the city for Development consulting we have yet to access. We have also budgeted reimbursements from the power company for Salishan 3 lots once they are built out by DR Horton.
- *Line 33 – Due diligence – Perspective developments* – Even though we have quite a few projects in the pipeline, we have not expended significant due diligence costs for them yet. We are anticipating funds to be expended for Hilltop Lofts (Brown Star Grill) before the end of the year. In 2015, we should be expending funds for the next phase of Bay Terrace as well as other emerging opportunities.

FINANCE DEPARTMENT MONTHLY REPORT

November 2014

Page 2

- *Line 40 – Total tenant services* – 2015 has been a re-tooling year for the Tenant Services area. The Community Services department has just fully staffed up, and is poised to start out 2015 fully staffed, providing the ability to move forward in the important Education and Asset Building initiatives.
- *Line 49 – Contract Maintenance* – This category is significantly under budget as of September. The agency has been attempting to utilize the maintenance staff more efficiently during 2014. This is a category that can change quickly if unexpected challenges come up.
- *Line 59 – Extraordinary Maintenance* – This area is above budget. This is due primarily to Meth remediation and repairs, primarily at Wright Street.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank currently remain at .40%. The Washington State Local Government Investment Pool currently provides a return rate of .11%.

3. AUDIT

The Washington State auditors still need to complete the accountability portion of the 2013 audit. That should occur sometime this month (November). It is anticipated that the exit conference will occur in December.

4. BUDGETS

We are in the midst of preparing the Agency wide budget for 2015. All departments have submitted their initial budget requests and the management team is working together to bring the budget into balance for 2015. The board study session for the budget has been moved to December 5th in order for staff to present its recommendations for the 2015 budget. The budget will be brought before the board at the December 17th Board meeting for consideration of approval.

5. YEAR END CLOSING UPDATE

There is nothing to report.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

	September, 2014				Thru 12/31/2014		
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS							
1 Tenant Revenue - Dwelling rent	279,846	2,463,132	2,429,189	1.40%	3,284,176	3,238,919	1.40%
2 Tenant Revenue - Other	9,737	87,237	70,681	23.42%	96,316	94,241	2.20%
3 HUD grant - Section 8 HAP reimburseme	2,480,994	23,534,567	26,201,554	-10.18%	33,685,406	34,935,406	-3.58%
4 HUD grant - Section 8 Admin fee earned	274,865	2,180,053	2,035,246	7.11%	2,906,737	2,713,662	7.11%
5 HUD grant - Public Housing subsidy	203,499	1,831,472	1,674,728	9.36%	2,291,963	2,232,970	2.64%
6 HUD grant - Community Services	10,669	92,885	107,864	-13.89%	123,847	143,818	-13.89%
7 HUD grant - Capital Fund Operating Reve	42,190	1,124,317	1,191,323	-5.62%	1,588,430	1,588,430	0.00%
8 Management Fee Income	297,793	2,591,749	2,723,337	-4.83%	3,555,665	3,631,116	-2.08%
9 Other Government grants	12,627	140,677	302,221	-53.45%	243,098	402,962	-39.67%
10 Investment income	60	42,717	44,644	-4.32%	56,956	59,525	-4.32%
11 Fraud Recovery Income - Sec 8	0	21,585	30,000	-28.05%	28,780	40,000	-28.05%
12 Other Revenue- Developer Fee Income	188,821	188,821	425,057	-55.58%	543,500	566,743	-4.10%
13 Other Revenue	591,967	1,276,485	1,091,492	16.95%	1,535,313	1,455,322	5.50%
14 TOTAL OPERATING RECEIPTS	4,393,068	35,575,697	38,327,335	-7.18%	49,940,187	51,103,113	-2.28%
OPERATING EXPENDITURES							
<i>Administrative Expenses</i>							
15 Administrative Salaries	363,944	3,422,735	3,588,604	-4.62%	4,758,743	4,784,805	-0.54%
16 Administrative Personnel - Benefits	140,075	1,234,807	1,433,565	-13.86%	1,796,409	1,911,419	-6.02%
17 Audit Fees	7,231	57,188	65,783	-13.07%	87,711	87,711	0.00%
18 Management Fees	240,401	2,078,257	2,180,177	-4.67%	2,821,009	2,906,903	-2.95%
19 Rent	25,204	226,836	223,835	1.34%	302,448	298,446	1.34%
20 Advertising	0	6,853	10,088	-32.06%	9,137	13,450	-32.06%
21 Information Technology Expenses	42,639	143,270	172,384	-16.89%	266,027	229,845	15.74%
22 Office Supplies	4,876	36,092	57,137	-36.83%	65,623	76,183	-13.86%
23 Publications & Memberships	880	31,891	34,975	-8.82%	46,134	46,634	-1.07%
24 Telephone	8,010	74,766	83,981	-10.97%	99,688	111,975	-10.97%
25 Postage	2,476	26,246	30,819	-14.84%	34,995	41,092	-14.84%
26 Leased Equipment & Repairs	14,548	81,721	70,491	15.93%	108,961	93,988	15.93%
27 Office Equipment Expensed	2,564	41,458	74,035	-44.00%	80,277	98,713	-18.68%
28 Legal	22,642	106,689	169,440	-37.03%	212,252	225,920	-6.05%
29 Local Milage	728	4,685	9,927	-52.81%	9,247	13,236	-30.14%
30 Staff Training/Out of Town travel	21,240	120,368	211,217	-43.01%	255,491	281,623	-9.28%
31 Administrative Contracts	61,088	230,251	476,400	-51.67%	607,001	635,200	-4.44%
32 Other administrative expenses	16,781	86,110	62,528	37.72%	94,813	83,370	13.73%
33 Due diligence - Perspective Development	0	35,910	480,375	-92.52%	197,880	640,500	-69.11%
34 Contingency	0	0	77,588	-100.00%	0	103,450	-100.00%
35 Total Administrative Expenses	975,327	8,046,133	9,513,348	-15.42%	11,853,846	12,684,464	-6.55%

		September, 2014				Thru 12/31/2014		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	62,301	607,591	700,129	-13.22%	891,440	933,505	-4.51%
37	Tenant Service Personnel - Benefits	25,548	239,378	280,674	-14.71%	354,171	374,232	-5.36%
38	Relocation Costs	8,143	43,665	69,503	-37.17%	92,670	92,670	0.00%
39	Tenant Service - Other	2,907	61,101	149,339	-59.09%	121,468	199,118	-39.00%
40	Total Tenant Services	98,899	951,735	1,199,643	-20.67%	1,459,749	1,599,524	-8.74%
	Project Utilities							
41	Water	10,668	92,692	88,819	4.36%	123,589	118,425	4.36%
42	Electricity	15,838	158,888	149,430	6.33%	211,851	199,240	6.33%
43	Gas	2,879	36,965	44,895	-17.66%	49,287	59,860	-17.66%
44	Sewer	26,116	255,822	239,453	6.84%	341,096	319,270	6.84%
45	Total Project Utilities	55,501	544,367	522,596	4.17%	725,823	696,795	4.17%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	47,043	449,484	494,903	-9.18%	650,083	659,870	-1.48%
47	Maintenance Personnel - Benefits	16,859	137,269	152,489	-9.98%	193,025	203,319	-5.06%
48	Maintenance Materials	17,244	171,987	160,253	7.32%	229,316	213,670	7.32%
49	Contract Maintenance	47,562	523,798	813,424	-35.61%	998,397	1,084,565	-7.94%
50	Total Routine Maintenance	128,708	1,282,538	1,621,068	-20.88%	2,070,822	2,161,424	-4.19%
	General Expenses							
51	Protective Services	9,700	107,549	112,763	-4.62%	143,399	150,350	-4.62%
52	Insurance	16,033	148,069	161,908	-8.55%	197,425	215,877	-8.55%
53	Other General Expense	107,694	1,463,238	1,306,299	12.01%	1,784,317	1,741,731	2.45%
54	Payment in Lieu of Taxes	1,199	10,789	11,627	-7.21%	14,385	15,503	-7.21%
55	Collection Loss	52,683	56,437	84,737	-33.40%	75,249	112,982	-33.40%
56	Interest Expense	13,095	182,625	207,072	-11.81%	276,096	276,096	0.00%
57	Total General Expenses	200,404	1,968,707	1,884,405	4.47%	2,490,872	2,512,540	-0.86%
58	TOTAL OPERATING EXPENSES	\$ 1,458,839	\$ 12,793,480	\$ 14,741,061		\$ 18,601,112	\$ 19,654,748	
	Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	9,803	495,726	424,500	16.78%	660,968	566,000	16.78%
60	Casualty Losses	(4,617)	12,225	56,630	-78.41%	12,225	75,507	-83.81%
61	Sec 8 HAP Payments	2,543,328	22,130,627	22,695,602	-2.49%	29,910,611	30,260,802	-1.16%
62	Total Nonroutine Expenditures	2,548,514	22,638,578	23,176,732	-2.32%	30,583,804	30,902,309	-1.03%
63	TOTAL EXPENDITURES	4,007,353	35,432,058	37,917,793	-6.56%	49,184,916	50,557,057	-2.71%
64	OPERATING SURPLUS/(DEFICIT)	<u>385,715</u>	<u>143,639</u>	<u>409,542</u>	<u>-64.93%</u>	<u>755,272</u>	<u>546,056</u>	<u>38.31%</u>
65	Debt Service Principal Payments	(138,599)	(279,846)	(278,535)	0.47%	(371,380)	(371,380)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	247,116	(136,207)	131,007	-203.97%	383,892	174,676	
67	Reserve Appropriations - Operations	7,570	59,918	60,623	-1.16%	79,891	80,830	-1.16%
68	Surplus/Deficit Before Capital Expenditures	<u>254,686</u>	<u>(76,289)</u>	<u>191,630</u>		<u>463,782</u>	<u>255,506</u>	
69	Revenue - Capital Grants	1,010,249	1,319,502	(5,731,313)	-123.02%	4,877,306	(7,641,750)	-163.82%
70	Capitalized Items/Development Projects	(1,030,358)	(1,491,223)	3,726,563	-140.02%	(5,340,048)	4,968,750	-207.47%
71	Reserve Appropriations - Capital	42,784	171,721	2,004,750	-91.43%	462,742	2,673,000	-82.69%
72	THA SURPLUS/(DEFICIT)	<u>277,361</u>	<u>(76,289)</u>	<u>191,630</u>		<u>463,782</u>	<u>255,506</u>	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2014

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 643,552	0.40%
Section 8 Checking	7,320,052	0.40%
THA Investment Pool	288	0.40%
THA LIPH Security Deposits	88,956	0.40%
THDG - Tacoma Housing Development Group	208,924	0.40%
LF - SF 9Homes Alaska	42,116	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	5,118	0.40%
LF - SFH No. Shirley	22,266	0.40%
LF - SFH N Shirley Security Deposit Acct	1,004	0.40%
LF - Wedgewood Homes	475	0.40%
Salishan 7	1,396,638	0.40%
Salishan 7 Security Deposit	26,295	0.40%
Salishan 7 Replacement Reserve	115,985	0.40%
Salishan 7 Operating Reserve	198,256	0.40%
Payroll Account	7,784	0.40%
General Fund Money Market	536,279	0.40%
IDA Account	13,756	0.40%
WASHINGTON STATE		
Investment Pool	\$ 1,627,227	0.10%
1. TOTAL THA CASH BALANCE	\$ 12,254,972	
Less:		
2. Total MTW Cash Balance	\$ 6,220,833	
<i>Less MTW Reserve Commitments</i>		
2.01 2nd Phase Hillside Terrace Redevelopment	\$ 2,420,000	
2.02 Renovation/Remodel of 2nd Floor of Admin Building	680,687	
2.03 Renovation/Remodel of Salishan FIC Building	300,000	
2.04 RAD Conversion Costs - Capital Contributions to Projects	1,000,000	
2.05 Software Conversion for Operational Platform (VH)	600,000	
2.06 Education Projects - McCarver & Others	310,000	
2.07 Exigent Health & Safety Issues (Meth Remediation)	52,741	
2.10 Total Reserve Commitments	\$ 5,363,428	
<i>Add MTW Reserves Not Yet Received from HUD</i>		
2.11 Undisbursed CFP funds for RAD Conversion	1,000,000	
2.20 Total Undisbursed Reserves held by HUD	\$ 1,000,000	
<i>Less Minimum Operating Reserves</i>		
2.21 Public Housing AMP Reserves (4 months Operating Exp.)	1,130,000	
2.22 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.30 Total Minimum Operating Reserves	\$ 1,856,000	
3. MTW Cash Available (Lines 2 - 2.10 + 2.20 - 2.30)	\$ 1,405	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2014

4. Non MTW Cash

Other Restrictions:

4.01 FSS Escrows	\$	119,772		
4.02 VASH, FUP & NED HAP Reserves		137,419		
4.03 Mod Rehab Operating Reserves		179,155		
4.04 Security Deposit Accounts		119,940		
4.05 Salishan Sound Families - 608		75,107		
4.06 IDA Accounts - 604		13,756		
4.07 Gates Foundation - 612, 614 & 623		170,502		
4.08 WA Families Fund - 674, 713		23,586		
4.09 Wedgewood Replacement Reserve		788,488		
4.10 Bond Financed Single Family Homes Reserve		90,000		
4.11 Salishan 7 Reserves		739,241		
4.12 THDG - 048		208,924		

4.20 Total - Other Restrictions

\$ 2,665,890

Agency Liabilities:

4.30 Windstar Loan - 042		306,590		
4.40 Total - Agency Liabilities			\$	306,590

4.45 Development Draw Receipts for Pending Vendor Payments

\$ -

4.50 Development Advances/Due Diligence Commitments¹

\$ 70,000

5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.50)

\$ 3,042,480

6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)

\$ 2,991,659

7. Agency Current Commitments:

Board Approval

Expended

Obligation
Balance

Salishan Campus (PY exp plus 2014 budget)	\$	196,174	\$	126,174	\$	70,000
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¹ Total Current Commitments outstanding

\$ 70,000

Agency Advances that resulted in reduced amount of Unencumbered Cash (line 6)

Hillside Terrace Redevlpmnt - Chase Loan, LP Equity Funds			\$	17,400	
Prairie Oaks - Pierce Co CDBG, Lakewood CDBG			\$	133,611	
Total Agency Advances			\$	151,011	

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: November 19, 2014

To: THA Board of Commissioners

From: April Black

Director of Real Estate Management and Housing Services

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

1. PROPERTY MANAGEMENT DIVISION

- *Occupancy:*

Unit occupancy is reported for the first day of the month. This data is for the month of October. The high vacancy rate is attributable to THA's meth strategy.

OCCUPANCY SUMMARY REPORT					
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% Month OCCUPIED
All Hillsides	61	1	0	60	98.4%
Family Properties	145	15	9	130	89.7%
Salishan	631	17	0	614	97.3%
Senior/Disabled	353	18	0	335	94.9%
All Total	1,190	51	9	1,139	95.7%

Bay Terrace Phase 1 is fully leased. It was lease one month ahead of tax credit deadlines!

- *Vacant Unit Turn:*

On page four (4) there is a table with all of the units turned in fiscal year 2014. Fourteen (14) units were turned and rented in the month of October. The average unit turn time for the month of October was **33.5 days for Fourteen (14) clean units**. The average unit turn time for all units, clean and meth contaminated, for the year 2014 as of October 2014 was 99 days; a decrease from 125 days year-to-date in September.

None of the units that were turned in October tested positive for meth. All of the contaminated units that were identified prior to November 1st will be remediated and put back prior to the end of 2014. You will see their average turn times in future reports.

As of November 4, 2014, 136 of the 363 units that have been tested for contamination have tested positive for methamphetamine. Our hot rate for 2014 is currently at 14%.

THA will start contracting the field testing of our vacated units by the end of the year. A 24 hour turnaround of the test results will be part of the expectation as well as the

required documentation. These contract terms have made contract negotiation difficult and are the reason for the delay in deploying this new process.

1.1 Vacant clean unit turn status

For clean units, the average turn days for the month of October were 33.5 days (14 units). Weekend days (e.g. two weekends in a 20 day period would account for 4 days in the average, though they were not work days) and attendance issues within the maintenance team still remain a challenge as we strive to reduce our unit turn days.

During the month of October, three additional factors impacted our unit turn time. First, we used the availability of appropriately featured and sized new Bay Terrace units to tackle some long standing transfers. Where possible, we transferred households needing ADA features and over- housed families off of our transfer list. As a result we created over 20 vacancies within the portfolio. Because this was a large number of vacancies in short amount of time, some of the units sat awaiting staff to be assigned to the units to be turned.

Second, we experienced delays in receiving meth testing kits in the month of October. This caused delays in testing units so they could be turned and re-rented. We have the appropriate inventory on hand now to prevent these types delays going forward.

Third, October was the final month of the Bay Terrace lease up. Leasing's focus was the completion of Bay Terrace lease up (and ongoing HOP issuance) which caused some challenges in the lease up process in the remainder of the portfolio.

Below is a breakdown of each unit that exceeded 20 days.

- AMP 1, 911 North K St #304 (25 days). The tenant passed away and family members were being contacted to get belongings out of the unit. Disposal of these left over items caused delays in the turn process. The unit also had severe damage due to a long tenancy. This unit was assigned in its order to be turned.
- AMP 1 1202 South M St #508 (27 days). This unit was delayed because of the lack of test kits and staffing available to turn the unit.
- AMP 2 3201 S Fawcett Ave #G3 (23 days). This unit was vacated by a transfer. We did not receive the keys for 5 days after the tenant had transferred which caused a delay in starting the turn.
- AMP 2 2302 6th Avenue 210 (24 days). The tenant in this unit transferred to an assisted living facility and had extensive damage. Pest infestation was discovered during the turn and caused delays.

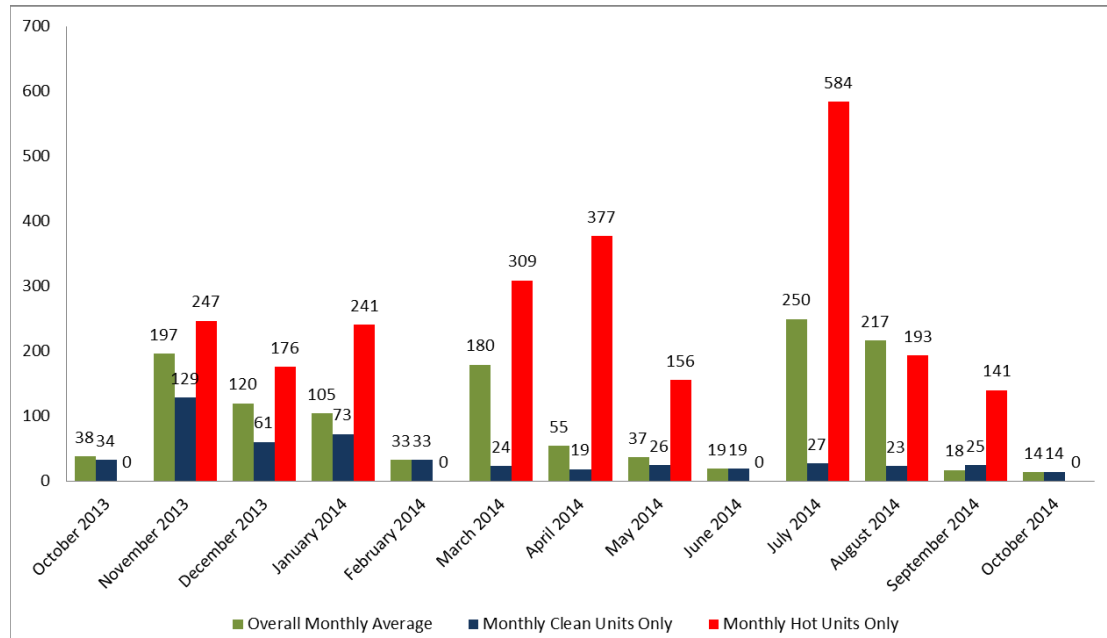
- AMP 3 5425 S Lawrence St #202 (29 Days). Unit was delayed due to staff availability and meth testing. There were 2 applicants that viewed the unit before being accepted.
- AMP 6 3413 South 12th Street (56 Days). Unit was delayed due to staff availability. The previous tenant was a transfer and keys were not turned in until day 4. This is a 5 bedroom unit and maintenance staff could not start the turn for 15 days while they awaited the unit to be tested.
- AMP 12 4350 E R Street (46 Days). Unit was delayed due to staff availability to turn and test the unit.
- AMP 13 4463 E Q Street (45 Days). 24 days were contributed to leasing delays. Four (4) families were shown this unit before it was accepted
- AMP 14 3908 Roosevelt Ave (23 Days). Unit was delayed to staff availability.
- AMP 14 2017 E 40th (62 Days). The unit was infested with fleas and appliances were on back order. There were 35 leasing days that prevented the unit to be leased up. Leasing was focused on the lease up deadline for Bay Terrace and multiple turn downs during this period were contributors to being delayed.
- AMP 15 2035 E 44TH Street (38 Days). This unit experienced a delay in testing and once tested clean was placed in the order received to be turned. Staffing challenges contributed to the delay of this turn.
- AMP 16 4602 E R Street (62 Days). There was a delay in testing this unit due to staff availability and having the test kits available. This was a transfer and we did not receive the keys until 6 days after the previous tenant moved out. Staffing challenges contributed to the delay of this turn. There were Thirty Three (33) leasing days that prevented the unit to be leased up. Leasing was focused on the lease up deadline for Bay Terrace during this period as the priority so files were delayed.
- AMP 16 4808 Court Q (27 Days). This unit experienced a delay in testing due to kit inventory delay and once tested clean was placed in the queue to be turned. Staffing challenges contributed to the delay of this turn.

1.2 Contaminated unit turns

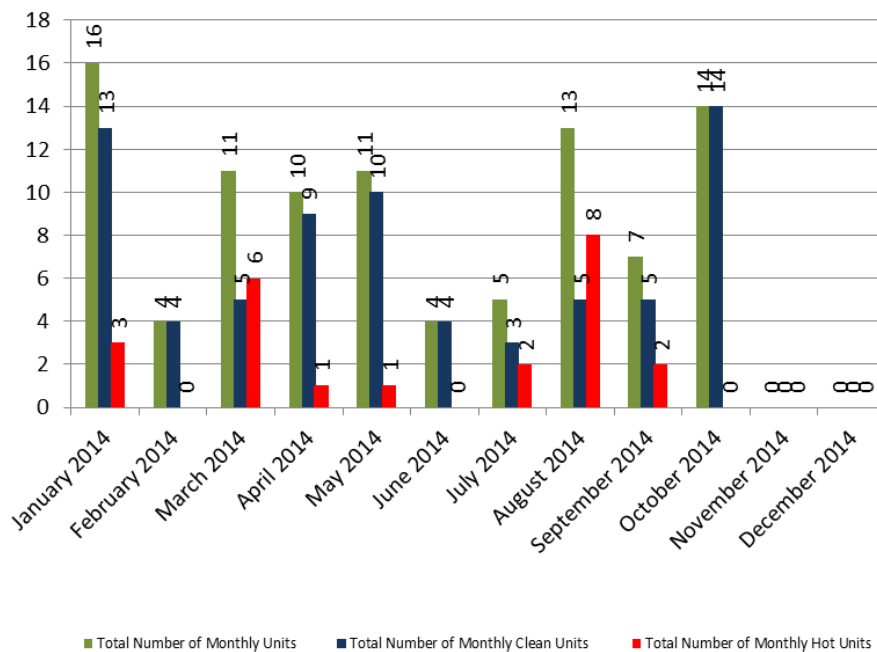
As of November 4, 2014 there were 65 vacant units in THA's portfolio. Of these units:

- 25 are not contaminated
- 10 are awaiting testing
- 21 are in remediation/reconstruction
- 7 units are on hold for rehab/water intrusion
- 2 units were completed by contractor and returned to sites

The tables below shows the calendar year trend in average unit turn days each month and the number of units turned by month:



Total Units Turned by Month



November 19, 2014 Board of Commissioners Meeting
 REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY
 REPORT

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Work Orders: In the month of October, all emergency work orders were completed within 24 hours. In October, maintenance staff completed 146 non-emergency work orders and a total of 3,513 for the calendar year. The annual average number of days to complete a non-emergency work order is 9.93.

Work Order Summary by Portfolio For the Month of October, 2014

Completed Work Orders								
Portfolio	Emergency				Non-Emergency			
	Month		YTD		Month		YTD	
	# 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)
All Hillside								
BAY TERRACE	3	100.0%	4	100.0%	7	1.29	19	0.84
HILLSIDE TERRACE 1500 Block	2	100.0%	5	100.0%	8	1.38	93	2.57
HILLSIDE TERRACE PH 1	0	0.0%	3	66.7%	4	10.75	88	2.85
HILLSIDE TERRACE PH II	1	100.0%	3	100.0%	16	6.06	96	5.78
	6	100.0%	15	93.3%	35	4.57	296	3.58
Family Properties								
BERGERSON TERRACE	2	100.0%	12	100.0%	19	8.37	231	7.12
DIXON VILLAGE	0	0.0%	1	100.0%	10	10.20	105	6.07
MARKET RATE SFR	0	0.0%	0	0.0%	4	5.75	39	7.87
SCATTERED SITES	3	100.0%	5	100.0%	28	20.07	120	12.33
	5	100.0%	18	100.0%	61	13.87	495	8.22
Salishan								
SALISHAN I	0	0.0%	4	50.0%	1	630.00	194	23.04
SALISHAN II	0	0.0%	2	100.0%	0		160	18.06
SALISHAN III	0	0.0%	1	0.0%	3	112.33	165	15.01
SALISHAN IV	0	0.0%	1	100.0%	0		292	14.18
SALISHAN V	0	0.0%	2	100.0%	8	25.88	305	14.18
SALISHAN VI	0	0.0%	1	0.0%	1	37.00	157	16.23
SALISHAN VII	0	0.0%	0	0.0%	0		251	13.13
	0	0.0%	11	63.6%	13	93.15	1,524	15.84
Senior / Disabled Properties								
6TH AVE	1	100.0%	18	100.0%	3	5.33	213	3.40
E.B. WILSON	0	0.0%	13	100.0%	13	1.92	265	3.55
FAWCETT APARTMENTS	0	0.0%	4	100.0%	6	6.17	147	5.62
LUDWIG APARTMENTS	0	0.0%	6	100.0%	3	18.33	128	5.92
NORTH G ST	1	100.0%	8	100.0%	4	0.00	133	6.14
NORTH K ST	0	0.0%	4	100.0%	2	12.00	137	4.28
WRIGHT AVE	0	0.0%	22	100.0%	6	5.67	175	5.56
	2	100.0%	75	100.0%	37	5.16	1,198	4.70
Agency Totals:	13	100.0%	119	95.8%	146	16.49	3,513	9.93

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 REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY
 REPORT

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Open Work Order Summary by Portfolio For the Month of October, 2014

		Emergency		Non Emergency		
Portfolio		Opened Emergency WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside						
BT	BAY TERRACE (PH)	3	0	5	4	1
HT1	HILLSIDE TERRACE PH 1	0	0	16	14	2
HT1500	HILLSIDE TERRACE 1500 Block	2	0	1	1	0
HT2	HILLSIDE TERRACE PH II	1	0	8	6	2
		6	0	30	25	5
Family Properties						
020	BERGERSON TERRACE	2	0	9	4	5
022	LOW RENT SCATTERED SITES (19)	3	0	47	3	44
023	DIXON VILLAGE	0	0	5	5	0
044	ALASKA 9 HOMES	0	0	2	1	1
		5	0	63	13	50
Salishan						
SAL1	SALISHAN ONE LLC (S8)	0	0	70	46	24
SAL2	SALISHAN TWO LLC (S8)	0	0	43	15	28
SAL3	SALISHAN THREE LLC (S8)	0	0	52	41	11
SAL4	SALISHAN FOUR LLC (PH)	0	0	32	16	16
SAL5	SALISHAN V LLC (PH)	0	0	170	36	134
SAL6	SALISHAN SIX LLC (PH)	0	0	95	61	34
SAL7	SALISHAN SEVEN	0	0	44	18	26
		0	0	506	233	273
Senior / Disabled Properties						
006	NORTH K ST	0	0	22	17	5
008	E.B. WILSON	0	0	28	20	8
009	FAWCETT APARTMENTS	0	0	18	6	12
010	WRIGHT AVE	0	0	12	7	5
012	LUDWIG APARTMENTS	0	0	18	14	4
013	NORTH G ST	1	0	12	9	3
014	6TH AVE	1	0	26	14	12
		2	0	136	87	49
Agency Totals:		13	0	735	358	377

2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 95.2% for the month of October 2014. We are continuing to issue HOP subsidies to bring this average up by the end of year. We continue to have briefings and have a large number of shoppers looking for units.

The VA has made good progress filling the current allocations for VASH. They are preparing to begin leasing up the new allocations in October.

Below is a breakdown of the utilization of our special programs:

Program Name	Units Allocated	Units Leased	Number of shoppers*
Veterans Administration Supportive Housing (VASH)	158	132	13 shoppers 13 referrals needed for new allocation
Non-Elderly Disabled Vouchers (NED)	100	88 (including 11 port outs)	9 shoppers 3 referrals needed
Family Unification Program (FUP)	50	46	2 shoppers and 2 referrals needed
McCarver Program	50	37	

* “Shoppers” are households that have been approved for the program and are searching for housing.

3. FOLLOW UP FROM OCTOBER BOARD MEETING

3.1. During the October board meeting, Kaylan Ardora commented regarding a letter she received in the mail and concerns about her rent. Staff met with her regarding her rent questions and I believe all of her questions have been answered. We also fulfilled a records request in an attempt to find the letter Ms. Ardora was referring to in October. I do not think we have satisfied her request yet. I have agreed to have site staff hold a tenant meeting shortly after the beginning of the New Year to begin providing regular opportunities for tenants to share and receive information.

3.2. Chair Rumbaugh asked for information regarding Nativity House’s preferences for youth aging out of the juvenile justice system. I met with Catholic Community Services staff to gain a better understanding of this project and they shared the following information: *“all applicants for Nativity House Apartments must meet the HUD definition for chronic homelessness and disability. Unfortunately, coming out of jail or prison does not count as being homeless. And for chronic homelessness the HUD definition is for one consecutive year or 4 episodes in the past 3 years. They would also need to be referred by AP4H. They could potentially stay in the Nativity House shelter and have their basic needs met immediately and have access to housing resources and advocacy. If they stay in the*

shelter for a year and have a disability we would then be able to refer them to AP4H to get into one of the units.”

(AP4H is Access Point for Housing which is Pierce County’s Centralized Intake service for all housing providers receiving Pierce County dollars.)

This is the same information that was provided during the RFP process for THA’s project based vouchers.

To mitigate any concerns that the board might have, I can offer a couple of options. The first is to ask Catholic Community Services to visit the Board again to provide an overview of this project and its interaction with AP4H and the other partner agencies.

The second option is to ask Associated Ministries to visit the Board to explain how AP4H works. It is helpful to understand how Pierce County has changed from a place where you need to know the intricacies of each housing providers’ programs in order to make an appropriate referral to a place where all households in need contact a single source for an appropriate placement.

Please let me know if you are interested in either or both of these options.

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: November 19, 2014

TO: THA Board of Commissioners

FROM: Kathy McCormick
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

1. SALISHAN/HOPE VI

1.1 Phase II Construction

1.1.1 *Area 2A, Community Core Development*

The Board approved the general Master Plan Concept at its June 2012 meeting. Staff is reviewing the Master Plan Concept and may suggest some revisions based on current community needs and opportunities and propose an alternative plan for the Salishan Core. Recently, staff met with representatives of the Tacoma Library and discussed programming options that could include life long learning and job training, youth activities and electronic library services. Staff will continue this discussion with the Library representatives and others to identify possible programming options for the Salishan Core, particularly those that will generate revenue to offset development expenses. This coordination with the city will be important to ensure complementary community uses for the Eastside neighborhood and Salishan.

1.1.2 *Area 3 Lot Sales*

DR Horton has four models open. DR Horton is pleased with the level of interest. To date, 16 low income households have been approved to purchase homes at Salishan. During the 2nd quarter, DR Horton closed on 25 houses, 4 of which were sold to low income buyers. During the third quarter, DR Horton closed on thirty (30) houses, five (5) of which were sold to income eligible households.

1.1.3 *Area 2B*

In keeping with Resolution 2014-6-25(1) authorizing the sale staff is working with DR Horton to execute the documents needed to sell the remaining 76 lots to be developed as owner occupied housing. The Purchase and Sale Agreement was signed and a disposition amendment was submitted to HUD for approval of the sale. Disposition approval was received from HUD; however, there is continued discussion regarding the use of proceeds from this sale. Staff is working with HUD to ensure that these funds may be used for new development, acquisition and/or rehabilitation without having

to meet the Public Housing requirements. This will delay the closing with DR Horton to December. DR Horton has been apprised of the situation

Arlington Road

THA received an unsolicited Letter of Interest for the parcel known as Arlington Road. This is an approximately 5-acres site located at the north end of Salishan along Portland Avenue. THA continues to negotiate with the prospective purchaser as outlined in the resolution approved by the board in April, 2014. Pursuant to that letter we signed a non-binding letter of interest for the sale. THA is negotiating a Purchase and Sale Agreement with the buyer. Final terms will be brought to the Board for its approval before it is executed. Summit Housing is moving slowly on closing this agreement as they want to be reasonable sure of receiving tax credits for this and other projects they are pursuing in Pierce County.

2. PUBLIC HOUSING PROJECTS

2.1 Bay Terrace Phase I

Summary of Project Activities. Phase I Restructuring - All of the documents required to meet the obligations of the CFCF grant award are being reviewed by HUD. These documents reflected the mutually agreed upon changes between THA, Enterprise Community Investments, Inc. and Chase Bank. At this time, it appears that the loan THA will make to the project to fund a public housing reserve will be paid from non-MTW funds. It is anticipated that this loan will be repaid once conversion to RAD is complete.

2.1.3 *Construction.*
None to report.

2.1.4 Lease-Up and Operations.
All Phase I units are leased and the project has entered the lease up stabilization period. A conversion to permanent financing is scheduled for early February 2015.

2.1.5 Community Meetings.
None to Report

2.2 Bay Terrace – Phase II

Phase II Proposal: Staff has developed and reviewed several Phase II programs in preparation for a 9% tax credit application to be submitted in January 2015. A program incorporating the following unit mix is the focus of an architectural concept study and contractor pricing. The current development budget for this project is projected to be \$22 Million, which will provide 80 units in a mix of one, two and three bedrooms. This will also

include community spaces that are complementary to Phase I.

type		# units	LIHTC targeted income	sq ft/unit
2500 Block				
PBV	1 BDRM	13	30%	650
PBV	2 BDRM	11	30%	850
PBV	3 BDRM	8	30%	1,200
PBV	1 BDRM	10	40%	650
PBV	2 BDRM	11	40%	850
PBV	3 BDRM	3	40%	1,200
Tax Credit	1 BDRM	8	60%	650
Tax Credit	2 BDRM	11	60%	850
Tax Credit	3 BDRM	5	60%	1,200

Total PBV Section 8 Units	56
Total TC Units	24
Total Market Rate Units	0
	80

2.2.1 *Financing.*

Staff has begun studying options for the Phase II financing. It appears that the project could generate approximately \$14 Million in tax credits and carry close to \$4 Million in debt. This leaves a financing gap of approximately \$4 Million. Staff will seek a combination of revenue sources to close this gap, including Housing Trust Fund dollars and HOME funds from the City of Tacoma.

On October 17, 2014, staff submitted a funding application to the Tacoma Community Redevelopment Authority (TCRA) requesting \$1Million in HOME funds.

Staff will submit a Stage 1 funding application to the Department of Commerce on December 15, 2014 requesting \$3Million from the Housing Trust Fund.

The 9% Tax Credit applications are due in January 2015.

This proposal is tentative pending approval of the Asset Management Committee and the Executive Director.

3. Bergerson Terrace

The work is currently scheduled to be completed in two phases:

The First Phase of work is related to the first floor units which are showing signs of water damage due to leaky pipes. Casey Dechant Architects is in the final phases of the Scope of Work and Budget. Additional deficiencies were discovered in the storm drain system during the investigative phase, delaying the bid documents and moving the Invitation to Bid to November.

Work will include: Removal of fixtures and cabinets, removal and disposal of drywall and flooring. Sanitary sewer pipe and waste lines will be replaced and electrical will be upgraded to meet current code. Existing cabinets and fixtures will be reinstalled and new flooring placed.

Staff has identified 15 units that will require this work now, due to their current condition and the remaining 21 units in the second Phase.

The Second Phase of work will be completed when THA does its RAD conversion for the Property. THA is currently in the process of completing Physical Needs Assessments of all its Public Housing properties. The Second Phase will incorporate items identified in this assessment as well as the remaining 21 first floor units.

4. OTHER PROJECTS

4.1 AG Program

Bid opening has been held for 1910 E 59th St. Three reasonable and responsive bidders submitted. The contract award date will be the second week in November. A preconstruction meeting will be held the same week and the contract documents allow sixty days for completion.

6615 S Puget Sound Project Scope and Specifications are complete and the ITB will be issued the middle of November.

4.2 LASA Supportive Housing Project

THA issued a Notice to Proceed effective June 9, 2014 to Pavilion Construction. The estimated construction time frame is nine (9) months.

Estimated Project Schedule

Begin relocation activities	July 2013 Completed
Submit for Building Permit	September 2013 Completed
Issue ITB for Contractor	October 2013 Completed
Award Contractor Contract	November 2013-Completed
Financial closing	June 2014-Completed
Construction Start	June 2014
Complete Construction	March 12, 2015

4.2.1 Construction

The foundation and slab on grade, fire sprinklers and plumbing rough-ins are finished. The structural steel is in place and the framing of the first and

second floors is complete. The window flashing detail mock up took place the end of October and windows have been delivered to the site. Roof trusses were delivered the end of October and installation of the trusses and roof sheeting is scheduled for completion November 11th. Construction of the water utilities in the ROW is underway.

4.3 Construction Management Services for the City of Tacoma

The contract with the City is in effect and staff has made site visits and completed three reports for the projects.

4.4 Blight Abatement Program

The City of Tacoma's Tacoma Community Redevelopment Agency (TCRA) board has approved THA as one of four (4) developers for this program. This project is currently on hold pending staffing. It is anticipated that we will begin looking for homes after the first of the year.

4.5 THA 902 Administration Building Tenant Improvement Project

Staff is finalizing the design for the project. The project is anticipated to be out to bid late January 2015 with construction starting in March 2015.

5. DEVELOPMENT PIPELINE PROJECTS

5.1 Intergenerational Housing at Hillsdale Heights

The Many Lights Foundation (MLF) continues work on this project. THA staff has assisted with the predevelopment budget for this project and believe that the MLF will apply for predevelopment funding soon. MLF had a successful fund raiser on September 28th and is submitting an application to IMPACT capital for a pre-development loan. Because of the progress MLF is making, staff will assist them in preparing an application for Housing Trust Funds. MLF may be ready to proceed in 2017 and the Housing Trust Fund Phase I covers two years and is non-binding.

5.2 City-Owned Brown Star Grill Properties on MLK renamed Hilltop Lofts on the advice of the steering committee.

Staff has continued the Schematic Design phase of the project. A series of public and in house design meetings have taken place in the months October, and November. The Steering Committee consisting of several community partners had its its second meeting on October 23 and a public meeting was held October 28. There was a good turn out for the Public meeting and the project was well received. The first in- house design meeting took place on November 6. The in house team will meet throughout November. It is anticipated a follow-up public meeting will be scheduled in December. Staff will submit a Stage 1 funding application to the Department of Commerce on December 15, 2014 requesting \$2 Million from the Housing Trust Fund.

5.3 New Look Apartments/Alberta Canada Building Acquisition

Staff has met with representatives of MLKHDA about the possibility of transferring its New Look Apartments and perhaps its other properties to THA. They MLKHDA staff are providing information about improvements that were to have been made to the property following THA's last set of inspections.

5.4 The Dome Transit Oriented Development

Staff submitted a response to the RFI issued by the City. Staff has learned that THA's proposal was the only one received by the City and that the City is going to re-issue the notice to select a developer. The City has asked THA to resubmit its proposal with a different income mix; staff is evaluating various financial scenarios to determine if a different rental mix is feasible and responsive to the market.

5.5 Acquisition

Staff continues to look for properties to acquire.

6. M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING

6.1 Bay Terrace Phase I Revitalization Project has concluded. The following chart depicts goals and final data.

	GOAL	PREVIOUS ACTUAL	FINAL AS OF 8/31/2014
MBE	14%	8.5%	8.5%
WBE	8%	11.11%	11.11%
Section 3 Business	10%	13.21%	13.21%
Section 3 New Hires	30%	63%	63%
Apprenticeship	15%	12.19%	12.19%

6.2 Although goals are not required for the LASA/Prairie Oaks Project currently under construction in Lakewood, one sub-contractor is a WBE.

7. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of October 30, 2014 for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

<u>Grant</u>	<u>Total Grant</u>	<u>Obligation Start Date</u>	<u>Obligated</u>	<u>% Obligated</u>	<u>Obligation Deadline</u>	<u>Expended</u>	<u>% Expended</u>	<u>Expended Deadline</u>
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$2,345,627	100%	7/14/14
2010 CFP (1 st R)	\$1,216,978	7/15/10	\$1,216,978	100%	7/14/12	\$1,216,978	100%	7/14/14
2011 CFP	\$1,721,353	8/3/11	\$1,721,353	100%	8/2/13	\$375,879	21%	8/2/15
2011 CFP (1 st R)	\$736,455	8/3/11	\$736,455	100%	8/2/13	\$736,455	100%	8/2/15
2011 CFP (2 nd R)	\$549,895	8/3/11	\$549,895	100%	8/2/13	\$549,895	100%	8/2/15
CFCF	\$1,881,652	8/3/11	\$1,881,652	100%	8/2/13	\$1,137,146	60%	8/2/15
2012 CFP	\$1,593,197	3/12/12	\$1,593,197	100%	3/11/14	\$0	0%	3/11/16
2012 CFP (1 st R)	\$1,026,290	3/12/12	\$1,026,290	100%	3/11/14	\$451,334	43%	3/11/16
2012 CFP (2 nd R)	\$128,701	3/12/12	\$128,701	100%	3/11/14	\$80,769	62%	3/11/16
2013 CFP	\$1,319,864	9/9/13	\$0	0%	9/8/15	\$0	0%	9/8/17
2013 CFP (1 st R)	\$322,158	9/9/13	\$287,430	89%	9/18/15	\$232,921	72%	9/8/17
2013 CFP (2 nd R)	\$1,015,495	9/9/13	\$0	0%	9/18/15	\$0	0%	9/8/17
2014 CFP	\$1,590,067	5/13/14	\$0	0%	5/12/16	\$0	0%	5/12/18
2014 CFP (1 st R)	\$277,032	5/13/14	\$0	0%	5/12/16	\$0	0%	5/12/18
2014 CFP (2 nd R)	\$873,158	5/13/14	\$290,178	33%	5/12/16	\$0	0%	5/12/18

8. Consulting and Community Engagement

The discussion with representatives of **Trinity Presbyterian Church, Life Changing Ministries and the Salvation Army** continue. On October 17th, THA staff led a discussion of next steps with the Trinity Groups. Mike Pyatok presented updated options for developing the parcels owned by the three entities and worked with the committee on outlining approaches that their students in his fall studio could work on for these groups.. Work on this project will resume after the first of the year and in collaboration with the UWT student studio. The work with the **YWCA** continues. ORB has completed a site massing study that indicates the YWCA property could be developed as a mixed-use property with approximately 70 units of residential, depending upon the building height. The financial feasibility of different programming options are being evaluated by staff. We are continuing

discussions with YWCA staff about partnership strategies and will be leading a discussion with the YWCA Board of Directors about the development options in December. THA staff believe this project could be ready for a tax credit submission in 2016 and is preparing a HTF application on behalf of the YWCA for this purpose.

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

DATE: November 19, 2014

TO: THA Board of Commissioners

FROM: Greg Claycamp
Community Services

RE: Monthly Board Report

STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

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

1. 2014 GOALS

1.1 Employment

Director's Comment: All Case Workers (including McCarver) are now working directly with Employment Specialist Nicole Meshesha in service planning for work able adults. We intend this ongoing consultation to be useful in the following ways.

- Every work-able adult will identify an employment goal that will allow his or her family to exit subsidized housing.
- All other service planning will be oriented toward achieving that exit employment goal.
- Clients will receive employment support that is consistently well-informed and of consistent quality.
- Case Worker knowledge of good employment service planning and local resources will improve.

We expect this model to ultimately improve the timeliness and efficacy of Employment Services, with living wage employment and exit from subsidy as outcomes.

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Clients referred for employment services	27	217	130	167%
Clients who received employment services	34	279	120	233%
Clients enrolled in employment readiness soft skills workshops	2	86	80	108%
Clients completed employment readiness soft skills workshops	2	46	50	92%
Enrolled in job readiness training	3	34	20	170%
Job placement	9	53	45	118%
WorkSource Participants Assisted	20	101	100	101%
Entered Apprenticeship	0	0	3	0%
Work Study/Community Jobs/Internships	3	14	30	47%
Earned Income Increased	8	47	35	134%

1.2 Education

1.2.1 Adult Education Programs

Manager's Comment – Mary Syslo: The number of THA residents who participate in ESL, GED and adult education continue to be low, for reasons discussed in previous reports. We are focusing now on lowering barriers to participation. Budget constraints permitting, we intend to increase access to childcare, transportation assistance, availability of translator services, and the presence of Adult Education Providers at the FIC and Bay Terrace in 2015.

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Participating in ESL classes	1	3	15	20%
Completes one or more ESL levels	1	1	5	20%
Adults enrolled in education program	1	7	25	28%
Adults complete education program	0	6	10	60%
Participants attending GED classes	16	64	200	32%
Completes one or more GED tests	0	0	25	0%
Attains GED	0	1	15	7%
FAFSA applications completed	0	2	10	0%

1.2.2 McCarver Special Housing Program

Program Description: THA's McCarver Elementary School Housing Program seeks to stabilize McCarver Elementary, a low-income school in Tacoma's Hilltop neighborhood. Participating families receive intensive case management services and assistance to help the parents improve their education and employment prospects

Manager's Comment---Jean Brownell: We have received Year Three data for the McCarver Special Housing Project, in the form of a draft report. It will be ready for full distribution and analysis in mid-November. The data will be instrumental in assessing the success of the program so far, as well as challenges and potential revisions to model that will need to be undertaken for any expansion. A renewed focus on casework and support to the families is the current focus. We are also reexamining our strategy for increasing rent burdens. Some up to date information is not yet available for the tables below but will be by next month.

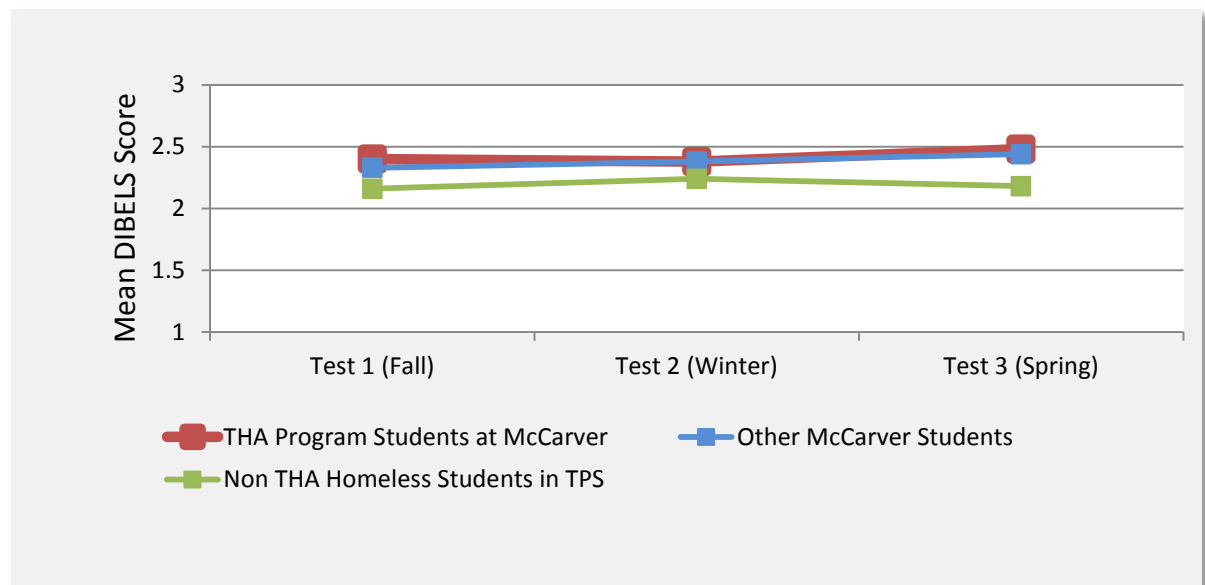
McCarver continues to receive considerable attention. The school hosted a visit by the staff of Congressman Kilmer on November 7. The Urban Institute has released their documentary about the Project. The Washington Post also recently published a very positive article regarding McCarver and Housing Authority-Public Schools collaboration.

Activities	Baseline 2010-2011	2011-2012	2012-2013
Turnover rate at McCarver Elementary	107%	96.6%	75.20%
Turnover among Program students	n/a	4.5%	13.30%
Turnover among other McCarver students	n/a	114.2%	89.00%

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Families participating	39	43	50	86%
Able to pay 40% of rent =< 50% of income	25	30	45	67%
Able to pay 40% of rent =< 30% of income	14	17	45	38%
Clients paying 60% of rent	19			
Average school attendance rate	n/a	n/a	93%	n/a
Referrals for discipline (school avg. 27.2%)	n/a	n/a	25%	n/a
% students increase scores on district reading test (K-5)	n/a	n/a	20%	n/a
% students increase scores on district math test (K-5)**	n/a	n/a	20%	n/a

** As of the end of the 2012-2013 school year there were few data on standardized tests of math to analyze and compare. We had math scores on only 29 McCarver Program students as of the most recent program evaluation. This number of students is too small to warrant comparisons or further statistical analysis.

MEAN DIBELS READING SCORES OVER THREE TESTS FOR
K-5 STUDENTS BY COHORT, (2012-13). 3 = READING AT
GRADE LEVEL



Activities	Baseline Fall 2011	At End of July 2014
Average annual household income	\$5232	\$12,080
Median annual household income	Not reported	\$11,892
Employed	7	21
Enrolled in Training Programs	2	5

1.3 Housing Opportunities Program (HOP)

Program Description – Mary Syslo: Community Services continues to work with HOP residents in job search and completing their five year goal plan. Three orientations were held in October. We are working on strategies to engage HOP households as soon as possible to help them find employment and increase their earned income. CS and REMHS are collaborating in this effort, meeting regularly to develop and implement more rigorous assessment and engagement protocols, and to identify currently enrolled households who are not engaged with CS and not increasing household income.

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
HOP orientations	3	8	n/a	n/a
Work-able attendees	0	32	120	27%
Attendees requesting CS	46	116	120	97%
Work-able attendees housed	9	41	120	34%
Participants receiving CS	2	18	60	30%

1.4 Families in Transition (FIT)

Program Description – Mary Syslo: We are moving toward combining the FIT caseload and assigning it to one caseworker. This will bring the caseload into line with the industry norm for caseloads (which are closer to 25 – 30). This will allow more efficient use of time and skill level, freeing up one FIT caseworker to work with General Services clients.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
Total Current Caseload	6		3		15	
	Oct. 2014	YTD 2014	Oct. 2014	YTD 2014	Oct. 2014	YTD 2014
Entrances	2	3	0	1	0	1
Graduations	0	5	0	0	3	4
Exits	0	0	0	0	0	1
Terminations	0	0	0	0	0	0

1.5 Case Staffing

Program Description – Mary Syslo: Case staffing is short-term, intensive intervention with households in danger of failing as tenants. Case staffing focuses on helping the family regain housing stability and avert eviction through compliance with their lease. Property management identifies families for case staffing. It is typically limited to 90 days.

Activities	Oct. 2014	YTD 2014	Annual Goal 2014
Number of households referred for services	10	78	27
N. of successful completions (eviction averted)	10	26	12
Number terminated	0	16	n/a
Number withdrawn	0	19	n/a

1.6 MTW Hardship Exemption Casework

Activities	Oct. 2014	YTD 2014	Annual Goal 2014
Number of households referred for services	6	46	n/a
Number of successful completions	2	14	n/a
Number terminated	0	1	n/a

Manager's Comment – Mary Syslo: Caseworkers assisting Hardship Exemption households continue to work with them to find employment. No significant change from last month's report.

1.7 Family Self-Sufficiency Program

Program Description – Mary Syslo: The THA Family Self-Sufficiency (FSS) program is a five year employment and savings incentive program funded by HUD and the City of Tacoma.

Director's Comment: We are not graduating or enrolling FSS clients at adequate rates. Mary Syslo will provide an assessment of why we are seeing these concerning trends in the December Report. Aggressive engagement of HOP households with no or decreasing earned income from employment will be a strategy.

Status	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Current Participants	114	125	153	82%
Graduates	0	8	17	47%
Removed/Voluntarily Withdrawn	3	6	n/a	n/a
New Contracts Signed	1	24	55	44%
Escrow Balance	\$127, 676.93			

1.8 Life Skills and Parenting Classes

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Life Skills Enrollment	7	20	20	100%
Life Skills Completion	0	8	10	80%
Parenting Enrollment	0	25	75	33%
Parenting Completion	0	0	65	0%

Manager's Comment – Mary Syslo: Our contract for Life Skills and Parenting classes with Bates Technical College has expired. We will be entering into a new contract for Parenting class after the New Year. In the meantime clients continue to be referred to parenting class in the community.

Director's Comment: We will begin tracking referral s to and participation with community providers for Parenting Classes.

1.9 Senior and Disabled Services

Program Description – Mary Syslo: THA’s Senior and Disabled Services Program Specialist works closely with Property Management to identify residents who could benefit from her services.

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Unduplicated client contacts	7	67	260	26%
Referrals	12	90	50	180%
Unduplicated situation/wellness counseling	9	84	140	60%
Assistance with correspondence for Entitlement Programs	4	43	40	108%

1.10 Asset Building

Director’s Comment: For adults, our main program for asset building is FSS, with the pay-point escrow system that allows participants to earn up to \$8,500 toward a major asset purchase.

For youth, our main program will be the New Salishan Children’s’ Savings Account. We have completed the hiring of a new Project Manager who will be responsible for the planning and implementation of the Children’s Match Savings Accounts. Andrea Cobb comes to us from the WA State Superintendent’s Office, where she has been a Policy Analyst. Andrea begins her work in mid-November. Discussions are underway with MDC and with the United Way about partnership opportunities for this project.

1.11 Computer Labs

Program Description: THA has a community computer lab at Bergeson Terrace. The community computer lab at Hillside Terrace is closed as of October 31 as we reevaluate funding, staffing, and program policies. A part-time temporary After School Program Coordinator provides afterschool tutoring, youth leadership, and adult access to the computers. We are monitoring this concept closely to see if it fits our needs.

Activities	Oct. 2014	YTD 2014	Annual Goal	% of Goal
Computer Lab Participation (cumulative visits)	391	1723	1200	144%

Project Manager's Comment – Mia Navarro: There has been some question as to whether the numbers we are collecting are duplicated (total number of visits) or unduplicated (total number of people, regardless of how many times they went during the month). The goal and the data collected are decidedly duplicated numbers. The average *unduplicated* number of people accessing the Bergerson computer lab In October was 56. Most are regular users throughout the month.

1.12 Youth Activities

Director's Comment: As noted in last month's report, the data gathered on Youth Mentoring is not useful because it did not differentiate between duplicated and unduplicated clients and incidents of service. Because of the manner in which Write@253 collected that data, we are not independently able to sort it usefully.

Write @253 has been the main provider for youth mentoring. That organization is currently facing some internal challenges, and has suspended service at THA Community sites as they address finances. We are working with Write@253 to find a financially viable strategy to resume services. If this effort is not successful, we will work to locate an alternative provider. In either event, will be prescriptive regarding the format in which data on program participation and outcomes are gathered and reported.

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-11-19 (1)

DATE: November 19, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Scattered Site Public Housing Homeownership

Background

This resolution authorizes the executive director to ask HUD for permission to sell THA's thirty-four (34) single-family public housing units. THA seeks permission to sell them to their low-income occupants or to other low-income households in Tacoma. If HUD grants permission, the matter would return to the board for its final approval to sell the homes.

There are several reasons to sell. Most of them relate to money. There are other factors to consider as well, including the effect on present residents. This memo discusses those reasons and factors below. In summary, THA seeks to sell the homes for four (4) main reasons:

1. THA needs the \$3 million the sale would provide. It needs the money to fix up the rest of the portfolio. As the board knows, the money THA receives in rent and in subsidy from HUD's public housing capital fund is not enough to keep the portfolio up to THA's standards. The \$3 million will help. The need to pay for this fix up has become an urgency because of THA's Rental Assistance Demonstration (RAD) application to HUD to convert all its public housing units to section 8 units. THA seeks that conversion because it judges that the section 8 funding stream will be, if not more generous than the public housing funding stream, then at least more stable. As a condition of the RAD conversion, however, THA must show a plan to finance the fix-up. A RAD conversion will help by allowing THA to borrow against the portfolio, something public housing rules do not allow. Yet, this borrowing will not be enough. The \$3 million will be necessary.
2. The single-family homes need some substantial repairs that would be expensive. THA needs to invest the money in the fix-up of the remainder of its portfolio.
3. The single-family homes are expensive to manage and maintain, for two reasons. **First**, they are scattered widely. **Second**, THA's property management structure and skills are suited for apartment buildings and closely situated properties. Single-family homes and their different systems and needs make them harder for THA to manage.
4. The sale of the single-family homes is a chance to provide homeownership opportunities to low income families. About 93 families in the portfolio (7%) and 204 families in the Section 8 program (5%) have incomes within the low income bracket of 50% to 80% of A.M.I.. that is low enough to qualify but higher enough to afford the purchase. Another 116 families on the THA's current waitlists fall within this range. THA would partner

with a homeownership agency such as Habitat for Humanity or the Homeownership Center. Such partners would counsel families, prepare those who are interested for homeownership and help them finance the purchase. The City also has a strong down payment assistance program for low-income first time purchasers.

Here are some further factors pertinent to the decision to sell these homes:

Effect on Residents:

The sale may be a valuable chance for a household to buy the home it had been renting. They would have the right of first purchase. Yet, if the household is not interested in buying or if it cannot afford the purchase, the sale of the home will displace the household. THA will rehouse them in one of two ways. **First**, THA will transfer the household to another part of its public housing portfolio. **Second**, THA will give them a tenant-based housing voucher that will help pay the rent on a home or apartment the family finds in the private rental market. Many residents may favor the voucher for the ability it allows the family to choose its home and to move with the subsidy. THA will provide relocation assistance including financial assistance and counseling.

In the case of either public housing or a voucher, the amount of the subsidy may change with THA's rent reform. The family's share of the rent may start out the same as its present rent. Its share may increase as the program rules change with THA's rent reform. That, however, is also a possibility should THA not sell the homes but keep them as public housing.

Effect on Portfolio:

Selling these homes will remove some of THA's larger units. They are primarily three bedroom homes, which constitute 30% of THA's portfolio. They also include a few homes with 2, 4 and 5 bedrooms. Here is a breakdown of THA's portfolio by bedroom size and the size units needed for THA's waiting list and the units the city needs. These data show that, even after the sale, THA's stock of three-bedroom units is significantly higher proportionately than the overall demand for such units in the City or on its waiting list. THA's stock of larger units seems about right.

Bedrooms	Percent of Waitlist	PH Single family homes	Added to Portfolio via Bay Terrace	Total Units	% of Portfolio	After Disposition	% of Portfolio
1 Bedroom	45%	0	26	416	33%	416	34%
2 Bedroom	35%	1	30	389	31%	388	32%
3 Bedroom	14%	25	14	383	30%	358	29%
4 Bedroom	4%	6	0	52	4%	46	4%
5 Bedroom	1%	2	0	22	2%	20	2%
6 Bedroom	0%	0	0	1	0%	1	0%

Three, four, and five bedroom units primarily house families with five or more members. According to the 2010 Census data for the City of Tacoma, there are roughly 7,900 families, or 10% of Tacoma's population, with five or more members. The majority of these families (6,293) are five or six member households, most likely qualifying for three-bedroom units. In summary, the sale will leave THA with an adequate number of larger size units. Additionally, the market study for Bay Terrace Phase 2 on June 13, 2014 recommended a unit mix of 12% three-bedroom units. The current unit mixes we are considering for this next phase all have a higher percentage of three-bedroom units than called for in the market study.

Sale Price

The home prices for the 34 homes will range from \$100,000 – \$140,000. We estimate a conservative net of \$100,000 per home after rehabilitation costs and sharing up to 10% of the proceeds with the respective homeownership organization. We estimate roughly \$3 million in net proceeds.

Recommendation

Approve Resolution 2014-11-19 (1), formally authorizing THA to submit a Section 32 Application to HUD for the disposition and sale of the 34 public housing scattered single family as affordable homeownership opportunities.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-11-19 (1)

SCATTERED SITE PUBLIC HOUSING HOMEOWNERSHIP

Whereas, THA does not receive enough money from the Public Housing Capital Funds program or rents to adequately maintain the public housing portfolio;

Whereas, THA's recent Rental Assistance Demonstration (RAD) application to HUD to convert its public housing stock to section 8 financing commits THA to financing the portfolio's rehabilitation;

Whereas, to afford that financing and the rehabilitation, THA needs the money available from the sale of its scattered site public housing single-family homes;

Whereas, managing those scattered single-family homes imposes a disproportionate burden on THA's property management capacity, which is better suited for managing apartment building or townhomes communities.

Whereas, a Section 32 disposition approval from HUD allows THA sell the homes in a way to provide homeownership to current occupants and other residents receiving THA subsidy and other low income families in Tacoma;

Whereas, THA is also prepared to offer residents who do not purchase their homes housing in other parts of THA's portfolio or a tenant-based housing voucher.

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

1. The Executive Director has the authority to submit a Section 32 application to HUD for the sale of thirty-four (34) single family scattered site public housing homes.

Approved: November 19, 2014

Stanley Rumbaugh, Chair

RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-11-19 (2)

DATE: November 19, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Payment Standards for Housing Choice Voucher Program

Background

HUD's rules allow THA to set payment standards for its rental assistance programs from 90% to 110% of the Fair Market Rents (FMR) that HUD sets annually for our market. THA's current payment standards are set to 96% of FY2011 FMR. Since 2011, HUD has increased the FMRs. THA's payment standard has declined as a percentage of that increasing FMR. Data show that these payment standards do not inhibit households from leasing up in a suitable unit. However, we should increase them to meet the 90% minimum of current FMR.

THA's zero and one bedroom size payment standards are 97% and 93% of FY2015 FMR, respectively. I propose to maintain these and to increase the remaining bedroom size payment standards to 90% of FY2015 FMR.

Current THA payment standards

Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
\$668	\$780	\$973	\$1,418	\$1,596

Proposed THA payment standards

Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
\$668	\$780	\$984	\$1,450	\$1,742

THA staff considered the following factors, as required by the Housing Choice Voucher Guidebook, in the payment standard review:

- **Shelter Burden**
The average shelter burden of voucher assisted households is 31%. THA has waived the requirement to cap a household's shelter burden at 40% in order to allow clients the option of paying more for a unit than what is considered affordable by HUD.
- **Availability of suitable units with rents below the payment standards**
Market rent data available through Dupre + Scott show that there is a 4.5% rental vacancy rate in Tacoma. This reflects adequate rental options for renters. This external

data also show that the average rent has increased \$13 over the last six months. The average rental prices fall within the new proposed payment standards.

- **Size and quality of units selected by tenants**
HQS pass/fail rates show that 82% of units selected by clients within HOP, HCV and McCarver pass the inspection. Generally, clients are able to locate suitable units according to HUD standards.
- **Average number of shopping days under current payment standards**
On average, voucher assisted households secure and move into a unit within 48 days. This meets HUD's definition of a successful shopping time of less than 90 days.
- **Vouchers that have expired without leasing**
Since 2011, 312 vouchers have expired without leasing. This figure includes households that were already receiving a voucher subsidy from THA and did not use the new voucher, but did stay on the program. In these instances, most households requested new vouchers to move, the vouchers expired and the households did not move for reasons unknown. This is the case for 243 out of the 312 expired vouchers.

69 new households received vouchers without leasing between 2011 and 2014. This is representative of 3.4% of all new vouchers issued in the years that current payment standards have been in place.
- **Port outs since THA last revised its payment standards**
Also since 2011, 277 households have ported out of THA's jurisdiction. This is representative of 14.6% of all new vouchers issued between 2011 and 2014. THA's portability restrictions do not allow households to port out because of higher payment standards. From this, it can be concluded that these households ported out for one of the following allowable reasons: reasonable accommodation, employment opportunity, fleeing domestic violence, educational opportunity, if the receiving PHA absorbs the voucher and if the voucher had ported in to THA's jurisdiction originally.

NOTE: THA's Annual Plan directs that these changes be effective on October 1st and shall apply to moves or recertifications after that date. Annually, HUD proposes the next year's FMR over the summer and finalizes them on October 1st. THA's Admin Plan states that THA will make increased payment standards effective on October 1st if it looks like the proposed FMR will require a payment standard revision. In order to comply with this schedule, THA must adopt revised payment standards before FMR are finalized by HUD, or make retroactive payments. Neither option is ideal for staff. The Admin Plan should be revised to reflect that any increase or decrease in the payment standards will be effective January 1st. The board should expect a proposal for this revision in the coming months.

Recommendation

I recommend adopting payment standards at 90% of the current FMR for all payment standards that are below the threshold. I also recommend making retroactive payments to affected households.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-11-19 (2) Payment Standards for Housing Choice Voucher Program

WHEREAS, HUD updates its Fair Market Rents annually.

WHEREAS, housing authorities may adopt payment standards between 90-110% of the effective Fair Market Rents.

WHEREAS, THA will adopt payment standards that are appropriate based on household leasing data and available rental market data.

WHEREAS, these payment standards will go into effect for annual reexaminations, moves and new admissions effective on or after October 1, 2014.

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

1. THA shall set its payment standards at 90% of the current Fair Market Rents for all payment standards that do not meet the threshold, keep the zero and one bedroom payment standards the same, and make retroactive payments to households whose moves or recertifications occurred after October 1st.

Approved: November 19, 2014

Stanley Rumbaugh, Chair

RESOLUTION #3



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-11-19 (3)

Date: November 13, 2014

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approving Washington Youth and Families Fund Memorandum of Understanding

Background

On March 19, 2009, THA joined with others to sign a memorandum of understanding expanding and reaffirming the Washington Families Fund (WFF). WFF supports and funds programs and policies to end family homelessness in Washington State. This resolution will authorize the executive director to sign a renewed memorandum of understanding (MOU) for an expanded Washington Youth and Families Fund. The MOU "is a statement of intent only, and is not binding upon the parties. The parties will not be liable to each other for any damages or losses arising from or relating to this MOU." Instead, the MOU denotes a commitment to work to end homelessness and to design and support programs accordingly. A copy of the new MOU is attached.

The other signatories in 2009 were Governor Gregoire, the county executives of Pierce, King and Snohomish Counties, the mayors of Tacoma, Seattle, and Everett, eleven major Puget Sound foundations including the Bill & Melinda Gates Foundation and the Greater Tacoma Community Foundation, and the public housing authorities of Seattle, King County, Pierce County, Snohomish County and Everett. These signatories will also sign the new MOU. Governor Inslee and Building Changes are hosting a signing celebration on December 10, 2014 in Seattle.

WFF has been valuable to THA and its work. Under the leadership of Building Changes it has raised and organized public and private funds that it then grants to housing and service providers. For example, it funds the services THA provides to homeless families at Salishan and Hillside Terrace. It has provided funds to THA's McCarver project. WFF has also provided a forum for the collection of data and the arrangement of expertise for regional providers like THA to design innovative programs to serve homeless families. For example, WFF and the Gates Foundation have been the primary source of the data and expertise that allowed THA to invest in Pierce County's rapid re-housing programs serving homeless families. WFF and its signatories have also been prominent advocates for funding and policies to end homelessness.

The new MOU would continue this collaboration. It would expand its scope to include not only

homeless families but also homeless youth with families. It would also expand the collaboration to include community colleges and workforce organizations. The goal remains the same: to make homelessness rare, brief, and, for those who must experience it, a one-time event.

Recommendation

I recommend that the board approve this resolution.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-11-19 (3)

WASHINGTON YOUTH AND FAMILY FUND: APPROVING MEMORANDUM OF UNDERSTANDING

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

Whereas, in 2009 THA signed the memorandum of understanding (MOU) expanding and reaffirming the Washington Families Fund (WFF). In doing so, it joined Governor Gregoire, the county executives of Pierce, King and Snohomish Counties, the mayors of Tacoma, Seattle, and Everett, eleven major Puget Sound foundations including the Bill & Melinda Gates Foundation and the Greater Tacoma Community Foundation, and the public housing authorities of Seattle, King County, Pierce County, Snohomish County and Everett.

Whereas, WFF has become the state's leading effort to raise and organize public and private financing, data, expertise, and program providers to make family homelessness in Washington State rare, brief and, for those who must experience it, a one-time event.

Whereas, there is must more work to do.

Whereas, the signatories of WFF seek to expand WFF to address not only the homelessness of families with children but also the homelessness of youth without families. They seek to add community colleges and workforce organizations to the collaboration. They propose to do this with a new MOU creating the Washington Youth and Families Fund. A copy is attached.

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

1. the executive director is authorized to sign a new MOU in substantially the form set forth in the attachment.

Approved: (November 19, 2014)

Stanley Rumbaugh, Chair

Washington Youth & Families Fund Memorandum of Understanding

We come together in celebration of the 10-year anniversary of Washington Families Fund and of the substantial collective progress we have made preventing and ending family homelessness in Washington State. This Memorandum of Understanding (MOU) signifies both new and renewed commitments to work together on a complex issue that requires collaborative, multi-system solutions. Through continuous shared learning, testing promising new ideas, and focusing our collective resources on what works, we can make youth, young adult and family homelessness a rare event. And we can ensure that when it does happen, it is a brief and one-time occurrence.

This MOU articulates our intention to continue and expand the public-private partnership, as further described below. This MOU replaces the Washington Families Fund MOUs executed in 2004 and 2009 and changes the name to the Washington Youth and Families Fund.

RECITALS

The Washington Families Fund (WFF) was created in 2004 as a public-private partnership focused on providing services for homeless families across the state. Building Changes was selected to administer the Fund.

A new MOU was signed in 2009 to expand WFF, adding a cross-systems approach and launching pilots to test innovative new strategies in King, Pierce, and Snohomish Counties.

Much has been accomplished since 2004:

- We have, by one measure, achieved a 35% reduction in family homelessness in Washington State.¹
- The State has allocated \$17 million to the Washington Families Fund, which has leveraged \$38.5 million in investments from 25 different private funders.
- Mainstream systems—such as public housing authorities, workforce development, K-12 education, community colleges and primary and behavioral healthcare—are now working together to create housing stability for homeless families.
- WFF has supported 80 organizations in 21 counties across the state and has:
 - Developed and funded a new model of supportive housing for families with multiple barriers to stability, which is generating significant learnings about what works to support high-needs families.
 - Advanced the implementation of Rapid Re-Housing strategies in communities across Washington State.
 - Focused on employment as a key strategy for ending family homelessness.
 - Piloted new approaches to improving the way families are served, by focusing on the performance of the entire system, not just individual programs.

¹ Family homelessness was reduced by 35% in Washington between 2006 and 2014, according to the annual point in time counts as reported to the Washington State Department of Commerce. The more robust data source of Homeless Management Information Systems (HMIS) will be used going forward.

We have made progress, but there's more work to do.

As our understanding of homelessness and its solutions evolves, WYFF must also evolve to:

- Expand systems work statewide, building on successful pilot projects and adding new mainstream partners;
- Focus on racial disproportionality in the youth, young adult and family homelessness systems; and LGBTQ disproportionality among homeless youth;
- Improve how we capture, share and use data to guide system changes, sharpen investment decision-making and drive continuous improvements.
- Set new goals in response to improved data that more accurately tell us how we are doing in making youth, young adult and family homelessness rare, brief, and one-time;
- Add a focus on youth and young adults because:
 - Youth and young adults have unique developmental needs not being met by either the adult or family homeless systems;
 - The full extent of youth and young adult homelessness is hidden;
 - A significant portion of the 30,609 homeless students² in Washington are unaccompanied youth;
 - Addressing youth and young adult homelessness in the first place may prevent involvement in other systems such as foster care and criminal justice, and lead to cost savings in the long term;
 - Interventions to end youth and young adult homelessness may stop the cycle of homelessness as they become adults;
 - Better data is needed to understand the unique needs of homeless youth and young adults.

GOALS

The undersigned partners agree to pursue the following goals of the Washington Youth and Families Fund (WYFF):

1. By 2020 make youth, young adult and family homelessness in Washington State a rare, brief, and one-time occurrence. We believe this can be accomplished by developing a data-driven, high-performing system built on promising and proven practices that leverage multiple systems.
2. Better understand the full scope of youth, young adult and family homelessness in Washington State by developing data systems to support the work, with specific focus on the impacts of disproportionality for youth and families of color and for LGBTQ youth.
3. Assure public and private resources are used as effectively as possible to serve homeless youth, young adults and families or those at risk of becoming homeless.

² The McKinney-Vento Homeless Education Assistance Act defines homeless children as individuals who lack a fixed, regular and adequate nighttime residence and includes children and unaccompanied youth who are living “doubled up” with other family or friends. This is a broader definition than that of the federal Department of Housing and Urban Development, which does not include children and youth living doubled up.

4. Align our efforts for youth and young adults with the United States Inter-Agency Council on Homelessness (USICH) Framework to End Youth Homelessness core outcomes: stable housing, increased permanent connections, access to education and employment opportunities, and support of social and emotional well-being.

Measurement of Progress

In alignment with the federal Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) measures, we will measure our progress by tracking:

1. The number of youth, young adults and families who are homeless;
2. The length of time youth, young adults and families spend homeless;
3. The rate at which youth, young adults and families return to homelessness.

These goals will be measured by reporting on youth, young adults and families who have received services as reported through the Homelessness Management Information System (HMIS), and will use the following as baseline data:

Number of Homeless	Families	8,648
	Unaccompanied Youth under 18	975
	Young adults 18 to 24	4,105
Length of Time Homeless	Families	116 days
	Unaccompanied Youth under 18	36 days
	Young adults 18 to 24	74 days
Rate of returns to Homelessness	Families	9%
	Unaccompanied Youth under 18	19%
	Young adults 18 to 24	22%

The data sources will be updated as the homeless system's ability to measure the full extent of youth, young adults and families experiencing homelessness improves. HMIS data only captures youth, young adults and families who have been served by the homelessness system. Complete statewide data for youth and young adults in particular is not currently available.³

TERMS

Partner Roles

This public-private partnership relies on the unique strengths and contributions of its partners. Each partner agrees to:

- Collaborate with other funders and systems to contribute and align resources to meet the goals of the Washington Youth and Families Fund.

³ Data from sources not included in this MOU may be used at WYFF Leadership Committee meetings to measure progress and provide information about homeless youth, young adults and families.

- Collect relevant data and evaluate the impact of promising practices to continually improve the work of systems serving homeless youth, young adults and families.
- Share their learning and experiences so that successful efforts may be replicated in other communities throughout the State.
- Foster connections to mainstream community systems and all resources that work to increase housing stability.
- Act as an ambassador for this collaborative effort by communicating with stakeholders and contributing to the broader community's understanding of efforts to reduce youth, young adult and family homelessness.

State of Washington

- Shall be represented by the Governor or his/her designee and supported by the State departments that most directly support homeless youth, young adults and families.
- Shall serve as the lead entity to provide best available data through the Homeless Management Information System (HMIS), Integrated Client Database (ICDB) and other state-owner systems to evaluate progress toward meeting the statewide homeless goals articulated within.

Building Changes

- Serve as the lead administrator for the public-private partnership known as the Washington Youth and Families Fund.
- Provide capacity building and make meaning of results with grantees, private philanthropy and public entities.
- Pool, grant, and administer those resources invested directly in the Washington Youth and Families Fund to benefit communities throughout the State.

Leadership Committee

- The Leadership Committee's purpose shall be to champion the goals of the Washington Youth and Families Fund, share learning and best practices, and understand data and evaluation findings and progress toward meeting stated goals.
- Shall be co-chaired by the Governor or his/her designee and a committee member from a private philanthropy partner organization.
- Each of the signers of the MOU agree to designate one board or executive staff member to represent their organization on the Leadership Committee.
- The Governor will appoint an executive level representative from each state department that serves homeless youth, young adults and families experiencing homelessness.
- Membership adjustments may be made to the Committee provided they align with the intent and approach articulated in this MOU.
- Building Changes shall convene and provide staffing to the Leadership Committee as needed to meet the goals of the Washington Youth and Families Fund.

- The Leadership Committee shall meet up to two (2) times per year.

This MOU is a statement of intent only, and is not binding upon the parties. The parties will not be liable to each other for any damages or losses arising from or relating to this MOU. Additional partners may be added to the MOU upon majority agreement by the undersigned.

IN WITNESS WHEREOF, the undersigned have signed and made effective this MOU on this 10th day of December 2014.

DRAFT