



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

December 17, 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, December 17, 2014

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, December 17, 2014 at 4:45 PM**

The meeting will be held at:

**902 South L. 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 December 12, 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
December 17, 2014, 4:45 PM
902 South L. Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of November 19, 2014 – Regular Session
 - 3.2 Minutes of December 5, 2014 – Special Session
- 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 2014-12-17 (1), Stable of Financial Advisors
 - 8.2 2014-12-17 (2), Fiscal Year 2015 Agency Budget
 - 8.3 2014-12-17 (3), MTW Reserve Commitment
 - 8.4 2014-12-17 (4), Line of Credit from Heritage Bank
 - 8.5 2014-12-17 (5), Approval of Account Receivable Write-offs
 - 8.6 2014-12-17 (6), Administrative Plan Update
 - 8.7 2014-12-17 (7), Repair to 15 Ground Floor Units at Bergerson Terrace
 - 8.8 2014-12-17 (8), Stable of Real Estate Brokers
- 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, November 19, 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 5317 South Orchard Street Tacoma, WA at 4:45 PM on Wednesday, November 19, 2014.

1. CALL TO ORDER

Vice Chair Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:55PM.

2. ROLL CALL

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

| PRESENT | | ABSENT | |
|---|--|-------------------------------------|--|
| Commissioners | | | |
| Arthur C. Banks, Vice Chair | | Stanley Rumbaugh, Chair | |
| Janis Flauding, Commissioner | | Rose Lincoln Hamilton, Commissioner | |
| Minh-Anh Hodge, Commissioner | | | |
| Staff | | | |
| Michael Mirra, Executive Director | | | |
| Christine Wilson, Executive Administrator | | | |
| Ken Shalik, Finance and Administration Director | | | |
| April Black, REMHS Director | | | |
| Todd Craven, Administration Director | | | |

Vice Chair Banks declared there was a quorum present @ 4:56 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Banks asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 22, 2014.

Commissioner Flauding moved to adopt the minutes, Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Councilmember Anders Ibsen presented a proposal pending before the Tacoma City Council that would require certain employers to provide paid sick and safe leave ordinance for their employees. The guiding principles include healthy workers and families, economic justice, and business prosperity. He noted that several cities and states have passed a similar requirement as a social justice and economic issue. He recounted some details of the proposal. He noted the levels of support from other organizations, including the Tacoma Human Rights Commission, the Tacoma- Pierce County Chamber of Commerce, Washington Restaurant and Washington Retailers Associations. Councilmember Ibsen requested the THA Board to formally endorse the ordinance. Vice Chair Banks thanked the Councilmember for attending the meeting and providing background information on the initiative. Since only three commissioners were in attendance this evening, Vice Chair Banks stated he would like the other two commissioners to weigh-in as well at our meeting in December.

5. COMMITTEE REPORTS

Real Estate Development Committee – None

Finance Committee – Commissioner Lincoln Hamilton met with Director Shalik. She was not present this evening to provide the report.

Citizen Oversight Committee – No report

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra directed the board to his report. He discussed the ongoing MTW extension discussions with HUD and other MTW PHAs. The discussions have been challenging. He hopes to report more news at the next board meeting. The Washington State Legislative Session begins in January. THA will submit requests for the state to include funding for Bay Terrace Phase 2 and the Hilltop Lofts in the 2015 capital budget.

Finance

Director Shalik directed the board to his report. He spoke to the ongoing budget discussions and the proposed 2015 budget. ED Mirra added that THA will budget to the 2014 budget levels. They reviewed THA's budget principles that guide the budget drafting.

Vice Chair Banks called to adopt a consent motion ratifying the payment of cash disbursements totaling \$4,169,181 for the month of September. Commissioner Flauding moved to ratify the payment of cash disbursements. Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Vice Chair Banks called to adopt a consent motion ratifying the payment of cash disbursements totaling \$4,865,598 for the month of October. Commissioner Flauding moved to ratify the payment of cash disbursements. Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Real Estate Management and Housing Services

Director Black directed the board to her report. She announced good news that Bay Terrace Phase 2 is 100% leased up. There was discussion on the increased number of

days for unit turns. Staff has been working on the transfer list identifying those who can move to Bay Terrace. This has created additional vacancies within the portfolio. Additionally, the meth test kits were back ordered which slowed down the testing process. Adding to the backlog have been staff absences and a high vacancy rate. The Rental Assistance Department is issuing HOP vouchers through the end of the year. Director Black provided an update on two issues from the October board meeting. Ms. Kaylan Ardora has stated a concern about rent increases and Chair Rumbaugh's asked about youth aging out of the juvenile justice system and whether the New Nativity House of Catholic Community Services will accept them. Staff met with Ms. Ardora and received a public records request to review documents mailed to Bay Terrace residents. To date, the mailer Ms. Ardora mentioned has not been located within THA systems or brought forward by Ms. Ardora or any other Bay Terrace resident. Related to youth aging out of the juvenile justice system, she is suggesting that both Catholic Community Services and Access Point 4 Housing attend a board meeting to discuss their programs. Vice Chair requested a presentation in January. Commissioner Flauding thanked staff for meeting with Ms. Adora and listening to her concerns.

Real Estate Development

ED Mirra presented the board report on behalf of Director McCormick. THA will submit applications to the state housing trust fund and the City of Tacoma for capital dollars for the following projects: Bay Terrace Phase 2 and Hilltop Lofts. Metro Parks continue to work on a Community Center just south of Salishan. They have asked THA to help in their search for funding. THA will not have any capital dollars to contribute, however, we will be useful where we can. Vice Chair Banks will participate in MetroParks's Community Center Advisory Board.

Community Services

ED Mirra presented the board report on behalf of Director Claycamp. THA received year three data for the McCarver Special Housing Project. The McCarver expansion discussion will begin in December between THA and Tacoma School District. THA received word from the City of Tacoma that it has received preliminary recommendations to fund a McCarver case worker for one-year. A McCarver Advisory Board will reconvene. ED Mirra announced that Jean Brownell has been hired as THA's new Education Project Manager and Andrea Cobb has been hired as THA's Children's Matched Savings Accounts Project Manager. They both will attend the BOC meeting in January.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 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

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

Upon roll call, the vote was as follows:

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

Motion Approved: November 19, 2014 _____
Stanley Rumbaugh, Chair

8.2 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 recertification's occurred after October 1st.

Approved: November 19, 2014 _____
Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

Motion Approved: November 19, 2014 _____
Stanley Rumbaugh, Chair

8.3 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

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

Upon roll call, the vote was as follows:

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

Motion Approved: November 19, 2014 _____
Stanley Rumbaugh, Chair

9. COMMENTS FROM COMMISSIONERS
None

10. EXECUTIVE SESSION
None

11. ADJOURNMENT

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

APPROVED AS CORRECT

Adopted: December 17, 2014

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION FRIDAY, December 5, 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 Special Session at 902 South L. Street, Tacoma, WA at 12:06 PM on Friday, December 5, 2014.

1. CALL TO ORDER

Commissioner Lincoln Hamilton called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:06 PM.

2. ROLL CALL

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

| PRESENT | ABSENT |
|---------|--------|
|---------|--------|

Commissioners

Stanley Rumbaugh, Chair (arrived at 12:10 pm)

Arthur C. Banks, Vice Chair

Janis Flauding, Commissioner

Rose Lincoln Hamilton, Commissioner

Minh-Anh Hodge

Staff

Michael Mirra, Executive Director

Christine Wilson, Executive Administrator

Ken Shalik, Finance Director

Greg Claycamp, Community Services Director

Kathy McCormick, RED Director

Todd Craven, Administration Director

Barbara Tanbara, Human Resources Director

Commissioner Lincoln Hamilton declared there was a quorum present @ 12:07 pm and proceeded.

3. DISCUSSION OF THE PROPOSED FISCAL YEAR 2014 BUDGET

(Chair Rumbaugh arrived, the BOC quorum was maintained)

Commissioner Lincoln Hamilton led the discussion stating that 2015 will be a year of transition. Federal funding will continue to be unpredictable. ED Mirra reviewed the

important budget principles that govern THA budget writing and that have served us well for the past ten years. The proposed budget conforms to these principles:

- THA's strategic directives provide the primary guidance.
- THA budgets conservatively in our estimation of income and expenses. This also means we will budget to the worst of the plausible congressional budgets.
- We budget so that recurring income covers recurring expenses. This requires us to characterize an income and or an expense as one or the other. ED Mirra gave some examples that are not clearly one or the other.
- We use reserves for expenditures that have an adequate prospect of making us money, saving us money or making us stronger or more effective.
- We keep reserves between minimal and optimal levels.

Director Shalik walked the BOC through the budget financials. He highlighted the 2015 budget does not include the \$7.5M from the sale of the Salishan lots, the sale of scattered sites, and the sale of the market rate homes. These proceeds will be used for the RAD conversion and the development of additional affordable housing. ED Mirra mentioned the funds will also be used for existing portfolio needs. Director Shalik then walked the BOC through Attachment A. Conversation ensued.

The BOC thanked staff for the thoughtful analysis and review of budget. They underscored the need to begin looking early at the potential cuts for 2016.

4. ADJOURNMENT

There being no further business to conduct the meeting ended at 1:00 pm.

APPROVED AS CORRECT

Adopted: December 17, 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: December 11, 2014
Re: Executive Director's Report

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

1. THA 2015 BUDGET AND CONGRESSIONAL NEWS

I thank the Board, especially Rose and Stan, for the thoughtful approach to the budget, for the Board's appreciation of the hard staff work that the budget required, and for the confidence and support the Board shows in THA's work.

As I write this, the House of Representatives has just approved a continuing resolution to fund the government until October 1, 2015. The Senate must approve it tonight to prevent another government shutdown. We have no details yet but the House approved budget appears to be the budget we presumed upon in drafting our own.

Moreover, earlier today we received the welcome news that the House version of the budget contained an increase in the RAD cap from 60,000 to 180,000. That would be very good for THA. THA's application is sitting several thousand units above the present cap. The new cap would easily have room for us. I should have details at the board meeting.

2. STRATEGIC PLANNING

As I reported last month, I expect to have the strategic performance measures for the Board to consider in January.

3. MTW: UPDATE ON CONTRACT EXTENSION

Negotiations continue with HUD over the changes HUD seeks in our MTW contract as a condition for extending them. I can report some developments. First, HUD has sent more detail on the changes it seeks. I attach a copy. This shows a welcome new flexibility. I highlighted the most important part. This will be worth a brief discussion at the board meeting. Second, negotiation sessions between HUD and the MTW steering committee now occur in person. Perhaps that will help.

4. POSSIBLE RE-ORGANIZATION

I continue my consultations with staff and others over the reorganization I am considering. I now hope to decide by the end of the month.

5. WASHINGTON STATE LEGISLATIVE SESSION

The Washington State legislature convenes in January. As you know, THA seeks state capital dollars for Bay Terrace Phase 2 (\$3 million) and Hilltop Lofts (\$2 million). On December 8, 2014, the Tacoma City Council adopted its legislative agenda for the state session. The council included the request for these two projects.

Summary of Moving to Work (MTW) Extension Principles and Updated Terms

Background

In the fall of 2013, a number of the MTW agencies inquired about the possibility of extending their existing MTW agreements. The primary impetus for seeking extensions at that time was the relatively short time frame left on the existing agreements (i.e. approximately five years), and the effect this was having on agencies securing financing arrangements that relied in some measure on the agencies' MTW flexibility and ability to combine public housing and Housing Choice Voucher (HCV) funds. In February 2014, HUD advised the MTW agencies that HUD would be willing to extend the MTW agreements through 2028, provided the agencies had at least a 90% utilization of HCV funding or authorized Annual Contributions Contract (ACC) vouchers as voucher assistance. Subsequently, internal and external stakeholders expressed concerns about extending the MTW agreements without addressing other issues. After considerable deliberation, the then Secretary of HUD decided that other changes to the MTW agreements were warranted. HUD communicated the MTW extension principles and terms to the MTW agencies during a webinar in August of 2014.

HUD Extension Principles

In this August 13th webinar regarding the extension of the MTW agreements through 2028, HUD communicated the need to make changes for legal and administrative reasons, to improve monitoring and evaluation, and to address funding inequities. The collective group of changes described under these three categories stemmed from internal discussions, feedback in recent years from external stakeholders, and concerns expressed generally regarding the structure and soundness of the demonstration. HUD believes that by addressing known issues it will not only be able to continue to offer flexibility to the current group of 39 MTW agencies, but it will also be better positioned to support an expansion of this program to other public housing authorities (PHAs). The below summarizes the underlying issues HUD identified and how it believes the proposed changes address these issues.

Legal and Administrative Changes

The changes presented in this category are items that relate to known legal issues or are desired to ensure a streamlined standard agreement and sound administration of the demonstration. The table below lists each proposed change and the associated goal(s).

| Proposed Change | Goal(s) |
|--|--|
| Update Statutory and Regulatory References | Legality |
| Make Legal Edits in the Body of the Agreement | Legality |
| Incorporate Applicable Portions of the First Amendment into Agreement | Legality, Consistency, Flexibility |
| Edit Attachment As for Legal and Consistency Issues | Legality, Consistency |
| Ensure all PHAs Operate Under Standard Agreement and Form 50900 Reporting | Consistency, Improved Monitoring and Reporting |
| Review of Attachment Ds <i>Ensure continued legality; Expand common Attachment D authorizations where possible; Remove Attachment D authorizations that are duplicative to Attachment C</i> | Legality, Consistency, Flexibility |

Enhancements to Monitoring and Evaluation

Given MTW's structure as a demonstration, HUD is often questioned about its monitoring of the MTW statutory requirements and other program objectives, and its plans to evaluate the policies created by MTW agencies. To move forward with a long-term extension of the MTW agreements through 2028, HUD and the agencies should continue to make progress in the areas of monitoring and evaluation. There are two key areas voiced by stakeholders that have garnered the most concern: accurate and defensible baseline numbers and improved evaluation of certain MTW activities.

Resetting Baseline Numbers – In 2013 HUD's Office of Public and Indian Housing (PIH) published a Notice formalizing a methodology for tracking the MTW statutory requirement to serve substantially the same number of families. While HUD and the MTW agencies spent the better part of two years working together on this methodology, the end product was a monitoring tool with some shortcomings, given its reliance on historical data. Also, using a point-in-time utilization and occupancy snapshot to set the initial baseline created baseline numbers that were not consistently commensurate with funding received. These known issues, coupled with potential changes to public housing and/or HCV funding as part of the extension, creates an opportunity to reevaluate the baseline monitoring tool. A possible approach is to reset baseline numbers commensurate with each MTW agency's funding. Ideas on how to reset the baseline numbers commensurate with MTW funding are welcomed.

Rigorous Evaluation of Major NEW Activities – HUD and MTW agencies have received criticism regarding the evaluation of MTW activities. HUD and MTW agencies are cognizant that MTW is a demonstration program, and we jointly have a responsibility to provide data that can inform policymakers and the industry as a whole. However, the costs associated with rigorous evaluation methods and the locally-designed nature of the program makes evaluation difficult. In an effort to balance the need for information with the known constraints, HUD suggested more rigorous evaluation of major new activities (e.g. mobility/portability restrictions, major rent reforms, work requirements/time limits). This suggested approach satisfies the need for additional evaluation, while at the same time limiting costly and time consuming work to those policies where it is most needed. HUD has focused on new activities because truly rigorous strategies would be very difficult to employ for activities that have been in place for many years, and would place a high level of burden on MTW agencies. Rigorous evaluation of historical activities is better accomplished through a third-party evaluation of MTW, which HUD is currently working to procure. Ideas on which new activities should be evaluated and ideas on the methodologies that constitute rigorous evaluation are welcomed.

Changes to Attachment A to Address Funding Inequities

Funding arrangements set forth in original MTW agreements provided several MTW agencies with more funding than they would have received absent the demonstration. Specifically, eleven MTW agencies originally negotiated unique public housing operating subsidy arrangements that result in those agencies receiving more funding than other MTW agencies and non-MTW agencies. Additionally several MTW agencies entered MTW with HCV funding calculations that were not based on the actual utilization of HCV funds. The majority of these early MTW Agreements instead based HCV funding on either a) HCV program eligibility, or 2) an MTW per unit cost (PUC) calculation. Neither of these alternate calculations took leasing into account, and thus, resulted in agencies receiving a higher funding level than the number of HCV families served at the time. As funding for our critical programs has become scarce in recent years, HUD and other stakeholders have raised concerns about the additional

funding provided to MTW agencies through these arrangements. While these arrangements may have made sense many years ago, HUD is now faced with a situation where the national need far exceeds the available resources and where resources should be provided equitably to all PHAs.

90% HCV Utilization Requirement throughout the Duration of the Agreement – In the difficult funding environment that our industry faces, it is critical that the scarce resources appropriated by Congress for housing assistance be used to house families. HUD believes that MTW agencies should balance housing families with other MTW expenditures. This resulted in HUD putting forth the 90% HCV utilization requirement as a term of the extension. Originally, HUD proposed that to be eligible for the extension, and as a condition throughout the duration of the extension, MTW agencies would be required to meet a 90% utilization rate in the HCV program. The 90% utilization rate could be met in either of two ways: (i) utilize at least a 90% of Housing Choice Voucher (HCV) funding for voucher leasing or (ii) lease at least 90% of the authorized number of ACC vouchers.

Based on the feedback received from MTW agencies, HUD conveyed revisions to this extension term on a call with all MTW agencies in mid-October. Specifically, HUD expanded the definition of utilization to be more consistent with how HUD counts families served in its current program monitoring (i.e., the baseline methodology). HUD proposed that the definition would include housing assistance payment (HAP) funds expended for:

- HCV HAP
- local, non-traditional rental subsidy programs (e.g. sponsor-based or supportive housing, local voucher-like programs)
- development of NEW public housing or project-based voucher (PBV) units (using single-fund flexibility)
 - *this funding would be counted in the year it is expended*
- local, non-traditional housing development programs resulting in additional families being served through the creation of new affordable units
 - *this funding would be counted in the year it is expended*

Reset HCV Funding in 2019 Based on Options Available to Newer MTW Agencies – As noted above, several MTW agencies entered the MTW demonstration under an HCV funding calculation that provided additional funding to these MTW agencies, instead of utilizing current funding calculations. Originally, HUD proposed to reset HCV funding based on the two options made available to all recent MTW admittees in CY 2019 based on CY 2018 utilization.

- Option A: Funding re-frozen based on CY2018 utilization level
- Option B: HCV funding calculated in accordance with Appropriations (like non-MTW PHAs)

This proposal would encourage MTW agencies to: use HCV funds to provide housing assistance and to minimize reserves. At the same time, this proposal would correlate funding amounts directly to leasing for all MTW agencies.

Based on the feedback received from MTW agencies, HUD conveyed revisions to this extension term on a call with all MTW agencies in mid-October. Specifically, HUD proposed that, in CY 2019, HCV funding would be reset, but the resetting would be modified as follows:

- ***If the agency is in compliance*** with the ongoing 90% utilization requirement, the agency's funding would be renewed at 100% of its CY 2018 level, and continued at that

level for the duration of the term of the MTW agreement (i.e. through 2028), subject to the national proration factor and any applicable current year inflation factor.

- ***If the agency is not in compliance*** with the ongoing 90% utilization requirement, HUD would reset the HCV funding calculation using the same two choices made available to newer MTW admittees as described under Options A and B above.

While HCV funding will only be subject to change in CY 2019, the 90% utilization of HCV funds requirement will continue to apply throughout the entire term of MTW agreement.

Transition Alternate Op Fund Agencies to Regulatory Calculation – Under individually negotiated alternate operating subsidy calculation arrangements, 11 MTW agencies receive higher levels of public housing operating subsidy funding than other MTW agencies and non-MTW agencies. The difference in funding creates an equity issue – some agencies have had the benefit of receiving increased funding, while other PHAs have received less as a result. The inequity and legality of this arrangement was an issue raised by many stakeholders, both internal and external. Given the legal concerns, HUD has proposed transitioning these 11 agencies to the regulatory operating fund calculation that is provided to all other PHAs. HUD is sensitive to the impacts of such a transition for these 11 agencies and is committed to working with each of these 11 agencies individually towards a transition strategy that minimizes impacts.

Next Steps

HUD is appreciative of the feedback provided by MTW agencies through the Steering Committee, conference calls with the broader group of MTW agencies, and those that have reached out to provide feedback individually. We believe that the updates we've made to the proposed terms for the extension, based upon the feedback received from MTW agencies, address several of the concerns we've heard. However, we understand that some concerns and questions still exist as conveyed during our October 24th meeting/call. In order for HUD to be better informed, we look forward to further discussion on:

- HAP funding spent on the provision of services;
- Local, non-traditional housing programs that have housing and services embedded as one subsidy amount;
- Your ideas on possible strategies for the resetting the baseline number of families to be served in a way that will reset the baselines commensurate with the goals articulated above;
- Your suggestions as to what types of strategies would provide rigorous outcome information yet not overburden MTW agencies; and
- Other topics and issues that are of concern.

We look forward to continuing our discussions with you towards finalizing a new, extended MTW agreement.

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$3,931,693 for the month of November, 2014.

Approved: December 17, 2014

Stanley Rumbaugh, Chair

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

| | | Check Numbers | | | | |
|---|-----------|---------------|----|---------|--------------------------------|--------------|
| | | From | To | Amount | Totals | |
| A/P Checking Account | | | | | | |
| Low Rent Module Checks | Check #'s | 2,788 | - | 2,791 | 1,123 | |
| Accounts Payable Checks | Check #'s | 83,680 | - | 83,850 | | |
| Business Support Center | | | | 322,534 | Program Support | |
| Moving To Work Support Center | | | | 27,533 | | |
| Section 8 Programs | | | | 181,956 | Section 8 Operations | |
| SF Non-Assisted Housing - N. Shirley | | | | 1,346 | Local Funds | |
| SF Non-Assist Housing - 9SF Homes | | | | 9,242 | | |
| Wedgewood | | | | 12 | | |
| Salishan 7 | | | | 9,900 | | |
| Tacoma Housing Development Group | | | | 39,852 | | |
| Hillsdale Heights | | | | 1,204 | Development | |
| Salishan Developer Fee | | | | 106 | | |
| AG Hsg Recovery Grant | | | | 659 | | |
| Development Activity | | | | 2,294 | | |
| Salishan Area 4 | | | | 2,196 | | |
| Hillside Terrace 2500 Court G Development | | | | 6,751 | | |
| Prairie Oaks (LASA) | | | | 2,442 | | |
| Hillside Terrace 2500 Yakima Development | | | | 6,395 | | |
| CS General Business Activities | | | | 80 | Community Service | |
| SAFE | | | | 38 | | |
| Community Services MTW Fund | | | | 2,532 | | |
| Gates Ed Proj Grant | | | | 288 | | |
| WA Families Fund | | | | 234 | | |
| Pierce Co. 2163 Funds | | | | 43 | | |
| WA Families Fund - Systems Innovation | | | | 94 | Public Housing | |
| AMP 1 - No K, So M, No G | | | | 25,359 | | |
| AMP 2 - Fawcett, Wright, 6th Ave | | | | 97,457 | | |
| AMP 3 - Lawrence, Orchard, Stevens | | | | 44,194 | | |
| AMP 4 - Hillside Terr - 1800/2500 | | | | 472 | | |
| AMP 5 - Salishan Common Areas | | | | 152 | | |
| AMP 6 - Scattered Sites | | | | 12,156 | | |
| AMP 7 - HT 1 - Subsidy | | | | 801 | | |
| AMP 8 - HT 2 - Subsidy | | | | 2,564 | | |
| AMP 10 - SAL 1 - Subsidy | | | | 10,791 | | |
| AMP 11 - SAL 2 - Subsidy | | | | 10,301 | | |
| AMP 12 - SAL 3 - Subsidy | | | | 7,977 | | |
| AMP 13 - SAL 4 - Subsidy | | | | 11,449 | | |
| AMP 14 - SAL 5 - Subsidy | | | | 13,111 | | |
| AMP 15 - SAL 6 - Subsidy | | | | 12,099 | | |
| Allocation Fund | | | | 77,555 | Allocations-All Programs | |
| THA SUBTOTAL | | | | 945,291 | | |
| Hillside Terrace 1 through 1500 | | | | 4,200 | Tax Credit Projects - billable | |
| Bay Terrace | | | | 15 | | |
| Salishan I - through Salishan 6 | | | | 22,487 | | |
| Salishan Association - Operations | | | | - | | |
| TAX CREDIT SUBTOTAL (Operations - billable) | | | | 26,702 | | 971,992 |
| Section 8 Checking Account (HAP Payments) | | | | | | |
| SRO/HCV/TBRA/VASH/FUP/NED | Check #'s | 481,412 | - | 481,438 | 20,595 | |
| | ACH | 68,718 | - | 70,152 | 2,410,440 | \$ 2,431,035 |
| Payroll & Payroll Fees - ADP | | | | | | \$ 528,666 |
| Other Wire Transfers | | | | | | |
| Local Funds Semi-Annual Bond Payment - Heritage | | | | - | | |
| | | | | | | \$ - |
| TOTAL DISBURSEMENTS | | | | | \$ | 3,931,693 |



TACOMA HOUSING AUTHORITY

Date: December 17, 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 November 2014 disbursement report for your approval.

The next financial report presentation will be in February, 2015 where we review the financials for the period ending December 31st. In the interim I am not seeing any new challenges arise.

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 have concluded all portions of the 2013 audit without any findings. The exit conference with the Finance committee was held on December 10th

4. BUDGETS

The 2015 has been finalized and is being submitted to the Board for approval during this Board meeting. A study session with the Board was held on December 5th to discuss the proposal.

5. YEAR END CLOSING UPDATE

The fiscal year closes on December 31st. The finance staff is gearing up to close the financial records for 2014.

TACOMA HOUSING AUTHORITY

CASH POSITION - November 2014

| Account Name | Current Balance | Interest |
|---|----------------------|----------|
| HERITAGE BANK | | |
| Accounts Payable | \$ 1,982,245 | 0.40% |
| Section 8 Checking | 7,278,523 | 0.40% |
| THA Investment Pool | 288 | 0.40% |
| THA LIPH Security Deposits | 88,985 | 0.40% |
| THDG - Tacoma Housing Development Group | 165,787 | 0.40% |
| LF - SF 9Homes Alaska | 35,700 | 0.40% |
| LF - SF 9Homes Alaska Sec Dep Acct | 5,120 | 0.40% |
| LF - SFH No. Shirley | 22,389 | 0.40% |
| LF - SFH N Shirley Security Deposit Acct | 1,004 | 0.40% |
| LF - Wedgewood Homes | 475 | 0.40% |
| Salishan 7 | 859,258 | 0.40% |
| Salishan 7 Security Deposit | 26,303 | 0.40% |
| Salishan 7 Replacement Reserve | 116,024 | 0.40% |
| Salishan 7 Operating Reserve | 198,321 | 0.40% |
| Payroll Account | 6,544 | 0.40% |
| General Fund Money Market | 536,456 | 0.40% |
| IDA Account | 13,761 | 0.40% |
| WASHINGTON STATE | | |
| Investment Pool | \$ 1,627,351 | 0.10% |
| 1. TOTAL THA CASH BALANCE | \$ 12,964,533 | |
| Less: | | |
| 2. Total MTW Cash Balance | \$ 6,332,642 | |
| <i>Less MTW Reserve Commitments Remaining</i> | | |
| 2.01 2nd Phase Hillside Terrace Redevelopment | \$ 2,420,000 | |
| 2.02 Renovation/Remodel of 2nd Floor of Admin Building | 666,320 | |
| 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) | 0 | |
| 2.10 Total Reserve Commitments | \$ 5,296,320 | |
| <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) | \$ 180,321 | |

TACOMA HOUSING AUTHORITY

CASH POSITION - November 2014

4. Non MTW Cash

Other Restrictions:

| | | | | |
|--|----|---------|--|--|
| 4.01 FSS Escrows | \$ | 119,772 | | |
| 4.02 VASH, FUP & NED HAP Reserves | | 139,620 | | |
| 4.03 Mod Rehab Operating Reserves | | 185,204 | | |
| 4.04 Security Deposit Accounts | | 119,940 | | |
| 4.05 Salishan Sound Families - 608 | | 73,112 | | |
| 4.06 IDA Accounts - 604 | | 13,761 | | |
| 4.07 Gates Foundation - 612, 614 & 623 | | 158,092 | | |
| 4.08 WA Families Fund - 674,675, 713 | | 52,354 | | |
| 4.09 Wedgewood Replacement Reserve | | 788,554 | | |
| 4.10 Bond Financed Single Family Homes Reserve | | 90,000 | | |
| 4.11 Salishan 7 Reserves | | 739,345 | | |
| 4.12 THDG - 048 | | 165,787 | | |

4.20 Total - Other Restrictions

\$ 2,645,541

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 | | | \$ | 317,703 |
| 4.50 Development Advances/Due Diligence Commitments ¹ | | | \$ | 70,000 |

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

\$ 3,339,833

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

\$ 3,292,058

7. Agency Current Commitments:

Board Approval

Expended

Obligation
Balance

| | | | | | | |
|--|----|---------|----|---------|----|--------|
| Salishan Campus (PY exp plus 2014 budget) | \$ | 196,174 | \$ | 126,174 | \$ | 70,000 |
| 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 | | | \$ | 47,843 | |
| Prairie Oaks - Pierce Co CDBG, Lakewood CDBG | | | \$ | 126,078 | |
| Total Agency Advances | | | \$ | 173,921 | |



Tacoma Housing Authority

Exit Conference

December 10, 2014

**Washington
State Auditor
Troy Kelley**

**Director of Local
Audit**

Kelly Collins

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Meeting Agenda

The purpose of our exit conference is to share the results of our independent audit and to provide a forum for open discussion. We are pleased to review our reports and discuss other topics as listed below with you.

- Accountability audit report
- Financial statement audit report and other required communications
- Federal grant compliance audit report
- Agreed-upon services
- Recommendations not included in our audit reports
- Report publication
- Audit cost analysis
- Your next scheduled audit
- Customer service survey

Preliminary audit results and recommendations were shared in detail with Housing Authority management and personnel as they were developed during the audit.

We take seriously our responsibility to hold state and local governments accountable for the use of public resources. We believe it is critical to citizens and the mission of the Housing Authority that we work together as partners in accountability to prevent problems and constructively resolve issues. As such, we encourage your comments and questions.

Accountability Audit

Report

Our draft accountability report summarizes the results of our risk-based audit work related to safeguarding of public resources and legal compliance. The report does not include any findings.

Financial Statement Audit

Report

Our financial statement report includes our opinion on the financial statements. It also includes our report on internal control over financial reporting and on noncompliance and other matters as required by *Government Auditing Standards*.

An unmodified opinion was issued on the financial statements, which means that we believe they are presented fairly, in all material respects.

In relation to our report, we would like to bring to your attention:

- No uncorrected misstatements were identified in the final, audited financial statements.
 - There were no material misstatements in the financial statements corrected by management during the audit.
 - No material weaknesses in internal control over financial reporting were identified
 - No instances of noncompliance were identified that could have a direct and material effect on the determination of financial statement amounts.

Federal Grant Compliance Audit

Report

Our report discloses the results of our audit of compliance and internal controls over federal grant programs. It includes no findings.

Other Engagements

REAC Filing Attestation

In addition to our audit, we performed the procedures required by HUD related to the Housing Authority's electronic submission to the Real Estate Assessment Center (REAC). The report was submitted to REAC electronically, as required.

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. They are not referenced in the audit report.

Concluding Comments

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/saoportal/Login.aspx>

Audit Cost Analysis

In 2011 the audit budget was increased due to a change in the fiscal year end resulting in an 18 month audit period. For fiscal year 2012, the State Auditor's Office decreased budgets of Housing Authorities statewide. The decrease for Tacoma Housing Authority was 80 hours.

| | 2011 | 2012 | 2013 |
|--------------------|----------|----------|----------|
| Audit Budget Hours | 898.5 | 720 | 720 |
| Audit Cost | \$75,115 | \$60,150 | \$60,192 |
| Travel Expenses | \$117 | \$86 | \$90 |
| Total Costs | \$75,232 | \$60,236 | \$60,282 |

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in April 2015 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs

The estimated cost for the next audit is \$63,792 plus travel expenses. This is a budget of 720 hours at the rate effective January 1, 2015 of \$88.60. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$500,000 or more in any fiscal year (changing to \$750,000 for fiscal years ending on or after December 31, 2015), notify our Office so we can schedule your audit to meet federal single audit requirements. Federal awards can include grants, loans, and non-cash assistance such as equipment and supplies.

Customer Service Survey

An invitation to complete a customer service survey will be emailed to Duane Strom, Finance Manager and Ken Shalik, Director of Finance. Your feedback is important to our commitment to continually develop and improve our audit process.

Please don't hesitate to contact our Office throughout the year when you have questions. Our website also offers many resources, including a client HelpDesk for your auditing and accounting questions.

We would like to thank staff for their cooperation and timely response to our requests during the audit.

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: December 17, 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 November. 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 | 132 | 5 | 0 | 127 | 96.2% |
| Family Properties | 145 | 22 | 13 | 123 | 84.8% |
| Salishan | 631 | 20 | 0 | 611 | 96.8% |
| Senior/Disabled | 353 | 17 | 0 | 336 | 95.2% |
| All Total | 1,261 | 64 | 13 | 1,197 | 94.9% |

- *Vacant Unit Turn:*

On page four (4) there is a table with all of the units turned in fiscal year 2014. Fifteen (15) units were turned and rented in the month of November. The average unit turn time for the month of November was **37.5 days for thirteen (13) clean units**. The average unit turn time for all units, clean and meth contaminated, for the year 2014 as of November 2014 was 89.25 days; a decrease from 99 days year-to-date in October.

Two (2) of the units that were turned in November 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 December 1, 2014, 138 of the 368 units that have been tested for contamination have tested positive for methamphetamine. Our hot rate for 2014 is currently at 15%.

THA will start contracting the field testing of our vacated units by the end of the year. A 48 hour turnaround of the test results will be part of the expectation as well as the required documentation.

1.1 Vacant clean unit turn status

For clean units, the average turn days for the month of November were 37.5 days (13 units). Weekend and holiday 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 November, we were still experiencing the ramifications of our decisions to address our wait list transfers for Reasonable Accommodation (RA) and our over and under housed tenants. Over the past few months, the created vacancies that we reported to you are just now getting leased up. Property Management and Leasing continue to work on strategies to improve our tenant readiness as well as our unit turn downs.

Procurement has been completed to avoid not having the necessary stock of Meth test kits on hand to immediately test our units as well.

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

- AMP 1, 911 North K St #111(24 days). There was a delay in testing this unit due to the availability of our test kits being on back order. Once the tests were completed maintenance work was completed in 12 days and the unit was leased in the next 6 days
- AMP 1 401 North G ST #203 (36 days). This unit also had a delay in testing. This unit was in leasing for 20 days. There were multiple turn downs for the unit.
- AMP 1 401 North G Street #205 (41 days) We attempted to clean the carpets at the end of the turn but after this attempt, it was decided to upgrade the flooring to Endurance Plank based on the condition once cleaned. The product was on back order so the installation was delayed.
- AMP 2 3201 S Fawcett Ave #118 (25 days). There was a delay in testing with this unit as well due to the back order of our kits. Once the unit tested clean maintenance work was completed in eleven (11) days and the unit was leased in six (6) days.
- AMP 2 3201 S Fawcett Ave #221 (32 Days). The tenant in this unit transferred to one of our other properties so there was a delay in getting the unit in our possession. There was a delay in testing this unit due to the back order of our test kits as well. Once the tests were completed the maintenance work was completed in Three (3) days. There are Fourteen (14) days contributed to leasing. Bay Terrace leasing priorities and multiple turn downs contributed to the leasing delays.

- AMP 8 2350 South G Street #212(47 Days). Tenant passed away in the unit. Family was contacted to remove personal belongings. There was a delay in testing due to the back order of our test kits. Once the tests were completed the maintenance days were Nineteen (19) days. There were twenty Eight (28) days contributed to leasing due to conflicting Bay Terrace priorities.
- AMP 9 1512 Court F Street #181 (75 Days). Unit was vacated during the Labor Day weekend. Staff availability caused a delay in testing the unit. Previous tenant left behind a lot of damage. This is a Market rate unit. We have reported to the board the difficulties with the lease up of the market rate units in this project. To help market the unit we upgraded the flooring to Endurance Plank. Forty five (45) days were contributed to leasing. We will continue to explore other strategies to improve the marketing of this property.
- AMP 14 3935 Everett Ave (49 Days). Unit was delayed in testing due to a back order of test kits. Once the unit was tested it was placed in order to be turned. Seventeen (17) days were contributed to the leasing efforts.
- AMP 14 2001 E 40th (51 Days). Unit was delayed in testing due to a back order of test kits. Once the unit was tested it was placed in order to be turned. Ten (10) days were contributed to the leasing efforts
- AMP 16 4840 Court Q (51 Days).Unit was delayed in testing due to a back order of test kits. Once the unit was tested it was placed in order to be turned. Thirteen (13) days were contributed to the leasing efforts.
- AMP 16 1721 E 51st Street (56 Days).Unit was delayed in testing due to a back order of test kits. Once the unit was tested it was placed in order to be turned. Fifteen (15) days were contributed to the leasing efforts

1.2 Contaminated unit turns

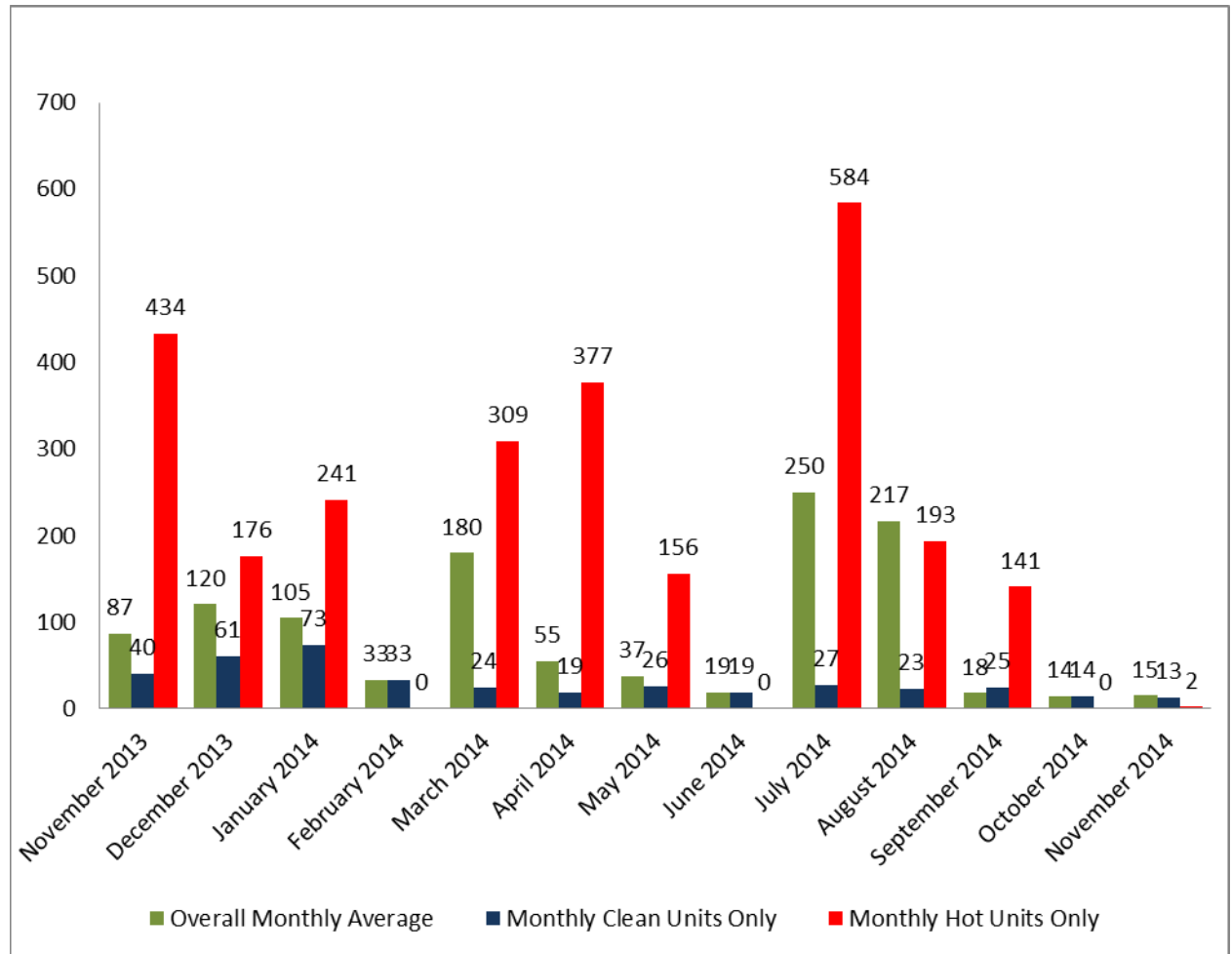
As of December 1, 2014 there were 50 vacant units in THA's portfolio. Of these units:

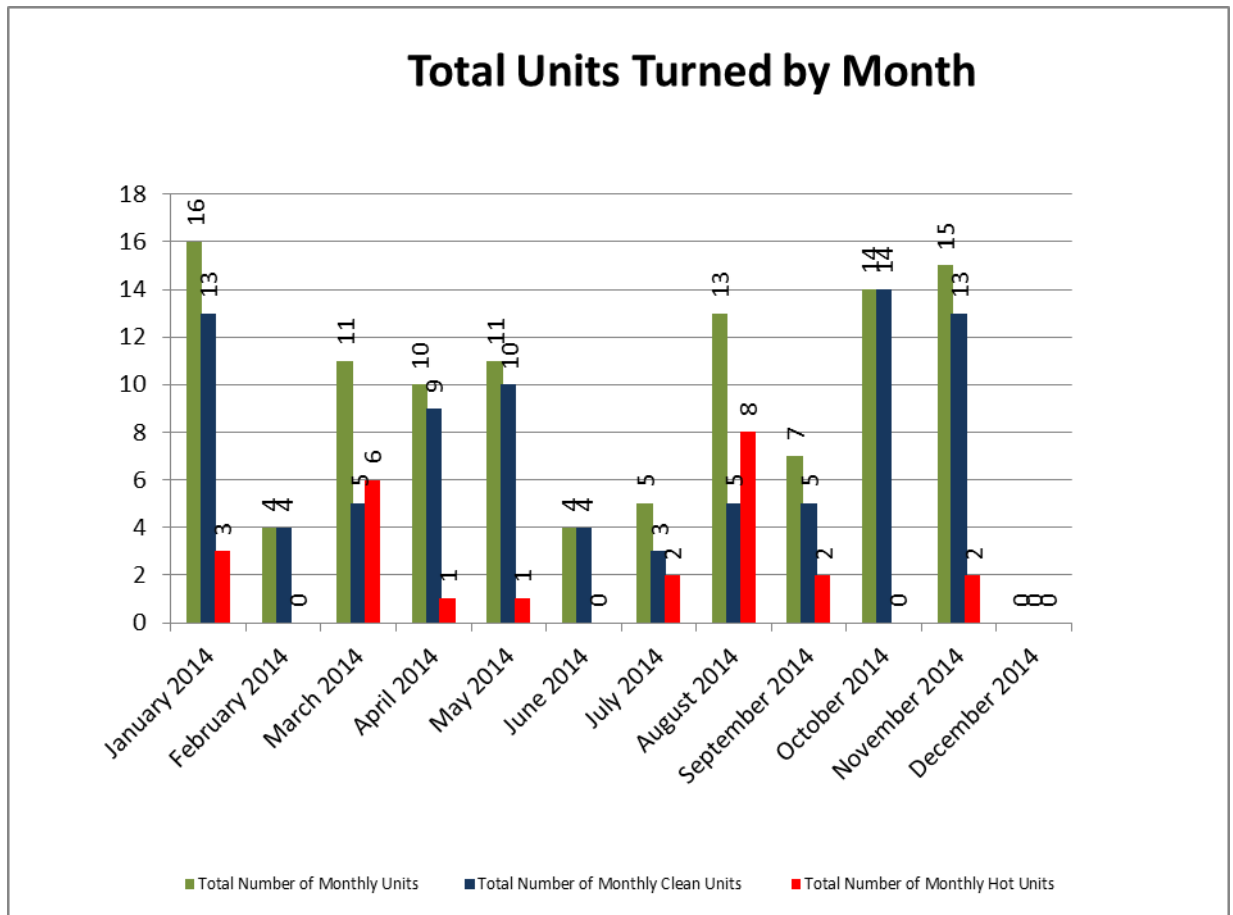
- 33 are not contaminated
- 0 are awaiting testing
- 17 are in remediation/reconstruction
- 7 units are on hold for rehab/water intrusion
- 2 units were completed by contractor and returned to sites

December 17, 2014 Board of Commissioners Meeting
REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY
REPORT

Page 4

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





December 17, 2014 Board of Commissioners Meeting
REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY
REPORT

Page 6

Work Orders: In the month of November, all emergency work orders were completed within 24 hours. In November, maintenance staff completed 207 non-emergency work orders and a total of 3,798 for the calendar year. The annual average number of days to complete a non-emergency work order is 10.15.

In the table on page 7, you may note a spike in aged work orders. This spike is contributed to a new process for work order entry. Staff are now entering each individual work item, rather than a single work order for each unit. We have hired a temporary Property Management Assistant to help us close the work items that have been completed but not yet entered and to “line up” the oldest work orders for immediate completion.

**Work Order Summary by Portfolio
For the Month of November, 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 | 0 | 0.0% | 4 | 100.0% | 6 | 0.33 | 26 | 0.69 |
| HILLSIDE TERRACE 1500 Block | 0 | 0.0% | 5 | 100.0% | 1 | 0.00 | 95 | 2.55 |
| HILLSIDE TERRACE PH 1 | 0 | 0.0% | 3 | 66.7% | 6 | 14.00 | 100 | 3.73 |
| HILLSIDE TERRACE PH II | 0 | 0.0% | 3 | 100.0% | 5 | 18.40 | 104 | 6.46 |
| | 0 | 0.0% | 15 | 93.3% | 18 | 9.89 | 325 | 4.02 |
| Family Properties | | | | | | | | |
| BERGERSON TERRACE | 0 | 0.0% | 12 | 100.0% | 26 | 10.54 | 257 | 7.36 |
| DIXON VILLAGE | 0 | 0.0% | 1 | 100.0% | 15 | 5.13 | 120 | 5.95 |
| MARKET RATE SFR | 0 | 0.0% | 0 | 0.0% | 3 | 0.67 | 43 | 8.98 |
| SCATTERED SITES | 0 | 0.0% | 5 | 100.0% | 4 | 4.50 | 124 | 12.08 |
| | 0 | 0.0% | 18 | 100.0% | 48 | 7.73 | 544 | 8.25 |
| Salishan | | | | | | | | |
| SALISHAN I | 0 | 0.0% | 4 | 50.0% | 8 | 16.38 | 205 | 22.68 |
| SALISHAN II | 1 | 100.0% | 3 | 100.0% | 12 | 20.25 | 175 | 17.91 |
| SALISHAN III | 0 | 0.0% | 1 | 0.0% | 19 | 11.00 | 191 | 14.17 |
| SALISHAN IV | 2 | 100.0% | 3 | 100.0% | 11 | 21.73 | 321 | 14.34 |
| SALISHAN V | 0 | 0.0% | 2 | 100.0% | 15 | 32.47 | 341 | 15.18 |
| SALISHAN VI | 1 | 100.0% | 2 | 50.0% | 28 | 21.54 | 188 | 16.93 |
| SALISHAN VII | 1 | 100.0% | 1 | 100.0% | 15 | 9.27 | 270 | 12.95 |
| | 5 | 100.0% | 16 | 75.0% | 108 | 18.99 | 1,691 | 15.94 |
| Senior / Disabled Properties | | | | | | | | |
| 6TH AVE | 0 | 0.0% | 18 | 100.0% | 1 | 0.00 | 214 | 3.38 |
| E.B. WILSON | 0 | 0.0% | 13 | 100.0% | 12 | 5.17 | 277 | 3.62 |
| FAWCETT APARTMENTS | 0 | 0.0% | 4 | 100.0% | 4 | 4.75 | 151 | 5.60 |
| LUDWIG APARTMENTS | 0 | 0.0% | 6 | 100.0% | 4 | 12.50 | 136 | 5.97 |
| NORTH G ST | 1 | 100.0% | 9 | 100.0% | 1 | 33.00 | 137 | 6.26 |
| NORTH K ST | 1 | 100.0% | 5 | 100.0% | 3 | 4.00 | 140 | 4.27 |
| WRIGHT AVE | 1 | 100.0% | 23 | 100.0% | 8 | 0.25 | 183 | 5.33 |
| | 3 | 100.0% | 78 | 100.0% | 33 | 5.39 | 1,238 | 4.70 |
| Agency Totals: | 8 | 100.0% | 127 | 96.1% | 207 | 13.42 | 3,798 | 10.15 |

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

| Emergency | | | Non Emergency | | |
|---|---------------------------|--------------|------------------------------|--------------|-------------|
| Portfolio | Opened Emergency WO | Days Open | Open Non- Emergency WO | < 25 Days | >25 Days |
| All Hillside | | | | | |
| BT BAY TERRACE (S8) | 0 | 0 | 9 | 5 | 4 |
| 4T1 HILLSIDE TERRACE PH 1 | 0 | 0 | 13 | 2 | 11 |
| 4T150(HILLSIDE TERRACE 1500 Block | 0 | 0 | 1 | 1 | 0 |
| 4T2 HILLSIDE TERRACE PH II | 0 | 0 | 6 | 1 | 5 |
| | 0 | 0 | 29 | 9 | 20 |
| Family Properties | | | | | |
| 020 BERGERSON TERRACE | 0 | 0 | 19 | 14 | 5 |
| 022 LOW RENT SCATTERED SITES (19) | 0 | 0 | 49 | 0 | 49 |
| 023 DIXON VILLAGE | 1 | 0 | 10 | 8 | 2 |
| 044 ALA AM_2_WoProj_Grouping.cprojnm (String) | | 0 | 1 | 1 | 0 |
| | 1 | 0 | 79 | 23 | 56 |
| Salishan | | | | | |
| SAL1 SALISHAN ONE LLC (PH) | 0 | 0 | 80 | 11 | 69 |
| SAL2 SALISHAN TWO LLC (S8) | 2 | 0 | 48 | 9 | 39 |
| SAL3 SALISHAN THREE LLC (S8) | 0 | 0 | 56 | 10 | 46 |
| SAL4 SALISHAN FOUR LLC (S8) | 2 | 0 | 24 | 11 | 13 |
| SAL5 SALISHAN V LLC (PH) | 0 | 0 | 150 | 13 | 137 |
| SAL6 SALISHAN SIX LLC (PH) | 1 | 0 | 85 | 6 | 79 |
| SAL7 SALISHAN SEVEN | 1 | 0 | 46 | 7 | 39 |
| | 6 | 0 | 489 | 67 | 422 |
| Senior / Disabled Properties | | | | | |
| 006 NORTH K ST | 2 | 0 | 40 | 16 | 24 |
| 008 E.B. WILSON | 1 | 0 | 37 | 10 | 27 |
| 009 FAWCETT APARTMENTS | 0 | 0 | 30 | 14 | 16 |
| 010 WRIGHT AVE | 11 | 0 | 17 | 5 | 12 |
| 012 LUDWIG APARTMENTS | 1 | 0 | 19 | 6 | 13 |
| 013 NORTH G ST | 2 | 0 | 17 | 7 | 10 |
| 014 6TH AVE | 4 | 0 | 42 | 15 | 27 |
| | 21 | 0 | 202 | 73 | 129 |
| Agency Totals: | 28 | 0 | 799 | 172 | 627 |

2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 96% for the month of November 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 November.

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 | 128 | 7 shoppers 13 referrals needed for new allocation |
| Non-Elderly Disabled Vouchers (NED) | 100 | 86 (including 11 port outs) | 9 shoppers 5 referrals needed |
| Family Unification Program (FUP) | 50 | 47 | 3 referrals needed |
| McCarver Program | 50 | 36 | |

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

3. FOLLOW UP FROM NOVEMBER BOARD MEETING

Catholic Community Services and Associated Ministries have both been asked to attend the January board meeting. Catholic Community Services will present information regarding Nativity House.

Associated Ministries will present information related to Pierce County's Centralized Intake System, Access Point for Housing.

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: December 17, 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. The final disposition approval was received from HUD and the Release of Restricted Covenants was signed. The sale closed on December 11.

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.

Area 2B Property Sale to Metro Parks

THA is working with Metro Parks of Tacoma on the sale of two home ownership parcels and one parcel of open space located in Salishan's Area 2B. During the design of Salishan THA staff worked closely with Metro Parks staff in planning for the possible future use of 51st St. as access to Swan Creek. During the revitalization of Salishan 51st Street was relocated to the southern property line of the project. This eliminated having housing on the southern side of the street and provided an improved route for future park traffic. Park visitors would enter off of Portland Avenue and travel East on 51st street to enter Swan Creek. At the time Metro Parks did not have funding for improvements to Swan Creek Park, however, planned to acquire funding in the future. Metro Parks has acquired some of its funding for the improvements and has presented a Purchase and Sale Agreement to staff for the property. Staff anticipates presenting a resolution to the Board in January 2015 to authorize the Executive Director to enter into negotiations with Metro Parks for the property.

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.

2.1.1 *Construction.*
None to report.

2.1.2 *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.

2.1.3 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. At this time, staff is talking with the contractor about their proposed construction cost, as it is higher than projected.

| | type | # units | LIHTC targeted income | sq ft/unit |
|-------------------|--------|---------|-----------------------|------------|
| <i>2500 Block</i> | | | | |
| 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, which is being recommended for full funding.

Staff submitted 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 23, 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

Construction has started for 1910 E 59th St. The Good News Group was awarded the bid and the first construction meeting has occurred.

6615 S Puget Sound Project Scope and Specifications are complete and the ITB has been issued.

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 an additional project was added. Staff continues to make site visits and complete reports for the projects.

4.4 Blight Abatement Program

The City of Tacoma's Tacoma Community Redevelopment Agency (TCRA) board has informed staff that the program was not proving to be successful and they will be redirecting the funding to other projects. Participants commented that it was difficult to find homes for this program that met the criteria.

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.

Staff is assisting Many Lights foundation for the submission of a Housing Trust Fund Stage I application. Many Lights Foundation will be the sponsor agency with THA as the Developer Consultant. Staff has initiated preliminary discussions with MLF about a joint development, where THA would own the units and master lease to the MLF. They are open to this concept.

5.2 Hilltop Lofts

Staff is completing the Schematic Design phase of the project. In house design meetings have taken place in the months November and December. 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. The MLKHDA staff has not provided information about improvements that were to have been made to the property following THA's last set of inspections. Staff has been advised; however, that the management company will not have their contracted extended. Staff will meet with MLKHDA staff on December 12th and will provide a verbal update to the board at its December meeting on the results of this conversation.

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. The Asset Management Committee reviewed the three scenarios that RED staff prepared and agrees with the RED recommendation that THA does not proceed with this project. This is due to the uncertainty of the performance of a large number of market rate units, which is the City's preference for this site. The potential financial exposure for the agency to cover potential rent losses, plus the financial investment THA would have to make to cover the gap does not warrant further consideration. Other development priorities, including Hilltop Lofts and Bay Terrace Phase II would be affected if this project were pursued.

5.5 Acquisition

Staff continues to look for properties to acquire. Staff is recommending two new Realtors to assist in finding 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 December 1, 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 | \$389,121 | 22% | 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 | \$1,139,275 | 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. These three groups have agreed to participate in a student studio project that will begin the first winter quarter at UWT and will be led by Mike Pyatok. 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. Staff is facilitating a conversation with the Visioning Group the YWCA put together on December 9th. This will be followed by a meeting with the YWCA board on December 16th. ORB will present its 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 initial financial feasibility will also be presented, along with key timeline considerations. 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.

9. Procurements

9.1 Real Estate Marketing and Brokerage Services

On October 16, 2014 staff published a Request for Proposals to establish a stable of Real Estate Brokers. The purpose of the RFP was to solicit firms to provide professional services in the City of Tacoma, Washington. The goal was to pre-qualify firms for placement on an agency Roster of Real Estate Brokers for future assignments on an as-needed basis. Firms on the Roster will be on-call for specific projects as they arise. All professionals and their sub-contractors must be licensed to work in their respective fields as required by the State of Washington.

Proposals were accepted on November 7, 2014 at 3:00pm (local time). THA received five proposals of which 4 were responsive. The non-responsive firm delivered their proposal past the deadline. The selection committee reviewed each of the responsive proposals developed the below scores based on the RFP criteria.

| Summary Score Sheet | | Clear Realty | Wise Realty | Coldwell Bankers | CBRE |
|-------------------------------------|-------------------------|---------------------|--------------------|-------------------------|------------------|
| | Points Available | Avg Score | Avg Score | Avg Score | Avg Score |
| Related Experience & Qualifications | 55 | 25.00 | 34.00 | 46.00 | 39.67 |
| Demonstrated Success | 20 | 10.00 | 15.00 | 17.67 | 16.67 |
| Proposed Budget and Fee Structure | 25 | 19.33 | 20.00 | 20.67 | 22.67 |
| Total Score | 100 | 54.33 | 69.00 | 84.33 | 79.00 |

Based on the above average scores of the RFP's, staff is recommending that Coldwell Bankers and CBRE be placed on the agency roster. A Resolution will be presented to the Board during the December 17, 2014 Board of Commissioners meeting for this recommendation.

9.2 Financial Advisor Services

On October 1, 2014 THA staff advertised for proposals from interested Mixed Finance Financial Advisor (FA) teams to provide THA with a stable for real estate development and asset management financial assistance.

Four firms responded to the RFQ by the due date of November 3, 2014. A review team comprising of three THA staff reviewed and scored the proposals. The results are as follows:

December 2014 Board of Commissioners Meeting
REAL ESTATE DEVELOPMENT DEPARTMENT MONTHLY REPORT
Page 10

Project: Financial Advisor
2014

| Firm | Panelist 1 | | | | | Panelist 2 | | | | | Panelist 3 | | | | | Average | | | | |
|--------------------------|------------|----|----|----|----|------------|----|----|----|----|------------|----|----|----|----|---------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | T | 1 | 2 | 3 | 4 | T | 1 | 2 | 3 | 4 | T | 1 | 2 | 3 | 4 | Total |
| Brawner | 24 | 24 | 22 | 23 | 93 | 23 | 23 | 23 | 22 | 91 | 22 | 22 | 20 | 18 | 82 | 23.00 | 23.00 | 21.67 | 21.00 | 88.67 |
| CSG Advisors | 22 | 20 | 22 | 20 | 84 | 24 | 24 | 24 | 21 | 93 | 20 | 20 | 18 | 15 | 73 | 22.00 | 21.33 | 21.33 | 18.67 | 83.33 |
| EJP Consulting Group | 22 | 20 | 18 | 25 | 85 | 23 | 23 | 23 | 24 | 93 | 18 | 18 | 15 | 20 | 71 | 21.00 | 20.33 | 18.67 | 23.00 | 83.00 |
| Beacon Development Group | 20 | 22 | 22 | 25 | 89 | 24 | 23 | 21 | 22 | 90 | 18 | 15 | 15 | 18 | 66 | 20.67 | 20.00 | 19.33 | 21.67 | 81.67 |

Based on the above scores staff is recommending the firms of Brawner, CSG Advisors and EJP Consulting Group be awarded contracts. A resolution will be presented during the December 17, 2014 Board of Commissioners meeting for this recommendations

Scoring point's brief description:

Scoring point 1 is General Expertise or Attributes

Scoring point 2 is Specific Qualifications

Scoring point 3 is General approach to projects

Scoring point 4 is Fee for Services

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

DATE: December 17, 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.

Manager's Comment - Mary Syslo: 7 residents receiving employment services from the caseworkers and secured employment during November . This is a significant achievement and points to the hard work being done by both caseworkers and residents to find employment. 3 already employed residents increased their earned income during the month. We continue to focus energy and attention as a department on our processes and procedures and utilize community resources to assist residents in securing employment.

| Activities | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|--|--------------|-------------|----------------|--------------|
| Clients referred for employment services | 20 | 237 | 130 | 182% |
| Clients who received employment services | 40 | 319 | 120 | 266% |
| Clients enrolled in employment readiness soft skills workshops | 0 | 86 | 80 | 108% |
| Clients completed employment readiness soft skills workshops | 9 | 55 | 50 | 110% |
| Enrolled in job readiness training | 0 | 34 | 20 | 170% |
| Job placement | 7 | 60 | 45 | 133% |
| WorkSource Participants Assisted | 3 | 104 | 100 | 104% |
| Entered Apprenticeship | 1 | 1 | 3 | 33% |
| Work Study/Community Jobs/Internships | 1 | 15 | 30 | 50% |
| Earned Income Increased | 3 | 50 | 35 | 143% |

1.2 Education

1.2.1 Adult Education Programs

Manager's Comment – Mary Syslo: No change from the previous month.

| Activities | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|--------------------------------------|--------------|-------------|----------------|--------------|
| Participating in ESL classes | 2 | 5 | 15 | 33% |
| Completes one or more ESL levels | 1 | 1 | 5 | 20% |
| Adults enrolled in education program | 1 | 7 | 25 | 28% |
| Adults complete education program | 1 | 7 | 10 | 70% |
| Participants attending GED classes | 11 | 75 | 200 | 38% |
| 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 is being reviewed and revised . We expect to receive the final revision by December 15. 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 discussion between THA and the school district about the prospect of expansion is planned for mid December. A renewed emphasis on casework and support to the families is the current focus. We are also reexamining our strategy for increasing rent burdens and offering hardships.

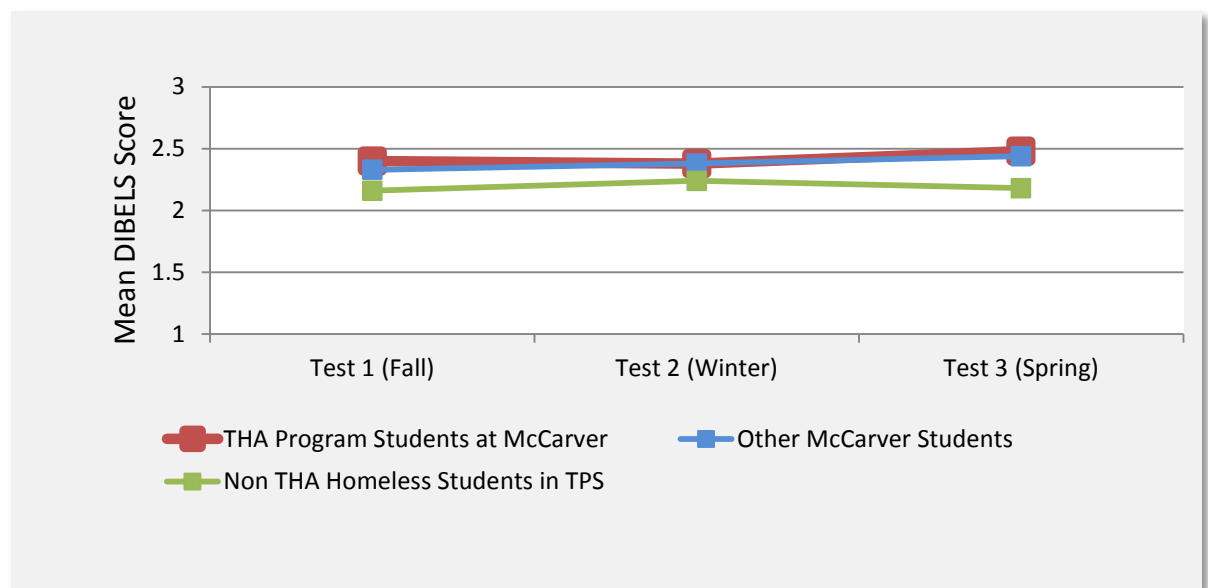
McCarver continues to receive considerable attention. This month a reporter from "Real Change" will be profiling the program and one of our families for their in-depth Christmas issue.

| 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 | Nov. 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 | 20 | | | |
| 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: Participation with casework services by HOP households continues to be very modest. The caseworkers are diligently reaching out to the HOP households to get them to engage with supportive services. Two CSorientations for HOP households are scheduled in December. We have also identified HOP households who have either seen a decrease in earned income or have remained at no income for outreach/engagement.

| Activities | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|----------------------------|--------------|-------------|----------------|--------------|
| HOP orientations | 0 | 8 | n/a | n/a |
| Work-able attendees | 0 | 32 | 120 | 27% |
| Attendees requesting CS | 0 | 116 | 120 | 97% |
| Work-able attendees housed | 13 | 54 | 120 | 45% |
| Participants receiving CS | 1 | 19 | 60 | 32% |

1.4 Families in Transition (FIT)

Program Description – Mary Syslo: Dana Duncan who had been a FIT caseworker for 3 years was moved to McCarver the end of October. Bridgette Johnson who was hired in October for the vacant FSS position was moved over to the FIT program. Her previous work experience working with clients with chemical dependency will be an asset. Due to the change of caseworkers, our plan to consolidate the FIT caseload to one caseworker will be delayed until after the first of the year.

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

1.5 Case Staffing

Manager's Comment – Mary Syslo: Caseworkers are assisting 20 residents who have been referred by Property Management with problems related to paying rent late, poor housekeeping, parenting issues and relationship problems.

| Activities | Nov. 2014 | YTD 2014 | Annual Goal 2014 |
|---|------------------|-----------------|-------------------------|
| Number of households referred for services | 4 | 82 | 27 |
| N. of successful completions (eviction averted) | 1 | 27 | 12 |
| Number terminated | 0 | 16 | n/a |
| Number withdrawn | 0 | 19 | n/a |

1.6 MTW Hardship Exemption Casework

| Activities | Nov. 2014 | YTD 2014 | Annual Goal 2014 |
|--|------------------|-----------------|-------------------------|
| Number of households referred for services | 7 | 53 | n/a |
| Number of successful completions | 0 | 14 | n/a |
| Number terminated | 0 | 0 | n/a |

Manager's Comment – Mary Syslo: Over the course of this past year 39 residents approved for a hardship did not find employment within the 6 months of their hardship. Caseworkers assisted many of them in applying for benefits because they turned out to be not work-able.

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 | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|-------------------------------|---------------|----------|-------------|-----------|
| Current Participants | 113 | 127 | 153 | 83% |
| Graduates | 0 | 8 | 17 | 47% |
| Removed/Voluntarily Withdrawn | 0 | 6 | n/a | n/a |
| New Contracts Signed | 2 | 26 | 55 | 47% |
| Escrow Balance | \$128, 317.89 | | | |

1.8 Life Skills and Parenting Classes

| Activities | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|------------------------|-----------|----------|-------------|-----------|
| Life Skills Enrollment | 0 | 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 | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|--|--------------|-------------|----------------|--------------|
| Unduplicated client contacts | 4 | 71 | 260 | 27% |
| Referrals | 10 | 100 | 50 | 200% |
| Unduplicated situation/wellness counseling | 11 | 95 | 140 | 68% |
| Assistance with correspondence for Entitlement Programs | 10 | 53 | 40 | 133% |

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. This is why the numbers for November are lower than October. 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 | Nov. 2014 | YTD 2014 | Annual Goal | % of Goal |
|--|--------------|-------------|----------------|--------------|
| Computer Lab Participation (cumulative visits) | 136 | 1859 | 1200 | 155% |

Project Manager's Comment – Mia Navarro: As reported previously, the goal and the data collected are duplicated numbers. The average *unduplicated* number of people accessing the Bergerson computer lab in November was 34. Most are regular users throughout the month.

1.12 Youth Activities

Manager's Comment – Jean Brownell: Ongoing partnerships continue with KBTC Public Television, Reach out and Read, and Peace Community Center. We are planning a Family Activity Night for the McCarver Program families on December 18th with help from KBTC.

A new partnership with READY! Set, Read! Tacoma is in the process of being developed. They aim to help pre-k children and their families prepare for the transition into a school setting. They also focus on parental engagement in reading to children, and establishing reading as a part of an ongoing routine, both in and out of the classroom, by encouraging families to read with their children.

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (1)

Date: December 17, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Stable of Financial Advisors

Background

On October 1, 2014 THA staff issued a Request for Proposals for firms interested in providing financial advisor (FA) services to THA's real estate development and asset management. We seek a few firms to have on-call as we need their services.

We posted the Request for Proposals on Washington Electronic Business Solutions, (WEBS) and THA's website on October 1, 2014.

Four firms responded to the RFQ by the due date of November 3, 2014. All four proposals were responsive and responsible. A review team comprising of three THA staff reviewed and scored the proposals. The results are as follows:

| Firm | Panelist 1 | | | | | Panelist 2 | | | | | Panelist 3 | | | | | Average | | | | |
|--------------------------|------------|----|----|----|----|------------|----|----|----|----|------------|----|----|----|----|---------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | T | 1 | 2 | 3 | 4 | T | 1 | 2 | 3 | 4 | T | 1 | 2 | 3 | 4 | Total |
| Brawner | 24 | 24 | 22 | 23 | 93 | 23 | 23 | 23 | 22 | 91 | 22 | 22 | 20 | 18 | 82 | 23.00 | 23.00 | 21.67 | 21.00 | 88.67 |
| CSG Advisors | 22 | 20 | 22 | 20 | 84 | 24 | 24 | 24 | 21 | 93 | 20 | 20 | 18 | 15 | 73 | 22.00 | 21.33 | 21.33 | 18.67 | 83.33 |
| EJP Consulting Group | 22 | 20 | 18 | 25 | 85 | 23 | 23 | 23 | 24 | 93 | 18 | 18 | 15 | 20 | 71 | 21.00 | 20.33 | 18.67 | 23.00 | 83.00 |
| Beacon Development Group | 20 | 22 | 22 | 25 | 89 | 24 | 23 | 21 | 22 | 90 | 18 | 15 | 15 | 18 | 66 | 20.67 | 20.00 | 19.33 | 21.67 | 81.67 |

Scoring point 1 is General Expertise or Attributes

Scoring point 2 is Specific Qualifications

Scoring point 3 is General approach to projects

Scoring point 4 is Fee for Services

Based on the above scores, staff recommends awarding contracts to the firms of Brawner, CSG Advisors and EJP Consulting Group to provide THA with technical and project financing assistance. Each contract will be in the Not-to-Exceed amount of \$200,000 with an initial three (3) year term and the potential for two (2) twelve month extensions.

Recommendation

Approve Resolution No. 2014-9-24(3) authorizing the Executive Director to award Contracts for the Mixed Finance Financial Advisors to the firms of Brawner, CSG Advisors and EJP Consulting Group in the amount Not-to-Exceed of \$200,000 each



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (1) Mixed Finance Stable of Financial Advisors

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

Whereas, On October 1, 2014 Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) from firms interested to provide Financial Advisory Services for THA's Real Estate Development and Asset Management

Whereas, The RFP was posted on the Washington Electronic Business Solutions and THA's website on October 1, 2014.

Whereas, Four firms submitted proposal by the deadline of November 3, 2014, four were deemed responsive;

Whereas, an evaluation team, composed of three (3) THA staff reviewed and scored the proposals according to evaluation criteria listed in the RFP;

Whereas, the evaluation team voted unanimously in favor of awarding contracts to the firms of Brawner, CSG Advisors and EJP Consulting Group;

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

The Executive Director is authorized to negotiate and execute separate contracts for the finance advising services with the firms of Brawner, CSG Advisors and EJP Consulting Group, each in the amount not-to-exceed \$200,000 each

Approved: December 17, 2014

Stanley Rumbaugh, Chair

RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (2)

Date: December 17, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2015 Agency Budget

This resolution would adopt THA's budget for 2015. The details are set forth in the attachments A to D.

1. SOME BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2015. Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes, each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget through discussions with its Finance Committee and the chair. I provided additional direction to the staff based on those discussions, and the Finance Director facilitated multiple meetings with the other directors to devise a budget to present to both me, and now the Board. At its December 5th budget study session, the Board indicated approval of the budget that staff now submits. Here are some of its notable features:

- Like past budgets, we base this budget on conservative estimates. THA's past prudence in this way has allowed us to weather the continuing budget challenges. This approach should continue to serve the agency well especially since this year, again, we do not know what our HUD allocation will be. Accordingly, we budget to the lowest of the plausible Congressional budgets. This year that means we budget to the version of the national budget that the House of Representatives passed this year, which keeps funding for our programs at approximately 2014 levels. [As I write this resolution, the House has just passed another continuing resolution that, by preliminary accounts, is similar to what the House passed last year. The Senate has not yet acted.]

- The 2015 budget accounts for our strategic objectives.
- The 2015 budget fits recurring expenses within recurring income.
- The budget provides funding for ongoing Community Service support of our tenants, especially in the area of asset building and preparing for successful exits of our HOP participants at the end of their assistance. The Gates foundation has provided us with a year grant to assist us in continuing our education program, along with our youth asset activities.
- The budget invests in THA's financial future, and promotes redevelopment of additional affordable housing in the community by providing due diligence funds for existing and future opportunities
- As the board knows, we are postponing the further rent reform until later in 2015 or 2016.
- We are spending about 87% of our voucher dollars on rental assistance. The remaining 13% is on other forms of assistance, such as community services, public housing operations, capital expenditures, and administration costs. We serve 100% of our baseline of households.
- The 2015 Budget proposal leaves THA with adequate reserves of both MTW and non-MTW funds.

I am pleased to present this budget proposal to the Board. The proposed budget leaves THA in relatively good shape considering the Congressional budget uncertainties. It allows THA to continue core programs. It also allows THA to continue its special programs that continue to distinguish THA nationally for its innovation, such as the Education Project, children's savings accounts, community services to help families prosper, rapid rehousing, and assistance to TCC students who are homeless.

Please remember that, as I write this, Congress still has not passed a budget for 2015. While we are reasonable to presume upon the version of the budget that the House passed earlier this year, we may have to adjust to whatever Congress ends up enacting.

2. PRINCIPLES GUIDING THE BUDGET CHOICES

As it past years, staff used the following principles to guide the preparation of this budget proposal:

2.1 THA's strategic directives

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

In general, this budget seeks to retain what is distinctive about THA: we do not confine our mission to being a landlord and disbursing monthly rental assistance checks. We also are real estate and community developers. We seek ways to spend our housing dollar to leverage other outcomes: increased earned income of our families, improved educational outcomes; improved asset building. Our efforts to do this have become signature attributes of THA. Even if budget cuts require us to curtail our programming, we would seek to retain a meaningful measure of these innovations, even on a reduced scale, to allow us to later regrow them.

2.2 Budget to the lowest of the plausible congressional appropriation levels

Congress is supposed to adopt a federal budget by October 1st. That schedule would be convenient because it would allow us to know our federal allocation in time to adopt our own budget by January 1st. Unfortunately, Congress is usually late. This forces us to guess what the final federal budget will be. We have always assumed on the most conservative of the plausible versions of the federal budget pending in Congress.

This year is no exception. Congress is late. For now we are operating under a “continuing resolution” that keeps us substantially at FY 2014 levels. The current continuing resolution expires on December 11th. We are budgeting on the assumption that the funding will remain substantially as it was in 2014. This conforms to the bipartisan budget deal that Congress enacted in 2013 that ended the last government shut-down. It also conforms to the version of the 2015 budget that the House has already passed.

2.3 Recurring income must cover recurring expenses

We do not seek to spend reserves on recurring expenses, because doing so is not sustainable. Instead, recurring expenses should fit within recurring income. The proposed budget does that. Our proposed budget will show an aggregate surplus of recurring income over recurring expenses in the amount of \$180,000.

This principle requires us to characterize expenses as either recurring or non-recurring. Some expenses are clearly one or the other. Capital expenses to build or fix up properties are non-recurring. Recurring expenses includes the cost of staff to administer THA’s mainline programs, such as the portfolio or our rental assistance programs. Recurring expenses also includes the basic administrative overhead, such as the cost of an executive director, a finance department and or an I.T. capacity.

We characterize other costs by examining their purpose and their duration. Nonrecurring expenses include the cost of staff who fill positions that will “sunset” and the cost of staff and consultants that support time limited projects or projects that may not produce results necessary to justify their continuation. The success or failure of these projects will determine if and when those expenditures

and the associated positions will end. Our analysis of the Real Estate Development Department is a good example of this characterization. We calculate that we will always need a core development capacity, which we characterize as a recurring expense. We use reserves to pay for additional development staff who work on projects that we judge to have a plausible chance of paying for themselves. As the next section explains, this use of reserves fits within the budget principle governing reserves.

2.4 Maintain adequate reserves and limit their use to nonrecurring purposes

We continue to identify minimum and optimal levels of reserves overall and for each type of reserve. This budget would keep us at approximately optimal levels for overall reserves. It would keep us above minimum levels for non-MTW reserves.

We do so pursuant to the principles that govern our use of reserves. It is wiser to spend reserves on nonrecurring rather than recurring expenses. The best use of reserves is to fund activities that have a plausible prospect of:

- saving us money (e.g, our fix up of the 902 building; our recent and continuing investment in our IT capacity)
- making us money; (e.g, buying rental property or investment in a development that would produce a fee.)
- making us more effective. (e.g, our investment in our business process improvement; our fix up of the L Street building, the FIC and the maintenance shop.)

Most of the spending of reserves is on development projects that we expect will earn us a developer fee in 2015 and beyond that will recoup the amounts we spend. We will also spend reserves for modernizing the 2nd floor of the administration building at 902 South L, the Family Investment Center, and the Salishan maintenance building. We will also be expending funds for a new IT platform for the agency.

3. NOTABLE BUDGET ASSUMPTIONS

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

- **Budgeting at 2014 funding levels**
As I reviewed above, we are budgeting at the FY 2014 funding levels. This means we will receive about 86% of what HUD calculates is necessary to manage the public housing portfolio. This also means we will receive 79% of what HUD calculates it takes to manage the voucher program.

- **Housing occupancy rates**
The rental income for our LIPH is based on the September, 2014 rent roll and assumes an average of 97% occupancy. Our nine market rate homes are budgeted at 85% occupancy, as we continue to discuss whether we will sell them or not.
- **HAP savings**
With our changes in occupancy standards, minimum rents and the elimination of utility reimbursement checks to our tenants, and continuing the Housing Opportunities Program (HOP) assistance, the budget estimates a savings of over \$3,000,000 since instituting the changes in 2011, and \$1,500,000 from 2012 to 2013. We realized minimal additional savings in 2014. We are not anticipating any additional savings in 2015, as additional rent reform will not occur until late in the year or in 2016. We are budgeting \$1,370,000 of the HAP savings to provide funds to providers to assist in the housing of special populations.
- **Wages and salaries**
For 2014, we are budgeting to include a small increase for OPEIU and non-represented staff, along with an extra 2.0% for Variable merit pay based on performance. The actual salary increase will be negotiated in 2015, and we will adjust accordingly at mid-year if needed. Our trades personnel is being budgeted for the 2.5% salary increase with a 1.0% variable pay amount that we recently negotiated. Scheduled increases are budgeted for July 1.
- **Employee benefits**
We calculated the costs of employee benefits on the following assumptions:

 - Health Care benefits*
We plan for a 5% increase in the Laborers trust for our maintenance staff, effective July 1st. For our OPEIU and non-represented staff we plan for a 4.5% increase over the 2014 budget. We are maintaining the same employee % for the employee contribution amount as in 2014.
 - Dental*
There is a 5% increase over 2014's costs.
 - Retirement*
Washington State employer portion of retirement plan is budgeted at the 9.19% that we incurred in 2014.
 - Short and Long Term Disability/Life Insurance*
The costs for these benefits remain at 2014 levels.
 - Unemployment Insurance*
THA pays out all unemployment claims and remains self-insured for 2014. We have reduced the accrual from 2.0% of salaries in 2014 to 1.25% in 2015. THA pays for all of the claims from this accrual.

Benefits, on average, remain approximately 42% of salary dollars. This has stabilized from 2012 due to the change in benefit plans.

4. SOME MORE BUDGET DETAIL

- **HAP Utilization:**

We intend to serve as many families as possible under THA's rental assistance programs. The budget assumes housing tenants at 100% of our Section 8 ACC authorization.

- **Special Program Initiatives**

The budget provides approximately \$1.4 million for special program initiatives that the Board will recognize from past discussions:

- DSHS-PHA child welfare collaboration
- Rapid rehousing for homeless families
- Housing for unaccompanied youth without families
- TCC homeless students program
- Children's Savings Account programs

The funding for special programs represents housing an equivalent of approximately 140 families above our baseline.

- **HAP Funding**

Due to HUD's cash management requirements, we are estimating that HUD is holding approximately \$1.5 million dollars of THA's allocation in remaining HAP funding for 2014. We will receive this in 2015. For the 2015 budget, we are budgeting the \$1.5 million as non-recurring income.

- **Public Housing Portfolio**

Property Management, Asset Management and Finance worked together during the FY 2015 budget process to reduce costs within the portfolio. With this collaboration, the average Per Unit Per Year budgeted cost was reduced by approximately \$200 from the 2014 budget to approximately \$6,550 for FY 2015.

- **IT Improvements**

The budget provides \$600K for the new IT platform that will transition THA from our existing Yardi/Visual Homes platform. We also are budgeting approximately \$200K for sunset staff to assist us in the conversion process.

- **Community Service grants**

THA continues to move forward with both the Education and Children's Savings Account Program. We received funding from the Gates Foundation for both of these programs, along with other ancillary funding sources. We are looking to expand the education program within the next year or so. We are also looking at data to determine how our existing staff can best serve our tenants.

- **Bay Terrace Redevelopment**
The Hillside redevelopment (Bay Terrace) phase 1 is complete and fully leased up. We will be receiving \$760K in developer fees next year when we convert the construction loan to permanent and we meet our debt-coverage ratio commitments. We also anticipate moving forward with the 2nd phase of the project in 2015. We are applying for 9% tax credits for the project the 1st of the year. In 2015, we have budgeted \$266K in due diligence, and \$1.7 million in capital expenditures for this project.
- **Prairie Oaks (LASA)**
Construction on Prairie Oaks will be complete by mid-year 2015. All funds from all sources flow through THA (approximately \$2.7 million will be fully expended next year.) THA will also contribute approximately \$145K of non-MTW funds to complete that project, and will receive a developer fee amount of \$160K for management of the project.
- **Hilop Lofts (Brown Star Grill site)**
THA's intends to start this project in 2015. We will apply for tax credits the 1st of next year. In the budget, there is approximately \$100K of due diligence funds, and \$600K of Capital funds budgeted for the project.
- **Renovation of the Family Investment Center**
THA has been discussing renovating the FIC since 2012. There have been numerous discussions on how to make the building more efficient for both Salishan Property Management staff and Community Services staff, along with providing sufficient space for the many public uses. With sequestration, this project was put on hold. \$300K was budgeted for 2014, but with a fresh eye and the latest plan, the budgeted amount for 2015 is \$579,500.
- **Continued renovation of 902 South L**
In 2012, we finished the initial phase of the renovation of the THA administration building. This phase included a complete renovation of the lobby and the Rental Assistance area, along with a partial renovation of the administration area to include an IT training room. This budget would continue the renovation of the building. This fix up should save the escalating annual costs of repairing the failing HVAC system. The budget has increased from the original amount of \$700K, and has been discussed with the Board numerous times. The 2015 budget provides \$1.550 million for this endeavor. Funding will come from reserves and not operations.
- **Salishan Maintenance Shop**
The budget includes \$286,500 to make the maintenance shop more effective for maintenance staff to use for repairs and to improve its use as a storage area.

- **Replacement of Aging Maintenance Vehicle Fleet**
THA has an aging maintenance vehicle fleet with many vehicles over 20 years old. In 2012, we started updating the fleet, with the expectation that we would continue replacing approximately 3 – 5 vehicles annually. This budget would spend \$120,000 for the purchase of new vehicles.
- **Uses of Reserves**
In the budget, we specify our uses of reserves. For the FY-2015 we made the following choices:
 - Fund the continued remodel of 902 South L in the amount of \$1.550 million from reserves.
 - Fund the FIC renovation in the amount of \$586,500 from reserves.
 - Fund the Salishan maintenance shop renovation in the amount of 286,500 from reserves.
 - Fund the purchase of \$120K of replacement of maintenance vehicles from reserves. \$25K is budgeted for replacement of a Community Services vehicle to come from reserves.
 - \$615K is budgeted to come from reserves to fix up our 34 PH scattered sites, and our 9 Market rate homes for sale. No income is budgeted in this budget for the sale. We anticipate that the sale of these properties could bring in approximately \$3 million into THA.
 - We still anticipate the purchase of the general partnership interest in New Look Apts. For that purpose, we budget \$100K out of reserves.
 - For the continued improvement in the IT area, we budget \$600K for the switchover away from our VisualHOMES platform. There is also a reserve request for the purchase of new hardware in the amount of \$23K.
 - We anticipate moving forward on Hilltop Lofts (Brown Star Grill) and have budgeted \$600K from THA to come from reserves.
 - In order to complete the Prairie Oaks project THA will loan the property \$145K from reserves.
- **Use of MTW flexibility**
Due to our MTW flexibilities, we are combining our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. We will use this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs to carry out the mission

of the MTW Demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.

- **Reserves**

The budget will leave us with the following reserves as indicated in Attachment A:

| | | |
|---|--|---------------------|
| ○ | MTW Reserves | \$ 3,361,000 |
| ○ | Business Activities (Non-MTW) reserves | \$ 3,080,900 |
| ○ | Bond Financed Property reserves | \$ 53,300 |
| ○ | Salishan 7 Reserves | <u>\$ 1,251,000</u> |
| | | \$ 7,748,000 |

Recommendation

I recommend that the Board adopt Resolution 2014-12-17 (2) to formally approve THA's Fiscal Year 2015 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17(2)

FISCAL YEAR 2015 ANNUAL BUDGET

Whereas, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2015; and

Whereas, The U.S. Department of Housing and Urban Development (HUD) requires the Authority’s Board to approve it’s annual Site-based budgets;

Whereas, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2015 annual budget,

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2015 Agency wide budget. The HUD required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board of Commissioners hereby authorizes the Executive Director to implement and execute said budget. Expenses and other cash outflows are projected as follows:

| | |
|-------------------------------------|--------------------------------|
| <u>Expenses</u> | |
| Executive | \$ 661,972 |
| Human Resources | 643,736 |
| Finance | 1,058,976 |
| Administration | 1,914,765 |
| Community Services | 2,119,769 |
| Development | 2,483,425 |
| REM&HS Overhead | 1,970,740 |
| Rental Assistance | 34,393,273 |
| Property Management | <u>5,167,332</u> |
| Subtotal | 50,413,993 |
| <u>Additional Cash Outflows</u> | |
| Capital Expenditures | 9,565,100 |
| Debt Service | <u>195,240</u> |
| Subtotal | 9,760,340 |
| TOTAL APPROVED BUDGET | <u>\$60,174,333</u> |

Approved: December 17, 2014

Stanley Rumbaugh, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: THA FY-2015 BUDGET
December 5, 2014

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

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

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

| Type/Purpose of Reserves | Projected Reserves 01/01/15 | - | Minimum | Optimal | Amount to Reserve | = | Amount of reserves available to use in FY015 |
|--|--------------------------------|---|--------------------|--------------------|--------------------|---|--|
| a. MTW Reserves | \$6,700,000 | | \$2,843,000 | \$4,597,000 | \$4,597,000 | | \$2,103,000 |
| b. Business Activities (Non-MTW) reserves <small>*Includes Wedgewood sale proceeds</small> | \$4,850,000 | | \$1,500,000 | \$2,500,000 | \$1,500,000 | | \$3,350,000 |
| c. Salishan 7 Reserves | \$740,000 | | \$400,000 | \$740,000 | \$740,000 | | \$0 |
| d. Bond Financed Property Reserves | \$100,000 | | \$75,000 | \$100,000 | \$75,000 | | \$25,000 |
| Totals | \$12,390,000 | | \$4,818,000 | \$7,937,000 | \$6,912,000 | | \$5,478,000 |

MTW Reserves

Section 8 HAP - Entry to MTW Program
Section 8 Administrative Expenses
PH AMP 1 - 6 Expenses

| Annual Amount | Minimum | | Optimal | |
|---------------|-----------|--------------|----------|--------------|
| | Period | Amount | A | Amount |
| \$29,035,000 | 1/2 month | \$ 1,210,000 | 1 month | \$ 2,420,000 |
| \$3,141,000 | 3 months | \$ 785,000 | 4 months | \$ 1,047,000 |
| \$3,390,000 | 3 months | \$ 848,000 | 4 months | \$ 1,130,000 |
| | Total | \$ 2,843,000 | Total | \$ 4,597,000 |

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2015

| | Recurring Income | - | Cost of Recurring operations (with proposed savings) | = | Surplus or (Shortfall) in recurring operations ¹ |
|--------------|---------------------|---|--|---|---|
| MTW | \$42,584,000 | | \$42,425,000 | | \$159,000 |
| Non-MTW | \$4,932,000 | | \$4,911,000 | | \$21,000 |
| Total | \$47,516,000 | | \$47,336,000 | | \$180,000 |

3. BUDGET IMPACT - RESERVES - FY-2015

| | MTW | Business Activities | Bond Financed Properties | Salishan 7 Reserves | | Total |
|--|---------------|---------------------|--------------------------|---------------------|--|---------------|
| Reserves - 01/01/15 | \$6,700,000 | \$4,850,000 | \$100,000 | \$740,000 | | \$12,390,000 |
| Recurring Surplus/(Shortfall) ¹ | \$159,000 | (\$558,300) | \$68,300 | \$511,000 | | \$180,000 |
| Non-Recurring Income/(Expense) | | | | | | Amount |
| a. Non Recurring Income - Operational ² | \$1,995,000 | \$1,298,500 | | | | \$3,293,500 |
| b. Non Recurring Income - Capital ³ | \$1,629,000 | \$3,092,000 | | | | \$4,721,000 |
| c. Operations & Support Department Expenses - Operational ⁴ | (\$1,202,900) | (\$1,035,000) | | | | (\$2,237,900) |
| d. Operations & Support Departments Expenses- Capital ⁵ | (\$4,113,100) | | (\$115,000) | | | (\$4,228,100) |
| e. Development Department - Operational ⁶ | (\$406,000) | (\$629,500) | | | | (\$1,035,500) |
| f. Development Department - Capital ⁷ | (\$1,400,000) | (\$3,937,000) | | | | (\$5,337,000) |
| g. Special Transfer to Tax Credit Properties | \$0 | | | | | \$0 |
| Projected Reserves - 12/31/15 | \$3,361,000 | \$3,080,700 | \$53,300 | \$1,251,000 | | \$7,746,000 |

4. **FY-2015 PROJECTED END OF YEAR RESERVE LEVELS**

| Type/Purpose of Reserves * | Projected Reserves 12/31/15 | Minimum | Optimal | Excess/(Deficit) Reserves Over Optimal |
|---|-----------------------------|--------------------|--------------------|--|
| a. MTW Reserves | \$3,361,000 | \$2,843,000 | \$4,597,000 | (\$1,236,000) |
| b. Business Activities (Non-MTW) reserves | \$3,080,700 | \$1,500,000 | \$2,500,000 | \$580,700 |
| c. Salishan 7 Reserves | \$ 1,251,000 | \$400,000 | \$740,000 | \$511,000 |
| d. Bond Financed Property Reserves | \$ 53,300 | \$75,000 | \$100,000 | (\$46,700) |
| Totals | \$7,746,000 | \$4,818,000 | \$7,937,000 | (\$191,000) |

| Amount to Reserve | Excess/(Deficit) Reserves Over Amount to Reserve |
|-------------------|--|
| \$2,843,000 | \$518,000 |
| \$1,500,000 | \$1,580,700 |
| \$740,000 | \$511,000 |
| \$75,000 | (\$21,700) |
| \$5,158,000 | |

* Includes \$500K MTW funds for preparing PH Scattererd Sites, and \$115K for Market rate homes for sale, but does not include any Sales proceeds.

| 5. MTW COMMITMENTS | Current Commitment - Resolution 2013-09-25(3) | | Revised Commitment Amount Request | |
|--|---|--|-----------------------------------|------------------|
| 2nd Phase Bay Terrace Redevelopment (Includes 1.2 million rebenchmarking settlement) | \$2,420,000 | | \$2,420,000 | MTW |
| b. Renovation/Remodel of 2nd Floor - Administrative Building | \$700,000 | | \$1,550,000 | MTW |
| c. Renovation/Remodel of Family Investment Center Building | \$300,000 | | \$579,500 | MTW |
| d. Renovation of Salishan Maintenance Shop | | | \$286,500 | MTW |
| e. RAD Conversion Cost - Capital Contributions to Projects | \$1,000,000 | | \$1,500,000 | MTW |
| f. Software Conversion of Yardi/Visual Homes Platform | \$600,000 | | \$600,000 | MTW |
| g. Education Projects - McCarver and Others | \$310,000 | | \$310,000 | MTW |
| h. Exigent Health & Safety Issue (Meth Remediation) | \$500,000 | | \$260,000 | MTW |
| i. Hilltop Lofts (Brown Star Grill site) | | | \$2,500,000 | Either MTW or BA |
| | | | | |
| | \$5,830,000 | | \$10,006,000 | |

Back-up Detail

6. Non-Recurring Income: FY-2014

| Sources of Non-Recurring Income | Original | | Mid-Year Revision | | Change | |
|--|--------------------|--------------------|-------------------|------------|------------|------------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| Operational² | | | | | | |
| Hillside Terrace Operating Subsidy - 2015 will be the final year | | | | | | |
| a. subsidy will be received | \$89,000 | | | | | |
| b. 2014 HAP income carryover to 2015 | \$1,500,000 | | | | | |
| c. Capital Funds | | | | | | |
| 1. Transfer to MTW over 20% admin amount | \$0 | | | | | |
| 2. PH Rental Assistance Demonstration (RAD) conversion costs | \$140,000 | | | | | |
| 3. Due Diligence costs for next phase of Bay Terrace redevelopment | \$266,000 | | | | | |
| d. Developer Fee Income | | | | | | |
| 1. Bay Terrace - Phase 1 | | \$759,500 | | | | |
| 2. Prairie Oaks (LASA) | | \$160,000 | | | | |
| 3. Bay Terrace - Phase 2 | | \$274,000 | | | | |
| e. City of Tacoma Power - Salishan land sale | | \$105,000 | | | | |
| f. Loan Interest received - Tax Credit Properties | | | | | | |
| <i>Operations Subtotal²</i> | <i>\$1,995,000</i> | <i>\$1,298,500</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| Capital³ | | | | | | |
| a. Bay Terrace - Phase 2 (CFP RHF) | | | | | | |
| 1. CFP RHF Funds | \$1,200,000 | | | | | |
| 2. TCRA funds | | \$500,000 | | | | |
| b. CFP funds for PH capital work | \$429,000 | | | | | |
| c. Prairie Oaks | | \$2,592,000 | | | | |
| <i>Capital Subtotal³</i> | <i>\$1,629,000</i> | <i>\$3,092,000</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |

7. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes

Operations & Support Departments

7.1 Operations & Support Department Non-Recurring - Operational⁴

| | Original | | Mid-Year Revision | | Change | |
|---|-------------|-------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Salaries | | | | | | |
| 1. Sunset positions identified in 9.1i | \$258,300 | \$52,900 | | | | |
| 2. New project oriented positions - 9.1n | \$34,300 | \$199,900 | | | | |
| 3. Existing project oriented Positions - 9.2m | \$510,800 | \$528,500 | | | | |
| b. Advertising (Line 19) | | | | | | |
| 1. Advertising for Rent reform (REM&HS) | \$30,000 | | | | | |
| c. Office Supplies (Line 21) | | | | | | |
| 1. Wait list opening (RA) | \$4,000 | | | | | |
| 2. Rent reform (REM&HS) | \$2,000 | | | | | |
| d. Postage (Line 22) | | | | | | |
| 1. RA division - Postage for Wait list opening | \$11,000 | | | | | |
| e. Office Equipment Expensed (Line 26) | | | | | | |
| 1. RA division. (Smart board, various other equip) | \$9,200 | | | | | |
| f. Legal (Line 27) | | | | | | |
| 1. RAD Conversion (Admin) | \$10,000 | | | | | |
| 2. Tax Credit conversion assistance | \$50,000 | | | | | |
| 2. RA division - Deduct if in house counsel is hired | \$10,000 | | | | | |
| g. Staff Training (Line 29) | | | | | | |
| 1. Placeholder for training needs identified via TCAM and HR | \$41,500 | \$8,500 | | | | |
| h. Administrative Contracts (Line 30) | | | | | | |
| 1. Leadership Team Development (HR) | \$20,700 | \$4,300 | | | | |
| 2. Compensation Analysis (HR) | \$16,600 | \$3,400 | | | | |
| 3. ED 360 performance evaluation (HR) | \$2,900 | \$600 | | | | |
| 4. Employee Engagement Survey | \$3,500 | | | | | |
| 5. RAD financial consultants (Admin) | \$10,000 | | | | | |
| 6. Evaluation of Rent reform (REM&HS) | \$100,000 | | | | | |
| 7. MTW Design assistance (REM&HS) | \$20,000 | | | | | |
| 8. Grant Writer (CS) - will not need if hire Community Resource Planner | | \$25,000 | | | | |
| i. Other Administrative Expenses (Line 31) | | | | | | |
| 1. Archiving (RA) | \$5,800 | \$1,200 | | | | |
| 2. Disaster recovery plan expenses (REM&HS) | \$8,300 | \$1,700 | | | | |
| j. General Expenses | | | | | | |
| 1. Buyout incentives (HR) | | \$180,000 | | | | |
| k. Extraordinary Maintenance for Properties (Reviewed Annually) | | | | | | |
| l. Contingency will be reevaluated each year | \$44,000 | \$29,000 | | | | |
| Operational Subtotal ⁴ | \$1,202,900 | \$1,035,000 | \$0 | \$0 | \$0 | \$0 |

7.2 Operations & Support Departments - Capital⁵

| | Original | | Mid-Year Revision | | Change | |
|---|--------------------|------------------|-------------------|------------|------------|------------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. 902 South L - Continue renovation (\$700K carryover from 2014) | \$1,550,000 | | | | | |
| b. FIC Building Renovations (\$300K Carryover from 2014) | \$579,500 | | | | | |
| c. Salishan Maintenance shop renovations | \$286,500 | | | | | |
| d. Maintenance vehicle replacement with outfitting | \$120,000 | | | | | |
| e. Community Service vehicle replacement | \$25,000 | | | | | |
| f. Transition IT Platform to new system | \$600,000 | | | | | |
| g. IT Hardware | \$23,100 | | | | | |
| h. Water intrusion - Bergerson Terrace | \$304,000 | | | | | |
| i. Window replacement - M St. | \$125,000 | | | | | |
| j. PH Scattered Site homes - Prepare units for sale | \$500,000 | | | | | |
| k. Market Rate homes - Prepare units for sale | | \$115,000 | | | | |
| <i>Capital Subtotal⁵</i> | <i>\$4,113,100</i> | <i>\$115,000</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |

Development Department Activity
7.3 Development Department Nonrecurring - Operational⁶

| | Original | | Mid-Year Revision | | Change | |
|--|------------------|------------------|-------------------|------------|------------|------------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Legal (Line 27) | | | | | | |
| 1. RAD | \$40,000 | | | | | |
| 2. New Look Apts. | | \$20,000 | | | | |
| 3. Other Acquisition | | \$30,000 | | | | |
| b. Administrative Contracts (Line 30) | | | | | | |
| 1. Conversion Assistance to RAD. | \$100,000 | | | | | |
| 2. Design of CDE/PDA | | \$50,000 | | | | |
| 3. Miscellaneous | | \$50,000 | | | | |
| c. Due Diligence - Development Opportunities | | | | | | |
| 1. Bay Terrace Phase 2 Redevelopment | \$266,000 | | | | | |
| 2. Hilltop Lofts | | \$104,500 | | | | |
| 3. Other Opportunities | | \$200,000 | | | | |
| 4. Salishan Core Planning | | \$70,000 | | | | |
| 5. New Look Apts. | | \$100,000 | | | | |
| d. Contingency (Line 33) | | \$5,000 | | | | |
| <i>Development Activity - Operational - Subtotal⁶</i> | <i>\$406,000</i> | <i>\$629,500</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |

| 7.4 Development Department - Capital ⁷ | Original | | Mid-Year Revision | | Change | |
|--|-------------|-------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Bay Terrace - Phase 1 - Convert Construction loan to permanent note | \$200,000 | | | | | |
| b. Bay Terrace - Phase 2 | | | | | | |
| 1. CFP - RHF | \$1,200,000 | | | | | |
| 2. COT | | \$500,000 | | | | |
| c. Prairie Oaks (LASA) | | | | | | |
| 1. HOME Funds | | \$55,000 | | | | |
| 2. 2163 Funds | | \$98,000 | | | | |
| 3.. HTF Funds | | \$2,439,000 | | | | |
| 4. THA Loan to cover Construction costs | | \$145,000 | | | | |
| d. Purchase of New Look Apts. | | \$100,000 | | | | |
| e. Hilltop Lofts | | \$600,000 | | | | |
| Development Activity - Capital - Subtotal ⁷ | \$1,400,000 | \$3,937,000 | \$0 | \$0 | \$0 | \$0 |

8. Reserve Appropriations Requested

| 8.1 Operations | Original | | Mid-Year Revision | | Change | |
|---|----------|----------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Community Services expenses received Prior Year grants | | \$24,700 | | | | |
| Operations Subtotal | \$0 | \$24,700 | \$0 | \$0 | \$0 | \$0 |

| 8.2 Capital | Original | | Mid-Year Revision | | Change | |
|--|-------------|-----------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. 902 South L - Continue renovation (\$700K carryover from 2014) | \$1,550,000 | | | | | |
| b. FIC Building Renovations (\$300K Carryover from 2014) | \$579,500 | | | | | |
| c. Salishan Maintenance shop renovations | \$286,500 | | | | | |
| d. Maintenance vehicle replacement with outfitting | \$120,000 | | | | | |
| e. Community Service vehcile replacement | \$25,000 | | | | | |
| f. Transition IT Platform to new system | \$600,000 | | | | | |
| g. IT Hardware | \$23,100 | | | | | |
| h. PH Scattered Site homes - Prepare units for sale | \$500,000 | | | | | |
| i. Market Rate homes - Prepare units for sale | | \$115,000 | | | | |
| j. Bay Terrace - Phase 1 - Convert Construction loan to permanent note | \$200,000 | | | | | |
| k. Purchase of New Look Apts. | | \$100,000 | | | | |
| l. Hilltop Lofts | | \$600,000 | | | | |
| m. THA Loan to Prairie Oaks | | \$145,000 | | | | |
| Capital Subtotal | \$3,884,100 | \$960,000 | \$0 | \$0 | \$0 | \$0 |

9. Notable Recurring Operational/Support Department Costs

| | Staff Positions | | | Change | Comments |
|--|---|-------------|-------------------|--------|---|
| | Increase/ Decrease fm previous year budget | Original | Mid-Year Revision | | |
| 9.1 Position Changes - FY-2015 | | | | | |
| <i>Currently Occupied</i> | | | | | |
| a. Sr. Project Manager (Development) | | \$7,500 | | | Internal Promotion from Project Manager. |
| b. <i>Subtotal</i> | 0.00 | \$7,500 | | | |
| <i>New Positions - Recurring</i> | | | | | |
| c. Deputy Executive Director or Chief Operating Officer (Exec) | 1.0 | \$174,200 | | | This position will assist in overseeing the operations of the agency, and free the Executive Director to focus on community efforts. |
| d. In house counsel (REM&HS) | 1.0 | \$121,200 | | | This position is contingent upon further discussions and assessments. The position will assist with evictions, writing the lease, and overseeing contract language within the agency. It is anticipated this will eliminate most of THA's operational legal costs. We will rebid the contract to see how the costs change, and compare to what we would be able to hire an in house counsel for. If the contract cost increases dramatically we will consider moving in this direction. |
| e. <i>Subtotal</i> | 2.00 | \$295,400 | | | |
| <i>Eliminated Positions</i> | | | | | |
| N/A | | | | | |
| <i>Subtotal</i> | 0.00 | \$0 | | | |
| <i>Sunset Positons</i> | | | | | |
| f. Business Process Improvement Analyst (Admin) - Carryover | | \$111,600 | | | Assist in business process improvement plan. |
| g. Data Requirements Specialist (Admin) - New | 1.0 | \$88,000 | | | Assist agency in software conversion. |
| h. Software Implementation Manager (Admin) - New | 1.0 | \$111,600 | | | Assist agency in software conversion. |
| i. <i>Subtotal</i> | 2.00 | \$311,200 | | | |
| <i>New Positions - Project Oriented</i> | | | | | |
| j. Community Resource Planner (Admin) | 1.0 | \$114,000 | | | Position will understand THA's needs. Further discussion required before moving forward. |
| k. Project Manager 1 (Dev) | 1.0 | \$78,800 | | | New Position with internal staff promotion. Do not hire until furhter analysis completed. |
| l. Digital Librarian (Admin) - New (half year) | 0.5 | \$41,400 | | | To assist agency in moving to paperless environment. Additional review will be required before moving forward. |
| m. <i>Subtotal</i> | 2.50 | \$234,200 | | | |
| 9.2 Project Oriented Positions (Non Grant funded) | | | | | |
| a. Project Manager-Asset Management (Admin) | | \$88,000 | | | MTW |
| b. Applications Architect (Admin) | | \$102,600 | | | MTW/BA |
| c. Sr. Project/Construction Manager (Dev) (3) | | \$384,800 | | | BA |
| d. Project Manager 1 (Dev) | | \$84,200 | | | BA |
| e. Project Manager 2 (CS) | | \$109,900 | | | MTW |
| f. After School Coordinator (2 PT) (CS) | | \$24,500 | | | MTW |
| g. Supply Chain Analyst (REM&HS) | | \$90,000 | | | MTW/BA |
| h. Marketing Specialist (REM&HS) | | \$73,100 | | | MTW/BA |
| i. Project Manager 1 (REM&HS) | | \$82,200 | | | MTW/BA |
| j. <i>Subtotal</i> | 0.00 | \$1,039,300 | | | |

9.3 Operations & Support Department - Notable Recurring Information

| | Original | | Mid-Year Revision | | Change | |
|--|--------------------|------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. | | | | | | |
| b. Special Program Assistance Payments | | | | | | |
| 1. Child Welfare Vouchers | \$192,000 | | | | | |
| 2. Rapid Rehousing for Homeless Families | \$600,000 | | | | | |
| 3. Unaccompanied Youth Vouchers | \$288,000 | | | | | |
| 4. TCC Homeless Students | \$150,000 | | | | | |
| 5. Bay Terrace Supplemental Rents | \$140,400 | | | | | |
| c. FSS paypoints - Replaces HAP FSS escrow amounts (Included with HAP) | \$50,000 | | | | | |
| d. MTW Security Deposit Program | \$20,000 | | | | | |
| e. Contamination Testing & Remediation PH Units * | \$260,000 | \$0 | | | | |
| Totals | \$1,700,400 | \$0 | | | | |

* Contamination Testing amount is based on an average of \$15,000 per unit remediation and put back, and a reduction to 5% of our unit turns based on a THA Meth clean team doing an initial cleaning to reduce the number of units needed to be fully remediated.

10. A LOOK AHEAD TO FY-2016 (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

| 10.1 | Recurring FY016 Income | Recurring FY016 Expense | Amount |
|------|---|-----------------------------|---------------|
| a. | Additional Rent Reform | | ???? |
| b. | Congressional FY-2016 Budget Appropriations - Possible sequestration cuts | | (\$3,000,000) |
| 10.2 | Non-Recurring FY016 Income | Non-Recurring FY016 Expense | Amount |
| a. | Developer Fee - Bay Terrace - Phase 2 | | \$275,000 |
| b. | Developer Fee - Hilltop Lofts | | \$350,000 |

11. Emerging Needs and Opportunities

| | MTW -CFP | Non-MTW |
|--|----------|-------------|
| a. New Look Apts. - Includes any additional funds needed for rehab after initial purchase | | ???? |
| b. THA Contribution to Purchase of Affordable Housing Up to 80% with THA contribution coming from proceeds from Salishan - Area 2B lots. Proceeds can be used for Affordable Housing purchase or RAD conversion. | | \$3,000,000 |
| c. Anticipated proceeds from Sale of PH Scattered Site Homes | | \$3,000,000 |
| d. Anticipated proceeds from Sale of Market Rate Homes | | \$1,500,000 |
| <i>Total - Emerging Development Projects</i> | \$0 | \$7,500,000 |

FY 2015 Tacoma Housing Authority Budget
Agency Total by Departmental Areas

| | Executive | Human Resources | Finance | Administration | Community Services | Development | REM Overhead | Rental Assistance | Property Budgets | Agency Total |
|--|-----------|--------------------|-----------|----------------|-----------------------|-------------|-----------------|----------------------|---------------------|--------------|
| INCOME | | | | | | | | | | |
| 1 Revenue - Dwelling rent | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,606,905 | \$2,606,905 |
| 2 Tenant Revenue - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$60,500 | \$60,500 |
| 3 HUD grant - Section 8 HAP reimbursement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$36,331,959 | \$0 | \$36,331,959 |
| 4 HUD grant - Section 8 Admin fee earned | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,732,084 | \$0 | \$2,732,084 |
| 5 HUD grant - Public Housing subsidy | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,187,210 | \$2,187,210 |
| 6 HUD grant - Community Services | \$0 | \$0 | \$0 | \$0 | \$353,493 | \$0 | \$0 | \$0 | \$0 | \$353,493 |
| 7 HUD grant - Capital Fund Operating Revenue | \$0 | \$0 | \$0 | \$240,000 | \$0 | \$813,824 | \$0 | \$0 | \$0 | \$1,053,824 |
| 8 Management Fee Income | \$147,980 | \$104,136 | \$543,890 | \$529,601 | \$82,045 | \$0 | \$1,594,419 | \$128,644 | \$0 | \$3,130,714 |
| 9 Other Government grants | \$0 | \$0 | \$0 | \$0 | \$249,108 | \$160,000 | \$0 | \$0 | \$0 | \$409,108 |
| 10 Investment income | \$0 | \$0 | \$7,250 | \$0 | \$0 | \$0 | \$0 | \$25,000 | \$6,525 | \$38,775 |
| 11 Fraud Recovery Income - Sec 8 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$40,000 |
| 12 Other Revenue- Developer Fee Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,193,509 | \$0 | \$0 | \$0 | \$1,193,509 |
| 13 Other Revenue | \$0 | \$0 | \$36,300 | \$0 | \$561,164 | \$8,000 | \$0 | \$42,500 | \$24,104 | \$672,068 |
| | | | | | | | | | | |
| TOTAL OPERATING RECEIPTS | \$147,980 | \$104,136 | \$587,440 | \$769,601 | \$1,245,810 | \$2,175,333 | \$1,594,419 | \$39,300,187 | \$4,885,244 | \$50,810,148 |

| | | | | | | | | | | |
|--|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| OPERATING EXPENDITURES | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 14 Administrative Salaries | \$408,964 | \$224,238 | \$682,866 | \$1,091,755 | \$0 | \$678,632 | \$825,984 | \$1,191,717 | \$364,609 | \$5,468,766 |
| 15 Administrative Personnel - Benefits | \$124,221 | \$79,144 | \$287,130 | \$394,769 | \$0 | \$242,223 | \$334,947 | \$538,274 | \$161,217 | \$2,161,925 |
| 16 Audit Fees | \$0 | \$0 | \$17,500 | \$0 | \$0 | \$9,000 | \$0 | \$30,000 | \$25,213 | \$81,713 |
| 17 Management Fees | \$0 | \$0 | \$0 | \$0 | \$301,406 | \$304,161 | \$91,907 | \$1,249,028 | \$600,229 | \$2,546,731 |
| 18 Rent | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,000 | \$0 | \$104,200 | \$0 | \$128,200 |
| 19 Advertising | \$0 | \$0 | \$0 | \$0 | \$0 | \$500 | \$30,000 | \$0 | \$782 | \$31,282 |
| 20 Information Technology Expenses | \$1,000 | \$0 | \$0 | \$159,150 | \$35,696 | \$0 | \$0 | \$10,200 | \$15,688 | \$221,734 |
| 21 Office Supplies | \$3,500 | \$1,200 | \$4,000 | \$7,000 | \$6,000 | \$1,800 | \$5,000 | \$25,000 | \$5,868 | \$59,367 |
| 22 Publications & Memberships | \$33,065 | \$2,105 | \$1,020 | \$200 | \$3,290 | \$1,100 | \$1,500 | \$1,000 | \$0 | \$43,280 |
| 23 Telephone | \$4,800 | \$1,200 | \$0 | \$37,060 | \$6,100 | \$6,000 | \$14,040 | \$5,420 | \$34,939 | \$109,560 |
| 24 Postage | \$700 | \$100 | \$2,250 | \$300 | \$4,500 | \$500 | \$11,000 | \$35,000 | \$4,463 | \$58,815 |
| 25 Leased Equipment & Repairs | \$250 | \$0 | \$650 | \$54,380 | \$6,100 | \$0 | \$15,000 | \$16,000 | \$24,408 | \$116,788 |
| 26 Office Equipment Expensed | \$1,500 | \$0 | \$1,500 | \$28,500 | \$14,600 | \$0 | \$1,500 | \$5,000 | \$16,235 | \$68,835 |
| 27 Legal | \$10,000 | \$15,000 | \$1,000 | \$60,000 | \$0 | \$90,000 | \$0 | \$10,000 | \$29,588 | \$215,588 |
| 28 Local Mileage | \$0 | \$100 | \$275 | \$0 | \$3,600 | \$500 | \$3,000 | \$1,500 | \$2,147 | \$11,123 |
| 29 Staff Training/ Out of Town Travel | \$25,000 | \$41,400 | \$22,750 | \$31,679 | \$26,010 | \$16,750 | \$115,500 | \$27,200 | \$0 | \$306,289 |
| 30 Administrative Contracts | \$5,000 | \$83,350 | \$30,600 | \$26,000 | \$167,000 | \$200,000 | \$165,000 | \$21,000 | \$14,777 | \$712,727 |
| 31 Other Administrative Expenses | \$18,500 | \$7,550 | \$2,000 | \$1,900 | \$0 | \$4,000 | \$41,880 | \$14,000 | \$4,717 | \$94,547 |
| 32 Due Diligence - Perspective Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$740,500 | \$0 | \$0 | \$0 | \$740,500 |
| 33 Contingency | \$20,000 | \$5,000 | \$0 | \$15,000 | \$0 | \$5,000 | \$15,000 | \$5,000 | \$8,000 | \$73,000 |
| Total Administrative Expenses | \$656,499 | \$460,387 | \$1,053,541 | \$1,907,694 | \$574,302 | \$2,324,666 | \$1,671,258 | \$3,289,539 | \$1,312,879 | \$13,250,771 |
| | | | | | | | | | | |
| Tenant Services | | | | | | | | | | |
| 34 Tenant Services - Salaries | \$0 | \$0 | \$0 | \$0 | \$1,000,072 | \$0 | \$0 | \$0 | \$0 | \$1,000,072 |
| 35 Tenant Service Personnel - Benefits | \$0 | \$0 | \$0 | \$0 | \$411,616 | \$0 | \$0 | \$0 | \$0 | \$411,616 |
| 36 Relocation Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,670 | \$17,670 |
| 37 Tenant Service - other | \$2,000 | \$0 | \$0 | \$0 | \$124,068 | \$0 | \$3,000 | \$1,000 | \$6,506 | \$136,574 |
| Total Tenant Services | \$2,000 | \$0 | \$0 | \$0 | \$1,535,756 | \$0 | \$3,000 | \$1,000 | \$24,176 | \$1,565,932 |

FY 2015 Tacoma Housing Authority Budget
Agency Total by Departmental Areas

| | Executive | Human Resources | Finance | Administration | Community Services | Development | REM Overhead | Rental Assistance | Property Budgets | Agency Total |
|--|--------------------|--------------------|--------------------|----------------------|-----------------------|--------------------|--------------------|----------------------|---------------------|---------------------|
| Utilites | | | | | | | | | | |
| 38 Water | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$5,500 | \$0 | \$106,250 | \$116,750 |
| 39 Electric | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,000 | \$36,000 | \$0 | \$159,800 | \$199,800 |
| 40 Gas | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,100 | \$2,000 | \$0 | \$52,450 | \$55,550 |
| 41 Sewer | \$0 | \$0 | \$0 | \$0 | \$0 | \$8,200 | \$12,500 | \$0 | \$282,190 | \$302,890 |
| Total Project Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,300 | \$56,000 | \$0 | \$600,690 | \$674,990 |
| Ordinary Maintenance & Operations | | | | | | | | | | |
| 42 Maintenance Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 | \$0 | \$653,229 | \$703,227 |
| 43 Maintenance Personnel - Benefits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,795 | \$0 | \$232,484 | \$250,279 |
| 44 Maintenance Materials | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$14,000 | \$2,400 | \$188,471 | \$209,871 |
| 45 Contract Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$87,000 | \$2,000 | \$524,089 | \$623,089 |
| Total Routine Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$15,000 | \$168,795 | \$4,400 | \$1,598,273 | \$1,786,466 |
| General Expenses | | | | | | | | | | |
| 46 Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,000 | \$22,000 | \$0 | \$75,350 | \$98,350 |
| 47 Insurance | \$3,473 | \$1,349 | \$5,435 | \$7,071 | \$9,711 | \$4,083 | \$18,687 | \$29,223 | \$131,348 | \$210,380 |
| 48 Other General Expense | \$0 | \$182,000 | \$0 | \$0 | \$0 | \$5,000 | \$31,000 | \$116,642 | \$1,005,675 | \$1,340,317 |
| 49 Payment in Lieu of Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,803 | \$13,803 |
| 50 Collection Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,000 | \$52,138 | \$77,138 |
| 51 Interest Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$115,376 | \$0 | \$0 | \$0 | \$115,376 |
| Total General Expenses | \$3,473 | \$183,349 | \$5,435 | \$7,071 | \$9,711 | \$125,459 | \$71,687 | \$170,865 | \$1,278,314 | \$1,855,364 |
| TOTAL OPERATING EXPENSES | \$661,972 | \$643,736 | \$1,058,976 | \$1,914,765 | \$2,119,769 | \$2,483,425 | \$1,970,740 | \$3,465,804 | \$4,814,332 | \$19,133,523 |
| Nonroutine Expenses and Capital Expenditures | | | | | | | | | | |
| 52 Ext Maint/Fac Imp/Gain/Loss prop sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$335,000 | \$335,000 |
| 53 Casualty Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$18,000 | \$18,000 |
| 54 Section 8 HAP Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,927,469 | \$0 | \$30,927,469 |
| Total Nonroutine Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,927,469 | \$353,000 | \$31,280,469 |
| TOTAL EXPENSES | \$661,972 | \$643,736 | \$1,058,976 | \$1,914,765 | \$2,119,769 | \$2,483,425 | \$1,970,740 | \$34,393,273 | \$5,167,332 | \$50,413,993 |
| OPERATING SURPLUS/(DEFICIT) | (\$513,992) | (\$539,600) | (\$471,536) | (\$1,145,164) | (\$873,959) | (\$308,092) | (\$376,322) | \$4,906,914 | (\$282,088) | \$396,155 |
| 55 Debt Service Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | (\$182,740) | \$0 | \$0 | (\$12,500) | (\$195,240) |
| 56 Special Transfer to Tax Credit Propertes | | | | | | | | | \$0 | \$0 |
| Surplus/Deficit Before Reserve Appropriations | (\$513,992) | (\$539,600) | (\$471,536) | (\$1,145,164) | (\$873,959) | (\$490,832) | (\$376,322) | \$4,906,914 | (\$294,588) | \$200,915 |
| 57 Reserve Appropriations - Operations/Transfers | \$0 | \$0 | \$0 | \$0 | \$24,710 | \$0 | \$0 | \$0 | \$0 | \$24,710 |
| Surplus/Deficit Before Capital Expenditures | (\$513,992) | (\$539,600) | (\$471,536) | (\$1,145,164) | (\$849,249) | (\$490,832) | (\$376,322) | \$4,906,914 | (\$294,588) | \$225,625 |
| 58 Capitalized Items/Development Projects | \$0 | \$0 | \$0 | (\$623,100) | (\$25,000) | (\$6,887,000) | (\$986,000) | \$0 | (\$1,044,000) | (\$9,565,100) |
| 59 Revenue - Capital Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,292,000 | \$0 | \$0 | \$429,000 | \$4,721,000 |
| 60 Reserve Appropriations - Capital | \$0 | \$0 | \$0 | \$623,100 | \$25,000 | \$2,595,000 | \$986,000 | \$0 | \$615,000 | \$4,844,100 |
| AGENCY WIDE BUDGET SURPLUS/(DEFICIT) | (\$513,992) | (\$539,600) | (\$471,536) | (\$1,145,164) | (\$849,249) | (\$490,832) | (\$376,322) | \$4,906,914 | (\$294,588) | \$225,625 |

2015 Tacoma Housing Authority Portfolio Budget

12/12/14

| | | AMP 1 | AMP 2 | AMP 3 | AMP 4 | AMP 6 | Tax Credit AMPS | LIPH Total | Sal 7 | Market Rate | Portfolio Total |
|-------------------------------|--|---|--|--|--|---------------------------------|--------------------|---------------|-------------|-------------|--------------------|
| | | K, M & G St. Apts. Elderly Disabled 160 Units | Fawcett, Wright, 6th St. Apts. (Elderly/Disabled) 152 Units | Lawrence, Bergerson Terrace, Dixon Village 144 Units | Hillside Terrace (1800 & 2500 Blocks) Demo'd 104 Units demo'd | Single Family Homes 34 Units | | | 90 Units | 10 Units | |
| INCOME | | | | | | | | | by n | | |
| 1 | Revenue - Dwelling rent | \$420,540 | \$402,012 | \$433,116 | \$0 | \$61,560 | \$0 | \$1,317,228 | \$1,156,597 | \$133,080 | \$2,606,905 |
| 2 | Tenant Revenue - Other | \$8,000 | \$7,600 | \$8,750 | \$0 | \$3,400 | \$0 | \$27,750 | \$30,000 | \$2,750 | \$60,500 |
| 3 | HUD grant - Section 8 HAP reimbursement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 4 | HUD grant - Section 8 Admin fee earned | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 5 | HUD grant - Public Housing subsidy | \$379,053 | \$326,070 | \$321,527 | \$88,835 | \$116,270 | \$955,455 | \$2,187,210 | \$0 | \$0 | \$2,187,210 |
| 6 | HUD grant - Community Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 7 | HUD grant - Capital Fund Operating Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 8 | Management Fee Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 9 | Other Government grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10 | Investment income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,000 | \$525 | \$6,525 |
| 11 | Fraud Recovery Income - Sec 8 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12 | Other Revenue- Developer Fee Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | Other Revenue | \$11,755 | | \$2,965 | \$0 | \$0 | \$0 | \$14,720 | \$0 | \$0 | \$14,720 |
| | | | | | | | | | | | |
| TOTAL OPERATING RECEIPTS | | \$819,348 | \$735,682 | \$766,358 | \$88,835 | \$181,230 | \$955,455 | \$3,546,908 | \$1,192,597 | \$136,355 | \$4,875,860 |
| | | | | | | | | | | | |
| OPERATING EXPENDITURES | | | | | | | | | | | |
| Administrative | | | | | | | | | | | |
| 14 | Administrative Salaries | \$101,658 | \$97,271 | \$84,533 | \$0 | \$19,000 | \$0 | \$302,462 | \$56,571 | \$5,576 | \$364,609 |
| 15 | Administrative Personnel - Benefits | \$43,827 | \$41,775 | \$37,274 | \$0 | \$11,246 | \$0 | \$134,121 | \$24,589 | \$2,506 | \$161,217 |
| 16 | Audit Fees | \$3,220 | \$3,108 | \$3,010 | \$750 | \$715 | \$4,278 | \$15,081 | \$10,000 | \$132 | \$25,213 |
| 17 | Management Fees | \$183,629 | \$174,447 | \$135,318 | \$0 | \$29,135 | \$0 | \$522,529 | \$69,131 | \$8,569 | \$600,229 |
| 18 | Rent | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 19 | Advertising | \$201 | \$221 | \$60 | \$0 | \$0 | \$0 | \$482 | \$200 | \$100 | \$782 |
| 20 | Information Technology Expenses | \$3,880 | \$4,740 | \$5,550 | \$0 | \$930 | \$0 | \$15,100 | \$300 | \$288 | \$15,688 |
| 21 | Office Supplies | \$1,360 | \$1,292 | \$957 | \$0 | \$201 | \$0 | \$3,809 | \$2,000 | \$59 | \$5,868 |
| 22 | Publications & Memberships | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 23 | Telephone | \$10,716 | \$12,069 | \$9,989 | \$0 | \$734 | \$0 | \$33,508 | \$1,175 | \$256 | \$34,939 |
| 24 | Postage | \$1,586 | \$1,434 | \$852 | \$0 | \$147 | \$0 | \$4,019 | \$400 | \$43 | \$4,463 |
| 25 | Leased Equipment & Repairs | \$11,856 | \$3,680 | \$5,562 | \$0 | \$1,399 | \$0 | \$22,497 | \$1,500 | \$411 | \$24,408 |
| 26 | Office Equipment Expensed | \$6,118 | \$5,813 | \$2,784 | \$0 | \$402 | \$0 | \$15,117 | \$1,000 | \$118 | \$16,235 |
| 27 | Legal | \$4,482 | \$9,156 | \$9,200 | \$0 | \$1,500 | \$0 | \$24,338 | \$5,000 | \$250 | \$29,588 |
| 28 | Local Mileage | \$793 | \$754 | \$446 | \$0 | \$80 | \$0 | \$2,073 | \$50 | \$24 | \$2,147 |
| 29 | Staff Training/ Out of Town Travel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 30 | Administrative Contracts | \$4,167 | \$3,133 | \$3,469 | \$0 | \$899 | \$0 | \$11,668 | \$2,854 | \$255 | \$14,777 |
| 31 | Other Administrative Expenses | \$714 | \$654 | \$2,399 | \$0 | \$500 | \$0 | \$4,267 | \$250 | \$200 | \$4,717 |
| 32 | Due Diligence - Perspective Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 33 | Contingency | \$2,000 | \$1,500 | \$4,000 | \$0 | \$0 | \$0 | \$7,500 | \$0 | \$500 | \$8,000 |
| Total Administrative Expenses | | \$380,206 | \$361,045 | \$305,402 | \$750 | \$66,890 | \$4,278 | \$1,118,572 | \$175,020 | \$19,287 | \$1,312,879 |
| | | | | | | | | | | | |
| Tenant Services | | | | | | | | | | | |
| 34 | Tenant Services - Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 35 | Tenant Service Personnel - Benefits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 36 | Relocation Costs | \$4,800 | \$4,560 | \$4,320 | \$0 | \$1,020 | \$0 | \$14,700 | \$2,700 | \$270 | \$17,670 |
| 37 | Tenant Service - other | \$885 | \$1,157 | \$2,964 | \$0 | \$500 | \$0 | \$5,506 | \$1,000 | \$0 | \$6,506 |
| Total Tenant Services | | \$5,685 | \$5,717 | \$7,284 | \$0 | \$1,520 | \$0 | \$20,206 | \$3,700 | \$270 | \$24,176 |
| | | | | | | | | | | | |

| | | | | | | | Tax Credit | LIPH | | | Portfolio |
|--|---|---|--|---------------------|-------------------|------------------|--------------------|------------------|-----------------|--------------------|-----------|
| | | | | | | | AMPS | Total | Sal 7 | Market Rate | Total |
| AMP 1 | AMP 2 | AMP 3 | AMP 4 | AMP 6 | | | | | | | |
| K, M & G St. Apts. Elderly Disabled | Fawcett, Wright, 6th St. Apts. (Elderly/Disabled) | Lawrence, Bergerson Terrace, Dixon Village | Hillside Terrace (1800 & 2500 Blocks) Demo'd | Single Family Homes | | | | | | | |
| | | | | | | | | | | | |
| Utilites | | | | | | | | | | | |
| 38 Water | \$24,000 | \$20,500 | \$31,250 | \$0 | \$1,000 | \$0 | \$76,750 | \$29,000 | \$500 | \$106,250 | |
| 39 Electric | \$66,250 | \$59,300 | \$28,750 | \$0 | \$1,250 | \$0 | \$155,550 | \$3,250 | \$1,000 | \$159,800 | |
| 40 Gas | \$29,650 | \$16,250 | \$5,500 | \$0 | \$400 | \$0 | \$51,800 | \$400 | \$250 | \$52,450 | |
| 41 Sewer | \$75,940 | \$63,250 | \$88,500 | \$0 | \$3,500 | \$0 | \$231,190 | \$50,000 | \$1,000 | \$282,190 | |
| Total Project Utilities | \$195,840 | \$159,300 | \$154,000 | \$0 | \$6,150 | \$0 | \$515,290 | \$82,650 | \$2,750 | \$600,690 | |
| | | | | | | | | | | | |
| Ordinary Maintenance & Operations | | | | | | | | | | | |
| 42 Maintenance Salaries | \$186,395 | \$167,376 | \$191,902 | \$0 | \$43,094 | \$0 | \$588,767 | \$52,822 | \$11,640 | \$653,229 | |
| 43 Maintenance Personnel - Benefits | \$66,338 | \$59,569 | \$68,298 | \$0 | \$15,337 | \$0 | \$209,542 | \$18,799 | \$4,143 | \$232,484 | |
| 44 Maintenance Materials | \$29,513 | \$39,369 | \$66,989 | \$0 | \$23,000 | \$0 | \$158,871 | \$22,500 | \$7,100 | \$188,471 | |
| 45 Contract Maintenance | \$135,673 | \$95,034 | \$120,032 | \$0 | \$29,700 | \$0 | \$380,439 | \$128,650 | \$15,000 | \$524,089 | |
| Total Routine Maintenance | \$417,920 | \$361,348 | \$447,221 | \$0 | \$111,131 | \$0 | \$1,337,619 | \$222,771 | \$37,883 | \$1,598,273 | |
| | | | | | | | | | | | |
| General Expenses | | | | | | | | | | | |
| 46 Protective Services | \$30,850 | \$26,750 | \$17,500 | \$0 | \$0 | \$0 | \$75,100 | \$0 | \$250 | \$75,350 | |
| 47 Insurance | \$33,265 | \$32,916 | \$29,441 | \$0 | \$11,262 | \$0 | \$106,884 | \$20,463 | \$4,001 | \$131,348 | |
| 48 Other General Expense | \$2,463 | \$1,634 | \$2,291 | \$0 | \$0 | \$912,887 | \$919,275 | \$86,400 | \$0 | \$1,005,675 | |
| 49 Payment in Lieu of Taxes | \$2,497 | \$2,381 | \$2,285 | \$0 | \$531 | \$5,109 | \$12,803 | \$1,000 | \$0 | \$13,803 | |
| 50 Collection Loss | \$8,411 | \$8,040 | \$8,662 | \$0 | \$1,231 | \$0 | \$26,344 | \$23,132 | \$2,662 | \$52,138 | |
| 51 Interest Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total General Expenses | \$77,486 | \$71,722 | \$60,179 | \$0 | \$13,024 | \$917,996 | \$1,140,406 | \$130,995 | \$6,913 | \$1,278,314 | |
| | | | | | | | | | | | |
| TOTAL OPERATING EXPENSES | \$1,077,137 | \$959,132 | \$974,086 | \$750 | \$198,714 | \$922,274 | \$4,132,093 | \$615,137 | \$67,103 | \$4,814,332 | |
| | | | | | | | | | | | |
| Nonroutine Expenses and Capital Expenditures | | | | | | | | | | | |
| 52 Ext Maint/Fac Imp/Gain/Loss prop sale | \$80,000 | \$80,000 | \$85,000 | \$0 | \$40,000 | \$0 | \$285,000 | \$50,000 | \$0 | \$335,000 | |
| 53 Casualty Loss | \$4,000 | \$4,000 | \$4,000 | \$0 | \$1,000 | \$0 | \$13,000 | \$4,000 | \$1,000 | \$18,000 | |
| 54 Section 8 HAP Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Total Nonroutine Expenditures | \$84,000 | \$84,000 | \$89,000 | \$0 | \$41,000 | \$0 | \$298,000 | \$54,000 | \$1,000 | \$353,000 | |
| | | | | | | | | | | | |
| TOTAL EXPENSES | \$1,161,137 | \$1,043,132 | \$1,063,086 | \$750 | \$239,714 | \$922,274 | \$4,430,093 | \$669,137 | \$68,103 | \$5,167,332 | |
| | | | | | | | | | | | |
| OPERATING SURPLUS/(DEFICIT) | (\$341,789) | (\$307,449) | (\$296,728) | \$88,085 | (\$58,484) | \$33,181 | (\$883,185) | \$523,460 | \$68,252 | (\$291,472) | |
| | | | | | | | | | | | |
| 55 Debt Service Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$12,500) | \$0 | (\$12,500) | |
| | | | | | | | | | | | |
| Surplus/Deficit Before Reserve Appropriations | (\$341,789) | (\$307,449) | (\$296,728) | \$88,085 | (\$58,484) | \$33,181 | (\$883,185) | \$510,960 | \$68,252 | (\$303,972) | |
| | | | | | | | | | | | |
| 57 Reserve Appropriations - Operations/Transf | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | | | | | | | | | | | |
| Surplus/Deficit Before Capital Expenditures | (\$341,789) | (\$307,449) | (\$296,728) | \$88,085 | (\$58,484) | \$33,181 | (\$883,185) | \$510,960 | \$68,252 | (\$303,972) | |
| | | | | | | | | | | | |
| 58 Capitalized Items/Development Projects | (\$125,000) | \$0 | (\$304,000) | \$0 | (\$500,000) | \$0 | (\$929,000) | \$0 | (\$115,000) | (\$1,044,000) | |
| 59 Revenue - Capital Grants | \$125,000 | \$0 | \$304,000 | \$0 | \$0 | \$0 | \$429,000 | \$0 | \$0 | \$429,000 | |
| 60 Reserve Appropriations - Capital | \$0 | \$0 | \$0 | \$0 | \$500,000 | \$0 | \$500,000 | \$0 | \$115,000 | \$615,000 | |
| | | | | | | | | | | | |
| Surplus/Deficit | (\$341,789) | (\$307,449) | (\$296,728) | \$88,085 | (\$58,484) | \$33,181 | (\$883,185) | \$510,960 | \$68,252 | (\$303,972) | |

FY15 Budget - Supporting Schedule for Housing Development Capital Expenditures
January 1, 2015 through December 31, 2015

| Project | Funding Source | Total | MTW/CFP | MTW RHF | State \$ Local Grants | Reserves & Program Income |
|---|--|------------------|----------------|------------------|-----------------------|---------------------------|
| Bay Terrace redevelopment - All phases | | | | | | |
| | THA - MTW (CFP) - Phase 1 closeout | 200,000 | | | | 200,000 |
| | THA - Phase 2 Development | - | | | | |
| | THA - CFP RHF | 1,200,000 | | 1,200,000 | | |
| | City of Tacoma Bond | - | | | | |
| | HTF | - | | | | |
| | TCRA | 500,000 | | | 500,000 | |
| | SUBTOTAL | 1,900,000 | - | 1,200,000 | 500,000 | 200,000 |
| Prairie Oaks (LASA development) | | | | | | |
| | HOME Funds | 55,000 | | | 55,000 | |
| | 2163 Funds | 98,000 | | | 98,000 | |
| | HTF | 2,439,000 | | | 2,439,000 | |
| | THA ownership interest in LASA | 145,000 | | | | 145,000 |
| | SUBTOTAL | 2,737,000 | - | - | 2,592,000 | 145,000 |
| RAD Conversion | | | | | | |
| | THA Capital Funds | - | | | | |
| | SUBTOTAL | - | - | - | - | - |
| THA Portfolio | | | | | | |
| | M Street Windows - CFP | 125,000 | 125,000 | | | |
| | Bergerson Terrace Water Intrusion - CFP | 304,000 | 304,000 | | | |
| | Prepare Scattered Site homes for sale - Reserves | 500,000 | | | | 500,000 |
| | Prepare Market Rate homes for sale - Reserves | 115,000 | | | | 115,000 |
| | SUBTOTAL | 1,044,000 | 429,000 | - | - | 615,000 |
| Renovations - THA Administration | | | | | | |
| | 902 2nd Floor Remodel - Reserves | 1,550,000 | | | | 1,550,000 |
| | Family Investment Center Remodel - Reserves | 579,500 | | | | 579,500 |
| | Salishan Maintenance Shop renovations - Reserves | 286,500 | | | | 286,500 |
| | SUBTOTAL | 2,416,000 | - | - | - | 2,416,000 |
| Hilltop Lofts (Brown Star) | | | | | | |
| | THA Funds - Reserves | 600,000 | | | | 600,000 |
| | SUBTOTAL | 600,000 | - | - | - | 600,000 |
| New Look Apts. | | | | | | |
| | | 100,000 | | | | 100,000 |
| | | 100,000 | - | - | - | 100,000 |
| Total Capital Expenditures: | | | | | | |
| | | 8,797,000 | 429,000 | 1,200,000 | 3,092,000 | 4,076,000 |

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority City of Tacoma PHA Code: WA005

PHA Fiscal Year Beginning: January 1, 2015 Board Resolution Number: 2014-12-17 (2)

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

☒ Operating Budget approved by Board resolution on: 12/17/2014

☐ Operating Budget submitted to HUD, if applicable, on: _____

☐ Operating Budget revision approved by Board resolution on: _____

☐ Operating Budget revision submitted to HUD, if applicable, on: _____

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

| | | |
|--|------------|---------------------|
| Print Board Chairperson's Name: Stanley Rumbaugh | Signature: | Date: 12/17/2014 |
|--|------------|---------------------|

RESOLUTION #3



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (3)

Date: December 17, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: MTW Reserve Commitment

Background

This resolution would approve the continued commitment of THA reserves for specific purposes. This commitment serves two purposes. It is an important part of THA's fiscal planning. It also protects against HUD's sweep of reserves. Such commitments also align THA with discussions that the MTW agencies are having with HUD. Those discussions seek to identify a "safe harbor" amount in reserves that would be protected. Those discussions also contemplate protection for amounts that the boards of commissioners would commit for specific purposes.

These commitments have also preserve the protection HUD has conferred on \$1.2 million of THA reserves. In 2013, we disputes HUD's "rebenchmarking" of THA's funding that lowered our annual allocation. We settled the dispute. As part of the settlement, HUD gave us a one-time payment of \$1.2 million. The settlement stipulated that HUD would deem this amount to be obligated by THA, and not subject to any sweep of reserves, provided that THA describes in its MTW plan how it will use the funds and provides a schedule for spending them.

By resolution 2013-09-25(6) the Board committed THA reserves. This new resolution will update that list.

Recommendation

Approve Resolution 2014-12-17(3) committing THA MTW reserves as identified in the attached Schedule of MTW Reserve Commitments to be included in the 2014 MTW Final report.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (3)

COMMITMENT OF MOVING TO WORK RESERVES

Whereas, HUD has identified that uncommitted MTW Reserves may subject to offset; and

Whereas, the Authority has MTW Reserves that are currently not specifically committed but are included in the Authority's plans for future capital and operational expenditures; and

Whereas, the attached Schedule of MTW Reserve Commitments reflects the Authority's current plans for such capital and operational expenditures of MTW Reserves; and

Whereas, the Authority intends to include this Schedule of MTW Reserve Commitments in the 2014 MTW final report including language that allows for shifting monies between the identified commitments.

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

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

Approved: December 17, 2014

Stanley Rumbaugh, Chairman

Schedule of MTW Reserve Commitments

| Planned Expenditure | Current Commitment | Revised Commitment | Planned Expenditure Date |
|--|---------------------|---------------------|--------------------------|
| 2nd Phase of Hillside Terrace redevelopment project | \$ 2,420,000 | \$ 2,420,000 | 12/31/2016 |
| Renovation/Remodel of 2nd Floor of Administrative Building | \$ 700,000 | \$ 1,550,000 | 12/31/2015 |
| Renovation/Remodel of Salishan Family Investment Center | \$ 300,000 | \$ 579,500 | 06/30/2016 |
| Renovation of Salishan Maintenance Shop | \$ - | \$ 286,500 | 06/30/2016 |
| RAD Conversion Costs - Capital Contributions to Projects | \$ 1,000,000 | \$ 1,500,000 | 12/31/2017 |
| Software Conversion for Unsupported/Obsolete ERP Software (Visual Homes) | \$ 600,000 | \$ 600,000 | 6/30/2016 |
| Education Projects - McCarver & Others | \$ 310,000 | \$ 310,000 | 12/31/2016 |
| Exigent Health & Safety Issues (Meth Remediation) | \$ 500,000 | \$ 260,000 | 12/31/2015 |
| | | | |
| Total Committed Funds | \$ 5,830,000 | \$ 7,506,000 | |

RESOLUTION #4



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (4)

DATE: December 17, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Line of Credit from Heritage Bank

Background

This resolution would approve an unsecured line of credit of \$2 million with Heritage Bank.

Currently THA has adequate funds – working capital – to conduct its regular day-to-day activities and is able to advance funds for various ongoing projects when it is advantageous for the agency, and sufficient working capital is available. In recent years, however, THA's working capital has shifted to include more restricted funds and less unrestricted funds.

Yet we still need unrestricted funds for many of THA's acquisition, construction and rehabilitation projects, including bridge loans to projects. Additionally, due to planned uses of existing MTW working capital and HUD's efforts to reduce the working capital of all MTW agencies, it is likely that THA's MTW working capital will diminish further in the near future. Also, we must unfortunately consider the threat of recurring government shutdowns due to congressional impasses.

A line of credit would help THA meet these needs for short-term cash. This resolution would approve a \$2 million unsecured line of credit with Heritage Bank (THA's primary banking relationship). The use of this line of credit would be limited to cover short-term needs (under one year). The resolution does not direct any particular use of the line of credit.

Recommendation

Approve Resolution 2014-12-17(4) authorizing the Executive Director to set up a revolving line of credit with Heritage Bank not to exceed the amount of \$2 million.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17(4) LINE OF CREDIT FROM HERITAGE BANK

A RESOLUTION providing for the issuance of a single revenue note of the Authority in the principal amount of not to exceed \$2,000,000 at any one time outstanding, the proceeds of which will be used to finance and/or refinance the acquisition, construction and rehabilitation of housing and related facilities, to provide temporary funding for the Authority's Section 8 program and the Authority's services to residents, and to pay the costs of issuing the note; determining the form, terms and covenants of the note; authorizing the execution and delivery of documents and certificates in connection with the note; creating a note fund; and approving the sale and providing for the delivery of the note to Heritage Bank.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and operate housing projects; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

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

WHEREAS, the Board of Commissioners of the Authority (the "Board") finds it necessary and advisable and in the best interest of the Authority to issue the Note (defined herein) to finance and/or refinance the acquisition, construction and rehabilitation of housing and related facilities, to provide temporary funding for the Authority's Section 8 program and the Authority's services to residents, and to pay costs of issuing the Note, all to provide housing for low income persons within the City of Tacoma, Washington; and

WHEREAS, the Authority anticipates that Heritage Bank will offer to extend a line of credit evidenced by a revolving line of credit note of the Authority, on terms described herein, to provide money for those purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA as follows:

Definitions as used in this resolution, the following words have the following meanings:

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

“Bank” means Heritage Bank, as registered owner of the Note.

“Board” means the Board of Commissioners of the Authority.

“Commitment Letter” means the commitment letter with respect to the Note provided to the Authority by the Bank dated November 20, 2014, as it may be amended and supplemented, setting forth certain terms under which the Bank agrees to purchase the Note.

“Draws” means incremental draws upon the Note.

“Executive Director” means the Executive Director of the Authority.

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

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

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

“Interest Period” means, with respect to any principal amount of the Note bearing interest at the LIBOR Note Rate, the period commencing on the date of the Draw (or the expiration of the last Interest Period) and ending 30 days thereafter. No Interest Period may extend beyond the Maturity Date of the Note.

“LIBOR” means the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the 1 Month London interbank offered rate for deposits in United States Dollars.

“LIBOR Note Rate” means the rate of interest per annum equal to LIBOR plus 2.50% per annum.

“Maturity Date” means October 31, 2015, as such date may be extended in accordance with Section 3.

“Note” means the Taxable Revolving Line of Credit Revenue Note, 2014 of the Authority issued pursuant to, under the authority of, and for the purposes provided in this resolution.

“Note Fund” means the Authority’s Taxable Revolving Line of Credit Revenue Note, 2014, created by this resolution for the purpose of paying principal of and interest on the Note.

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

“Note Registrar” means the Executive Director.

“Prime Rate” means the rate of interest per annum announced from time to time by the Bank as its prime rate, with the Prime Rate changing on the opening of business on the day specified in the public announcement of a change in the Bank’s prime rate.

“Project” means, collectively, (1) the acquisition, construction and/or rehabilitation of housing and related facilities; (2) general governmental purposes, including the funding of payments to landlords in the Authority’s Section 8 program in advance of the receipt of HUD funds; and (3) services to the Authority’s residents.

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

Authorization and Description of Note. For the purpose of providing funds with which to finance and/or refinance all or part of the costs of the Project and pay costs of issuing the Note, the Authority may borrow money from time to time pursuant to a revolving line of credit extended by the Bank under the terms of this resolution and the Commitment Letter, and shall issue the Note in a principal amount of not to exceed \$2,000,000 at any one time outstanding. The Note shall be designated the Taxable Revolving Line of Credit Revenue Note, 2014 of the Authority; shall be issued in registered form; shall be dated its date of delivery to the Bank; and shall mature on the Maturity Date.

The Authority may request Draws upon the Note in any amount on any business day during the term of the Note for the purposes identified above, subject to the terms of the Commitment Letter. No Draw may exceed the total amount of the costs to be paid from such Draw, and the proceeds of each Draw shall be used immediately to pay those costs, or to reimburse the Authority for such costs paid by the Authority. Draws shall be recorded in such form as the Authority and the Bank may agree. Draws shall be limited to an aggregate principal amount of \$2,000,000 outstanding at any time.

Each Draw on the Note shall bear interest at either the Prime Rate or the LIBOR Note Rate, with such interest rate option chosen by the Executive Director of the Authority or his or her designee at the time of each Draw. At Borrower’s election, at the end of an Interest Period, any Draw bearing interest at the LIBOR Note Rate may continue to bear interest at the LIBOR Note Rate for another Interest Period, with the LIBOR Note Rate determined as of the first day of such new

Interest Period. If the Authority elects not to extend the LIBOR Note Rate with respect to any Draw, such Draw shall be converted to bear interest at the Prime Rate. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the basis of a 360-day year and the actual number of days elapsed for the actual number of days the principal amount is outstanding. The interest rate shall be subject to adjustment upon the occurrence of an event of default as set forth in the Note.

Interest on the Note shall be payable in arrears on each Interest Payment Date to maturity or earlier redemption of the Note. Principal of the Note, together with all accrued and unpaid interest thereon, is payable on the Maturity Date.

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

Authorization for Extension and Modification of Note. The Executive Director is authorized, without further action of the Board but only with the consent and approval of the Bank, in the Bank's sole discretion, to (A) extend the then-current Maturity Date of the Note to any date on or before October 31, 2024, and (B) modify the interest rate or interest rate formulae applicable to Draws on the Note, so long as the interest rate formula selected to be applicable to the Note immediately after such modification does not cause the Note to bear interest at a rate in excess of 5% per annum as of the effective date of such modification, if the Executive Director determines that such extension and/or modification is in the best interest of the Authority, all as long as the provisions of Section 8 of this resolution regarding security for the Note are not changed in any material respect.

The Executive Director is authorized to do everything necessary for the execution and delivery of such documents as are useful or necessary to such extension of maturity and modification of the interest rate formula, including but not limited to the payment of Bank fees and execution of documents. The Executive Director's execution of documents in connection with the modification or extension of the Note as described herein will constitute conclusive evidence of his or her approval of the extensions and/or modifications described therein and the approval of the Authority of such extensions and/or modifications.

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

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

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

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

Prepayment of Note. The Authority may not prepay a Draw bearing interest at the LIBOR Note Rate prior to the end of the applicable Interest Period. Except as set forth in the previous sentence, the Authority reserves the right to prepay all or a portion of the principal of the Note at any time without penalty. Any prepayment shall be accompanied by the amount of accrued interest on the principal amount prepaid. Written notice to the Bank of any intended prepayment or redemption of the Note shall not be required. Interest on the Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

Note Fund; Security for the Note. The Note Fund is created as a special fund of the Authority and is to be known as the Taxable Revolving Line of Credit Revenue Note Fund, 2014. The Note Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Note. The Authority pledges to deposit General Revenues into the Note Fund in amounts sufficient to pay the principal of and interest on the Note when due.

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

The Note shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the Note shall so state on its face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the Note nor in any event shall principal of and interest on the Note be payable out of any funds other than the Note Fund. The owner of the Note shall not have recourse to any other fund of the Authority other than the Note Fund, or to any other receipts, revenues or properties of the Authority other than as described herein and in the Note. The Authority has no taxing power.

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

Form and Execution of Note. The Note shall be prepared in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

To be valid or obligatory for any purpose or entitled to the benefits of this resolution, the Note shall bear a Certificate of Authentication in the following form:



CERTIFICATE OF AUTHENTICATION

This Note is the fully registered Taxable Revolving Line of Credit Revenue Note, 2014, of the Authority described in the Note Resolution.

[specimen]
Executive Director of the Authority and Note Registrar

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

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

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

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

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

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

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

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

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting this 17th day of December, 2014.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Stanley Rumbaugh, Chair

ATTEST:

Michael Mirra, Executive Director

RESOLUTION #5



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (5)

DATE: December 17, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of tenant account receivable write offs

Background

THA has established a process of writing off bad debts of tenant accounts receivable. THA incurs this bad debt when a program participant leaves the public housing or Housing Choice Voucher program owing a balance. The debt may arise from excessive damage to a unit that the tenant does not pay for, unpaid rent, or tenant fraud/unreported income. There are also instances where THA overpays rental assistance to a landlord and the owner has not repaid THA for this amount.

Until we write off tenant accounts receivable balances as a bad debt, these balances stay on the active tenant ledger in our accounting system and General Ledger (GL). The receivable balance also remains as part of our tenant receivables that we report to HUD in our year-end financials. Once we write off the debt, we can remove it from THA's receivable balance and assign it to the collection agency for collection purposes. THA receives 50% of any proceeds that the collection agency recovers.

THA has notified each individual of his or her debt included in this write off. THA mailed two notices to the last known address of the individual. These notices provide the opportunity for the individual to pay the debt or enter into a repayment agreement with THA. Sending a tenant to collections is the last resort for THA to collect the tenant debt.

Some accounts included in this resolution will not be sent to collections because the tenants have passed away. Those accounts are indicated with asterisks (*) below.

Recommendation

Approve Resolution 2014-12-17 (5) authorizing THA to write off tenant accounts totaling:
\$133,414.42



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (5) APPROVAL OF TENANT ACCOUNT RECEIVABLE WRITE OFFS

WHEREAS, Tacoma Housing Authority (THA) provided housing services to Public Housing and Housing Choice Voucher participants who discontinued housing assistance with debt owing to THA.

WHEREAS, Tacoma Housing Authority (THA) provided housing assistance payments to property owners in excess to the amount the owner is entitled to receive and the owner has not repaid this amount to THA.

WHEREAS, each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution.

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

1. authorizes THA staff to “write off” the following accounts and send these debts to an external collection agency to pursue collection action:

W-O Collect

| <u>Project</u> | <u>Client #</u> | <u>Balance</u> |
|-------------------|------------------|-------------------|
| N G Street | 00126802 | \$111.87 |
| | Subtotal: | \$111.87 |
| Bergerson Terrace | 00006765 | \$192.11 |
| | 00006840 | \$748.14 |
| | Subtotal: | \$940.25 |
| Dixon Village | 00001548 | \$3,930.44 |
| | 00001830 | \$2,897.71 |
| | 00133353 | \$1,014.88 |
| | Subtotal: | \$7,843.03 |
| Scattered Sites | 00004685 | \$747.20 |
| | Subtotal: | \$747.20 |

| Project | Client # | Balance |
|------------------------|---------------------|---------------------|
| 9 SF Homes | xx000993 | \$441.00 |
| | Subtotal: | \$441.00 |
| Salishan VII | xx000122 | \$1,639.63 |
| | Subtotal: | \$1,639.63 |
| S Wright St | 00000200 | \$41,069.71 |
| | 00006301 | \$41,416.94 |
| | 00007092 | \$36,570.51 |
| | 00129759 | \$177.62 |
| | Subtotal: | \$119,234.78 |
| Section 8 | 717846 | \$744.00 |
| | 718039 | \$1247.00 |
| | Subtotal: | \$1,991.00 |
| *W-O No Collect | | |
| N G Street | 00123723 | \$238.50 |
| | 00110618 | \$227.16 |
| | Subtotal: | \$465.66 |
| | Grand Total: | \$133,414.42 |

Approved: December 17, 2014

Stanley Rumbaugh, Chair

* Uncollectable accounts where tenant is deceased, bankruptcy or old balance under \$30.00

RESOLUTION #6



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (6)

DATE: December 17, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Administrative Plan Update

Background

HUD requires THA to have an Administrative Plan to govern THA's administration of the Housing Choice Voucher program. The Plan sets policies for the programs in a manner consistent with HUD requirements and local goals and objectives contained in the THA's Moving to Work plan. This administrative plan is a supporting document to the PHA agency plan, and is available for public review as required by CFR 24 Part 903.

Proposed Change 1:

Annually, HUD proposes the next year's Fair Market Rents (FMR) over the summer and finalizes them on October 1st. THA's Administrative 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. Last month, THA revised its payment standards and staff is currently making retroactive adjustments to annual reexaminations and interims that occurred on or after October 1st.

This proposed change to the Administrative Plan will prevent overlap between the time that HUD finalizes FMR and that THA makes new payment standards effective. We propose revising the effective date of new payment standards to allow three full calendar months after HUD finalizes FMR

Proposed Change 2:

THA received MTW authority in 2011 to remove the cap on the number of units it is allowed to provide project based assistance to. THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. This authority allows project or building owners to manage their own waiting lists and to screen for eligibility criteria.

To ensure that the Administrative Plan is congruent with THA MTW authority, revisions should allow for management and organization of the waiting list and tenant selection as defined in the PBV HAP contract of individual projects or buildings. We propose revising the guidelines for waitlist organization and tenant selection for PBV contracts.

Table of All Proposed Changes:

Below is a table of the policy changes and the associated chapter of the Administrative Plan, the proposed change and the purpose of the proposal.

[Table 1]

| Chapter/Topic | Proposed change | Purpose | THA Recommendation |
|--|--|--|---------------------------|
| Chapter 16, Updating payment standards | Payment standards will be effective on the first day of the month three full calendar months after HUD finalizes annual FMR. | THA does not have to update payment standards until after HUD finalizes annual FMR. | Approve this policy. |
| Chapter 16, Updating payment standards (application) | If the new payment standard would be a benefit to the household, THA will make retroactive adjustments to any such rent changing recertification, including interims. | THA's biennial and triennial recertification schedule does not allow for households to receive the benefit of updated payment standards. Therefore, they must be effective at any rent changing event. | Approve this policy. |
| Chapter 17, Eligibility for PBV assistance | THA will determine the applicant household's eligibility for the PBV program in accordance with the policies in Chapter 3, unless otherwise specified in a PBV HAP contract. In those cases, THA will only screen for HUD mandatory denials for assistance as outlined in Chapter 3. | To allow PBV owners to screen for tenant eligibility as outlined in the PBV HAP contract. This will save THA the work and allow the owner a better ability to match tenants to the housing. | Approve this policy. |

| Chapter/Topic | Proposed change | Purpose | THA Recommendation |
|---|--|--|---------------------------|
| Chapter 17, Organization of the waiting list | THA will allow owners to manage their own waiting lists when specified in the individual PBV HAP contract. In all other cases, THA will manage separate waiting lists for individual project or buildings. | To allow for PBV owners to manage their waiting lists as outlined in the PBV HAP contract. | Approve this policy. |
| Chapter 4, Introduction | While many of the HCV policies outlined in this section also apply to PBV assistance, further direction regarding eligibility and waiting list organization can be found in Chapter 17. | To redirect the reader for further reading on PBV specific program rules. | Approve this policy. |
| Chapter 4, Organization of the waiting list | Where THA properties with PBV and Public Housing units exist, the waiting lists will be merged by property or sets of properties as defined in the ACOP. | To ensure differentiation between THA policy and PBV HAP contract policies. | Approve this policy. |

Recommendation

Approve Resolution 2014-12-17 (6) authorizing THA to adopt updates to the Administrative Plan.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (6) ADMINISTRATIVE PLAN UPDATE

WHEREAS, The Administrative Plan relates to the administration of the Housing Choice Voucher program and is required by HUD;

WHEREAS, The Administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the THA's Moving to Work Plan

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

1. Adopts the indicated updates to the Administrative Plan.

Approved: December 17, 2014

Stanley Rumbaugh, Chair

RESOLUTION #7



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (7)

Date: December 17, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Bergerson Terrace - Repair to 15 Ground Floor Units

Background

This resolution would authorize the executive director to negotiate and execute a contract to upgrade 15 ground floor units at Bergerson Terrace. On November 13, 2014 THA staff advertised an Invitation to Bid (ITB) from interested General Contractors to do this work.

On November 13, 2014, THA posted the ITB on Washington Electronic Business Solutions, (WEBS), THA's website and twelve (12) plan Centers. Four firms responded by the due date. THA RED staff reviewed the proposals. The results are as follows:

| Company | Base Bid | Deductive Alternate #1 | Bid after deduct | Responsive-Responsible Y / N |
|----------------------|-----------------|-------------------------------|-------------------------|---|
| Stetz Construction | \$ 681,780.00 | \$175,826.00 | \$505,954.00 | YES |
| Hilger Construction | \$ 711,350.00 | \$127,346.00 | \$584,004.00 | YES |
| Lincoln Construction | \$ 652,884.00 | \$20,000.00 | \$632,884.00 | NO |
| CDK Construction | \$803,200.00 | \$130,000.00 | \$673,200.00 | YES |

The budget for the construction activities, including contingency, is \$538,500.00. In order to stay within budget, it is necessary to select Deductive Alternate #1. As a result, Stetz Construction is the lowest responsive and responsible bidder. Staff also considers Lincoln's \$20,000 deductive alternate to be unreasonable and therefore nonresponsive as it is considerably lower than the engineer's estimate of \$83,000.00, as well unreasonably lower than the other bidders.

Recommendation

Approve Resolution 2014-12-17 (7) authorizing the Executive Director to negotiate and, if those negotiations are successful, to award the contract to Stetz Construction in the amount of \$505,594.00 plus contingency of \$32,906.00, as needed. The total amount of the contract is not to exceed \$538,500.00 including contingency.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (7)

Bergerson Terrace Repair to 15 Ground Floor Units

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

Whereas, On November 13, 2014 Tacoma Housing Authority (THA) staff advertised an Invitation to Bid (ITB) proposals from interested General Contractors to provide THA with competitive bids to perform upgrades to 15 ground floor units at Bergerson Terrace;

Whereas, The RFP was posted on the Washington Electronic Business Solutions and THA's websites and forwarded to twelve (12) plan centers;

Whereas, Four firms submitted proposals by the deadline of November 13, 2014;

Whereas, All bids presented were over the budget of \$538,500 for the project, including contingency, necessitating the need to use Deductive Alternate 1 in order to meet the budget;

Whereas, After Deductive Alternate 1 was deducted from the base bid the lowest responsive and responsible bidder was Stetz Construction in the amount of \$505,594.00;

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

The Board authorizes the Executive Director to negotiate a contract, and if those negotiations are successful, to award the contract to Stetz Construction in the amount of \$505,594.00 plus contingency of \$32,906.00, as needed. The total amount of the contract is not to exceed \$538,500.00 including contingency for the repair of 15 ground floor units at Bergerson Terrace. If those negotiations are not successful, the Executive Director may negotiate and award a contract to Hilger, within the same cost limitations.

Approved: December 17, 2014

Stanley Rumbaugh, Chair

RESOLUTION #8



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (8)

Date: December 17, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Stable of Real Estate Brokers

Background

This resolution would authorize the Executive Director to negotiate, and if those negotiations are successful, to execute contracts for real estate broker services. On October 16, 2014 staff published a Request for Proposals to establish a stable of Real Estate Brokers. The purpose of the RFP was to solicit firms to provide professional real estate broker services. The goal was to pre-qualify firms for placement on an agency Roster of Real Estate Brokers for future assignments, on an as-needed basis. Firms on the Roster will be on-call for specific projects as they arise. Projects will include acquisition and disposition of properties. All professionals and their sub-contractors must be licensed to work in their respective fields as required by the State of Washington.

THA accepted proposals until November 7, 2014 at 3:00pm (local time). THA received five proposals and four were responsive. The one nonresponsive proposal arrived past the deadline. The selection committee reviewed each of the responsive proposals and scored them as follows. Scores are based on the RFP criteria.

| Summary Score Sheet | | Clear Realty | Wise Realty | Coldwell Bankers | CBRE |
|-------------------------------------|-------------------------|---------------------|--------------------|-------------------------|-------------------|
| | Points Available | Avg. Score | Avg. Score | Avg. Score | Avg. Score |
| Related Experience & Qualifications | 55 | 25.00 | 34.00 | 46.00 | 39.67 |
| Demonstrated Success | 20 | 10.00 | 15.00 | 17.67 | 16.67 |
| Proposed Budget and Fee Structure | 25 | 19.33 | 20.00 | 20.67 | 22.67 |
| Total Score | 100 | 54.33 | 69.00 | 84.33 | 79.00 |

Based on the above average scores of the RFP's, staff is recommending that Coldwell Bankers and CBRE be places on the agency roster. THA will negotiate the fees for each broker upon each real estate transaction for which they are engaged.

The initial term of the Contract is two (2) years. At THA's option, THA may extend the contract for up to two (2) additional one-year periods, along with appropriate negotiated adjustments in compensation.

Recommendation

Approve Resolution No. 2014-12-17(8) authorizing the Executive Director to negotiate, and if those negotiations are successful, to award contracts for real estate broker services to the firms of Coldwell Bankers and CBRE. The fees for each Broker will be negotiated for each real estate transaction in which they are engaged.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-12-17 (8) Stable of Real Estate Brokers

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

Whereas, On October 16, 2014 Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) from firms interested to provide Real Estate Brokerage Services for THA's Real Estate Development department;

Whereas, the RFP was posted on various Plan Holders list and THA's website on October 16, 2014;

Whereas, five firms submitted proposals and four were deemed responsive by submitting before the deadline of November 7, 2014 at 3:00p.m. (PST);

Whereas, an evaluation team, composed of three (3) THA staff reviewed and scored the proposals according to evaluation criteria listed in the RFP;

Whereas, the evaluation team unanimously recommended engaging both Coldwell Bankers and CBRE for Real Estate Brokerage services;

Whereas, the initial term of the Contract is two (2) years. At THA's option, the Contract may be extended for up to two (2) additional one-year periods, along with appropriate negotiated adjustments in compensation; and,

Whereas, the fees for each Broker will be negotiated for each real estate transaction in which they are engaged.

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

The Board authorizes the Executive Director to negotiate, and if those negotiations are successful, to award contracts for real estate broker services to Coldwell Bankers and CBRE. The fees will be negotiated for each real estate transaction in which they are engaged.

Approved: December 17, 2014

Stanley Rumbaugh, Chair