



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

April 23, 2014



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

Greg Mowat, Chair
Stanley Rumbaugh, Vice Chair
Janis Flauding
Dr. Arthur C. Banks
Rose Lincoln Hamilton

REGULAR MEETING BOARD OF COMMISSIONERS

WEDNESDAY, April 23, 2014

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, April 23, 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 April 18, 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
April 23, 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 February 26, 2014 – Regular Meeting
 - 3.2 Minutes of March 27, 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
 - 7.5 Human Resources
 - 7.6 Administration
- 8. NEW BUSINESS**
 - 8.1 2014-4-23 (1), Write-offs
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**

Possible executive session to discuss potential real estate transactions
- 11. ADJOURNMENT**



TACOMA HOUSING AUTHORITY

REVISED

AGENDA REGULAR MEETING BOARD OF COMMISSIONERS April 23, 2014 4:45 PM 902 South L. Street

- 1. CALL TO ORDER**
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- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of February 26, 2014 – Regular Meeting
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 - 7.2 Real Estate Management and Housing Services
 - 7.3 Real Estate Development
 - 7.4 Community Services
 - 7.5 Human Resources
 - 7.6 Administration
- 8. NEW BUSINESS**
 - 8.1 2014-4-23 (1), Write-offs
 - 8.2 2014-4-23 (2), Approval of Letter of Intent from Anne Curry to Purchase the Wedgewood Property **(WALK-ON)**
 - 8.3 2014-4-23 (3), Acceptance of Letter of Intent from Summit Housing Group for Arlington Drive **(WALK-ON)**
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**

Possible executive session to discuss potential real estate transactions
- 11. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, February 26, 2014

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 2302 – 6th Avenue, Tacoma, WA at 4:45 PM on Wednesday, February 26, 2014.

1. CALL TO ORDER

Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:56 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners Greg Mowat, Chair Stanley Rumbaugh, Vice Chair (arrived at 5:10 PM)	Arthur C. Banks, Commissioner Janis Flauding, Commissioner
Rose Lincoln Hamilton, Commissioner	
Staff Michael Mirra, Executive Director Christine Wilson, Executive Administrator Ken Shalik, Finance and Director April Black, REMHS Director Barbara Tanbara, Human Resources Director Greg Claycamp, Community Services Director Kathy McCormick, RED Director Todd Craven, Administration Director	

Chair Mowat declared there was not a quorum present @ 4:57 PM.
Vice Chair Rumbaugh arrived at 5:10 PM, a quorum was present.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Mowat asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, January 22, 2014.
Commissioner Rumbaugh moved to adopt the minutes, Commissioner Lincoln Hamilton seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENT

No quorum present, minutes were not taken.

5. COMMITTEE REPORTS

Real Estate Development Committee – Commissioner Rumbaugh stated the committee convened the previous evening. Topics included potential acquisitions, selling THA owned properties, and other investment opportunities. A policy question surfaced related to projects that include both affordable housing units and market rate units and what the project percentages between the two housing types should be.

Finance Committee – Commissioner Lincoln Hamilton stated the financials are in order and stated that she appreciates Director Shalik’s conservative budget writing. She congratulated Director Shalik and THA staff in their efforts to keep expenses down.

Citizen Oversight Committee – Chair Mowat provided a report for Commissioner Banks. Bay Terrace is coming right along; the project is nearing 65% completed. The community building should be completed by the end of February. He also reported the Section 3 new hires have exceeded the projected goals for this project. Citizen Oversight Committee members were pleased with the news.

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra referred the board to his report and welcomed questions. He reported that HUD agreed to extend the MTW contracts by 10 years. They will now expire in 2028. THA remains hopeful that HUD will approve THA’s RAD application. THA’s application is about 6,000 units above the current congressional cap of 60,000 units. Knowledgeable people think Congress is likely to raise the cap. ED Mirra discussed THA’s rent reform proposal to thin the soup and take the discussion to the community. With the passage of the two-year federal budget at levels our schedule to get this done is not as urgent. Accordingly, he is recommending that THA push back the schedule. This will allow THA to refine its proposal to answer the important questions that our internal discussion has raised. Commissioner Rumbaugh agreed the urgency has moderated. He and Commissioner Lincoln Hamilton also noted that the long term budget prospects

remain discouraging. Rent reform is necessary for long term sustainability. The board agreed to delay the rent reform schedule time. ED Mirra will submit a new schedule to the board. ED Mirra directed the BOC to the pie chart included in his board report showing THA as a regional asset in who it serves and how it spends its money. Due to the limited availability of BOC and staff, Chair Mowat requested to cancel the BOC March meeting. The board agreed.

Finance

Director Shalik directed the board to the finance report. He expressed appreciation for Commissioner Lincoln Hamilton as the board's finance committee. The 2013 financial books are now closed and documents will be submitted the end of this month. He has been working to establish a line of credit for real estate opportunities. In reply to a question from Commissioner Rumbaugh Director Shalik reported that the interest rate for the line of credit will be approximately 3-4 %. Director Shalik presented the December 2013 financials. Discussion ensued regarding the capital fund operating budget.

Commissioner Lincoln Hamilton moved to ratify the payment of cash disbursements totaling \$6,960,320 for the month of January, 2014. Commissioner Rumbaugh 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. The long pending unit turns have now been completed. Bergerson Terrace has water intrusion in several units; she will keep the board updated as she learns more. HUD will conduct a management review in March. It will focus on tenant files, work orders, and capital funds. THA will also undergo five REAC inspections scheduled in April and May. HUD is using a new software program for the REAC inspections that is said to be more reliable and to produce better scores than past systems. THA has contracted with a firm to review its operations to help THA reduce its Per Unit Per Year (PUPY) costs. Director Black announced that Jason Nepson will lead the maintenance division of her department.

Real Estate Development

Director McCormick directed the board to her report. She updated the board on the LASA project. She reported on possible projects; the Winthrop; Point Ruston Partnership; Trinity Presbyterian and its neighbors; and the YWCA.

Community Services

Director Claycamp directed the board to his report. He distributed a newsletter his department created. It goes to our seven senior/disabled buildings. He invited board suggestions on what it would like to see in his department's monthly report. He reviewed the goals included in his report. Those goals currently include expanding outreach efforts to clients, provide a much more comprehensive view of Community Services work product, and consider exit outcomes. The board requested to see goal outcomes leveraging partnerships and special projects. Director Claycamp reviewed the McCarver report. The program is based on a three-legged stool approach and stated the third leg needs to be strengthened. The third leg involves families increasing their household income. Some of these families are not capable of work. Commissioner Rubaugh asked why we would expect better outcomes from the HOP families comparatively with McCarver families. Director Claycamp stated the McCarver families came out of more dire situations than the average HOP household and have more challenges.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2014-2-26 (1), 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 available rental market data.

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

1. Approve Resolution 2014-02-26 (1) authorizing THA to adopt payment standards for Salishan, Hillside Terrace and Bay Terrace at the following levels:

Proposed THA Payment Standard					
Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom	5 bedroom
\$668	\$786	\$981	\$1428	\$1609	\$1850

This change will be made retroactive to January 1, 2014.

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

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

Motion Approved: February 26, 2014

Greg Mowat, Chairman

9. COMMENTS FROM COMMISSIONERS

Chair Mowat attended the Housing Forum sponsored by Congressman Denny Heck. He was pleased to hear strong support of affordable housing issues from the audience and our congressional delegation.

10. EXECUTIVE SESSION

None

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:41 PM.

APPROVED AS CORRECT

Adopted: April 23, 2014

Greg Mowat, Chairman



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION THURSDAY, March 27, 2014

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L Street, Tacoma, WA at 8:30 AM on Thursday, March 27, 2014

1. CALL TO ORDER

Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:25 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Greg Mowat, Chair	
Stanley Rumbaugh, Vice Chair *	
Janis Flauding, Commissioner *	
Arthur C. Banks, Commissioner *	
Rose Lincoln Hamilton, Commissioner *	
Staff	
Michael Mirra, Executive Director *	
Christine Wilson, Executive Administrator	
Ken Shalik, Finance Director	
April Black, REM&HS Director *	
Kathy McCormick, RED Director	
Todd Craven, Administration Director	
*participated via telephone	

Chair Mowat declared there was a quorum present @ 8:30 AM.

3. NEW BUSINESS

ED Mirra made the opening comments that apply to all four resolutions. Each one pertains to a contract THA has with a vendor. THA's rules cap the amount that THA can spend on a contract without further board approval. This cap shows in the contract. In each of the four contracts, THA has exceeded the cap. ED Mirra apologized for this oversight. He explained that each contract provides services for both THA's units and the tax credit partnerships. THA's systems track the caps separately for each, but not in the aggregate. THA has improved its system so it will not track the aggregate spending

under a contract to make sure it stays under the cap. Each resolution will raise the cap and ratify prior expenditures. He noted that all expenditures remain under the limits of the board's approved budget. Director Black presented all four resolutions for board consideration.

3.1 RESOLUTION 2014-3-27 (1), THIRD INCREASE IN CONTRACT AMOUNT FOR EMERGENCY MITIGATION SERVICES

WHEREAS, Tacoma Housing Authority (THA) signed a contract with Rainbow International for Emergency Mitigation Services to provide Emergency Mitigation services that included Hazardous Materials (lead based paint, mold and asbestos), Bio-Hazardous Materials cleanup (unattended death and trauma), Drugs (meth) and Smoke Water and Fire cleanup (from fire, damage, water leaks and breaks).

WHEREAS, the current Contract expended exceeds the amount of the Contract by \$1,000,000 and this resolution will ratify this expended amount;

WHEREAS, the contract amount needs to be increased from \$2,500,000 to \$5,000,000 to account for the additional work of this sort THA requires;

WHEREAS, the contract amount exceeds the \$100,000 spending limit for the Executive Director.

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

1. The executive director is authorized to negotiate, and if those negotiations are successful, to execute a contract with Rainbow International in the amount of \$5,000,000 for the purpose of providing emergency mitigation services to all of THA properties.
2. The Board ratifies expenditures to date under this contract.

Approved: March 27, 2014

Greg Mowat, Chairman

3.2 RESOLUTION 2014-3-27 (2), AMENDMENT TO CONTRACT FOR CARPET AND VINYL REPLACEMENT

WHEREAS, Tacoma Housing Authority procured for carpet and vinyl replacement in January 18, 2011;

WHEREAS, The contracts were signed in February 11, 2011 and was for a duration of one (1) years with an option for three (3) one year extensions;

WHEREAS, The contract was amended on October 3, 2011 for the Contract Term;

WHEREAS, It was further amended and approved by the Board of Commissioners on August 28, 2013 under Resolution 2013-8-28 (1) for the Contract Term and increasing the Contract amount for a Not Exceed \$250,000;

WHEREAS, The current contract with American, Drapery, Blinds and Carpet cannot exceed \$250,000;

WHEREAS, The current Contract expended exceeds the amount of the Contract by \$105,000 and this resolution will ratify this expended amount;

WHEREAS, The accumulative budget from services rendered are exceeding the \$100,000 limit authorized by the Executive Director;

WHEREAS, Current and future carpet and vinyl replacement are and will be required for unit turns when a tenant moves out on all THA properties, and

WHEREAS, The amended contracts will be for American Drapery, Blind and Carpet Not-to-Exceed \$400,000.00;

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

3. The Executive Director is authorized to negotiate, and if those negotiations are successful, to execute an amendment to the existing Carpet and Vinyl Replacement contract increasing the contract value to \$400,000.
4. The Board ratifies expenditures to date under this contract.

Approved: March 27, 2014

Greg Mowat, Chairman

3.3 RESOLUTION 2014-3-27 (3), AMENDMENT TO HVAC CONTRACT WITH HOLADAY PARKS REPLACEMENT

WHEREAS, Tacoma Housing Authority procured for HVAC maintenance and on all properties in December 2010;

WHEREAS, The current contract with Holaday-Parks, Inc. \$250,000;

WHEREAS, The accumulative budget from services rendered are exceeding the \$100,000 limit authorized by the Executive Director;

WHEREAS, Current and future maintenance on our HVAC systems, including the boilers and furnaces, are and will be required for repair and maintenance on all THA properties, and

WHEREAS, The amended contracts will be for Holaday-Parks, Inc. Not-to-Exceed \$500,000.

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

5. The Executive Director is authorized to negotiate and, if those negotiations are successful, to execute an amendment to the existing HVAC contract to increase the contract value to \$500,000.
6. The Board ratifies expenditures to date under this contract.

Approved: March 27, 2014

Greg Mowat, Chairman

3.4 RESOLUTION 2014-3-27 (4), AMENDMENT TO CONTRACT FOR PEST CONTROL SERVICES

WHEREAS, Tacoma Housing Authority started the procurement process for the pest control services on August 17, 2010;

WHEREAS, The contracts was signed in October 25, 2010 and was for a duration of one (1) year with an option for four (4) one year extensions;

WHEREAS, The Contract was amended, with Amendment No. 1 on May 14, 2013 for an additional \$50,000, increasing the fees and extending the Contract Term with a new expiration date of October 13, 2013;

WHEREAS, The current contract term with Sprague Pest Control has now expired and THA is exercising its option to extend the contract one additional year, making the new expiration date of October 23, 2014;

WHEREAS, The current Contract expended exceeds the amount of the Contract by \$14,756 and this resolution will ratify this expended amount;

WHEREAS, The current Contract with Sprague Pest Control cannot exceed \$100,000; and

WHEREAS, The accumulative budget from services rendered are exceeding the \$100,000 limit authorized by the Executive Director;

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

7. The Executive Director be authorized to negotiate, and if those negotiations are successful, to execute an amendment to the existing Sprague Pest Control Services contract to increase the contract value to \$150,000 and extend the contract term to October 23, 2014.
8. The Board ratifies expenditures to date under this contract.

Approved: March 27, 2014

Greg Mowat, Chairman

4. ADJOURNMENT

There being no further business to conduct the meeting ended at 8:39 AM.

APPROVED AS CORRECT

Adopted: April 23, 2014

Greg Mowat, Chairman

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: April 15, 2014
Re: Executive Director's Report

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

1. MTW: UPDATE to FEBRUARY's VERY GOOD NEWS from HUD

In February, I was able to deliver the very good news that HUD agreed to extend the MTW contracts to 2028. The contracts are presently set to expire in 2018. This month I must report that HUD has delayed these extensions. It appears that two MTW agencies are suing HUD asserting that HUD violated their MTW contracts. Before agreeing to extend the contracts, HUD wants to determine if those lawsuits are based upon language that also appears in the contracts of the other MTW agencies. While this should be easy enough to determine, HUD has not been able to tell us how long this will take.

2. RESEARCH, PROGRAM DESIGN and EVALUATION SERVICES

I am very pleased to report some progress in THA's search for effective access to social science expertise. THA needs the following services at its disposal when necessary to design its programs, choose its policies and evaluate results:

- access to research literature
- program design help
- third party evaluation design and evaluation of program results
- help THA find money for: (i) costs of these services; (ii) program costs.

I attach the project description for our effort to find this expertise and to fund it. The description also elaborates on why we need this.

The University of Washington at Tacoma has expressed an interest in providing these services for us. The late UWT Chancellor, Debra Friedman and I had been discussing the prospect. We will find out if UWT's interest will outlive Debra, who tragically passed away in January. This month we also learned that the Urban Institute is also very interested in providing these services. A combination of the two is also a possibility.

Funding this work will be an important challenge. The likely solution will be a combination of three sources:

- THA funding
- third party sources that the provider will help us find
- cost sharing with other PHAs. This cost sharing option became more likely this month. King County Housing Authority and possibly Home Forward (Portland) expressed an interest in joining THA in such a contract.

I anticipate THA issuing a Request for Proposal (RFP) later this year to elicit formal proposals from UWT, the Urban Institute and perhaps others.

I am very pleased at the prospect. Having these services at our disposal to help us design and evaluate programs will greatly elevate the standards of our practice. It will make us much more appealing to funders. Most importantly, it will make our efforts more effective for our clients.

3. ASSET BUILDING FOR THE CHILDREN AND YOUTH OF SALISHAN

The Community Service Department report mentions THA's plans for two innovative asset building programs. Both are designed for the children and youth of Salishan. One will be at Lister Elementary School; the other at First Creek Middle School. I append a description. We count these initiatives as an exciting extension of THA's Education Project.

4. THA BUDGET REVIEW SCHEDULE: MAY

The staff will present to the board in May a mid-term budget review. You may remember that we planned to need this because of the uncertainty over congressional funding. In December, the board adopted a budget without knowing what we would receive from HUD. The board adopted a flat line budget with a list of "sequester" cuts totaling \$3 million in case the congressional budget led to a full "sequester". We have now learned our final HUD allocation. As I reported in previous emails, the news is good. We do not have to use our list of "sequester" cuts in order to make recurring expenses fit within recurring income.

In May we still have at least one budget topics to review:

- **902 Building and FIC fix-up:** We have budgeted \$1 million to finish the 902 Building's fix up and to fix up to FIC, both to make more room and more effective room for staff. I will be recommending that we do this.



Tacoma Housing Authority Project Database

Project Description

Project: Research, Program Design and Evaluation Services for THA
Project Manager: Michael Mirra
Project No.: EX-2012-7
Status: Open **Due Date:** December 31, 2014
Date: April 14, 2014

THA needs the following services at its disposal as it designs programs and chooses policies:

- access to research literature.
- program design help
- third party evaluation design and evaluation of program results

- help THA find the money for: (i) the costs of these services; (ii) program costs.

This project seeks to arrange for these stand-by services from a well-qualified and affordable contractor. Below I review what THA needs and why. I list the qualities we seek in a contractor. I also state the elements of this project.

1. THA's NEED FOR SERVICES

THA's need for these services arises from its mission. That mission requires THA to try innovative ways to spend housing dollars, not only to house people, but to help them and their children succeed as "tenant, parents, students, wage earners and builders of assets." THA's mission also directs that THA develop real estate to help our communities prosper in ways that low income people to experience them as "safe, vibrant, prosperous, attractive and just." Current examples of these efforts include:

- rent reform
- Education Project
- asset building
- rapid rehousing investment
- child welfare collaboration
- community development

Designing, implementing and funding these innovations requires the following services:

Project Description

Project: Research, Program Design and Evaluation Services for THA

Project No.: EX-2012-7

Date: April 14, 2014

1.1 Access to Research Literature

THA needs an adequate acquaintance with the research literature and the standards of practice. For example, we have instituted time limits and fixed subsidies for the HOP program. We do this, in part, because for the effect we expect these policies will have on the earned income of household income. We have this expectation in part because of our knowledge of the research on the question.

Yet, THA's ability to use research is limited. The research literature is enormous. It is hard to navigate in order to find the pertinent material. It is harder to judge which research is well done. It is harder still to judge amid conflicting research conclusions. Turning the research into decision ready information usable to the practitioner requires its own expertise.

, THA's ability to effectively use the research is limited by the expertise and time available within its staff. THA needs access to someone who knows how to do this. Yet, this acquaintance and use of the research requires its own expertise that THA does not have and does not need to develop in-house.

1.2 Program Design

The research literature can also help THA design programs.

1.3 Program Evaluation

Evaluation is becoming an increasingly necessary part of THA's work, for at least three purposes:

- *Deciding what works and what does not work*

Evaluation is necessary to tell us whether an initiative works to get the results we seek. This in turn allows us to decide whether to do more of it or less of it or to do it differently.

- *Finding the money for programs*

Funders are increasingly expecting THA to arrange for an evaluation of the work the funder will pay us to do. They expect it for the same reason THA needs an evaluation. Moreover, funders prefer a third party to conduct the evaluation. This provides a measure of objectivity. If THA had a standby, well qualified third party evaluator for these purposes, it would make us more competitive for program dollars.

Project Description

Project: Research, Program Design and Evaluation Services for THA

Project No.: EX-2012-7

Date: April 14, 2014

- *Advancing community knowledge*

An evaluation would allow THA to advance the state of knowledge for this work. The evaluator would be able to publish or in other ways share what we learn.

1.4 Fund Raising

THA needs help to find the money for two purposes: (i) to pay for these services; (ii) to pay for its programs.

2. NECESSARY QUALITIES

THA needs the following qualities:

2.1 Third Party Contractor in a Sustained Relationship

THA seeks these services from a third party contractor, for two main reasons. **First**, THA does not need and cannot afford to develop the pertinent expertise in-house. THA does not need these services continually. Instead, it needs a third party contractor that will be on call as necessary. **Second**, a third party evaluator will be more effective and more authoritative for the various audiences for an evaluation, including potential funders.

At the same time, THA needs an on-going relationship with third-party evaluator to span years. This is necessary to because much of the work will span the years of a program's implementation. Also, an on-going relationship will allow a contractor to know THA well. This acquaintance will make the work more efficient, less expensive and more effective.

2.2 Easy Access to Wide Range of Expertise

The contractor will need easy access to wide range of expertise from varied disciplines that will illuminate the range of THA's activities. Here are some examples:

- economics
- behavioral economics
- poverty
- employment
- education

Project Description

Project: Research, Program Design and Evaluation Services for THA

Project No.: EX-2012-7

Date: April 14, 2014

- housing and community development
- urban design
- child welfare
- homelessness
- infographics
- program design
- program evaluation

2.2 Acquaintance with Potential Funders

We seek a contractor with a strong acquaintance with a national range of potential funders. THA hopes this relationship will open funding possibilities from new sources.

2.3 Strong Reputation

THA seeks a contractor with a strong national reputation for this work among practitioners and a wide range of funders.

2.4 Knowledge of THA and its Community, or a Willingness to Learn

THA seeks a contractor who knows or will work to know THA and its community. This knowledge will be necessary to do this work effectively.

2.5 Shared Interest and Values

THA seeks a contractor that shared its interest in this work and the values that animate it. THA also appreciates a good humor and other qualities that would make the sustained relationship we seek an enjoyable one.

3. ELEMENTS OF THIS PROJECT

The purpose of this project will be to arrange for these services from such a contractor. This project will have the following elements.

3.1 Understand Services Potentially Available

The University of Washington at Tacoma (UWT) and the Urban Institute have both expressed an interest in providing these services to THA. UWT's chancellor at the time, Debra Friedman,

Project Description

Project: Research, Program Design and Evaluation Services for THA

Project No.: EX-2012-7

Date: April 14, 2014

aspired to make UWT a community source for these services. Michael met with Debra several times to discuss this possibility. Unfortunately, Debra passed away in January 2014, suddenly and much too soon. We need to find out if UWT's interest in this relationship with THA will outlive Debra. The Urban Institute has also expressed an interest. In April 2014, Michael Mirra met with several of its staff and managers to discuss the possibility. Both discussions helped to clarify what might be available.

A collaboration between UWT and the Urban Institute might be worth exploring. Such a collaboration might offer the greater expertise and stature of the Urban Institute with the local acquaintance of UWT.

3.2 Enlist Interest of Other PHAs to Share Costs

An important challenge will be to find the money for these services. The answer is likely to be a combination of three sources:

- THA money
- money that the contractor will find
- sharing expenses with another PHA. The King County Housing Authority and Home Forward (Portland) have expressed an interest in joining THA in the contract. Perhaps this would be workable in a way that would allow us to share the costs.

3.3 Choose a Contractor

THA's procurement process will have it issue a Request for Proposal (RFP) seeking proposals.



TACOMA HOUSING AUTHORITY

CHILDREN's SAVINGS ACCOUNT

for the CHILDREN of NEW SALISHAN, Tacoma, WA

April 9, 2014

1. SUMMARY

The Tacoma Housing Authority (THA) plans to offer individual development accounts (IDAs) for the children of New Salishan from kindergarten through high school. New Salishan is THA's largest community. It is a HOPE VI redevelopment that created a mixed-income community of 1,350 renter and homeowner households on an award-winning design.



THA will offer two programs, both linked to schools. The **first** will serve Salishan children in Lister Elementary School, and two other schools nearby. This program will be called the *Salishan Elementary School Children's Savings Account Program*. It will provide a match for family deposits in IDAs the program will host for each enrolled child. This program will take children from kindergarten through fifth grade. The **second** program will cover children of Salishan renters who enroll at the adjacent middle school, First Creek Middle School. It is called the *First Creek Middle School Scholar Incentive Program*. Each middle school student and a counselor will fashion an individualized plan taking the student from 6th grade through high school graduation and enrollment in a post-secondary program. The plan will set academic milestones along the way (*e.g.*, attendance, set grade point average, taking advance classes, taking the PSAT, SAT and ACT, applying for post-secondary programs, completing the FAFSA, graduating from high school, and enrolling in a post-secondary program). As the student meets each milestone, the program will deposit money into the student's IDA. When the student completes the journey, the IDA balance will be available for education or training purposes. In combination with Washington State's College Bound Scholarship that pays for tuition, these IDA balances should make college attendance affordable.

When fully in place, these two programs will serve 760 children in cohorts covering 13 grades.

Experience and research strongly suggest that even modest balances in such accounts greatly increase the prospects that a student will attend college. For this reason, THA undertakes these efforts as part of its Education Project.



THA plans this effort in collaboration with Tacoma Public Schools (TPS), with the expert assistance of the Corporation for Enterprise Development (CFED), initial funding from the Bill & Melinda Gates Foundation, and the collaboration of banking and social service partners in Tacoma.

2. THA's EDUCATION PROJECT

These two IDA programs for children are part of THA's Education Project. The Education Project has two main purposes:

- to help the children THA houses succeed in school;
- to promote the success of the schools serving THA's communities.

THA seeks these outcomes for three reasons. **First**, THA's strategic mission is to help people succeed not just as tenants but also as "parents, students, wage earners and builders of assets who can live without assistance." THA wants families to come to its housing and prosper. In this way, it wants their time with THA to be transforming and temporary. It wants this especially for the children. School success is part of this transformation.

Second, THA is a real estate and community developer. The financial and social success of its developments requires successful neighborhood schools.

Third, public schools face challenges that low-income and homeless children bring to the classroom. The schools cannot solve this without help. THA seeks to do its part.

The Education Project seeks to learn how a housing authority can so spend its housing dollars, not only to house families, but also to promote their children's school success and to promote the success of schools that serve THA's communities. THA begins this effort surmising that it does have an influence to exercise. This surmise arises from facts that are true for most public housing authorities:

- Except for the school district and the public assistance agency, THA serves more low-income children than any other organization in Tacoma. It houses nearly 1 out of every 7 Tacoma public school students and about 1 out of every 4 low-income students;
- In serving them, THA is already deep into the lives of their families, as landlord, as provider of highly regulated rental assistance, and as provider of supportive services. This gives THA an influence over behavior and choices.
- THA owns communities that can be staging grounds for educational initiatives.
- THA resources can lever reforms and investments from schools districts and others.

THA's Education Project comprises several elements and initiatives. *E.g.*:

- College Bound Scholarship Enrollment Project
- McCarver Elementary School Housing Program
- Tacoma Community College Housing Program
- Rapid rehousing for homeless youth
- Head Start classrooms in THA communities

To learn more about THA's Education Project go to: www.tacomahousing.org.

THA now seeks to add children's savings account programs to its educational initiatives.

3. CHILDREN's SAVINGS ACCOUNTS GENERALLY

Children's savings accounts (CSAs) can greatly increase the prospects that children will attend college. CSA programs generally have the following features:

- The program establishes a bank or credit union account in the name of the participating child. A custodian organization controls the account.
- The program deposits money into the account. The program commits to matching the family's deposits at a stated ratio and within limits. Some programs link its deposits to achievement.
- The program limits withdrawals.
- The balance in the account becomes available only for specific purposes, generally related to the child's education or training.
- CSA programs often offer participating families related services, such as financial literacy courses.

CSAs can serve four main purposes. **First**, they help a child and a family save. **Second**, they help a child and a family get accustomed to saving. **Third**, they can ease an unbanked family into the main stream of financial services. **Fourth**, they allow a child and a family to think more positively about their future. Experience and research suggest that children with CSAs are much more likely to attend college. CSAs can have this effect even with modest account balances.

The Corporation for Enterprise Development (CFED) is the nation's premier source of expertise on CSAs. For more information about CSAs, go to www.CFED.org.

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4. THA's CHILDREN SAVING ACCOUNTS FOR THE CHILDREN OF NEW SALISHAN: MAIN ELEMENTS

These are the main elements of the children's CSAs that THA and its partners seek to create for the children of New Salishan:

4.1 Salishan Elementary School Children Savings Account Program: Kindergarten through 5th Grade

- The program will open a CSA for every child that enrolls in Lister Elementary School, beginning at kindergarten and for every Salishan child who enrolls in the two other neighborhood elementary schools. It will extend to children of both Salishan renters and homeowners. In this way, the program will help Salishan knit further together as a community.
- The program will start with a kindergarten cohort. It will expand as funding allows. The goal is to cover all 6 grades within 6 years. Each grade will constitute a cohort of about 60 students. At full measure, this program will serve about 360 elementary children at any one time.
- The program will provide match deposits for each child up to \$500 per year. This contemplates a maximum annual program commitment per cohort of \$30,000. The maximum annual commitment for 6 elementary school consort would be \$180,000.
- CFED reports from experience that all families will not take advantage of the full match. A 55% aggregate match is more likely. At that rate, the likely annual program commitment will be 55% of the maximum, or \$99,000.
- A student who starts at kindergarten, by the end of 5th grade, would have \$3,000 in family deposits and \$3,000 in program match deposits, for a total of \$6,000.
- The schools will incorporate financial literacy into the curricula. This sort of instruction is most effective when the children have real money to contemplate. The CSAs provide this chance because each child will have and know he or she has money in the bank.
- The partner financial institution will host "deposit" celebrations at the school.



4.2 **First Creek Middle School Scholars Incentive Program: 6th Grade through High School**

- First Creek Middle School is adjacent to New Salishan.
- The Scholars Incentive Program (SIP) will enroll all New Salishan children enrolling in First Creek Middle. It will include such children whether or not they started at First Creek and whether or not they came from elementary school with a CSA. Each grade's cohort of such students will have about 60 students.
- A student will remain eligible for SIP even if they leave First Creek for another middle school in Tacoma Public Schools.
- A student's participation in SIP will remain active through high school graduation, as long as he or she continues in Tacoma Public Schools.
- The elementary school CSA program, which serves younger children, provides a deposit to match the family's deposit. In contrast, the SIP serves older students. It shifts the focus to the student's behavior and achievement, incentivizing academic performance and participation in college prep activities.
- The program will match each student entering 6th grade at First Creek with an advisor. This advisor will be a staff person from Making a Difference in the Community (MDC). MDC is a well-established, high-capacity nonprofit organization in Tacoma. MDC already has staff stationed at First Creek Middle School and in all Tacoma high schools. The MDC advisor and the student will devise an individualized plan that takes the student from 6th grade through high school graduation and enrollment into a post-secondary program. The plan will set milestones along the way for each year. These milestones may include: attaining a certain attendance rate, attaining a certain grade point average, enrolling in the College Board Scholarship program, taking college preparatory courses, taking the PSAT, SAT or ACT, applying to post-secondary programs, getting accepted, filling out the FAFSA, graduating from high school and then enrolling in a post-secondary program.
- Upon achieving each milestone, the program will deposit money into the student's CSA. The amount of the deposit will vary with the type of milestone. THA projects a maximum annual deposit for each student of \$700. The program will allow the student to withdraw a limited amount of each deposit for his or her own purposes.



- After 7 years of such deposits, assuming no withdrawals, a student who achieved fully would have a balance of \$4,900, **plus** any balance brought over from the elementary school CSA. That additional balance would be \$6,000 for a student whose family participated fully in elementary school CSA, for a total of \$10,900.
- Once a student graduates from high school, the balance in the CSA will be available for post-secondary education or training purposes.
- At a maximum of \$700 per year, a cohort of 60 students will cost a maximum of \$42,000. All 7 cohorts from 6th to 12th grades will cost a maximum of \$294,000 per year. Assuming an 80% achievement rate, the annual cost for all cohorts will be \$235,200. [Although CFED projects a 55% participation rate in the matched savings model, THA will project this higher 80% rate for the model based not on a matched savings but student achievement.]

4.3 On-Site Financial Institution

THA seeks to recruit a financial institution to establish a branch in New Salishan's commercial core. That institution might later hold the account. If so, Salishan children, as they walk to and from school, can think of their money on deposit in that bank or credit union. In this way, the program would become part of their visible, walking landscape.

4.4 College Bound Scholarship Enrollment Project

Washington State's College Bound Scholarship Program (CBS) offers full in-state tuition at public colleges for low-income students who (i) graduate from high school; (ii) with at least a 2.0 grade point average; (iii) stay out of serious trouble; and (iv) get admitted to an approved post-secondary program. However, students must sign up for the program by the end of their 8th grade year. Starting in school year 2008-2009, THA began an effort to enroll 100% of its 8th graders every year. THA has accomplished that in 2010-2011 and in each year since then. For information on this enrollment effort, see www.tacomahousing.org. Also since that time, TPS has enrolled 100% of 8th graders throughout the city.

All students enrolled in the SIP will also enroll in the CBA. This is important. It means that the CSA balances upon high school graduation will not be necessary for tuition if the student attends a post-secondary school in state. In that case, those balances will be available for the many non-tuition expenses that often make college attendance unaffordable to low income students, *e.g.*, room and board, transportation, books.

4.5 Educational and Family Support

Other elements of THA's Education Project will fortify the CSA programs' influence promoting school achievement:

- The CFED experience reports that even low-income families are able and willing to save for their children given a favorable structure to do so. THA's families have the added advantage of living in housing that is affordable to their income. This will free up family income to better allow a family to save.
- New Salishan hosts a range of enrichment activities, including after school and summer programs.
- THA participates in an initiative by United Way of Pierce County to prepare children for school by age five and grade level performance by age ten.
- THA provides tailored support services to its families to minimize the Adverse Childhood Experiences (ACES) affecting children. These services help families achieve the stability, self-sufficiency, and increases in household income that will make the best use of CSA programs. THA's service model emphasizes trauma-informed care and strength based intervention.
- THA knits educational and employment attainment into all of its service plans with families who receive its community services.

4.6 Outcomes and Evaluation

THA and its partners will choose the performance measures and targets for these CSA programs. THA will contract with a third party evaluator to track results. We begin with the following performance measures, all of which we will compare with the same measures of other TPS students and other TPS low-income students:

- Performance by CSA participants on standardized reading and math tests at the 5th grade level as compared with other TPS students and other TPS low-income students.
- Performance by CSA students on standardized reading and math tests at the 10th grade level as compared with other TPS students and other TPS low-income students.
- High school graduation rates for cohort students. In addition to the other comparisons, we will also compare these rates with College Bound Scholarship students who do not participate in the CSA programs.
- Rates of enrollment in post-secondary programs. In addition to the other comparisons, we will also compare these rates with College Bound Scholarship students who do not participate in the CSA programs.

Other possible performance measures to track:

- Increase in mainline banking activity of participating families.
- Increase in financial literacy for students and adult members of the household.
- More positive attitude toward saving for students and adults.
- More positive orientation toward future goals.

- Other indicators of student behavior (e.g, school discipline, participation in school clubs).

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5. BUDGET

The two main program costs will be the expense of administration and the expense of the program deposits. Most administrative costs should not vary greatly as the number of cohorts served is limited or expanded. This means we can increase the number of cohorts served while only marginally increasing operational costs. (The exception will be contract payments to MDC for the counseling services for SIP. These will vary considerably depending upon the number of cohorts.)

THA has not yet secured funding to fully implement either the elementary school program or the middle school program. Currently, THA has funding enough to support one cohort (60 students) through the 7-year SIP program. THA seeks to add one new kindergarten and one new 6th grade cohort each year until we have thirteen active cohorts spanning grades K - 12.

Importantly, THA will only add a cohort when it has adequate assurance that it can fully fund that cohort's traverse through the entire elementary CSA or middle school SIP.

Operational Budget – Annual Costs for Full Cohorts Covering K – 12 (60 students each grade))

Costs	\$ Minimum [assume 55% family deposits in elementary school CSA] [assume 80% student achievement in SIP]	\$ Maximum [assume 100% family deposits in the elementary school CSA and 100% student achievement in the SIP]
Administration		
Program Specialist (1.0 FTE)*		\$78,650
Program Manager (0.3 FTE)*		32,175
Program Director (0.1 FTE)*		14,300
THA Indirect		26,276
MDC Direct (\$5,500 per cohort)		71,500
Training/Travel		17,500
Equipment/Materials		3,500
Third Party Evaluation		15,000
Subtotal		\$262,301
CSA Deposits		
Lister Elementary CSA [up to \$500 per student per year]	\$99,000	\$180,000
First Creek Middle School SIP [up to \$700 per student per year]	235,200	294,000
Subtotal	\$334,200	\$474,000
TOTAL	\$596,501	\$736,301

* Staff positions include salary and benefits.

Total Cost of Deposits for One Cohort's (60 Students) Journey through Program(s)		
Elementary School K – 5 th	\$99,000	\$180,000
SIP 6 th – 12 th	\$235,200	\$294,000
Both Programs K – 12 th	\$334,200	\$474,000

6. PARTNERSHIPS

Partnerships are essential to a successful CSA program. THA is fortunate in its partners:

6.1 Operations Partners

- *Tacoma Public Schools*
TPS's collaboration and enthusiasm has been essential throughout THA's Education Project. For this CSA project, Lister Elementary and First Creek Middle School will be the main operational hubs. The program will engage Salishan children entering kindergarten at the other two nearby elementary schools. The SIP will follow students to high school. Most of them will attend Lincoln High School. We seek to add financial literacy instruction to the curricula of all these schools.
- *Making a Difference in Community (MDC)*
MDC is a community-building nonprofit with its own impressive educational programs. MDC has staff present at First Creek Middle School and TPS high schools. THA will contract with MDC to work directly with students participating in SIP, engaging the students and tracking completion of pay-point incentives.
- *Heritage Bank*
Heritage Bank has agreed to manage the SIP escrow accounts. We hope to extend that relationship to the elementary school CSA. Heritage Bank has partnered with THA on a number of initiatives. Heritage has been THA's business bank for many years in a relationship that has served THA very well.
- *United Way of Pierce County*
United Way will provide technical support and external evaluation in assessing and setting goals for school preparedness and grade level performance.
- *Tacoma Urban League, YMCA, Resources for Education and Career Help (REACH) and Ladies First*
Each of these agencies will provide access to college mentoring, personal development and community engagement programs.
- *ORS Impact*
ORS is a consulting firm contracted by the Gates Foundation to assist THA, King County Housing Authority and Seattle Housing Authority in developing their respective education programs and a common community of practice.
- *Corporation for Enterprise Development (CFED)*
CFED is the nation's premier source of expert data and program design information for CSAs generally. CFED has consulted closely with THA and other public housing authorities. THA looks forward to a continued reliance on its expertise.

6.2 Funding Partners

- *The Bill and Melinda Gates Foundation*
The Gates Foundation is providing THA \$350,000 over a three-year period to develop and implement the Scholar Incentive Program and other initiatives. (Implementation is anticipated to begin in Fall 2014.) These dollars are for operational use only, and do not include funding for incentive payments.
- *Tacoma Housing Authority*
THA is committing \$150,000 to directly fund incentive payments.
- *United Way of Pierce County*
Beginning in 2014, United Way is providing about \$20,000 annually in a three year grant (\$60,000 total) to support early childhood development and adult navigation to vocational training.

THA seeks the additional funding these programs will require.

For additional information contact:

Greg Claycamp
Director of Community Services
Tacoma Housing Authority
902 South L Street
Tacoma, WA 98405
(253) 207-4455
gclaycamp@tacomahousing.org



FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,533,987 for the month of February, 2014.

Approved: April 23, 2014

Greg Mowat, Chairman

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

		Check Numbers			
		From	To	Amount	Totals
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,772	-	2,772	175
Accounts Payable Checks	Check #'s	81,781	-	82,021	
Business Support Center				256,436	Program Support
Moving To Work Support Center				18,824	
Section 8 Programs				13,302	Section 8 Operations
SF Non-Assisted Housing - N. Shirley				5	Local Funds
SF Non-Assist Housing - 9SF Homes				2,501	
Wedgewood				613	
Salishan 7				28,440	
Tacoma Housing Development Group				7,049	
Hillsdale Heights				25	Development
AG Hsg Recovery Grant				666	
Development Activity				22,143	
Salishan Area 2B-Dev				2,432	
Hillside Terrace Development				200	
Hillside Terrace 2500 Court G Development				2,602	
Hillside Terrace 1800 Court G Development				1,965	
Hillside Terrace 2500 Yakima Development				1,823,952	
CS General Business Activities				4,181	Community Service
Community Services MTW Fund				2,897	
Gates Ed Grant				10,126	
WA Families Fund				647	
WA Families Fund - Systems Innovation				3,297	
AMP 1 - No K, So M, No G				47,403	Public Housing
AMP 2 - Fawcett, Wright, 6th Ave				46,809	
AMP 3 - Lawrence, Orchard, Stevens				54,436	
AMP 4 - Hillside Terr - 1800/2500				12,946	
AMP 5 - Salishan Common Areas				151	
AMP 6 - Scattered Sites				7,175	
AMP 7 - HT 1 - Subsidy				7,702	
AMP 8 - HT 2 - Subsidy				2,651	
AMP 9 - HT 1500 - Subsidy				1,294	
AMP 10 - SAL 1 - Subsidy				10,161	
AMP 11 - SAL 2 - Subsidy				9,699	
AMP 12 - SAL 3 - Subsidy				7,511	
AMP 13 - SAL 4 - Subsidy				10,781	
AMP 14 - SAL 5 - Subsidy				12,364	
AMP 15 - SAL 6 - Subsidy				11,393	
Allocation Fund				62,310	Allocations-All Programs
THA SUBTOTAL				2,507,263	
Hillside Terrace 1 through 1500				1,831	Tax Credit Projects - billable
Salishan I - through Salishan 6				590	
Salishan Association - Operations				11,944	
TAX CREDIT SUBTOTAL (Operations - billable)				14,366	2,521,629
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	480,852	-	480,965	178,230
	ACH	55,836	-	57,248	2,354,093
					\$ 2,532,323
Payroll & Payroll Fees - ADP					\$ 480,035
TOTAL DISBURSEMENTS					
					\$ 5,533,987



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,383,109 for the month of March, 2014.

Approved: April 23, 2014

Greg Mowat, Chairman

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

		Check Numbers			
		From	To	Amount	Totals
A/P Checking Account					
Low Rent Module Checks	Check #'s	N/A	-	N/A	-
Accounts Payable Checks	Check #'s	82,022	-	82,233	
Business Support Center				285,744	Program Support
Moving To Work Support Center				28,145	
Tax Credit Program Support Center				4,408	
Section 8 Programs				15,314	Section 8 Operations
SF Non-Assist Housing - 9SF Homes				3,800	Local Funds
Stewart Court				36	
Wedgewood				249	
Salishan 7				13,511	
AG Hsg Recovery Grant				20,237	Development
Development Activity				20,511	
Salishan Area 2B-Dev				1,390	
Hillside Terrace 2500 Yakima Development				1,264,627	
CS General Business Activities				80	Community Service
Weyerh. Homeless Grant				308	
Community Services MTW Fund				6,243	
Gates Ed Grant				509	
ROSS Svc Coord				81	
WA Families Fund				4,577	
WA Families Fund - Systems Innovation				682	
AMP 1 - No K, So M, No G				60,119	Public Housing
AMP 2 - Fawcett, Wright, 6th Ave				117,092	
AMP 3 - Lawrence, Orchard, Stevens				91,058	
AMP 4 - Hillside Terr - 1800/2500				5,734	
AMP 5 - Salishan Common Areas				151	
AMP 6 - Scattered Sites				1,189	
AMP 7 - HT 1 - Subsidy				4,921	
AMP 8 - HT 2 - Subsidy				2,651	
AMP 9 - HT 1500 - Subsidy				1,294	
AMP 10 - SAL 1 - Subsidy				23,350	
AMP 11 - SAL 2 - Subsidy				22,299	
AMP 12 - SAL 3 - Subsidy				17,289	
AMP 13 - SAL 4 - Subsidy				24,511	
AMP 14 - SAL 5 - Subsidy				28,053	
AMP 15 - SAL 6 - Subsidy				25,902	
Allocation Fund				53,623	Allocations-All Programs
THA SUBTOTAL				2,149,686	
Hillside Terrace 1 through 1500				1,225	Tax Credit Projects - billable
Salishan I - through Salishan 6				141	
Salishan Association - Operations				7,943	
TAX CREDIT SUBTOTAL (Operations - billable)				9,309	2,158,995
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	480,966	-	481,057	153,616
	ACH	57,249	-	58,679	2,378,839
Payroll & Payroll Fees - ADP					\$ 480,368
Other Wire Transfers					
Local Funds Semi-Annual Bond Payment - Heritage				211,291	\$ 211,291
TOTAL DISBURSEMENTS					\$ 5,383,109



TACOMA HOUSING AUTHORITY

Date: April 23, 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 February and March, 2014 disbursement reports for your approval.

The good news on the financial front is the 2014 funding from HUD on the operational budget. Even though there were reductions like we suspected, they were not as severe as the board budgeted to expect. The saving grace was the HAP funding we received. It was actually 99.7% of the authorized amount. As we budgeted at a 99% level, the funding is higher than our budgeted amount. As this constitutes the largest part of our funding, this was an advantage to the agency. In total, the net effect of operational funding from HUD was an approximate \$20K increase from our budgeted amount. The final appropriated budget % are by area are as follows.

• Program	Budgeted	Funded
HAP – Voucher Program	99.0%	99.7%
HAP – Admin Fees	80.0%	75.0%
Public Housing Subsidy	90.0%	86.0%

Additionally, Capital Fund (CFP) funding was at approximately 56% of authorized amount. This is a minimal increase over 2013 funding.

The Finance Department is submitting the financial statement for the month of February, 2014. As this report is for the second month of the fiscal year, it is too early to determine if there are any areas that we need to be concerned about. There are some major variances at this point, but none that I see are concerning. The majority of the issues have to do with timing. Some bills are paid early on in the year, such as memberships. Others are not paid until later on in the year. I typically use the three month report to start addressing any patterns that should be addressed. I attempt to project into the future with the projected actual column, and use information on hand to determine areas that need to be adjusted. For the month of February, on Line 71, the YTD deficit is \$205,598, compared to projected surplus of \$16,596. I am currently projecting a \$80,081 surplus compared to the budget of \$101,736. I expect the projected actual to change as the year progresses and information clarifies.

The following are areas that I would like to address for this report:

- *Line 2 – Tenant Revenue* – This area is difficult to project. The majority of the income consists of charges passed on to the tenant for both legal proceedings heading towards eviction, as well as significant damages (including Meth damage) at move out. The challenge with this increase is due to the type of charge, we will most likely not be able to collect these funds, and they will be written off. In budgeting, I do not include the large meth costs that might be charged to a tenant.
- *Line 3 – HUD Grant – Section 8 HAP reimbursement* – Even though we have been authorized at 99.7% of appropriations, due to HUD cash management, in order to balance out our MTW cash, it may not reflect that amount on the projected actual when operations are at a surplus
- *Line 9 – Other Government Grants* – Included in this line item is approximately \$60K that was budgeted for administering a blight abatement program that we have yet to start. Also, there are fees from the City for us doing consulting work, along with reimbursements from the Power company for DR Horton Area 3 lots.
- *Line 59 – Extraordinary Maintenance* – This category will be primarily for Meth remediation costs of our PH units in 2014. This will most likely come in over budget and need a mid year revision. There was a delay in remediating contaminated units in our Senior building units as we needed to determine if there was cross contamination in those buildings. Also, due to the scope of work, and the decision to deal with other issues in our Wright St. Apts., the work was not able to be completed in 2013. This was not known when we were developing the 2014 budget.
- *Lines 69 – 71 – Capital Items* - The amounts in these categories only reflect active projects that we have contracts on. In the budget, we have the purchase of New Look Apts., and the HTF and Lakewood funds for LASA development included. New Look is on hold, and as of this writing, we have yet to close on LASA. Additionally, we have a million dollars earmarked for capital needs for our RAD conversion. As that is on hold, we will most likely not need those funds in 2014.

One other area to note is that we received \$500K from the state in a legislative appropriation for Meth remediation thanks to the efforts of Michael Mirra. This can be used for any of our properties that did not receive insurance reimbursement and goes back to July, 2013. We will determine which Tax Credit entities that we advanced funds to due to limited cash flow, and reimburse ourselves. This will assist both the Tax Credit entity and our cash position. As we determine the best use for these funds, they most likely will not be reflected in our income and expense statement, but will boost our non-MTW cash.

In our cash positions, we are including the commitment of funds passed by the Board in the September board meeting. These commitments, along with designated Public Housing and Section 8 reserves, leave the agency with minimal unobligated MTW cash levels. Due to the fact that even though funds are committed by the board, our MTW cash level is adequate, and keeps us from recapture even if HUD does not honor our commitments.

The following is a synopsis of the Cash Flow Waterfall for our Tax Properties for the Year 2013. At the completion of each year, the agency does an analysis of excess cash (if available), and per the Limited Partnership Agreements, distributes cash per the Waterfall established for each property. Funds that come into THA includes any developer fee remaining, the company management fee, and if there is still remaining cash, accrued interest payments, and then principle on the loans that THA has made to develop the projects. Every year we accrue interest for the THA loans to the Tax Credit properties. We do not include them in our budget though, as there is no guarantee that funds will be available to pay them. For the year ending December, 2013, THA did not receive any payment of interest on the THA loans from the waterfall. In 2012, we received \$343,000. On a typical year where there is sufficient cash flow, we would expect there to be payments for the company management and asset management fees. There would also typically be some repayment on interest to THA as there was in 2012. The fact that there were no payments in 2013 for any of those areas in Salishan shows the effects from our Meth units. In 2014, when we expect to have our meth issues under control, we expect to be back on track with these payments. Even though we had many challenges with Meth units in 2013, all units were remediated by December 31st and there was no loss of Tax Credits for 2013.

**THA Tax Credit Projects
 Summary of Cash Flow Waterfall Distributions
 For the year ending 12/31/13**

	Developer Fee to GP (a)	Company Management Fee to GP (b)	Interest to THA on Sponsor Loan (c)	Asset Management Fee to LP (d)	Tax Credit Shortfall Pymnt to LP (e)	<u>Comments</u>
Salishan 1		N/A	-	-	-	No CMF
Salishan 2		N/A	-	-	-	No CMF
Salishan 3		N/A	-	-	-	No CMF
Salishan 4		-	-	-	-	
Salishan 5		-	-	-	-	
Salishan 6		-	-	-	-	
Hillside Phase 1		4,743	-	2,500	-	
Hillside Phase 2		1,570	-	1,570	-	
Hillside 1500		-	-	-	-	No AMF
Total payments	\$ 0	\$ 6,313	\$ 0	\$ 4,070	\$ 0	

Total Distributions to THA (a+b+c)	6,313
Less amounts GP paid tax credit shortfall (e)	0)
Net Cash to THA	6,313
 Distributions for 2012	 371,489
 (Decrease) in distributions to THA from 2012	 (365,176)



AMF – Asset Management Fee
 CMF - Company Management Fee
 CF - Cash Flow
 GP - General Partner (THA)
 LP - Limited Partner

I am also providing the year financial information for the properties that we manage for 2013. There are two reports, one showing the fiscal year actual amounts, and one that shows the Per Unit Month (PUM) amounts. The information is reflective of the challenges we had with Meth contamination in 2013, as well as the reduced Operating Subsidy we received due to sequestration. It is important to note that the amounts in the Extraordinary Expense/Casualty loss column is primarily the Meth remediation and put back charges that were paid from operations in 2013. Another anomaly that will be seen in the report is the Debt Service payment of \$2,978,485 in Salishan 7. That includes the payoff of the WCRA loan that was made in 2013.

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 .13%.

3. AUDIT

The Washington State auditors will be returning the end of April to start the Single Audit portion of our 2013 information.

4. BUDGETS

The 2014 budget is in effect. As stated earlier, with the pro-rations of HUD funds, we have met the income budgeted in the original budget. We will be completing a mid-year budget review in June.

YEAR END CLOSING UPDATE

There is nothing to report.



Tacoma Housing Authority

Financial Summary by Project

December, 2013

Project	# Units	Property Revenue	Subsidy Revenue	Total Revenue	Admin Expense	Tenant Service	Utility Expense	Maintenance Materials / Salaries	Other Operating Expense	Support Fees / Rent	Total Operating Expense	Net Oper Income	Debt Srv Payment	Extraordinary Expense/ Casualty Loss	Net Cash Flow	Oper Reserve	Rep Reserve	
		A	B	C (A+B)	D	E	F	G	H	I	J	K (D thru J)	L (C-K)	M	N	O (L-M-N)		
Senior / Disabled Properties																		
6th Ave	64	163,758	133,797	297,555	60,359	1,662	58,540	77,703	45,086	28,786	82,344	353,041	-55,486		0	-55,486	0	0
Fawcett	30	90,811	62,719	153,531	31,783	1,692	35,724	49,655	17,349	18,954	38,604	193,086	-39,555		649	-40,204	0	0
K Street	43	109,288	95,067	204,355	42,178	1,341	53,871	58,177	25,014	21,654	55,332	256,600	-52,245		0	-52,245	0	0
Ludwig	41	100,318	109,885	210,203	40,076	1,558	40,383	48,305	17,991	16,580	52,752	216,723	-6,519		17,373	-23,892	0	0
M Street	77	213,809	181,804	395,612	66,830	2,097	96,939	81,458	40,862	32,223	99,060	417,736	-22,124		1,000	-23,124	0	0
N. G Strret	40	105,384	75,768	181,152	41,565	954	35,427	71,817	29,458	25,407	51,468	255,196	-74,044		0	-74,044	0	0
S. Wright	58	143,294	114,014	257,308	52,449	4,566	56,215	55,834	29,730	25,599	74,616	297,703	-40,396		6,883	-47,278	0	0
	353	926,663	773,054	1,699,717	335,239	13,869	377,100	442,949	205,491	169,205	454,176	1,990,085	-290,368		25,904	-316,273	0	0
Salishan																		
Salishan 1	90	256,686	463,993	720,679	95,826	54	92,614	136,760	70,098	54,090	139,529	588,971	131,708	137,796	125,097	-131,185	249,243	255,232
Salishan 2	90	259,093	440,864	699,958	99,091	49	89,425	150,116	84,488	66,656	138,217	628,043	71,915	116,762	165,360	-210,207	199,324	256,579
Salishan 3	90	255,929	548,726	804,655	95,151	181	89,152	144,116	73,786	59,409	138,298	600,092	204,563	210,743	112,280	-118,460	280,274	206,850
Salishan 4	90	266,649	499,540	766,189	97,716	255	87,248	129,616	73,386	66,431	150,575	605,227	160,963	130,190	130,062	-99,288	212,435	224,049
Salishan 5	90	203,248	587,878	791,126	98,762	48	94,805	207,445	84,657	73,866	155,309	714,893	76,234	212,507	122,456	-258,730	209,293	116,477
Salishan 6	90	194,829	645,969	840,798	93,671	112	93,498	130,165	59,588	70,162	157,829	605,025	235,773	230,340	271,766	-266,334	417,475	105,672
Salishan 7	91	250,143	948,322	1,198,465	92,092	525	83,495	190,358	53,000	24,538	167,304	611,311	587,154	2,978,485	64,570	-2,455,901	197,610	89,835
	631	1,686,577	4,135,293	5,821,870	672,309	1,223	630,236	1,088,576	499,003	415,153	1,047,061	4,353,562	1,468,309	4,016,821	991,591	-3,540,104	1,765,655	1,254,696
Family Properties																		
Bergeson Terrace	72	237,520	146,236	383,756	86,523	7,337	63,332	96,230	80,908	32,819	78,432	445,580	-61,824		39,187	-101,011	0	0
Dixon Village	31	119,937	69,334	189,271	37,940	7	42,709	62,891	26,045	23,270	33,768	226,628	-37,357		12,991	-50,347	0	0
Market Rate Units	10	82,582	21,054	103,636	11,007	21	5,209	45,224	17,665	11,089	9,804	100,019	3,616	59,348	34,057	-89,789	0	0
PH Scattered Sites	34	81,858	98,566	180,424	39,546	3,340	7,072	77,147	39,733	13,356	0	180,194	231		3,994	-3,763	0	0
	147	521,898	335,190	857,088	175,015	10,704	118,323	281,492	164,351	80,533	122,004	952,421	-95,334	59,348	90,228	-244,910	0	0
All Hillside																		
Hillside 1500	16	50,005	90,351	140,356	19,981	0	19,725	28,893	33,364	19,404	19,621	140,988	-633	25,194	1,586	-27,413	128,518	23,852
Hillside PH I	21	51,055	53,492	104,547	22,654	0	13,571	46,347	33,388	23,705	13,138	152,802	-48,256	0	37,817	-86,073	40,685	109,089
Hillside PH II	25	97,450	84,470	181,920	26,673	0	23,193	35,692	33,817	25,190	16,816	161,381	20,539	10,752	5,874	3,913	41,967	65,204
	62	198,510	228,313	426,823	69,308	0	56,489	110,932	100,569	68,300	49,575	455,172	-28,350	35,946	45,277	-109,572	211,170	198,144
	1,193	3,333,648	5,471,850	8,805,497	1,251,871	25,796	1,182,147	1,923,949	969,414	733,190	1,672,816	7,751,240	1,054,257	4,112,116	1,153,000	-4,210,859	1,976,825	1,452,839



Tacoma Housing Authority

Financial Summary by Project (Per Unit Per Year)

December, 2013

Project	# Units	Property Revenue	Subsidy Revenue	Total Revenue	Admin Expense	Tenant Service	Utility Expense	Maintenance Materials	Salaries	Other Operating Expense	Support Fees / Rent	Total Operating Expense	Net Oper Income	Debt Srv Payment	Extraordinary Expense/Casualty Loss	Net Cash Flow	Oper Reserve	Rep Reserve
		A	B	C (A+B)	D	E	F	G	H	I	J	K (D thru J)	L (C-K)	M	N	O (L-M-N)		
Senior / Disabled Properties																		
6th Ave	64	2,559	2,091	4,649	943	26	915	1,214	704	450	1,287	5,516	-867		0	-867	0	0
Fawcett	30	3,027	2,091	5,118	1,059	56	1,191	1,655	578	632	1,287	6,436	-1,319		22	-1,340	0	0
K Street	43	2,542	2,211	4,752	981	31	1,253	1,353	582	504	1,287	5,967	-1,215		0	-1,215	0	0
Ludwig	41	2,447	2,680	5,127	977	38	985	1,178	439	404	1,287	5,286	-159		424	-583	0	0
M Street	77	2,777	2,361	5,138	868	27	1,259	1,058	531	418	1,286	5,425	-287		13	-300	0	0
N. G Strret	40	2,635	1,894	4,529	1,039	24	886	1,795	736	635	1,287	6,380	-1,851		0	-1,851	0	0
S. Wright	58	2,471	1,966	4,436	904	79	969	963	513	441	1,286	5,133	-696		119	-815	0	0
Avg PUPY	353	2,625	2,190	4,815	950	39	1,068	1,255	582	479	1,287	5,638	-823		73	-896	0	0
Salishan																		
Salishan 1	90	2,852	5,155	8,008	1,065	1	1,029	1,520	779	601	1,550	6,544	1,463	1,531	1,390	-1,458	362	2,769
Salishan 2	90	2,879	4,898	7,777	1,101	1	994	1,668	939	741	1,536	6,978	799	1,297	1,837	-2,336	287	2,215
Salishan 3	90	2,844	6,097	8,941	1,057	2	991	1,601	820	660	1,537	6,668	2,273	2,342	1,248	-1,316	387	3,114
Salishan 4	90	2,963	5,550	8,513	1,086	3	969	1,440	815	738	1,673	6,725	1,788	1,447	1,445	-1,103	332	2,360
Salishan 5	90	2,258	6,532	8,790	1,097	1	1,053	2,305	941	821	1,726	7,943	847	2,361	1,361	-2,875	322	2,325
Salishan 6	90	2,165	7,177	9,342	1,041	1	1,039	1,446	662	780	1,754	6,723	2,620	2,559	3,020	-2,959	324	4,639
Salishan 7	91	2,749	10,421	13,170	1,012	6	918	2,092	582	270	1,839	6,718	6,452	32,731	710	-26,988	355	2,172
Avg PUPY	631	2,673	6,554	9,226	1,065	2	999	1,725	791	658	1,659	6,899	2,327	6,366	1,571	-5,610	339	2,798
Family Properties																		
Bergeson Terrace	72	3,299	2,031	5,330	1,202	102	880	1,337	1,124	456	1,089	6,189	-859		544	-1,403	0	0
Dixon Village	31	3,869	2,237	6,106	1,224	0	1,378	2,029	840	751	1,089	7,311	-1,205		419	-1,624	0	0
Market Rate Units	10	8,258	2,105	10,364	1,101	2	521	4,522	1,767	1,109	980	10,002	362	5,935	3,406	-8,979	0	0
PH Scattered Sites	34	2,408	2,899	5,307	1,163	98	208	2,269	1,169	393	0	5,300	7		117	-111	0	0
Avg PUPY	147	3,550	2,280	5,831	1,191	73	805	1,915	1,118	548	830	6,479	-649	404	614	-1,666	0	0
All Hillside																		
Hillside 1500	16	3,125	5,647	8,772	1,249	0	1,233	1,806	2,085	1,213	1,226	8,812	-40	1,575	99	-1,713	-829	8,032
Hillside PH I	21	2,431	2,547	4,978	1,079	0	646	2,207	1,590	1,129	626	7,276	-2,298	0	1,801	-4,099	117	1,937
Hillside PH II	25	3,898	3,379	7,277	1,067	0	928	1,428	1,353	1,008	673	6,455	822	430	235	157	246	1,679
Avg PUPY	62	3,202	3,682	6,884	1,118	0	911	1,789	1,622	1,102	800	7,341	-457	580	730	-1,767	-75	3,406
Agency PUPY	1,193	2,794	4,587	7,381	1,049	22	991	1,613	813	615	1,402	6,497	884	3,447	966	-3,530	175	1,657

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

	February, 2014				Thru 12/31/2014		
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS							
1 Tenant Revenue - Dwelling rent	273,683	550,734	539,820	2.02%	3,304,404	3,238,919	2.02%
2 Tenant Revenue - Other	43,796	49,486	7,374	571.13%	96,916	44,241	119.06%
3 HUD grant - Section 8 HAP reimburseme	2,671,261	5,128,302	5,788,747	-11.41%	34,469,812	34,732,479	-0.76%
4 HUD grant - Section 8 Admin fee earned	207,239	441,813	473,169	-6.63%	2,650,878	2,839,011	-6.63%
5 HUD grant - Public Housing subsidy	192,557	385,115	386,418	-0.34%	2,310,690	2,318,509	-0.34%
6 HUD grant - Community Services	10,131	19,581	24,096	-18.74%	117,486	144,574	-18.74%
7 HUD grant - Capital Fund Operating Reve	256,434	266,200	245,261	8.54%	1,447,200	1,471,568	-1.66%
8 Management Fee Income	290,121	575,206	609,115	-5.57%	3,551,236	3,654,691	-2.83%
9 Other Government grants	15,745	28,494	67,272	-57.64%	210,964	403,632	-47.73%
10 Investment income	3,676	7,984	9,921	-19.52%	47,904	59,525	-19.52%
11 Fraud Recovery Income - Sec 8	7,540	14,153	5,000	183.06%	54,918	30,000	83.06%
12 Other Revenue- Developer Fee Income	0	0	94,457	-100.00%	380,000	566,743	-32.95%
13 Other Revenue	21,295	82,137	97,392	-15.66%	492,822	584,351	-15.66%
14 TOTAL OPERATING RECEIPTS	3,993,478	7,549,205	8,348,041	-9.57%	49,135,230	50,088,243	-1.90%
OPERATING EXPENDITURES							
<i>Administrative Expenses</i>							
15 Administrative Salaries	348,946	734,717	803,563	-8.57%	4,775,661	4,821,380	-0.95%
16 Administrative Personnel - Benefits	136,336	229,287	329,034	-30.32%	1,675,722	1,974,203	-15.12%
17 Audit Fees	0	4,050	14,619	-72.30%	87,711	87,711	0.00%
18 Management Fees	230,371	458,723	483,012	-5.03%	2,752,338	2,898,070	-5.03%
19 Rent	25,204	50,408	49,741	1.34%	302,448	298,446	1.34%
20 Advertising	429	429	2,242	-80.86%	2,574	13,450	-80.86%
21 Information Technology Expenses	9,727	24,788	38,308	-35.29%	223,728	229,845	-2.66%
22 Office Supplies	2,454	5,717	12,697	-54.97%	64,302	76,184	-15.60%
23 Publications & Memberships	2,019	26,759	7,772	244.29%	46,634	46,634	0.00%
24 Telephone	5,714	12,707	18,662	-31.91%	101,242	111,974	-9.58%
25 Postage	3,088	6,517	6,848	-4.84%	39,102	41,090	-4.84%
26 Leased Equipment & Repairs	6,376	12,922	13,998	-7.69%	77,532	83,988	-7.69%
27 Office Equipment Expensed	3,412	7,341	11,036	-33.48%	64,046	66,213	-3.27%
28 Legal	6,753	10,065	37,653	-73.27%	235,390	225,920	4.19%
29 Local Milage	582	803	2,206	-63.60%	7,818	13,235	-40.93%
30 Staff Training/Out of Town travel	14,613	27,884	46,937	-40.59%	262,304	281,623	-6.86%
31 Administrative Contracts	7,388	32,833	110,617	-70.32%	646,998	663,700	-2.52%
32 Other administrative expenses	5,664	27,659	13,895	99.06%	115,954	83,370	39.08%
33 Due diligence - Perspective Development	30,901	31,105	81,750	-61.95%	386,630	490,500	-21.18%
34 Contingency	0		17,242	-100.00%	0	103,450	-100.00%
35 Total Administrative Expenses	839,977	1,704,714	2,101,831	-18.89%	11,868,134	12,610,986	-5.89%

		February, 2014				Thru 12/31/2014		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	65,061	136,248	155,584	-12.43%	885,612	933,505	-5.13%
37	Tenant Service Personnel - Benefits	26,983	46,661	63,539	-26.56%	329,966	381,233	-13.45%
38	Relocation Costs	1,867	8,073	15,445	-47.73%	92,670	92,670	0.00%
39	Tenant Service - Other	7,918	28,254	33,186	-14.86%	169,524	199,118	-14.86%
40	Total Tenant Services	101,829	219,236	267,754	-18.12%	1,477,772	1,606,526	-8.01%
	Project Utilities							
41	Water	11,018	18,357	19,738	-6.99%	110,142	118,425	-6.99%
42	Electricity	25,222	47,488	33,207	43.01%	234,928	199,240	17.91%
43	Gas	6,002	12,026	9,977	20.54%	72,156	59,860	20.54%
44	Sewer	31,878	57,123	53,212	7.35%	342,738	319,270	7.35%
45	Total Project Utilities	74,120	134,994	116,133	16.24%	759,964	696,795	9.07%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	38,453	94,812	109,979	-13.79%	616,278	659,872	-6.61%
47	Maintenance Personnel - Benefits	11,579	25,041	34,645	-27.72%	170,246	207,872	-18.10%
48	Maintenance Materials	10,317	26,847	34,362	-21.87%	161,082	206,170	-21.87%
49	Contract Maintenance	73,428	133,360	180,761	-26.22%	900,160	1,084,565	-17.00%
50	Total Routine Maintenance	133,777	280,060	359,747	-22.15%	1,847,766	2,158,479	-14.39%
	General Expenses							
51	Protective Services	12,241	28,032	23,642	18.57%	128,192	141,850	-9.63%
52	Insurance	14,573	32,605	35,980	-9.38%	195,630	215,877	-9.38%
53	Other General Expense	104,019	212,153	228,655	-7.22%	1,272,918	1,371,927	-7.22%
54	Payment in Lieu of Taxes	1,199	2,398	2,584	-7.19%	14,388	15,503	-7.19%
55	Collection Loss	0	0	12,580	-100.00%	90,000	75,482	19.23%
56	Interest Expense	15,455	29,162	46,016	-36.63%	276,096	276,096	0.00%
57	Total General Expenses	147,487	304,350	349,456	-12.91%	1,977,224	2,096,735	-5.70%
58	TOTAL OPERATING EXPENSES	\$ 1,297,190	\$ 2,643,354	\$ 3,194,920		\$ 17,930,860	\$ 19,169,521	
	Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	20,343	78,828	66,000	19.44%	472,968	396,000	19.44%
60	Casualty Losses	21,448	41,110	4,251	867.03%	41,110	25,507	61.17%
61	Sec 8 HAP Payments	2,518,936	5,005,705	5,043,467	-0.75%	30,434,230	30,260,802	0.57%
62	Total Nonroutine Expenditures	2,560,727	5,125,643	5,113,718	0.23%	30,948,308	30,682,309	0.87%
63	TOTAL EXPENDITURES	3,857,917	7,768,997	8,308,638	-6.49%	48,879,168	49,851,830	-1.95%
64	OPERATING SURPLUS/(DEFICIT)	<u>135,561</u>	<u>(219,792)</u>	<u>39,402</u>	<u>-657.82%</u>	<u>256,063</u>	<u>236,413</u>	<u>8.31%</u>
65	Debt Service Principal Payments	0	0	(59,813)	-100.00%	(358,880)	(358,880)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	135,561	(219,792)	(20,411)	976.82%	(102,818)	(122,467)	
67	Reserve Appropriations - Operations	7,383	20,944	37,367	-43.95%	182,898	224,203	-18.42%
68	Surplus/Deficit Before Capital Expenditures	<u>142,944</u>	<u>(198,848)</u>	<u>16,956</u>		<u>80,081</u>	<u>101,736</u>	
69	Revenue - Capital Grants	61,331	213,569	(1,308,792)	-116.32%	709,202	(7,852,750)	-109.03%
70	Capitalized Items/Development Projects	(66,594)	(220,319)	926,458	-123.78%	(709,202)	5,558,750	-112.76%
71	Reserve Appropriations - Capital	0	0	382,333	-100.00%	0	2,294,000	-100.00%
71	THA SURPLUS/(DEFICIT)	<u>137,681</u>	<u>(205,598)</u>	<u>16,956</u>		<u>80,081</u>	<u>101,736</u>	

TACOMA HOUSING AUTHORITY

CASH POSITION - March 2014

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 745,166	0.40%
Section 8 Checking	7,680,955	0.40%
THA Investment Pool	287	0.40%
THA LIPH Security Deposits	88,724	0.40%
THDG - Tacoma Housing Development Group	46,768	0.40%
LF - SF 9Homes Alaska	87,275	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	5,105	0.40%
LF - SFH No. Shirley	17,267	0.40%
LF - SFH N Shirley Security Deposit Acct	1,001	0.40%
LF - Wedgewood Homes	351	0.40%
Salishan 7	1,074,908	0.40%
Salishan 7 Security Deposit	26,226	0.40%
Salishan 7 Replacement Reserve	98,499	0.40%
Salishan 7 Operating Reserve	197,799	0.40%
Payroll Account	3,952	0.40%
General Fund Money Market	734,472	0.40%
IDA Account	13,718	0.40%
WASHINGTON STATE		
Investment Pool	\$ 1,626,313	0.13%
1. TOTAL THA CASH BALANCE	\$ 12,448,786	
Less:		
2. Total MTW Cash Balance	\$ 6,577,759	
<i>Less MTW Reserve Commitments</i>		
2.01 2nd Phase Hillside Terrace Redevelopment	\$ 2,420,000	
2.02 Renovation/Remodel of 2nd Floor of Admin Building	700,000	
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)	291,754	
2.10 Total Reserve Commitments	\$ 5,621,754	
<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)	\$ 100,005	

TACOMA HOUSING AUTHORITY

CASH POSITION - March 2014

4. Non MTW Cash

<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	116,247	
4.02 VASH, FUP & NED HAP Reserves		137,106	
4.03 Mod Rehab Operating Reserves		106,071	
4.04 Security Deposit Accounts		126,960	
4.05 Salishan Sound Families - 608		114,619	
4.06 IDA Accounts - 604		13,718	
4.07 Gates Foundation - 612, 614 & 623		232,775	
4.08 WA Families Fund - 674, 712, 713		91,814	
4.09 Wedgewood Replacement Reserve		804,280	
4.10 Bond Financed Single Family Homes Reserve		90,000	
4.11 Salishan 7 Reserves		721,298	
4.12 THDG - 048		46,768	
4.20 Total - Other Restrictions		\$	2,601,655
<i>Agency Liabilities:</i>			
4.30 Windstar Loan - 042		305,633	
4.40 Total - Agency Liabilities		\$	305,633
4.45 Development Draw Receipts for Pending Vendor Payments		\$	-
4.50 Development Advances/Due Diligence Commitments ¹		\$	225,300
5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.50)		\$	3,132,589

6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)	\$	2,738,438	
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7. Agency Current Commitments:	Board Approval	Expended	Obligation Balance
LASA Development advance	\$ 675,000	\$ 519,700	\$ 155,300
Salishan Campus (PY exp plus 2014 budget)	\$ 196,174	\$ 126,174	\$ 70,000
¹ Total Current Commitments outstanding			\$ 225,300

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

LASA Development advance	\$	519,700	
Hillside Terrace Redevlpmnt - HTF, HOME, CDBG and COT Funds	\$	-	
Total Agency Advances	\$	519,700	

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: April 23, 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 March. The high vacancy rate is attributable to THA's meth strategy.

OCCUPANCY SUMMARY REPORT					
PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MTH OCCUPIED
All Hillside	62	4	0	58	93.6%
Family Properties	145	5	2	140	93.1%
Salishan	631	3	0	628	99.5%
Senior/Disabled	353	26	4	327	93.5%
All Total	1,193	38	6	1,153	96.6%

- *Vacant Unit Turn:*

On page four (4) there is a table with all of the units turned in fiscal year 2013. Four (4) units were turned and rented in the month of February and eleven (11) were turned and rented in March 2014. The average unit turn for the month of February was 33 days. The average unit turn for the month of March was 179 days. The average unit turn for the year 2014 as of March 2014 was 84 days. As of April 2014, the average unit for the year was 124 days. The FYTD rose from 82 from the previous month. Zero (0) of the units that were turned in February tested positive for meth while six (6) of the units that were turned in March tested positive for meth and needed to be remediated.

As of April 8, 2014, 124 of the 302 units that have been tested for contamination have tested positive for methamphetamine. This is a 41% positive rate for the units that have been tested. THA implemented the home testing kits that are testing for contamination at the health-based contamination level. Of the 118 home tests that have been conducted since June 25, 2013, 27 or 22% have tested positive for contamination.

In November, THA started conducting the home field tests in house. A standardized procedure for sampling and interpreting results was implemented and we have seen only a 12% hot rate since the implementation of the new protocol.

1.1 Vacant clean unit turn status

For clean units, the average turn days for the month of February were 33 days (4 units). The 33 days were due to a unit mentioned in the February board report at North G St that had multiple turn downs and got leased in the month of February. Without this unit our February unit turns average was 19 days.

The average turn days for the month of March were 24 days (5 units). Below is a breakdown of each unit that exceeded the 20 day goal.

- Hillside Phase 2 #201 (27 days)- Maintenance completed the work in this unit in 12 days. The remaining days were due to leasing complications. This is an ADA unit and attempts were made to place a qualifying family into this unit. Per THA's Transfer policy, this unit must be offered to families needing these types of accommodations off the Reasonable Accommodations (RA) Transfer list. We showed this unit to 2 families before it was accepted. Six (6) days were attributed to the weekends where no work was performed in the unit.
- Salishan 5 3935 Roosevelt (29 days)- Maintenance completed this unit in 14 days. This also was a ADA unit. After multiple offers this unit was rented to a non ADA family after exhausting the 5 bedroom Reasonable Accommodations (RA) wait list. Eight (8) days were attributed to the weekends where no work was performed in the unit.
- Salishan 7 4872 Court Q (25 days) – Maintenance completed the work in 12 days. The assigned applicant turned this unit down and the unit was leased to the next applicant off the wait list. Six (6) days were attributed to the weekends where no work was performed in the unit.

Property Management and Leasing will continue to identify obstacles that prevent us from meeting our Goal of a twenty (20) day key to key turn. We are analyzing data and beginning a process improvement committee to address this issue. Below are some areas where we still have challenges:

- Unit testing- our goal is to have units tested within 24 to 48 hours to give us the direction on who will be turning the unit.
- Procurement- The ability to identify the needed supplies to turn the unit and have them ordered and received more timely. This will also need our vendors to have

quicker turnaround times to deliver our goods which has caused a delay in the turn process.

- Leasing- The ability to find qualified applicants that will accept the units that are offered. To minimize the turn downs is our goal. This is a difficult area with our Tax Credit properties because of the lengthy verification process which can add 1-2 weeks to the turn process.
- Making up of lost calendar work days- In our 20 day turn expectations we lose 4-5 days just on the weekend days. How we can make up the time loss from those days is critical and an area we are studying and processing in our focus groups.

Our goal still remains to have all 2014 vacancies turned in an average of 20 days.

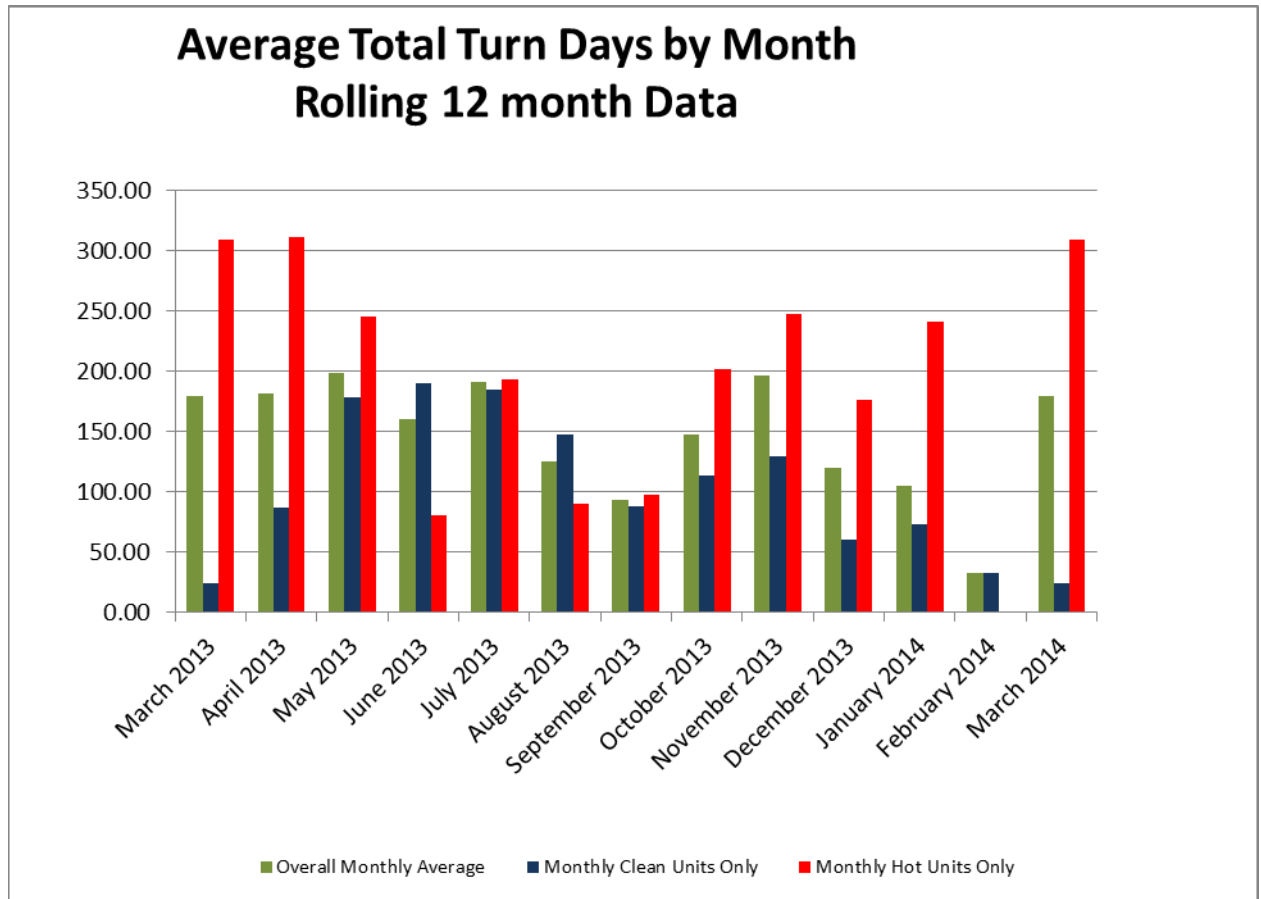
1.2 Contaminated unit turns

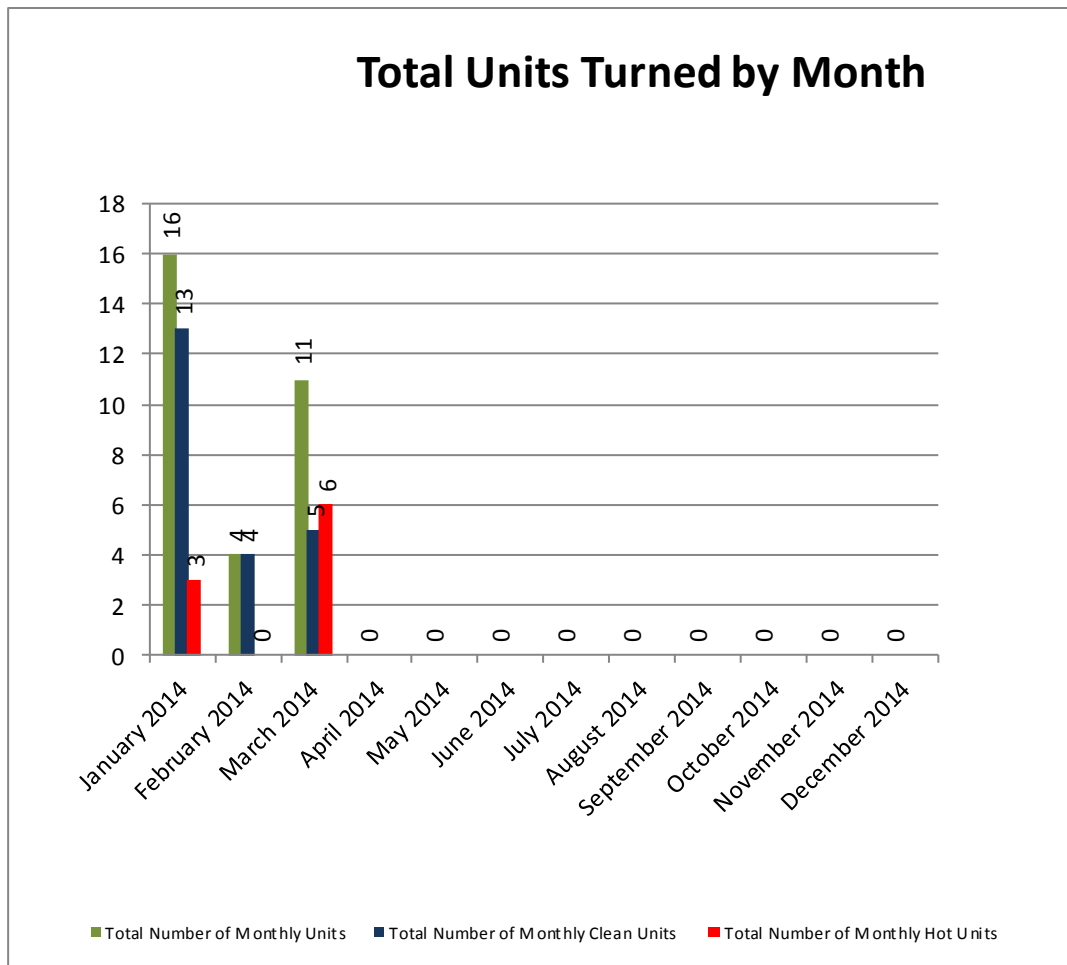
As of April 8, 2014 there were 40 vacant units in THA's portfolio. Of these units:

- 13 are not contaminated,
- 1 is awaiting field testing,
- 25 are in remediation, (this includes dry-out)
- 1 unit is in Put-Back

In addition, 8 units were completed by the contractor and leased or ready to be leased since last reporting period

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





Work Orders: In the months of February and March, all emergency work orders were completed within 24 hours. In February, maintenance staff completed 232 non-emergency work orders. In March, maintenance staff completed 251 non-emergency work orders and a total of 1,018 for the calendar year. The annual average number of days to complete a non-emergency work order is 8.95.

Warehouse Management and Inventory control: Bob Drury has been working on our warehouse management systems to help us improve our work order completion times. This project will help accomplish the following:

- Identify common used parts that will be available in our warehouses to complete the repairs the same day we respond to the request;
- Eliminate the need to run to supply stores to reduce windshield time to make staff more productive and efficient;
- Create an automatic re order system with our supply vendors to have stock available once supplies run low; and
- Organize and stock our THA vehicles so that the staff can have better access to the parts needed to make the necessary repairs when they arrive to the sites for service calls

Work Order Summary by Portfolio For the Month of March, 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								
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	9	3.56	31	1.58
HILLSIDE TERRACE PH 1	1	100.0%	1	100.0%	23	2.74	35	1.89
HILLSIDE TERRACE PH II	1	100.0%	1	100.0%	12	3.50	29	1.79
	2	100.0%	3	100.0%	44	3.11	95	1.76
Family Properties								
BERGERSON TERRACE	1	100.0%	1	100.0%	18	11.28	83	8.02
DIXON VILLAGE	0	0.0%	0	0.0%	18	3.94	32	2.50
MARKET RATE SFR	0	0.0%	0	0.0%	0		9	17.67
SCATTERED SITES	1	100.0%	1	100.0%	5	2.80	22	6.59
	2	100.0%	2	100.0%	41	7.02	146	7.19
Salishan								
SALISHAN I	0	0.0%	3	33.3%	14	16.93	68	15.12
SALISHAN II	0	0.0%	1	100.0%	15	9.80	64	12.98
SALISHAN III	0	0.0%	1	100.0%	4	6.00	46	14.17
SALISHAN IV	0	0.0%	1	100.0%	8	14.50	55	13.87
SALISHAN V	0	0.0%	2	100.0%	9	14.22	88	10.25
SALISHAN VI	0	0.0%	1	0.0%	8	20.63	56	21.21
SALISHAN VII	0	0.0%	0	0.0%	6	15.18	37	14.89
	0	0.0%	9	66.7%	64	14.19	414	14.29
Senior / Disabled Properties								
6TH AVE	2	100.0%	4	100.0%	12	1.75	40	3.38
E.B. WILSON	0	0.0%	3	100.0%	21	8.76	69	3.64
FAWCETT APARTMENTS	0	0.0%	2	100.0%	14	3.79	58	5.16
LUDWIG APARTMENTS	0	0.0%	2	100.0%	13	6.46	48	9.35
NORTH G ST	0	0.0%	1	100.0%	9	2.33	41	9.02
NORTH K ST	1	100.0%	2	100.0%	7	5.43	42	6.19
WRIGHT AVE	1	100.0%	7	100.0%	26	5.88	65	3.26
	4	100.0%	21	100.0%	102	5.43	363	5.44
Agency Totals:	8	100.0%	35	91.4%	251	7.52	1,018	8.95

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

		Emergency		Non Emergency		
Portfolio		Opened Emergency WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside						
HT1	HILLSIDE TERRACE PH 1	1	0	4	4	0
HT1500	HILLSIDE TERRACE 1500 Block	0	0	1	1	0
HT2	HILLSIDE TERRACE PH II	1	0	3	3	0
		2	0	8	8	0
Family Properties						
020	BERGERSON TERRACE	1	0	15	15	0
022	LOW RENT SCATTERED SITES (19)	1	0	0	0	0
023	DIXON VILLAGE	0	0	13	13	0
		2	0	28	28	0
Salishan						
SAL1	SALISHAN ONE LLC (S8)	0	0	17	9	8
SAL2	SALISHAN TWO LLC (PH)	0	0	14	7	7
SAL3	SALISHAN THREE LLC (PH)	0	0	24	13	11
SAL4	SALISHAN FOUR LLC (PH)	0	0	52	40	12
SAL5	SALISHAN V LLC (S8)	0	0	30	15	15
SAL6	SALISHAN SIX LLC (S8)	0	0	19	12	7
SAL7	SALISHAN SEVEN	0	0	25	13	12
		0	0	181	109	72
Senior / Disabled Properties						
006	NORTH K ST	1	0	6	3	3
008	E.B. WILSON	0	0	7	7	0
009	FAWCETT APARTMENTS	0	0	6	6	0
010	WRIGHT AVE	1	0	22	22	0
012	LUDWIG APARTMENTS	0	0	5	5	0
013	NORTH G ST	0	0	6	6	0
014	6TH AVE	2	0	32	31	1
		4	0	84	80	4
Agency Totals:		8	0	301	225	76

2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 98% for the month of March 2014.
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)	145	136	5 shoppers 4 referrals needed
Non-Elderly Disabled Vouchers (NED)	100	94 (including 17 port outs)	6 referrals needed
Family Unification Program (FUP)	50	39	6 shoppers and 5 referrals needed
McCarver Program	50	40	

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

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: April 23, 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. 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 met with representatives from The Alford Group to review the results of the Philanthropic Market Assessment. Staff will shortly meet with Commissioner Lincoln-Hamilton to review Alford's recommendations. THA is considering the various options and information provided and over the next several months will determine the next step.

Staff is participating in a planning exercise being conducted with the City which intends to develop additional community space close to Salishan. Coordination with the city will be important to ensure complementary community uses for the city and Salishan core site.

1.1.2 *Area 3 Lot Sales*

DR Horton has four models open. DR Horton is pleased with the level of interest. To date, six low income households have been approved to purchase homes at Salishan.

2. PUBLIC HOUSING PROJECTS

2.1 1800/2500 Hillside Terrace

2.1.1 *Summary of Project Activities.*

The Hillside Terrace Phase I project is progressing according to budget and schedule.

2.1.2 *Financing.*

Staff has begun studying options for the Phase II financing. Staff submitted a Housing Trust Fund Stage I application on January 17, 2014. The Department of Commerce has stated the Stage I applications are needed to

identify the existing pipeline of affordable housing projects and quantify the unmet need for additional capital.

2.1.3 *Construction.*

The Owner, Architect and Contractor (OAC) construction meetings are held weekly at the site. The overall project is currently 72.9% complete.

Site work;

Site work is currently 75% complete. The current work includes franchise utility services, installing perimeter drains and backfilling near the building foundations.

Phase-I Vertical Construction;

Building A (mid-rise): Housing is currently 65% complete. The structure is framed and roofing is underway, interior mechanical, plumbing and electrical are ongoing.

Buildings B – F: Housing is currently 75% complete. Crews are framing the structures and installing, windows, roofing and siding on the exterior and roughing in plumbing and electrical on the interiors.

Community Center; the community center is 100% complete and has been turned over to property management. Leasing and other THA staff will be occupying the staff portion of this facility. Headstart is expecting to begin operations in the Fall.

2.1.4 *Community Meetings.*

The Construction Oversight Committee continues to meet on the second Wednesday of each month.

Below is a summary of the outreach goals for the project.

Absher Construction Company's total Resident Employment, WMBE Utilization, and Apprenticeship goal commitment and monthly utilization:

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 4/8/2014
MBE	14%	9.31%	9.31%
WBE	8%	12.13%	12.13%
Section 3 Business	10%	12.05%	12.05%
Section 3 New Hires	30%	61%	63%
Apprenticeship	15%	11.23%	11.82%

Below is the EEO Status of the project:

Target Business	
MBE/Section 3	2 African American/Black
MBE/Section 3	1 Hispanic/Latino
WBE	2 Caucasian
WBE/Section 3	1 Caucasian
Section 3	1 Caucasian
Section 3 Hiring	
African American/Black	13 workers
Hispanic/Latino	3 workers
Asian American	1 worker
Caucasian	3 workers

3. OTHER PROJECTS

3.1 AG Program

Bank approval has been granted for 1910 E 59th Street which will be our fifth AG purchase. THA should close on this home by mid May. 6607 E K Street renovations have been completed and the property is listed for sale. The bids for 4836 S K Street were opened March 4, 2014 and the Notice of Award issued March 31. Work is expected to start mid April. The 3918 S. Thompson bids were opened April 2, 2014 and the Notice of Award is anticipated for issue April 8th. With the inclusion of the E 59th Street, all of the AG funds will have been obligated. Once we re-sell the houses, we will be able to use the sale proceeds to purchase additional homes.

3.2 LASA Supportive Housing Project

On the housing side, this project is funded by the Housing Trust Fund, Pierce County 2163, City of Lakewood and a THA loan of up to \$275,000. On the LASA Office/Client Service Center side the project is funded by Pierce County CDBG & 2163 funds, City of Lakewood CDBG, a Section 108 loan from the City of Lakewood, private grants, and LASA equity.

THA will own the residential component of this development and LASA will own the commercial component. The building will be condominiumized. Construction bids were returned on October 23rd. The selected contractor was Pavilion Construction Northwest. Staff is working on Value Engineering with the contractor to reduce projected cost an estimated \$100,000 from the LASA/Community Center portion of the project. The City of Lakewood passed a resolution on December 2nd approving the Section 108 loan. Due to the switch from the Columbia Bank loan to the Section 108 loan as well as some last minute issues relating to the HOME agreement that is under the City of Lakewood, closing has been delayed.

The board has authorized the executive director to sign the final closing documents as long as their terms meet specified conditions. We hope to close in April.

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	April 2014
Construction Start	April 2014
Complete Construction	December 2014

3.3 *Construction Management Services for the City of Tacoma*

The contract with the City is signed and staff is waiting to be assigned the first project.

3.4 *Blight Abatement Program*

The City of Tacoma's Tacoma Community Redevelopment Agency (TCRA) board has approved THA as one of four (4) developers for this program. THA staff has begun looking for homes that meet the qualification of this program.

4. DEVELOPMENT PIPELINE PROJECTS

4.1 *Intergenerational Housing at Hillsdale Heights*

The Many Lights Foundation (MLF) held a public meeting with ENACT in March 2014 and THA staff were also in attendance. The proposed project was received with interest by ENACT and we agreed to consult with ENACT during the design development process.

4.2 *City-Owned Brown Star Grill Properties on MLK*

The project is in the first Feasibility Stage which is due to be complete by June 30, 2014. The Phase 1 Environmental study is complete, the draft Market Study was completed Feb. 21. This study found that there is unmet demand for rental housing units, particularly smaller sized units, that are priced to be affordable to households earning 50% to 80% of the Area Median Income. Much of this demand comes from individuals who come into the area for work, as well as current residents of The Hilltop. BLRB Architects has begun verifying documented conditions, reviewing zoning and land use requirements, meeting with the City and other stakeholders and developing a preliminary program. Staff has also had preliminary conversations with Key Bank and Mr. McCollum, owner of Mr. Macs, as a potential tenants. In addition, Key Banks property on 11th and L Street is being considered as a possible location for parking.

4.3 *New Look Apartments/Alberta Canada Building Acquisition*

THA received the Purchase and Sale Agreement executed by MLKHDA on September 9, 2013. Due to MLKHDA's delay in producing the property's records, THA requested an extension to complete additional due diligence by January 31 2014 (inspect a supporting beam identified by the engineer) and to close by March 31, 2014. MLKHDA has not yet responded to the request.

4.4 *Acquisition*

The City of Tacoma has issued a Notice of Funding Availability (NOFA) for \$1.2 million to support the acquisition and rehabilitation of multi-family rental housing. Staff are working with John Wise, THA's Realtor, to identify potential sites that could be acquired under this NOFA. As part of this process, staff prepared acquisition guidelines to guide the evaluation of potential properties for THA to acquire.

5. **M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING**

5.1 As of March 31, 2014, 20 of 32 new hires at the Hillside Terrace Revitalization Project are Section 3 Hires. M/WBE, and Section 3 goals for said project are provided in Section 2.1.4 of this report.

6. **PHAS INDICATOR FOR MODERNIZATION ACTIVITIES**

The following are the schedules as of April 1, 2014 for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

Grant	Total Grant	Obligation Start Date	Obligated	% Obligated	Obligation Deadline	Expended	% Expended	Expended Deadline
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$1,623,778	69%	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	\$318,952	18%	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	\$1,848,952	98%	8/2/13	\$1,111,867	59%	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	\$56,999	44%	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	\$0	0%	9/8/17
2013 CFP (2 nd R)	\$1,015,495	9/9/13	\$0	0%	9/18/15	\$0	0%	9/8/17

** Capital Fund Community Facilities Grant (Note: 98% is acceptable to HUD to be obligated by this date. The remaining 2% of the funds are budgeted for computer equipment.)

7. Consulting and Community Engagement

THA has provided two proposals to facilitate community planning processes. The first was to facilitate a discussion with representatives of Trinity Presbyterian Church, Changing Life Ministries and the Salvation Army. These three groups are interested in exploring options for joint programming and sharing of space to provide programs. These three mission driven, faith based organizations are also interested in the exploring options to create and execute a master development plan. The initial work session went very well and staff will continue to work with these groups on defining redevelopment options for these organization to consider and assist them in laying out an actionable strategy for this work.

THA has also been retained by the YWCA to lead them through a strategic development planning process for property they own close to their 405 Broadway location. The work with the YWCA will begin in late April, 2014.

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

||
DATE: April 23, 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

Director's Comment: At the January BOC Meeting, the Board provided guidance regarding reformatting the CS Report. The Board offered some specific direction regarding items to include in a revised format. More broadly, the Board requested that a draft revision be prepared, and Study Session scheduled.

We have not yet completed the draft revision, but do anticipate attaching it to the April Report, with the Study Session to be scheduled at that time.

For this month, we continue to report in the old format, and to offer some additional updates on items not included in that format.

CS Service Model

CS staff remain well-engaged in implementing Trauma-Informed Care and improving business practices. CS Case Workers formed an Innovations workgroup to identify/recommend changes in practice and new practices for case work. CS also formed a Trauma-Informed Care (TIC) Implementation workgroup, which is meeting every other week. The initial focus of the group is upon using a structured tool to identify department and agency practices that are trauma-informed or potentially trauma generating/reinforcing.

The Education Project

The McCarver Program. THA, The Gates Foundation and Tacoma Public Schools (TPS) met in March to review progress to date, and anticipate expansion of the project to additional elementary schools in Fall 2015. TPS remains committed to either funding directly or finding a resource to fund all of the Program's Case Workers. TPS is provisionally agreeing that the Case Workers will remain under THA supervision.

We continue to evaluate our Case Work and other practices. In February, a staffing change occurred. We transferred out one of the original McCarver Case Workers, and transitioned in one of our best performing and most experienced Case Workers from General Services. The new Case Worker was encouraged to work collaboratively in identifying program strengths and weaknesses. The McCarver staff will conduct a retreat in early April, and then provide formal recommendations on how to improve engagement with families; with school faculty; and with external partners. They will also make recommendations regarding changes in practice, including streamlined documentation and strategies to increase household income.

Income remains a strong concern for many McCarver households. Of 41 households, only 18 are currently able to pay 40% of rent at <30% of monthly income, and 23 able to pay at <40% of monthly income. A review of the limited relevant research was undertaken in March. Research indicates that rent commitments >30% have a substantial negative impact upon low-income households' capacity to invest resources in their children.

Given this research and the clear negative impacts we are observing related to high rent burdens, we do anticipate revising our standard for increasing rents in April. This will result in downward adjustments for some households. However, exceptions to annual rent increases will be accompanied by individualized plans to increase household income. The McCarver Case Workers are now meeting regularly for consultation with Nichole Meshesha, our Case Worker specializing in employment. We also anticipate greater reliance upon partners including Workforce and Tacoma Community House.

Children's Matched Savings Accounts (CSAs) and the Scholar Incentive Program. In March, we determined to move forward with attempting to develop CSAs. We will initially do this on our own, although Seattle HA and King County HA continue to express some level of interest and may become more active depending upon our success. In early April, we collaborated with the Corporation for Enterprise Development (CFED) in applying for a grant from the Cargill Foundation that may provide at least \$100,000 to seed the project.

At the same time, we have revised many aspects of SIP to align with CSA. We now envision CSA and SIP providing a continuum of engagement in savings, financial literacy and orientation to educational achievement, beginning in Kindergarten and extending through college. If children and their families participate fully, the matched savings and incentives from CSA-SIP will provide funding to meet most or all non-tuition educational expenses for College Bound Scholarship participants. Looking to our own Community Services and external partners like Head Start, we believe that that CSA-SIP will provide the necessary platform to genuinely engage children and their families breaking cycles of generational poverty.

CSA-SIP will serve the New Salishan community. It will focus on Lister Elementary and First Creek Middle Schools. We have a provisional agreement to partner with MDC to work directly in these schools with the students. MDC is already present in many TPS

schools through TRIO and its other educational programs. We anticipate this arrangement will leverage their expertise and relationships, as well as reduce service delivery costs.

When fully developed the New Salishan CSA-SIP program will include capacity for thirteen cohorts of sixty students each, grades K-12. We believe this 780 student capacity is at least adequate to include every THA-supported child of a Salishan renter, and may extend capacity to other children within New Salishan. That said, we recognize this program scale to be very ambitious, and will only add cohorts as we have funding to fully support them through the six years in CSA or seven in SIP.

Other Partnerships

MDC. As noted above, we have provisional agreement to partner with MDC on New Salishan CSA-SIP.

We are also exploring MDC's capacity to provide outpatient chemical dependency services to members of THA households who identify as chemically involved. At a minimum, we would like to secure a reliable, timely and effective treatment provider for persons already in our housing. More ambitiously, we would like to have this referral relationship for persons who voluntarily identify as chemically involved *before* entering housing. We are interested in the potential of pro-active, voluntary identification and treatment as a meth-mitigation strategy.

Pierce Co. HA/Ready-to-Rent. As CS and REMHS collaborate more closely, both Departments recognize the potential value of a Ready-to-Rent program like the one offered by PCHA. PCHA's Ready-to-Rent is a sixteen hour certificate program that helps identify tenant strengths and support needs. We acknowledge that THA's current assessment process is minimally valuable in identifying support needs, and not always reliable in determining work-able status. We might include a module in Ready-to-Rent that includes education about expectations and unit testing related to meth, providing that opportunity for voluntary self-identification before entering housing.

We are working with PCHA to understand the content and pricing of their Ready-to-Rent program.

Tacoma Community House (TCH). TCH provides an array of education and employment services, with particular emphasis upon immigrant, youth and TANF/low-income populations. In meeting with TCH, we recognize that we probably already share a number of clients, but have no mechanisms in place for identifying these clients and coordinating services. In speaking with CS staff, we identified that our staff are largely unaware of TCH's services, and therefore do not make referrals.

We will be working to create more mutual familiarity between agencies, and will explore a process by which clients may voluntarily identify when receiving services from the other partner. Key CS staff will be visiting their counterparts at TCH, particularly to become

familiar with TCH' employment services. THA will make our facilities and when practical computer equipment available to TCM for outreach classes. The two agencies will also look to pursue joint funding opportunities related to employment, education and services to immigrants.

Corporation for Enterprise Development (CFED). In addition to collaborating in seeking funding for CSAs, CFED and THA are exploring collaboration on Rent Reporting to improve credit scores. Rent Reporting allows timely rent payment to be reported in the same manner as mortgage payments, contributing to increased credit scores. CFED is piloting the program now with one of the major credit scoring agencies and a group of large non-federal housing providers. They would like to extend the program to a group of high-performance HAs. We are in preliminary discussions now, and should be able to make a decision based upon a more fully developed model by this Fall.

1.1 Employment

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Clients referred for employment services	15	46	130	35%
Clients who received employment services	23	61	120	51%
Clients enrolled in employment readiness soft skills workshops	14	31	80	39%
Clients completed employment readiness soft skills workshops	9	16	50	32%
Enrolled in job readiness training	8	9	20	45%
Job placement	4	11	45	24%
WorkSource Participants Assisted	18	25	100	25%
Entered Apprenticeship	0	0	3	0%
Work Study/Community Jobs/Internships	0	0	30	0%
Earned Income Increased	0	0	35	0%

1.2 Education

1.2.1 Adult Education Programs

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Participating in ESL classes	0	0	15	0%
Completes one or more ESL levels	0	0	5	0%
Adults enrolled in education program	0	0	25	0%
Adults complete education program	0	0	10	0%
Participants attending GED classes	6	6	200	3%
Completes one or more GED tests	0	0	25	0%
Attains GED	0	0	15	0%
FAFSA applications completed	0	0	10	0%

1.2.2 McCarver Special Housing Program

Program Description – Michael Power: 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

As of the end of March 2014, 42 McCarver families are enrolled in the Program. Rental subsidies for participating families will decrease to zero over the five years of the McCarver Program. Each year, all families will pay an additional 20% of their rent and THA will subsidize the balance. Currently all families are paying 40% of their rent. We are considering a change in policy which will allow a rent accommodation for families who continue to struggle with their rent burden while they are finishing their education or job training.

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	March 2014	YTD 2014	Annual Goal	% of Goal
Families participating	42	43	50	86%
Able to pay 40% of rent at 50% of income	26	30	45	67%
Able to pay 40% of rent at 30% of income	15	17	45	38%
Average school attendance rate	94%	94%	93%	101%
Referrals for discipline (school avg. 27.2%)	23%	23%	25%	109%
% students increase scores on district reading test (K-5)	22%	22%	20%	110%
% students increase scores on district math test (K-5)**	n/a	n/a	20%	n/a
Average increase in state reading test (Gr. 3-5)	24%	24%	20%	120%

Manager's Comment – Michael Power:

* 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.

Activities	Baseline Fall 2011	At End of March 2014
Average annual household income	\$5232	\$15,396
Median annual household income	Not reported	\$11,892
Employed	7	24
Enrolled in Training Programs	2	9

Manager's Comment – Michael Power:

Extended Learning for McCarver Program Children

Our partner Peace Community Center is providing a free after-school tutoring program funded by their 21st Century grant from the U.S. Department of Education. 20 THA McCarver Program students are participating. The grant also pays for transportation which removes a major barrier for our families. They were selected as needed the additional help in their school work.

McCarver Program Featured in Media

The Seattle Times and Northwest Public Radio both featured stories about the McCarver Program during March. Their coverage was connected to bills moving through the state legislature which targeted support for homeless families and educational outcomes of homeless children. Both stories featured McCarver Program families as well as general information about the Program.

McCarver Students in Leadership Positions

Two McCarver Program students have been elected by their peers to be Associated Student Body Vice Presidents. We are very proud of them. A dozen other students participate in an after-school school leadership program at McCarver.

1.3 Housing Opportunities Program (HOP)

Program Description – Mary Syslo: Community Services continues to work with HOP residents in job search and completing their five year goal plan.

Community Services sent information to all the HOP households who were due for recertification in March reminding them of the help available. We heard back from only one household. We will continue to reach out to those HOP households who have not signed up for services with a caseworker.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
HOP orientations	0	0	n/a	n/a
Work-able attendees	0	0	120	0%
Attendees requesting CS	0	0	120	0%
Work-able attendees housed	0	8	120	7%
Participants receiving CS	3	8	60	13%

1.4 Families in Transition (FIT)

Program Description – Mary Syslo: The Community Service Department’s FIT program is funded by Washington Families Fund and Sound Families grants. FIT caseworkers help participants succeed as tenants, parents and wage earners. FIT participants are homeless at the time they are admitted into the program and placed in housing at Salishan or Hillside Terrace. In order to be admitted to the program, applicants must agree to participate in FIT case management.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
Total Current Caseload	8		2		16	
	March 2014	YTD 2014	March 2014	YTD 2014	March 2014	YTD 2014
Entrances	0	0	0	0	0	1
Graduations	1	1	0	0	0	0
Exits	0	0	0	0	1	1
Terminations	0	0	0	0	0	0

1.5 Case Staffing

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

Activities	March	YTD	Annual Goal
Number of households referred for services	38	40	27
N. of successful completions (eviction averted)	0	0	12
Number terminated	2	2	n/a
Number withdrawn	7	7	

Manager's Comment – Mary Syslo: In March Salishan Property Management met with Community Services to refer households that were identified during walk-throughs in preparation for funder inspections. These referred households will be meeting with the caseworker to identify their needs and develop a service plan to resolve the issues that lead to a referral from Property Management.

1.6 MTW Hardship Exemption Casework

Activities	March 2014	YTD 2014	Annual Goal 2014
Number of households referred for services	3	16	n/a
Number of successful completions	3	6	n/a
Number terminated	0	0	n/a

1.7 Preparing for Success

Manager's Comment – Mary Syslo: The Paul G. Allen Family Foundation grant which funded the Preparing for Success program ended in December 2013. During the three years PFS served 78 THA residents. One client successfully completed the program in March. We anticipate the remaining 4 clients from the 3rd Cohort to be successfully completed by June 1. Clients continue to work on their service plans.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Second year cohort 2012 completed	0	0	0	0%
Third year cohort 2013 enrolled	0	0	0	0%
Third year cohort 2013 completed	1	4	15	27%

1.8 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: The final YTD reporting indicated that at least according to these selected measures, the FSS program underperformed relative to goals. In assessing why, the primary reason appears to be lack of an adequate referral flow. In 2014, we will begin tracking CS efforts to more proactively outreach to and engage THA households who may benefit from services. We will be working with Admin to generate recurring reports that identify households who show zero

income or no increase in income, coordinating with REMHS to confirm that an initial assessment of these households indicated that they are work-able.

Status	March 2014	YTD 2014	Annual Goal	% of Goal
Current Participants	101	105	153	69%
Graduates	1	3	17	18%
Removed/Voluntarily Withdrawn	0	2	n/a	n/a
New Contracts Signed	0	4	55	7%
Escrow Balance	\$118,523.67			

1.9 Life Skills and Parenting Classes

Manager's Comment – Mary Syslo: THA contracts with Bates Technical College to provide Life Skills classes and parenting support for Families in Transition participants. A parenting class ended in March and a Life Skills class begins in May.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Life Skills Enrollment	0	13	20	65%
Life Skills Completion	0	7	10	70%
Parenting Enrollment	20	20	75	27%
Parenting Completion	0	0	65	0%

1.10 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.

Director's Comment (Dec 2013): Program Specialist Caroline Cabellon has been very successful in engaging residents since she joined THA in mid-2013. Her efforts highlight the challenges many of our tenants face living in our senior and disabled residences. CS will work closely with REMHS in identifying and formulating strategies to address safety and quality of life challenges, and in planning to provide good services to meet the needs of a growing senior population.

Caroline is now drafting a comprehensive program assessment. We anticipate a complete report in April or May.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Unduplicated client contacts	9	27	260	10%
Referrals	8	24	50	48%
Unduplicated situation/wellness counseling	10	26	140	19%
Assistance with correspondence for Entitlement Programs	7	16	40	40%

1.11 Asset Building

In 2014, THA is not directly providing a VITA site, but is providing in-kind support to Associated Ministries as the VITA provider. This arrangement provides the same service at a significantly lower cost to THA, saving \$10-15,000 in MTW outlay annually.

Associated Ministries will provide VITA participation data in May, after the close of this year's tax preparation season.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Financial Education Enrollment	0	0	80	0%
Financial Education Completion	0	0	40	0%
VITA Tax Returns for THA clients	0	0	40	0%
EITC Received (PH only)	0	0	20	0%
Tax Returns for all clients served at VITA Site	0	0	200	0%

1.12 Computer Labs

Manager's Comment – Michael Power: THA has community computer labs at Bergerson Terrace and Hillside Terrace. Part-time temporary After School Program Coordinators provide afterschool tutoring, youth leadership, and adult access to the computers. We are monitoring this concept closely to see if it fits our needs.

This month we hired an after-school program coordinator at Bergerson Terrace and Hillside Terrace. (The new coordinator is a McCarver Program participant.) We will not meet our goal for this year due to not having coordinators at the labs at the beginning of the year.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Computer Lab Participation (cumulative visits)	141	141	1200	12%

We will reevaluate the goal for computer lab participation based on the participation we see this year.

1.13 Youth Activities

Manager's Comment – Michael Power:

Twenty McCarver Program children Participate in McCarver Scholars, an after-school tutoring and mentoring program provided by Peace Community Center. This program focuses on literacy and leadership. They meet at the school every afternoon.

Activities	March 2014	YTD 2014	Annual Goal	% of Goal
Youth tutoring	20	20	10	200%
Summer youth programming	0	0	40	0%
Youth leadership mentoring	25	25	45	56%

Dr. Seuss Read Across America

For the fourth year, THA partnered with Lister Elementary, Tacoma Head Start, and the Salishan Association to host a Read Across America event at Lister on March 6th. Approximately 20 students and their parents attended. Once again, we were visited by the Cat in the Hat who read to the children and posed for pictures.



HUMAN RESOURCES



TACOMA HOUSING AUTHORITY

DATE: April 23, 2014

TO: THA Board of Commissioners

FROM: Barbara Tanbara
Human Resources Director

RE: Human Resources Board Report

1. 2013 VARIABLE PAY PROGRAM

We published the actual results of our 2013 Variable Pay Program for our OPEIU and non-represented employees. The chart below shows the total awards given broken out by Merit and Special Recognition awards and by awards received by OPEIU and non-represented employees. As a percentage of OPEIU and non-represented payrolls, the amount spent was almost identical.

2013	Merit		Special Recognition	
Variable Pay	OPEIU	Non-Rep	OPEIU	Non-Rep
REMHS	13	3	10	10
Finance	1	2	0	3
CS	0	2	0	3
Admin	3	1	5	1
RED	1	1	1	2
Totals	18	9	16	19
TOTALS	\$18,116	\$18,482	\$15,500	\$30,500
	<i>Total # OPEIU</i>	<i>Total # Non-Rep</i>	<i>Total Spent-All</i>	
	\$33,616	\$48,982	\$82,598	
	% of payroll	% of payroll	Total Awards-OPEIU	Total Awards-Non-rep
	1.50%	1.59%	34	28

In early February, we sent out a survey to all OPEIU and non-represented employees asking for their feedback on the 2013 Variable Pay program. Below are the results as they were published for our employees.

2013 year-end employee Variable Pay survey results

Questions	Answers
Percentage of surveys returned	55%
1. Did you receive any type of Variable Pay award in 2013?	60% - yes
2. How beneficial is a Variable Pay Program in an effort to recognize and retain good employees?	Highly Effective - 48% Somewhat Effective – 34% Neutral Impact – 12% Not Effective – 6%
3. Do you agree that you understood what it would take to be eligible for a Merit Award?	Yes – 90%
4. Do you agree that you understood what it would take to be eligible for a Special Recognition Award?	Yes – 88%
5. Were the Special Recognition Award levels sufficient in recognizing excellence? (\$750, \$1,000, \$1,250, \$1,500 lump sum award)	Yes – 88%
6. Were the Merit Increase amounts sufficient in recognizing excellence? (2% or 2.5% of total salary added to employee’s pay)	Yes – 68%
7. As a THA employee, do you feel more motivated when the possibility of merit based pay exists?	Yes – 76%
8. As a THA employee, do you feel more motivated when the possibility of Special Recognition Awards exist?	Yes – 78%
9. Does the possibility of a financial award increase your willingness to take on additional task or projects?	Yes – 68%

2. LABOR RELATIONS

Our current Trades Council collective bargaining agreement expires May 31, 2014. We have sent the notice to request the commencement of collective bargaining to the union and await their response.

We have two OPEIU contract “openers” this year, one for salary increases and one for benefits. Those will be scheduled later in the year.

3. BENEFITS

We are disappointed to say that we have discontinued participation in the National Healthy Worksite Program due to the elimination of almost all federal government funding and services for the program. We plan to continue a THA wellness program that helps our employees make healthy, informed choices in their life. We recently published timed walking maps for the 902 building and plan to do so for all our locations. More to come . . .

4. GRIEVANCES / EEOC COMPLAINTS

It has been eighteen months since we had a grievance from one of unions and 3½ years since we've had a complaint to the Tacoma Human Rights & Human Services Department or EEOC. For that reason, I am going to track the timing of the most recent complaints and grievances to see how we do.

Most recent or ongoing Grievances or Human Rights Complaints	Date	Result
Human Rights & Human Services Department complaint	July 2009	Dismissed
OPEIU Grievance	July 2012	Settled
Trades Council Grievance	July 2012	Withdrawn

5. WORKERS COMPENSATION

I started working at THA in 2004. When I reviewed our workers compensation experience rating, I knew we had some challenges. The previous year, 2003, we had our highest experience rating - 1.7957. In 2004, our rating went down to 1.6698. We have been working to keep it as low as possible since that time.

THA Experience Rating History	
Year	Exp Rating
2010	1.2182
2011	1.0675
2012	1.0308
2013	1.0375
2014	1.0444

Washington's Labor & Industries department makes it challenging to proactively manage workers compensation claims. First, it is one of the more expensive states for worker comp. Second, its processes strongly favor the employee's claim. It makes it difficult for an employer to (1) attempt to manage and question the amount spent on any claim and (2) makes it very difficult to dispute a claim.

One beneficial step the state has taken has been to identify physicians who are authorized to treat workers compensation injuries. Possibly even more important, they also identified physicians who may have abused the system in the past, thus barring them from treating workers comp injuries now. Finally we are participating in the state's "Stay at Work

Program” which can reimburse THA for money spent bringing an employee back to work on light duty.

THA wants to treat employees fairly and wants them to return to work as soon as possible. We have an excellent Light Duty program where we actively consult with the physician to allow employees to return to work. However if we believe the employee may be filing a false or exaggerated claim, we take steps to oppose the claim.

This year, we moved our first response vendor to US Healthworks and began a partnership with Integrated Claims Management (ICM); a worker compensation consulting firm who helps us manage claims and file requests for review of claim charges. Between these two changes, we now receive injury data electronically which allows us to more quickly receive information regarding injury updates and claim information. We think we will see improved results and will have fewer injuries where we feel the claim gets “out of control”.

Date of Injury	Body Part	Source of Injury	Medical Aid Amount	Time Loss Amount
2011				
2/18/11	WRIST(S)	CONTAINERS--NONPRESSURIZE	414	0
2/25/11	BACK, INCLUDING SPINE, SP	(Fall) FLOORS, WALKWAYS, GROUND	13,173	0
4/28/11	FINGER(S), FINGERNAIL(S)	HANDTOOLS--NONPOWERED	346	0
5/11/11	BACK, INCLUDING SPINE, SP	PERSON--INJURED OR ILL WO	884	0
8/10/11	FINGER(S), FINGERNAIL(S)	HANDTOOLS--NONPOWERED	422	0
8/15/11	BACK, INCLUDING SPINE, SP	(Lifting) FURNITURE	875	1,935
9/19/11	LEG(S)	CONTAINERS--NONPRESSURIZE	10,442	6,444
10/28/11	HAND(S), EXCEPT FINGER(S)	HANDTOOLS--NONPOWERED	392	0
			26,949	8,379
2012				
1/12/12	FOOT(FEET), EXCEPT TOE(S)	HIGHWAY VEHICLE, MOTORIZED	603	0
1/26/12	LEG(S)	NONCLASSIFIABLE	1,309	1,381
4/20/12	ARM(S)	OTHER SOURCES, N.E.C.	255	0
6/18/12	ABDOMEN	(Lifting) FURNITURE	519	0
7/27/12	BACK, INCLUDING SPINE, SP	PERSON--INJURED OR ILL WO	3,849	2,212
9/20/12	ARM(S)	PERSON--INJURED OR ILL WO	11,205	4,696
			17,741	8,289
2013				
2/11/13	HAND(S), EXCEPT FINGER(S)	OTHER SOURCES, N.E.C.	339	0
4/8/13	BACK, INCLUDING SPINE, SP	FLOORS, WALKWAYS, GROUND	6,698	9,383
4/10/13	BACK, INCLUDING SPINE, SP	FURNITURE AND FIXTURES, U	44	0
4/16/13	BACK, INCLUDING SPINE, SP	FURNITURE	642	0
5/28/13	FINGER(S), FINGERNAIL(S)	HIGHWAY VEHICLE, MOTORIZED	1,031	0
6/6/13	PELVIC REGION	CHEMICALS AND CHEMICAL PR	255	0

6/17/13	ANKLE(S)	PERSON--INJURED OR ILL WO	1,004	0
10/18/13	SHOULDER, INCLUDING CLAVI	BUILDING MATERIALS--SOLID	1,334	0
10/19/13	BACK, INCLUDING SPINE, SP	FLOORS, WALKWAYS, GROUND	352	0
			11,700	9,383
2014				
2/4/14	BACK, INCLUDING SPINE, SP	FLOORS, WALKWAYS, GROUND	1,192	532
2/10/14	BACK, INCLUDING SPINE, SP	VEHICLE ACCIDENT	1,665	0
3/3/14	SHOULDER, TRUNK	CARRYING CONTAINERS	1,739	TBD
3/17/14	EYE	CHEMICAL IRRITATION	492	0
3/17/14	FINGERS, HAND	VEHICLE	424	0
4/1/14	ANKLE	FLOORS, WALKWAYS, GROUND	TBD	TBD
			5,512	532
			61,902	26,583

6. 2013 STAFFING

6.1. 2014 Hires

Thus far this year we have hired:

- Two new Maintenance Specialists to replace two who left
- Communications and Marketing Specialist
- Compliance Auditor
- Supply Chain Analyst

6.2. 2014 Position Openings

We have one opening for a Program Specialist for our Youth Asset Building program. Our online application portal had 1636 hits and 112 applicants. We have thus far narrowed that down to 10 candidates and will begin the interview process once we have it down to a few less candidates.

6.3. 2014 Recruitment and Turnover Report

The good news is that the nation is finally recovering from the economic downturn. The not so good news is that the recovery opens great job opportunities elsewhere and sometimes you lose a good employee. Thus far we have lost three employees and one to a lay-off. That trend puts us at approximately 10% annualized turnover.

We are doing a lot to retain our top employees. We recognize them for great performance, we offer strong, competitive benefits, and as our Employee Opinion Surveys have shown, employees like working here.

One initiative the HR department is working on this year is to improve and be more intentional about development plans for our employees. We want employees to know that they can continue their career development while working at THA. We also want to be more focused on helping those who want to move to higher level positions find support to move in that direction.

THA Recruitment-Turnover Report 2014

*data reflects regular employees only

	Jan	Feb	March	April	May	June	July	Aug	Sept.	Oct.	Nov.	Dec	2014 YTD
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[illegible]

ADMINISTRATION



TACOMA HOUSING AUTHORITY

Date: April 23, 2014
To: THA Board of Commissioners
From: Todd Craven, Director of Administration
Re: April 2014 Admin Update on Software Changes

During the 2014 budget process, we discussed the possibility of making a software switch in 2014 and budgeted \$600,000 for this effort. This figure was based on some preliminary numbers we received from one of the major Housing Authority software providers. Much discussion ensued internally what direction we wanted to go. We began talking to other housing authorities and looking at other packages that are on the market. We watched several demos to try to envision what some of the other options available to housing authorities would offer us. We concluded that many of the options out there would be a significant improvement over our current platform, but that they still lacked some of the core requirements that we feel we need.

One of the major requirements that these systems lacked was the flexibility we currently have to administer system changes related to MTW rent reform activities. Currently, we are able to perform all of the programming related to our rent reform internally, utilizing our own programmer and software architecture. We can do this because of an agreement we made with VisualHOMES back in 2010 in which they modified the processing code within their system to pull data from our data tables rather than from the proprietary tables within VisualHOMES. The result is that as we have discussions about what is possible with our MTW flexibility, we never have to stop long to consider whether our software will allow us to do it. Instead, we ask how long it will take our staff to implement the change. This flexibility is very important to us and we do not want to lose it. We do not want technology to limit our policy choices.

Another important aspect to mention is that as we considered what we want from a system at a very high level, we began to realize that the further we move down the MTW road, the less we fit into the box that housing authority software is geared to fill. In fact, in more instances than not, we find that the functionality built into housing authority software actually gets in our way.

With this said, we approached our analysis in a very open way and this report will describe some of our process, the options we believe we have, and provide a recommendation that I made to Cabinet regarding the direction I would like us to go. Although we do not need board approval for these choices, other than the approval we will need of a contract, I do want the board to know of them and invite its views.

The Current Situation

We have used VisualHOMES as our main software platform since November, 2007. In this time, it served us well and offered us the flexibility to implement major rent reforms, while continuing to maintain necessary information within the database. However, since then another company called

Yardi bought the product. Yardi has announced that it will no longer support or improve VisualHOMES. It has quickly become outdated and we need to replace it.

Requirements for the Future

At this point, we have identified some very high level requirements that we have for a new system. They are listed here. The solution must...

- support paperless work environment
- allow clients, landlords, and others to enter their own information into THA's system
- allow staff access through mobile devices
- not require duplication of data entry
- allow THA access to the data for its own reporting purposes
- be user-friendly
- be web-based or provide a viable alternative to a web-based solution
- be maintained and supported
- integrate with Outlook calendaring and email seamlessly
- integrate with accounting software seamlessly
- integrate with future online payment solutions for tenants, landlords, vendors
- integrate with THA's inventory solution

Options

We are fortunate that we are not limited to the standard option that most PHA's have—put out an RFP and choose a new housing software provider. Our breadth of options also makes it difficult to decide on the right path and the analysis we have done will be critical in making the best decision for the agency. The following chart lists the options in front of us with some brief explanation.

Solution	Description
Buy major PHA software off the shelf	There are several major software companies that provide software specific to Public Housing Authorities. We have contacted most of them to receive information about their solutions and how it could work for THA and have received a solid quote from one of them.
Build our own ERP system	This option would have THA take on the task of designing and programming our own system. Note that with this option, the cost will change based on how quickly we want to implement and we built a model that appears in this document to help us analyze this impact. The El Paso PHA has built its own system. THA staff visited El Paso to see how it worked.
Buy the system that the El Paso HA created for its purposes.	We discussed this briefly with El Paso PHA when we were down there in January. They are not opposed to it, but it is not a solution that could happen quickly as the software is still tightly integrated with the data structure of their previous ERP systems (one for PH, one for S8)

Solution	Description
HAI Group	<p>The HAI Group began designing a software platform for housing authorities. We spent some time investigating this and the feasibility of this solution. We are highly skeptical of both their ability to deliver a solution that will meet our needs and their ability to do it within a reasonable period of time. This is a project that has been in discussion for years and there are no clients using their solution yet. Many of its features pertinent to MTW are still in the conception phase.</p>
Partner with a non-PHA software vendor	<p>There may be other software vendors out there who do not currently make software for housing authorities but either 1) have a system flexible enough to meet our needs, or 2) have software that is highly customizable to a variety of enterprise requirement needs. One of these options is Microsoft Dynamics, which is an ERP platform that Microsoft developed specifically as a tool that is customizable enough to provide solutions across multiple industries. There are companies whose sole purpose is to customize the MS Dynamics product.</p>
Hybrid approach	<p>The hybrid approach would likely look something like this: rather than becoming the customer of a PHA software vendor, we become their partner. It would likely be a smaller vendor looking to get a bigger share of the market and it may be a vendor who wants to have a larger share of the MTW market. Our model and requirements may be very appealing to some of these vendors and there is a chance they would want to partner with THA, not as a customer, but as a co-developer of the optimal solution.</p>

Risk Assessment

Regardless of the option we choose, there will be risks. Below are the major risks identified for each of the scenarios discussed.

	Risk	Risk Level	Severity Level	Mitigating Factors
Build our own ERP system				
	We will miss important items in our design	H	L	The key to mitigating this risk is proper planning during the design phase. However, there will be items missed and we will discover many of them after we go live. We will need to ensure we have proper and effective systems in place for tracking issues, bugs and enhancement requests, including resolution.
	Hiring new staff for this project will require a ramp-up period	H	M	Mitigating this risk will also require effective planning upfront. On the programming side, the better defined the design documents are, the less the programmers we use will need to know about the context of the system. On the project management side, we will want to strongly consider hiring an internal team member or reassigning a current employee to manage the project full-time.
	Loss of key staff	M	H	This risk will reduce as time goes on, but early on in the design and programming phases, it will be absolutely critical that we maintain a stable project team.
	Timeframe takes significantly longer than expected	M	M	Several factors could cause the deadline to slip: 1) scope creep, 2) poor planning, 3) lack of resources, 4) shift in budgetary priorities. To mitigate this, we will need to have strong upfront planning as well as ongoing tracking of all tasks by the project manager, no matter how small or insignificant the issue.
	Staff end users do not buy in and support the effort	M	H	This risk could kill the project or make it entirely ineffective. To mitigate this, we will have a focused effort to socialize and market the effort and the product all along the way. We will also need to involve staff at all levels in the discussions from the very onset of the project.

	Risk	Risk Level	Severity Level	Mitigating Factors
	Accusations that we stole software design aspects from VisualHOMES	L	M	Already in our discussions, we have been very clear about not stealing any intelligence from the VisualHOMES system and not duplicating the VH database. In fact, one of the main reasons we want to switch software programs is the inflexibility we have in working with the structure of the VisualHOMES database. Having said this, there are some options ahead of us that may pose a higher risk in this area than others. One suggestion is that as we design the software, we incrementally program it to populate two databases, including VisualHOMES, so staff can continue to use other functions within the system while we program piece by piece. There are quite a few advantages with this approach, but it may open up a higher level of liability if we program to write to the VH database. We would need to work with VisualHOMES/Yardi on this to ensure they have proper visibility of what we intend to do.
	Inability to support system long-term once key staff leave THA	L	M	It will be critical that we document as much as possible as we go through this process and that we have a system for updating the documentation as requirements change.
	Confidential data not secure	L	H	The importance of mitigating this risk cannot be overstated. However, if properly done, the risk should be very low. All client entry will be done via a secure server and data will not be stored publicly. Any communication from THA's website to its database will be done through secure sockets. If needed, we may hire data integrity experts to help in the design of the secure system, but we likely have this expertise in-house or among our current IT contractors.
	Inability to keep up with changes to HUD regulation	M	M	THA's compliance function will be responsible for ensuring that the software is up-to-date and meets all regulatory requirements. We will also have a function within the Admin department responsible for overall data integrity.

	Risk	Risk Level	Severity Level	Mitigating Factors
	Functionality requirements change after design and/or programming commences	M	M	
	In-house software may raise more audit concerns	L	H	We assume this risk is relatively low based on our experience with the auditors in reviewing our MTW Add-On and how it calculates rents. However, part of the reason this went so well is because it was determined we were calculating rents properly, according to our MTW rent reform activities. If the determination was that our system was not calculating properly, the stance would be very different. Therefore, it will be imperative that we review all calculations, test them, and QA them. This task will likely be assigned to the data integrity function within the department.
Buy Major PHA Software				
	The system we purchase does not live up to expectations	H	M	We can mitigate this through strong contract language and well defined scope and requirements.
	Software company gets bought out and parent company stops product improvement	L	H	
	Software company cannot customize functionality quickly enough to meet our MTW requirements or to give us the flexibility we desire	M	H	This is a major risk. Even if the software vendor advertises that they can customize the software to meet our needs and they can do so, we will be at the mercy of their schedule. May be able to consider some possible contract language that can tie them to certain deadlines for customizations, but this will be difficult as the scope of customizations can vary greatly.
	In order to get our requirements met, we end up building and maintaining some of our own systems anyway	M	M	We can mitigate this somewhat through a very thorough list of requirements in our RFP. However, going this route, we are likely to need to compromise on some of those requirements and will need alternative ways to meet them.
	Maintenance fees become unaffordable over time	L	M	Maintenance fees will continue to rise, however, this is unlikely to get to the point where we can no longer afford to pay them.

	Risk	Risk Level	Severity Level	Mitigating Factors
Buy or partner with the El Paso HA				
	Many of the risks listed under both "Build our own ERP system" and "Buy major PHA software"	N/A	N/A	N/A
	The timing of this could be a ways out as they still have not phased out their previous platforms	H	H	Need to be certain of these timelines prior to engaging in this endeavor
	The data structure was designed around their present systems and it is hard to know whether this structure will be suitable for our needs	H	M	Need to review and approve the data structure prior to entering into any agreements
	Once we take on the software, there may be a significant amount more work that we need to do on our end in order to make it work for us	H	M	Significant pre-planning will need to be done in order to ensure that we know exactly what we will need to do in order to make the system work within our infrastructure
	Currently, HACEP's system is designed for clients to come to their offices in order to enter their information; we want our clients to be able to enter all their information online; there may be risk involved with applying this solution in an online environment	M	H	This is a major requirement for THA and this functionality will need to be confirmed before moving forward
	HACEP may have a legal issue on their hands when they phase out their present systems since they duplicated the data structure of these systems for their own purposes; we would not want to take on this risk	M	H	THA could mitigate this risk through strong indemnification language; however, even if we mitigate the direct risk, we will still have the risk of working with a partner who is in legal trouble, which presents its own set of issues

	Risk	Risk Level	Severity Level	Mitigating Factors
HAI Group				
	All of the risks listed under "Buy Major PHA Software"	N/A	N/A	N/A
	Being one of the first customers to a new system, we may be used as beta testers and to figure out what doesn't work	H	H	This is a real risk and there is little we can do to mitigate it upfront
	The timing of this could be a ways out as they do not currently have any clients running on this system	H	H	
	HAI Group is known as an insurance company who dabbles in software development to serve the interests of its members; this effort could be a major failure or the interests of the members could change	L	H	Advise waiting until HAI Group has other paying clients on board before making the move
Partner with a non-PHA software vendor				
	Many of the risks listed under "Build our own ERP system"	N/A	N/A	N/A
	Time required to school the software vendor on THA's needs and unique operating environment could cause project to delay or create scope creep	M	M	Select vendors who have done similar type of work prior with success where they went into the project with little knowledge of the industry
	Lack of knowledge about PHA rules and regs could increase THA's liability if something critical is missed	M	M	Include strong contract language to address regulations and ensure the vendor is required to research uniformity with regs
	Vendor may not share in THA's mission and values	M	L	Select vendors who have worked from government service organizations or non-profits in the past and check references

	Risk	Risk Level	Severity Level	Mitigating Factors
	Lack of understanding of what we are asking for or information being lost in translation may cause vendor to either make false assumptions in their analysis or not include functionality required	M	M	The more detail we can provide upfront and the more we can question the vendor to verify their understanding of our needs, the less severe this risk will be
Hybrid approach				
	Many of the risks listed under both "Build our own ERP system" and "Buy major PHA software"	N/A	N/A	N/A
	The company's strategic direction could change, leaving us with a lot of work performed and nothing to show	L	H	We could attempt to mitigate this through contract language, but there would likely be viable reasons that the company would want to sever the partnership and it would be difficult to hold them to any agreement regarding this.

Proposal Given to Cabinet in Mid-March

In mid-March, I proposed the following to Cabinet:

1. Over the next month, conduct requirements sessions to include all staff throughout the agency; these sessions should define all detailed requirements for each functional group within the agency
2. Review the outcome of the requirements sessions for continuity with:
 - a. The requirements defined by other groups, and
 - b. The overreaching requirements defined at the beginning of this document; this is important as many of the requirements voiced by staff will likely be tied directly to the current systems and the requirement may go away with a solution that better meets our needs
3. Create an RFP that does the following:
 - a. Lists the detailed requirements
 - b. Describes what we want the system to look like and what we want it to do
 - c. Gives deadlines for the software to “go live”
 - d. Lists the staff we have internally to work on this project and their capabilities
 - e. Gives examples of some of the development work we have done internally
 - f. Allows respondents to propose alternatives with explanation on how they will work for THA
 - g. Does not prescribe the method of how we will get there (i.e., buy a package from a PHA software company, hire a company to develop the software for us, or something in between)
4. Distribute the RFP widely, advertising on blogs for technical audiences, technical journals, and soliciting specific vendors based on our own research
5. If the results come back showing that we cannot find what we want through someone else, we will then be faced with the decision to do it ourselves or to compromise our requirements.

As this is being prepared for the Board at the end of March, I do not have a full update yet, but will bring one with me to include in my presentation to the Board at the end of April.

This concludes the April Administration Department report to the Board.

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-04-23 (1)

DATE: April 23rd, 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 tenant accounts receivable bad debt. 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, unpaid rent, or tenant fraud/unreported income. There are also instances where THA has overpaid 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 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.

THA will not send collection some of the accounts included in this resolution because the tenants have passed away. Those accounts are indicated with asterisks (*) below.

Recommendation

Approve Resolution 2014-4-23(1) authorizing THA to write off tenant accounts totaling:
\$7,657.76



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-4-23 (1)

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:

Collection Status	Project	Client #	Balance
W-O Collect	Section 8	714707	46.00
		717666	570.00
		717666	725.00
		713062	462.00
		714483	1132.00
		717669	590.00
		714201	498.00
		716188	460.00
		132441	238.01
		000005300	120.00
		00014540	300.00
		144892	84.00
		713433	379.00
		716726	604.75

Section 8 Subtotal: 6208.76

Dixon Village 127854A/R 200.00

Subtotal: 200.00

W-O NO Collect Section 8 00000275 1249.00 Deceased

Subtotal: 1249.00

GRAND TOTAL: 7657.76

Approved:

Greg Mowat, Chair

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

** Uncollectable accounts due to Bankruptcy filing or old balance under \$30.00

RESOLUTION #2
This is a walk on Resolution



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-04-23 (2)

DATE: April 23rd, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of Letter of Intent from Anne Curry to Purchase the Wedgewood property

Background

Wedgewood was built in 1981 and THA acquired it in 1996. It is a 50 unit, single family home property; 46 of the units are in one neighborhood located just off of North Pearl Street, at North 39th Street. The four additional units are on the Eastside of Tacoma. The property has a loan with Heritage Bank with a balance of \$4.1 million; the loan with Heritage has no prepayment penalty, nor affordability covenants. The property has a HAP contract that expires in October, 2014; this contract can be renewed. We also anticipate that it can be transferred to the Buyer; confirmation of the ability to transfer the contract is included as a part of the Buyer's due diligence.

Anne Curry has submitted a Letter of Intent and has offered \$6,000,000 to purchase the property. If THA accepts the LOI, a Purchase and Sale Agreement will be delivered by the Buyer within five (5) business days. The Purchase and Sale Agreement will contain the terms of the LOI. Once a Purchase and Sale Agreement is executed, there will be a 45 day period to allow the Buyer to complete due diligence and determine whether or not to execute the sale.

The LOI further outlines the Buyer's intent

- The Buyer intends to keep 75% of the units affordable for the first year by keeping the existing HAP contract in place for 75% or 37 of the units. The Buyer's goal is release 25% of the units or 12 units each year from the HAP contract.
- For those units released from the HAP contract, THA will be issued Tenant Protection Vouchers. These vouchers can be used by the existing tenants to move or remain in place at Wedgewood.

As a result of the sale:

- THA will pay of an existing \$4.1 million debt.
- The property currently has approximately \$700,000 in reserves that would be maintained by THA.
- THA will net between \$2.5 and \$3 million from the combination of net sales proceeds and reserves, after the debt and fees are paid.

Benefits and Risk:

Wedgewood has been managed by a third party manager and has not been kept in good condition. While it does cash flow at approximately \$65,000 per year, there is significant deferred maintenance. And, at \$65,000 per year in net cash flow, it will take 38 years to realize the same amount we can realize from the sale proceeds. Property management and asset management have worked with the third party manager over the past year to improve the maintenance and management of the property. The REAC score improved from early 2013 (score of 72) to late 2013 (score of 92), and further improvements to the property are planned. However, the \$700,000 in reserves will only cover the building exteriors and the site, and will not allow for interior improvements to the units.

The site is difficult for THA to manage because the majority of the homes are not located near any other THA property. As a single family neighborhood, with no on site office or presence, the property is also more cumbersome to manage and maintain. There are more exterior and common site areas to maintain, as well as individual garages, yards, fences, etc.

The Buyer intends to gradually release the HAP contract, maintaining 75% of the units as affordable and subsidized for the first year and gradually releasing the remaining units from the HAP contract at a rate of 25% per year. This loss of subsidy will be replaced with Tenant Protection Vouchers which THA can provide to existing tenants. These subsidies can be used for tenants to remain in place at Wedgewood, or move, thereby distributing affordable housing around the City. While the “hard” units may eventually be lost as affordable, the subsidies for 50 units will remain in the community and THA can use the net proceeds from the sale to build or buy other units. For example, THA can use the proceeds to help pay for Hillside Terrace Phase II, or another development or acquisition.

Wedgewood was appraised in mid 2013 and the value, if sold as a bulk sale was established at \$5.6 million. However the retail value, if the homes were sold individually, was set at \$7.3 million. While the Buyer intends to buy the property in bulk, our broker believes that the property is worth more than the \$5.6 million, and he also believes the Buyer would consider a higher price than what is offered in the LOI.

Recommendation

Approve Resolution 2014-4-23 (2) authorizing the Executive Director to execute the Letter of Intent from Anne Curry to Purchase the Wedgewood property. This will not commit THA to the sale. The final approval of the sale will come back to the Board for further action.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-4-23 (2)

APPROVAL OF LETTER OF INTENT FROM ANNE CURRY TO PURCHASE THE WEDGEWOOD PROPERTY

WHEREAS, Tacoma Housing Authority (THA) owns the rental property known as Wedgewood;

WHEREAS, Tacoma Housing Authority (THA) has received a Letter of Intent from Anne Curry to purchase the Wedgewood property;

WHEREAS, the Letter of Intent outlines delivery of a Purchase and Sale Agreement containing the terms of the Letter of Intent;

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

The Executive Director is authorized to negotiate the price and to execute the Letter of Intent from Anne Curry to purchase the Wedgewood property, provided that the document will not commit THA to the sale. Further Board action will be necessary to approve a sale.

Approved: April 23, 2014

Greg Mowat, Chair

RESOLUTION #3
This is a walk on Resolution



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-04-23 (3)

DATE: April 23, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Acceptance of Letter of Intent from Summit Housing Group for Arlington Drive

Background

In THA's original Hope VI application for the Salishan Redevelopment, the Arlington Road property was planned as an affordable assisted living facility. THA has issued two separate RFPs to sell the property for this purpose, with no viable offers. This property consists of 3.5 acres with direct access to Portland Avenue. There is a woodlands strip which provides a buffer between this property and the greater New alishan development.

THA received an unsolicited offer from Summit Housing Group (SHG) for \$800,000 to purchase this property. They expect to close in the late Fall of 2014. SHG estimated the value to be \$5.25 per square foot for the 152,460 square foot, 3.5 acre site. THA's broker has found comparable sales of undeveloped land in Thurston County in the \$4.20-\$5/square foot range. The broker is having a difficult time finding sufficient comparable sales in Pierce County at this time.

SHG proposes to develop either family or senior housing (they would prefer to do senior housing) for households at 50-60% AMI. As proposed, they will work with a non-profit partner and secure 4% tax credits and tax exempt bonds for the transaction. A 60 day due diligence period is included in the offer in order to secure the financing and building permits.

American Baptist Homes of the West (ABHOW) had previously expressed interest, but RED has confirmed that they are not interested at this time. Foster Pepper has confirmed that we can accept an unsolicited offer. THA's Revitalization Plan with HUD will need to be amended in order to change the intended type of housing from seniors/assisted to families. RED will initiate these discussions prior to execution of the LOI.

The Asset Management Committee is in favor of selling this property to a developer who will bring some income diversity to the rental housing market on the Eastside by serving families earning 50-60% AMI. More diversity in the income mix and a higher income base will contribute to a stronger market for retail and other services needed in the neighborhood. The property is owned by THA free of any indebtedness. The proceeds of sale will assist THA in providing seed dollars to the Salishan Core, or other development project. We estimate the broker fees will total 3% or \$24,000, however, this is being negotiated. The brokers fee will be deducted from the sales proceeds, and at 3%, the Net Sales Proceeds will total \$776,000.

Recommendation

Approve Resolution 2014-4-23(3) authorizing the executive director to negotiate a Letter of Intent (LOI) to sell the Arlington Road property at 3801 Portland Avenue to Summit Housing Group, or to another qualified developer, and to proceed toward a Purchase and Sale Agreement to complete the Sale. This will not commit THA to the sale. The final approval of the purchase and sale will come back to the Board for further action.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-4-23 (3)

EXECUTE A LETTER OF INTENT TO SELL ARLINGTON DRIVE

WHEREAS, Tacoma Housing Authority (THA) is interested in selling the Arlington Drive parcel for the purposes of affordable housing development;

WHEREAS, On March 17, 2014, THA received an unsolicited Letter of Interest from Summit Housing Group to purchase the Arlington Drive parcel;

WHEREAS, THA expects to develop additional affordable rental housing throughout Tacoma;

WHEREAS, executing a Letter of Intent to sell the property will allow for negotiations regarding the quality, number of units and population to be served;

WHEREAS, THA has determined that developing affordable assisted living at this site is not feasible;

WHEREAS, sale of this property will be subject to the Department of Housing and Urban Development review and approval of the proposed change in use; and,

WHEREAS, THA has the authority to execute a letter of intent to sell a property to further affordable housing.

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

1. the executive director is authorize to negotiate, and if those negotiations are successful, to execute a Letter of Intent (LOI) to sell the Arlington Road property at 3801 Portland Avenue to Summit Housing Group, or to another qualified developer, and to proceed toward a Purchase and Sale Agreement to complete the Sale. This will not commit THA to the sale. The final approval of the purchase and sale will come back to the Board for further action

Approved: April 23, 2014

Greg Mowat, Chair