



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

May 28, 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, May 28, 2014

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, May 28, 2014 at 4:45 PM**

The meeting will be held at:

**5425 Lawrence 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 May 23, 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

AGENDA
REGULAR MEETING
BOARD OF COMMISSIONERS
May 28, 2014 4:45 PM
5425 Lawrence Street

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of April 23, 2014
- 4. GUEST COMMENTS**
 - 4.1 Metro Parks Presentation, Eastside Community Center Feasibility Study
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Real Estate Management and Housing Services
 - 7.3 Real Estate Development
 - 7.4 Community Services
- 8. NEW BUSINESS**
 - 8.1 2014-5-28 (1), Approval of Purchase and Sale Agreement with Anne Curry to purchase the Wedgewood property.
 - 8.2 2014-5-28 (2), Update of THA Administrative Plan
 - 8.3 2014-5-28 (3), Approval of New Unarmed Security Contract with Cypress Security
 - 8.4 2014-5-28 (4), Amendment Number 2 to Pierce County Special Program Housing Contract—Youth
 - 8.5 2014-5-28 (5), Landscape Maintenance at Salishan For-Sale Lot Areas
 - 8.6 2014-5-28 (6), Approval of Methamphetamine Remediation and Decontamination Contract **(WALK-ON)**
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**
- 11. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, April 23, 2014

(Note this meeting started with a quorum at 4:46 PM and the quorum was lost at 6 PM. Minutes were not taken for those sections of the minutes that lacked a quorum of the board. The italicized font indicates quorum changes gained/lost/or maintained in the document).

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:45 PM on Wednesday, April 23, 2014.

1. CALL TO ORDER

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

2. ROLL CALL

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

PRESENT	ABSENT
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Commissioners

Greg Mowat, Chair

Stanley Rumbaugh, Vice Chair (arrived at 5 PM)

Arthur C. Banks, Commissioner

Janis Flauding, Commissioner

(left the meeting at 6 PM)

Rose Lincoln Hamilton, Commissioner

(left the meeting at 5:50 PM)

Staff

Michael Mirra, Executive Director

Christine Wilson, Executive Administrator

Ken Shalik, Finance Director

April Black, REMHS Director

Barbara Tanbara, Human Resources Director

Greg Claycamp, Community Services Director

Kathy McCormick, RED Director

Todd Craven, Administration Director

Commissioner Flauding declared there was a quorum present @ 4:46 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Commissioner Flauding asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, February 26, 2014. Commissioner Banks moved to adopt the minutes, Commissioner Lincoln Hamilton seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Commissioner Flauding asked for any corrections to or discussion of minutes for the Special Session of the Board of Commissioners for Thursday, March 27, 2014. Commissioner Flauding moved to adopt the minutes, Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

No quorum of the board present.

5. COMMITTEE REPORTS

Real Estate Development Committee – No report

Finance Committee – No Report

Citizen Oversight Committee – No Report

6. ADMINISTRATIVE REPORTS

Executive Director

No quorum of the board present

Finance

Director Shalik directed the board to the finance report. THA learned HUD has funded THA's HAP allocation at 99.7% of need. This is a 0.7% increase from the amount we budgeted to receive. This is very good news. In its June special session to review the budget, the board will review its sequestration list of cuts and expenditure delays that it adopted with the 2014 budget. In advance of that discussion, at the request of the executive director, the board approved the expenditures for the fix up of the 902 and FIC buildings. Commissioners Lincoln Hamilton, Banks, and Flauding all agreed to move forward with the tenant improvements for both buildings. The Board discussed the performance of the Tax Credit properties. Director Shalik will include more details related to Tax Credit properties and how they are performing in next year end of year report. Discussions ensued regarding the commercial rate for garbage and recycling. Vice Chair Rumbaugh would like more options for onsite composting. Mr. Patterson will research available options. ED Mirra reviewed the Per Unit Per Year (PUPY) costs incurred by THA. An initial review of other similar size housing authorities and property management companies show that THA PUPY costs land somewhere in the middle of those comparables. Yet, THA needs to reduce the costs. THA has procured a consultant to help us do that.

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$5,533,987 for the month of February, 2014. Commissioner Lincoln Hamilton seconded.

Upon roll call, the vote was as follows:

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

Motion Approved

An additional Commissioner arrived for the meeting at 5 PM, the board quorum was maintained.

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$5,383,109 for the month of March, 2014. Commissioner Lincoln Hamilton seconded.

Upon roll call, the vote was as follows:

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

Motion Approved

Real Estate Management and Housing Services (REMHS)

Portfolio Manager Pat Patterson directed the board to the REMHS report. Discussion ensued regarding vacant unit turns. The turn rate is currently trending at 20-days. Mr. Patterson explained some factors that delay unit turns. For example, he noted that applicants are turning down units offered to them. This adds several days to the vacant unit turn time. Commissioner Lincoln Hamilton asked why they are turned down. Mr. Patterson stated varying common reasons, such as preferences for parts of town or the unit configuration. Vice Chair Rumbaugh suggested cutting down on the number of site based waitlists available for tenants/applicants to sign up for. Currently applicants can sign up on all waitlists. It was discussed to limited that number to two waitlists. Discussion ensued about long standing RA's moving off the transfer waitlist. Commissioner Banks asked if a description of the property is provided to the interested leasee's. ED Mirra stated the plan will be to provide a virtual tour of our properties on the THA website. Mr. Patterson stated the portfolio is on track to be under 20 day turns for the month of April. Mr. Patterson reported G Street is bed bug free. He talked with the pest control vendors offering canine inspections.

ED Mirra handed out the memo from April concluding after resident consultation and analysis to keep the restrooms in the senior building locked except during events. THA will allow individual residents to request keys for their use when necessary as an accommodation to a disability. This resolution put a premium on the safety of the tenants and guests while accounting for individual needs. ED Mirra thanked Hope Rehn who was consulted during the discussion phase.

Pat Patterson reported that REAC inspections have been ongoing throughout the portfolio. Vice Chair Rumbaugh appreciates the clarity in the numbers included in the REMHS report. Pat noted that the REAC software used is unfriendly. The REAC inspectors shared with THA staff that compared to SHA, KCHA, and Home Forward, THA properties scored much better. Mr. Patterson announced that Josh Crites is leaving THA the end of April. He thanked Josh for his leadership on the various MTW projects and operations initiatives.

Real Estate Development

No quorum of the board present.

Community Services

No quorum of the board present.

Human Resources

No quorum of the board present.

Administration

No quorum of the board present.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 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
<i>Section 8</i>	<i>Subtotal:</i>	<i>6208.76</i>

Dixon Village 127854A/R	200.00
<i>Subtotal:</i>	<i>200.00</i>

W-O NO Collect	Section 8	00000275	1249.00 Deceased
		<i>Subtotal:</i>	<i>1249.00</i>

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

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

Upon roll call, the vote was as follows:

AYES: x
NAYS: None
Abstain: None
Absent: x

Motion Approved: April 23, 2014

Greg Mowat, Chairman

8.2 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.

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

Upon roll call, the vote was as follows:

AYES: x
NAYS: None
Abstain: None
Absent: x

Motion Approved: April 23, 2014

Greg Mowat, Chairman

8.3 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

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

Upon roll call, the vote was as follows:

AYES: x
NAYS: None
Abstain: None
Absent: x

Motion Approved: April 23, 2014

Greg Mowat Chairman

9. COMMENTS FROM COMMISSIONERS

10. EXECUTIVE SESSION

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:00 PM.

APPROVED AS CORRECT

Adopted: May 28, 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: May 20, 2014
Re: Executive Director's Report

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

1. **MTW: UPDATE ON CONTRACT EXTENSION**

In February, I was able to deliver the very good news that HUD had agreed to extend the MTW contracts to 2028. The contracts are presently set to expire in 2018. Last month I reported that HUD 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.

This month I must report four other complications. **First**, HUD Secretary Shawn Donovan is leaving HUD. **Second**, Assistant Sandi Henriquez is also leaving HUD. These two individuals had personally committed to extend the contracts. We do not know if HUD's agreement to extend the contracts will outlive their departure. **Third**, Secretary Donovan will be taking over the Office of Management and Budget. Perhaps he will exercise some helpful influence from there. **Fourth**, the new HUD Secretary will be the present mayor of San Antonio, Julian Castro. The San Antonio Housing Authority is a well-regarded MTW agency. Perhaps that will help as well.

CLPHA has asked us to elicit letters of support for the MTW contract extension from our local and state officials.

2. **THA METH PLAN AND EFFORT TO CHANGE THE STATE'S RULES**

April's department report includes the good news about THA's increasingly effective meth plan. Here are some further details.

- Our costs are decreasing, for two main reasons. **First**, our "hot" rate is down to 12%. **Second**, we have negotiated a new interim, remediation protocol with the Tacoma-Pierce County Health Department that should be less expensive while adhering to all health standards.
- We are making good progress with negotiations with Northwest Justice Project (NJP) over the due process we owe to occupants whom we judge to be responsible for the meth contamination of their unit.
- We also have news to report on the effort to prevail on the state Department of Health (DOH) to amend the state's threshold defining that level of meth

contamination that triggers the state's remediation requirements. The board may remember that Washington State's standard is the nation's strictest at 0.1 micrograms per 100 cm². This is **not** a health standard. Instead, the state chose it to denote merely what was detectable. The health standard is 1.5 micrograms per 100 cm². I attach a paper that THA and CHEF wrote, and distributed, on the matter.

We have asked the DOH to adopt the 1.5 standard. I append a copy of THA's letter. We have recruited letters of support from the following organizations. (I attach copies):

Washington Housing Finance Commission
Washington Department of Commerce

Washington MultiFamily Housing Association (representing the state's largest private landlords)

Affordable Rural Housing Council
SafeStreets
Northwest Justice Project
Washington Association of Housing Authorities
CHEF

The DOH has indicated that it indeed will adopt the 1.5 standard. That is good. However, it has also asked for comment on its proposal to require "encapsulation" as part of its remediation. This would require an oil-based product to "seal" the surfaces within the unit. We are worried about the value and costs of this measure. We will be commenting. We note that the DOH's rules govern only contamination from manufacture of meth. The DOH does not govern contamination from "use", which is the main source of THA's contamination. The local health department governs use. This means that if we end up with unworkable state rules, we will have a chance to ask the local health department to consider its own standards for remediation of contamination from use.

- Important partners have praised THA for our meth plan and the high standards of stewardships and values that the plan displays. HUD, funders, residents and our tax credit investors have all expressed their appreciation.



Kurt Wiest, President
Pam Tietz, Vice-President
Andy Anderson, Treasurer
Teri Anania, Secretary

Ms. Vicki M. Bouvier
Environmental Public Health Division Rules Coordinator
Washington State Department of Health
P.O. Box 47822
Olympia, WA 98504-7822

Re: Methamphetamine Contamination Rulemaking, WSR 14-05-033

Dear Ms. Bouvier:

We understand that the Department of Health (DOH) is considering changing its rule that sets the level of methamphetamine contamination that triggers and governs the obligations of landlords under state law to remediate. DOH's notice to do this appears in the Washington State Register at WSR14-05-033 (February 12, 2014). That notice explains that DOH is considering making the standard "less stringent". I write to convey strong support for this change of the Association of Washington Housing Authorities (AWHA). AHWHA represents 42 public housing authorities in Washington State. Its members own and rent approximately 45,000 units of affordable housing.

This portfolio, in common with the private rental market, has its share of units contaminated with methamphetamine. When that happens, property managers then encounter the DOH's strict directives on testing and remediating the unit. Presently, DOH rules set the threshold requiring remediation and cleaning at 0.1 micrograms per 100 cm². This low standard poses two problems, both of them serious. First, this standard does not denote health risk. Instead, it was chosen to indicate merely what was detectable. Second, complying with the low 0.1 standard is prohibitively expensive, in two ways. It would designate as contaminated many units that pose little or no health risks. Furthermore, cleaning a unit down to the present level of 0.1 micrograms per 100 cm² can cost more than \$30,000. Incurring such costs for reasons not based on health risks is hard to understand and hard to justify.

We strongly urge DOH to adopt a threshold that the scientific research links with health risks. We understand from the California studies DOH cited in its notice that the health threshold is 1.5 micrograms per 100 cm². We also understand that those states that have examined the question since the California studies have adopted the 1.5 micrograms per 100 cm². We urge DOH to do the same. Raising the threshold to 1.5 micrograms per 100 cm² would restore the value and relevance of the DOH rule by making compliance more affordable and meaningful, and therefore more likely. In that way, the change will promote public health.

Sincerely,

Kurt Wiest, President
c/o Bremerton Housing Authority
600 Park Avenue
Bremerton, WA 98337
kwiest@bremertonhousing.org



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

April 25, 2014

By email: vicki.bouvier@doh.wa.gov

Ms. Vicki M. Bouvier
Environmental Public Health Division Rules Coordinator
Washington State Department of Health
P.O. Box 47822
Olympia, WA 98504

Re: Comments on DOH's proposed rule change governing
methamphetamine decontamination standard

Dear Ms. Bouvier:

I understand that the Department of Health (DOH) is considering a change to its rule that defines the level of methamphetamine (meth) contamination to be governed by state decontamination requirements. DOH published its preproposal statement of inquiry about this change at WSR 14-05-033 (February 12, 2014). That statement explains that DOH is "considering a less stringent methamphetamine decontamination standard." On behalf of the Tacoma Housing Authority (THA), I write to express strong support for such a change. The change is necessary for two reasons, each of them important:

- to conform to the available research defining health risks
- to allow property owners to comply with the standard by making compliance affordable

Over the past two years, THA has experienced its share of meth contamination in its portfolio. We do not believe we have a disproportionate share of meth contamination in comparison with other parts of the state's housing market, either private or subsidized, owner occupied or rental. THA does appear to stand out in its serious approach. With the assistance of the Tacoma-Pierce County Health Department, we devised a plan that has us test occupied units when we suspect contamination and all vacant units before we re-rent them. Under this plan, we decontaminate and retest as state and local law directs, using certified contractors, all under the close supervision of the local health department. This plan places a premium on protecting health and complying with state and local laws. In particular, it complies with WAC 246-205-541(1) that requires regulated decontamination at levels above 0.1 micrograms per 100 cm². In these ways, the plan shows THA's high measure of responsibility to its tenants and staff, its high standards of stewardship, and its regard for the law.

The plan is also unaffordable. It is not sustainable either for THA or any property owner that would follow our example. For example, THA has spent an average of \$30,000 to decontaminate a

unit. (This cost does not include the expense of a prolonged vacancy and other costs resulting from the regulatory process governing notice to the local health department, its approval of decontamination plans, its red tagging and its post-decontamination clearance.) Much of this expense arises from the need to comply with DOH's low decontamination standard of 0.1 micrograms per 100 cm². This standard appears to be the lowest in the nation. It is expensive in three ways. **First**, it captures many more units within its scope. **Second**, it is very expensive to clean down to this low standard. **Third**, it can be hard to find certified contractors that know how to clean down to this level, especially in rural areas. THA's contractors tell us that before DOH adopted this standard the state had up to thirty (30) certified contractors; for reasons related in part to the new low standard it now has only eight (8).

The low DOH testing standard also subjects a larger number of tenants to displacement that results when the local health department red tags a unit found to test above the standard. This occurs on very short notice. It causes a loss of not only a home but of personal belongings.

This onerous expense and displacement might at least be understandable if it was necessary to address a serious health risk. We now understand, however, that the DOH standard is not based on health risks. Instead, DOH chose it in 2002 merely to denote that contamination level that is detectable. We have also learned that since 2009 the best available science has identified a conservative health standard to be 1.5 micrograms per 100 cm². For this reason, the several other states that have considered the matter since then have adopted this higher standard. The Comprehensive Health Education Foundation (CHEF) and THA wrote the attached paper setting forth the basis for these understandings, with citations to the pertinent literature.

For these reasons, we strongly urge DOH to adopt the health-based standard of 1.5 micrograms per 100cm². Doing so would serve the two statutory duties that govern DOH's rule making:

Protection of Health: Chap. 64.44 RCW

RCW 64.44.070 directs DOH to "promulgate rules and standards for carrying out the provisions in this chapter" That chapter seeks to protect the public's health from hazards, including meth contamination. DOH should adopt a decontamination standard that the evidence shows to be necessary for that purpose. That standard is 1.5 micrograms per 100 cm². DOH would not appear to have statutory authority to use a more stringent standard unmoored from what health protection requires.

Raising the standard to the health-based level would better protect health in another way. It would make compliance by property owners affordable, and therefore, more likely. Presently, most property owners with meth contamination probably do not test. They not report the matter to the local health department. They do not remediate. If they do, they do not use a certified contractor. They do not comply in these ways in large measure because the low standard makes compliance unaffordable. To this extent, the present low standard is counterproductive for health purposes. Raising the standard will make compliance more likely in two ways. Compliance would become affordable. In addition, since the new level would be health based, it would elicit more confidence and support from property owners who then could understand why they should comply with it.

Balance Costs and Benefits: Chap. 34.05 RCW

RCW 64.44.070 also directs DOH to conduct its rule making “in accordance with chapter 34.05 RCW, the administrative procedure act.” RCW 34.05.328(1) imposes further important directives. DOH must:

- “(b) Determine that the rule is needed to achieve the general goals and specific objectives [of the rule] . . . ;
- “(c) [conduct a] cost-benefit analysis . . . ;
- “(d) Determine that the probable benefits of the rule are greater than its probable costs, taking into account both the qualitative and quantitative benefits and costs and the specific directives of the statute being implemented;
- “(e) Determine, after considering alternative versions of the rule and the analysis required under (b), (c), and (d) of this subsection, that the rule being adopted is the least burdensome alternative for those required to comply with it that will achieve the general goals and specific objectives stated under (a) of this subsection;”

By this measure, the 0.1 standard or any standard under 1.5 is hard to justify. It is too burdensome on property owners and tenants for any health benefit it might confer. In contrast, the 1.5 standard would reduce these burdens while anchoring state law to the health based evidence. In this way, that higher standard would not require DOH to compromise between health risks and burdens.

We are grateful for your willingness to review this important matter. We hope our comments are helpful to your effort. We look forward to a rule change adopting for the State of Washington a meth decontamination level of 1.5 micrograms per 100cm².

Thank you.

Cordially,

TACOMA HOUSING AUTHORITY



Michael Mirra
Executive Director

enclosure

March 13, 2014

John Wiesman, DrPH, MPH, Secretary of Health
Office of the Secretary
Washington State Department of Health
P.O. Box 47890
Olympia, Washington 98504-7890

Dear Secretary Wiesman:

Tacoma-Pierce County Health Department endorses Tacoma Housing Authority's (THA) request to the Department of Health to consider establishing a less stringent methamphetamine decontamination standard. Our interest is in a consistent, feasible, statewide health standard that uses health impact data as its foundation.

We have worked with THA for the past eight months in support of its methamphetamine remediation work. Our efforts have included providing technical support, process and protocol development, and funding opportunities, including partnering on a grant application to provide \$600,000 for cleanup efforts.

We value THA's priority on addressing the public health threat of methamphetamine use and property exposure in its communities. We will continue to advocate for these and other efforts THA pursues that support our public health vision of healthy people in healthy communities. A feasible, health based standard for the state will help us to do that.

Please feel free to contact me if you have questions on our methamphetamine remediation efforts on behalf of Tacoma Housing Authority.

Respectfully,



Anthony L-T Chen, MD, MPH
Director of Health

cc: Maryanne Guichard, Assistant Secretary, Environmental Public Health



WASHINGTON STATE
HOUSING FINANCE COMMISSION

Karen Miller
Chair

Mr. Kim Herman
Executive Director

March 31, 2014

Vicki M. Bouvier
Environmental Public Health Division Rules Coordinator
Washington State Department of Health
P.O. Box 47822
Olympia, WA 98504-7822

Re: Methamphetamine Contamination Rulemaking

Dear Ms. Bouvier:

The Washington State Housing Finance Commission monitors compliance of a portfolio of over nine hundred multifamily affordable rental properties in Washington State. Our program includes periodic inspections of the properties to assure that they are maintained as safe, healthy homes for the residents – most of whom have limited incomes. In the course of our work, we have become aware of properties where the use by some residents of methamphetamine has caused the owners to make extensive and very costly decontamination repairs. In addition to the direct costs of decontamination, the lengthy time that the affected units are out of use increases vacancy losses and potentially may involve penalties imposed by the Internal Revenue Service. These substantial costs can jeopardize the financial viability of these properties that have fixed rents and very limited capacity to absorb these high costs.

The current standard for methamphetamine contamination is not based on scientific evidence related to health risk. It is an arbitrarily low threshold that does little to promote public health and safety at a very high cost to property owners. We support changing the rule to a conservative health standard of 1.5 micrograms per 100 square centimeters as the states of California, Kansas, Minnesota and Virginia have already done.

Sincerely yours,


Kim Herman
Executive Director



STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

www.commerce.wa.gov

April 9, 2014

Ms. Vicki M. Bouvier
Environmental Public Health Rules Coordinator
Washington State Department of Health
P.O. Box 47822
Olympia, WA 98504-7822

Re: Methamphetamine Contamination Rulemaking

Dear Ms. Bouvier:

The Department of Commerce is the lead state agency charged with enhancing and promoting sustainable community and economic vitality in Washington. Commerce supports thriving communities by providing funding for affordable housing projects through the Housing Trust Fund.

Since 1989, the Housing Trust Fund has awarded almost \$1 billion to develop and preserve nearly 40,000 units of affordable housing statewide. Commerce is responsible for ensuring these units are properly maintained and remain safe and affordable for low-income and special needs households, many of whom are at risk of becoming homeless.

Unfortunately, in recent years, Commerce staff has become aware of properties where units have been contaminated as a result of methamphetamine use and production. If a unit is determined to be unfit for human habitation, the nonprofit housing provider must undertake extensive and costly remediation measures to bring the unit within acceptable standards. Resulting vacancies and potential penalties to federally-subsidized projects only add to the significant financial burden on property owners.

Commerce recognizes that the production and use of methamphetamine is a significant public health concern; however, we understand that the Washington State Department of Health's current standard for contamination is not based on scientific evidence related to health risk. Further, the financial impact resulting from the current standard jeopardizes the financial viability of low-income housing projects and serves as a disincentive for owners to voluntarily test and remediate their properties.

Ms. Vicki M. Bouvier

April 9, 2014

Page 2

We urge the Department of Health to adopt a scientific, health-based testing and remediation standard for Washington State based on the conservative health standard of 1.5 micrograms per 100 square centimeters. We believe adopting this standard will allow the Department of Health to fulfill its statutory responsibilities in a manner consistent with its mission and public policies, while helping to preserve much-needed affordable housing in Washington State.

We look forward to seeing the substantial impact this change will have on our community and property owners.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan McConnon", with a horizontal line extending to the right.

Dan McConnon
Deputy Director

cc: Brian Bonlender, Director, Department of Commerce
Nick Demerice, Assistant Director, Office of External Relations
Diane Klontz, Assistant Director, Community Services and Housing Division
Janet Masella, Managing Director, Housing Trust Fund



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April 22, 2014

Washington State Department of Health
Attn: Vicki M. Bouvier
PO Box 47822
Olympia, WA 98504-7822

Re: Methamphetamine Testing Threshold for Contamination

Dear Ms. Bouvier:

The Washington Multifamily Housing Association (WMFHA) supports revising the current threshold level used by the Department of Health for requiring remediation resulting from methamphetamine contamination.

We believe that the memorandum dated March 18, 2014 and jointly authored by the Comprehensive Health Education Foundation (CHEF) and the Tacoma Housing Authority (THA) sets forth strong evidence that the available science has identified a conservative health standard should be 1.5 micrograms per 100 square centimeters. We urge DOH to adopt this reasonable and scientifically supported standard.

WMFHA membership consists of more than 65 owners and management companies that own, manage or operate over 700 multifamily rental properties in the state of Washington. Our members provided quality rental housing for more than 150,000 Washington families.

Please let me know if I can assist further.

Sincerely,

Jim Wiard, Executive Director
Washington Multi-Family Housing Association



Take charge, make CHANGE

RECEIVED

MAY 01 2014

Priscilla Lisicich, PhD
Executive Director

Vicki M. Bouvier
Environmental Public Health Rules Division Coordinator
Washington State Department of Health
P.O. Box 47822
Olympia, WA 98504-7822

April 25, 2014

Dear Ms. Bouvier:

I am writing you to urge that there be a change in rule-making to establish a less strict methamphetamine decontamination standard. Advances in scientific research of human health effects since the original rule established in 2002 indicate that a less stringent, health-based standard may be more appropriate.

I have been on the staff of Safe Streets since its inception in 1989 and have served as the Executive Director since 1993. In 1999 I, along with treatment providers and narcotics officers sounded the alarm with policy makers to address the rampant problem of domestic methamphetamine production across the State of Washington. We created the Washington State Meth Initiative in 2001 with a substantial amount of federal funding support. Recipients of grants included law enforcement, community mobilization, drug court programs, health and ecology. We established a statewide leadership team that included representatives from enforcement, treatment, community, health, Governor's Policy office, and ecology. One of the priority items to be addressed was the reclamation of property used as meth lab production sites. During that time the common thinking was to establish very strict standard for clean-up. This was primarily driven by children's advocates and made sense as we sought to free children from child abuse, neglect and future health impacts. The decontamination standard for meth was established at one-tenth of one microgram per 100 square centimeters of surface area (0.1 ug/100cm).

In our effort to protect families and children we supported these strict standards and the Department of Health representatives joined a national team that shared information and research on decontamination standards. During several national proceedings in which Washington DOH participated, we learned that our standard was among the most strict in the nation. In 2010 we commissioned a study with the Department of Health to examine the recommended standards. After careful research a recommendation was made to lower the standards, however, this was not enacted. And DOH representative David McBride acknowledged that the standard set was established as a health-based standard but instead

622 Tacoma Ave S, Ste 1 | Tacoma, WA 98402
253.272.6824 | campaign@safest.org | safest.org



was based primarily on what was believed at the time to be technologically feasible. In 2009 the California Environmental Protection Agency published two companion studies that were, and still are, the most exhaustive and comprehensive health and risk-based assessments of meth. Those studies concluded that 1.5 ug/100cm was an appropriately conservative contamination/remediation standard based on the most susceptible exposed population – six month to two year old children. (Assessment of Children's Exposure, California EPA, February 2009).

As the leader of an agency that seeks to prevent and reduce substance abuse and violence through grassroots efforts I am concerned that we may be overly restrictive in our current standard. This impacts property owners by greatly increasing their costs in recovering properties and increases the cost of remediation. The lower standard subjects units to an unnecessary declaration by the local health department that they are unfit for occupancy, resulting in a cloud on the property's title and a derelict building notice.

On March 18, 2014 the Comprehensive Health Education Foundation, Tacoma Pierce County Health Department, Peninsula Housing Authority (Clallam County) and the Tacoma Housing Authority have submitted a document outlining the development of regulations regarding methamphetamine, a review of other State's regulations, and a review of the current Washington State DOH process for reviewing the testing threshold.

As a community leader I urge you to establish a less strict standard that still protects families and children and that provides the opportunity and motivation for property owners to assume reasonable costs for remediation.

Sincerely,



Priscilla A. Lisicich



Northwest Justice Project

715 Tacoma Ave S
Tacoma, WA 98402
Tel. (253) 272-7879
Fax (253) 272-8226

Toll Free 1-888-201-1015
www.nwjustice.org

César E. Torres
Executive Director

April 24, 2014

Vicki M. Bouvier, Rules Coordinator
Environmental Public Health Division
Washington State Department of Health
P.O. Box 47822
Olympia, WA 98504-7822

Re: Pre-proposal Statement of Inquiry (WSR 14-05-033) regarding consideration of a less-stringent methamphetamine decontamination standard.

Dear Rules Coordinator:

Northwest Justice Project (NJP) is Washington's largest provider of free civil legal aid to low income, elderly and disabled persons. A significant number of our clients are public housing residents or live in private housing subsidized by a variety of public funds. At the request of Rep. Laurie Jinkins we are happy to offer comments on DOH's consideration of a less-stringent methamphetamine decontamination standard.

In our work for housing clients we have encountered numerous situations in which tenants were involuntarily displaced in order to remediate methamphetamine contamination of their public housing unit. Under local health department practice, once contamination is determined to exist within a residence, the occupant is given a very short time to vacate and is not allowed to take any personal effects beyond medicines, identification and similar vital items. This abrupt displacement often causes the household to become at least temporarily homeless. Our usual role is to represent residents in resulting disputes with the property owner about responsibility for the contamination, substitute or replacement housing, and the loss of housing subsidies. We have also advised new residents who have been asked to sign releases acknowledging that the unit they are about to occupy was previously contaminated by methamphetamine residue.

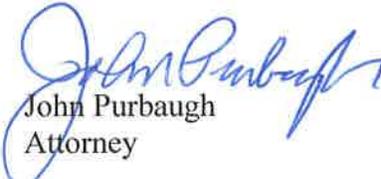
In our experience, public housing tenants are concerned both with the stability of their housing and with protecting their (and their neighbors') health. Our understanding is that at that time DOH adopted its $0.1 \mu\text{g}/\text{cm}^2$ remediation standard, human health studies regarding the effects of environmental exposure to methamphetamine residue were not available, and as a result, this standard was selected as the then-current methamphetamine detection level. Since that time, however, at least one such study occurred in California and identified $1.5 \mu\text{g}/\text{cm}^2$ as an appropriate health-based remediation standard. Based on this study, we understand that California and several other states have adopted this higher $1.5 \mu\text{g}/\text{cm}^2$

standard as their remediation threshold. Washington's continued use of the very stringent 0.1 $\mu\text{g}/\text{cm}^2$ standard compared to the higher health-based standards employed in other states clearly imposes an additional burden on both owners and residents of potentially contaminated housing units.

Occupants may be needlessly displaced from any unit which is found to be contaminated under the present Washington standard, and suffer the additional loss of their personal property, even though up to 15 times more contamination may not threaten their or their neighbors' or visitors' health. We are also told that the cost of remediating a unit to comply with the more stringent Washington standard greatly exceeds the costs of remediating to comply with the higher health-based standards, creating an obvious disincentive for property owners to learn about the contamination of their property and embark on voluntary remediation efforts.

For these reasons, we believe that the interests of public housing and other low income residents could be well served by DOH's planned consideration of a less stringent, health-based methamphetamine decontamination standard. We hope these initial perspectives are helpful to you, and we look forward to reviewing and possibly commenting further on any proposed rules.

Sincerely,
Northwest Justice Project


John Purbaugh
Attorney


Jennifer Bell
Attorney



TACOMA HOUSING AUTHORITY

CHANGING THE STATE OF WASHINGTON'S TESTING THRESHOLD

DEFINING METHAMPHETAMINE CONTAMINATION REQUIRING REMEDIATION

March 18, 2014

Comprehensive Health Education Foundation (CHEF), Tacoma Pierce County Health Department (TPCHD), the Peninsula Housing Authority (Clallam County), the Tacoma Housing Authority (THA) and others have asked the Washington State Department of Health (DOH) to change the level of methamphetamine contamination that its rules use to trigger remediation obligations under state law. Presently, that level is 0.1 micrograms per 100 square centimeters. This is one of the strictest in the nation. The state chose this level in 2002. This level does not denote health risk. Instead, it was chosen to denote the contamination level that is detectable. Enforcing this standard has imposed costs on property owners and local health departments that are unnecessary to protect health. These costs actively discourage compliance with state remediation requirements. Since 2009 the best available science has identified the conservative health standard to be 1.5 micrograms per 100 square centimeters. CHEF, THA and others have asked DOH to adopt the 1.5 microgram standard. This memo explains the basis for the request. DOH has begun its review of this request. DOH invites comments. This memo also explains how to offer comments.

1. SUMMARY

Since 2002, the State of Washington has had a decontamination standard for methamphetamine (meth) of one-tenth of one microgram per 100 square centimeters of surface area (0.1 ug/100cm²).¹ DOH acknowledged that this is not a health-based standard but instead “was based primarily on what was believed at the time to be technologically feasible.”² Last year EPA

¹ WAC 246-205-541.

² Comments from Dave McBride, Washington Department of Health to California Environmental Protection Agency, *Development of a Reference Dose (RfD) for Methamphetamine*, February 2009, p. 92.

acknowledged that “[m]ost state remediation standards are based on analytical detection limits [of sampling equipment] and feasibility – they are not health-based standards.”³

In 2009 the California Environmental Protection Agency published two companion studies that were, and still are, the most exhaustive and comprehensive health and risk-based assessments of meth. Those studies concluded that 1.5 ug/100cm² was an appropriately conservative contamination/remediation standard based on the most susceptible exposed population -- six-month to two-year-old children.⁴ California subsequently adopted the 1.5 ug/100cm² standard and since then so have Kansas, Minnesota, and Virginia.⁵

An overly restrictive, non-health based standard results in unintended problems. **First**, it greatly increases costs to property owners for reasons unrelated to health. It greatly overstates the number of units that need remediation. It greatly increases the cost of remediation because cleaning down to an arbitrary, technology-based standard of 01.ug/100cm² is much more expensive than cleaning down to the health standard of 1.5 ug/100 cm². **Second**, the more expensive non-health based standard discourages voluntary investigation and sampling (and resulting remediation) because the results, if below 1.5 ug/cm² but above 0.1 ug/cm², will mean an obligation to perform expensive and unnecessary remediation. **Third**, the lower standard unnecessarily uses scarce resources of local health departments charged with enforcing these standards. **Fourth**, the lower standard subjects units to an unnecessary declaration by the local health department that they are unfit for occupancy, resulting in a cloud on the property’s title and a derelict building notice. This also unnecessarily burdens both the county auditor’s offices and the code enforcement divisions.

³ *Voluntary Guidelines for Methamphetamine Laboratory Cleanup*, (“EPA’s 2013 Voluntary Guidelines”) U.S. EPA (EPA.530-R-08-008), March 2013, p.7.

⁴ *Assessment of Children’s Exposure to Surface Methamphetamine Residues in Former Clandestine Methamphetamine Cleanup Standard for Surface Methamphetamine Contamination* (“Assessment of Children’s Exposure”), Integrated Risk Assessment Branch Office of Environmental Health Hazard Assessment, California Environmental Protection Agency, February 2009, p.1.

⁵ *Guidelines for Cleanup of Residential Property Used to Manufacture Methamphetamine* (Virginia’s 2013 Guidelines”), Virginia Department of Health, September 12, 2013, pp. 24 – 25.

Meth production, and its use, continues to be a significant public health concern in Washington, and elsewhere. Washington should join other states and adopt the health-based meth contamination/remediation standard of 1.5 ug/100cm². This would promote appropriate investigation and decontamination of meth sites. It would protect human health and the environment based on the best available science. It would do so in a commercially reasonable manner that would elicit compliance from property owners.

2. WASHINGTON’S DEVELOPMENT OF METHAMPHETAMINE REGULATIONS

Washington appears to have been the first state in the country to adopt statutes and regulations addressing the burgeoning problem of meth production. The state first enacted legislation to address properties contaminated by illegal meth manufacturing activities in 1990. The genesis of the law was a legislative finding “that some properties are being contaminated by hazardous chemicals used in unsafe or illegal ways in the manufacture of illegal drugs. Innocent members of the public may be harmed by the residue left by these chemicals . . .”⁶ At the time, Pierce County was one of the nation’s counties most afflicted by meth manufacture.

The linchpin to the application of the entire statutory scheme was a reasonable belief or confirmation that property was “contaminated,” which the legislature defined to be “polluted by hazardous chemicals so that the property is *unfit for human habitation or use due to immediate or long-term hazards*.”⁷

While the legislature clearly intended a health-based approach to addressing meth contamination, neither the initial legislation or the implementing regulations adopted in 1991 contained any quantitative or qualitative standards to determine whether a property was “contaminated” or whether it had been successfully remediated. Instead, the statute merely required

⁶ RCW 64.44.005.

⁷ RCW 64.44.010 (2) (Emphasis added)

the preparation and submission to the local health department of a written work plan for decontamination and provided that “[i]f the work plan is approved and the decontamination is completed and the property is retested according to the plan and properly documented, then the health officer shall allow reuse of the property.”⁸

The original 1990 statute directed that DOH “shall develop guidelines for decontamination of a property used as a drug laboratory and methods for the testing . . . for contamination, . . .”⁹ In 2002 DOH promulgated specific sampling procedures and numeric decontamination standards. At that time DOH established the following decontamination standards for meth and associated materials:

- methamphetamine – less than or equal to 0.1 microgram per 100 cm²;
- total lead – less than or equal to 20 micrograms per foot²;
- mercury – less than or equal to 15 nanograms per cubic meter in air;
- volatile organic compounds – 1 part per million total hydrocarbons and in air.¹⁰

Those standards have remained unchanged since 2002. Since then, the best available scientific research has established that the health standard for meth contamination is 1.5 ug/100 cm².

⁸ RCW 64.44.050 [1990 at 213 § 6].

⁹ RCW 64.44.070.

¹⁰ WAC 246-205-541.

3. OTHER STATES'S DEVELOPMENT OF METHAMPHETAMINE REGULATIONS

Washington appears to have been the first state to adopt numeric standards, although the Salt Lake Valley in Utah also adopted numeric standards in 2001. Arizona adopted numeric standards in 2003 followed by Oregon and Alaska in 2004, Arkansas and Colorado in 2005, Montana, North Carolina and Tennessee in 2005, and Michigan and Minnesota in 2006.¹¹ A 2006 survey by EPA noted at that time 13 states had adopted numeric guidelines or standards while 11 states, including California, Illinois, Missouri and Wisconsin, had guidance but no numeric remediation levels.^{12, 13}

During this same period there was no consensus on a human health-based standard for determining whether a property was contaminated or had been safely remediated. As a result, nearly every state who promulgated a rule on the matter defaulted to a technology-based standard for meth of 0.1 ug/100cm², even though it was widely acknowledged that this standard was not health-based. Last year, the EPA acknowledged that these “state remediation standards are based on analytical detection limits and feasibility – they are not health-based standards.”¹⁴

Recognizing both the lack of and the need for a scientific, health-based approach, the California legislature passed legislation in 2005 requiring the development of a health-based cleanup standard for methamphetamine on residential indoor surfaces.¹⁵ The resulting three year-long study developed a risk-based remediation standard based on the toxicity of methamphetamine and related chemicals – namely their adverse health effects and the doses that are required to elicit

¹¹ *Overview of Methamphetamine Cleanup Guidelines*, Office of Emergency Management (“EPA’s 2006 Overview”), U.S. EPA, 2006, pp. 6 - 12.

¹² *Id.*

¹³ In September of 2013, the Virginia State Board of Health performed a survey of state meth cleanup guidelines and standards and found that twenty-two states now had mandatory residual standards for methamphetamine, while one, North Carolina, had a recommended level. Seven other states recommended post-remediation testing in some circumstances but, like Washington prior to 2001, did not provide sampling guidance or establish remediation standards. Virginia’s 2013 Guidelines, pp. 24 – 25.

¹⁴ EPA’s 2013 Voluntary Guidelines, p.7. See, also Virginia’s 2013 Guidelines, p. 18.

¹⁵ *Assessment of Children’s Exposure*, p 1.

them. The studies took the conservative and health prudent approach that “*any* effect induced by the drug is an adverse effect and, potentially, a critical effect.”¹⁶

The studies relied on 160 published research reports, including more than 100 peer-reviewed reports developed since the late 1930’s that characterized the effects of methamphetamines in humans under controlled conditions.¹⁷ Particular emphasis was placed on studies that had characterized adverse effects in potentially sensitive sub-populations, including children, pregnant women and the elderly.¹⁸

In February 2009 California published two companion studies that established 1.5 ug/100cm² as a human health-based standard for determining whether a property was contaminated or adequately remediated.^{19,20} States that have adopted or re-evaluated their standards since California published its peer-reviewed health-based standard tended toward adoption of that standard, including Kansas in 2009 and Minnesota and Virginia in 2013.²¹

Since Washington established technology-based remediation standards for meth in 2002 significant advances in public health science now allow DOH to more fully implement the statutory mandate that it make a health-based determination of whether a “property is unfit for human habitation or use due to intermediate or long-term hazards.”²² Adopting a scientific, health-based and appropriately conservative standard of 1.5 ug/100cm² will fulfill the department’s statutory responsibilities in a manner consistent with its mission and public policies.

¹⁶ *Development of a Reference Dose (“RfD”) for Methamphetamine* (“Development of a Reference Dose”), February 2009. Integrated Risk Assessment Branch, Office of Environmental Health Hazard Assessment, California Environmental Protection Agency, p. 2.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Development of a Reference Dose; Assessment of Children’s Exposure.

²⁰ Interestingly, the Washington State Department of Health commented on the draft of the California study and noted that “the current cleanup standard of 0.1 ug/100 cm² used by Washington State was established in 2000 [sic] and was based primarily on what was believed at that time to be technologically feasible . . .”

²¹ Virginia’s 2013 Guidelines, p. 24-25.

²² RCW 64.44.010 (2).

4. WASHINGTON DEPARTMENT OF HEALTH REVIEW UNDERWAY

The Washington DOH has begun its process for reviewing its testing threshold. *See* WSR 14-05-033 (February 12, 2014): “The sole purpose of this rule making is to consider establishing a less stringent methamphetamine decontamination standard. The current decontamination standard is based on a consistently achievable detection limit. Since the adoption of the original rule, advances in scientific understanding of the human health effects of methamphetamine indicate that a less stringent, health-based standard may be more appropriate as a decontamination standard.” *Id.* DOH’s states that “[t]he Department of Health will use a collaborative rulemaking process to develop proposed rule, and hold a public hearing to allow testimony and written comments on the proposed rule.” *Id.* The DOH’s schedule anticipates that it will host a public hearing about a proposed new rule in July 2014 and will implement the final new rule in September 2014.

DOH’s notice invites interested parties to participate in its review even before it publishes the proposed rule:

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. The department of health will provide opportunities to comment on the draft and proposed rule, and will notify interested parties of the informal and formal comment periods and public hearing. Questions and comments may be referred to Vicki M. Bouvier, Environmental Public Health Division Rules Coordinator, Washington State Department of Health, P.O. Box 47822, Olympia, WA 98504-7822, phone (360) 236-3011, fax (360) 236-2255, vicki.bouvier@doh.wa.gov.
[WSR 14-05-033]

For more information from CHEF or THA please contact:

Comprehensive Health Education Foundation
Julie Petersen
Senior Director of Policy
Juliep@chef.org
(206) 832-1898

Tacoma Housing Authority
Michael Mirra
Executive Director
mmirra@tacomahousing.org
(253) 207-4429

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,828,340 for the month of April, 2014.

Approved: May 28, 2014

Greg Mowat, Chairman

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

	Check Numbers		Amount	Totals
	From	To		
A/P Checking Account				
Low Rent Module Checks	Check #'s	N/A - N/A	-	
Accounts Payable Checks	Check #'s	82,234 - 82,430		
Business Support Center			292,498	Program Support
Moving To Work Support Center			71,222	
Tax Credit Program Support Center			4,790	
Section 8 Programs			5,795	Section 8 Operations
SF Non-Assist Housing - 9SF Homes			47	Local Funds
Wedgewood			244	
Salishan 7			32,924	
Tacoma Housing Development Group			595	
Hillside Heights			1,187	Development
Salishan Developer Fee			129	
AG Hsg Recovery Grant			30,292	
Development Activity			20,629	
Salishan Area 2B-Dev			2,348	
Hillside Terrace 2500 Yakima Development			1,136,924	
CS General Business Activities			80	Community Service
Weyerh. Homeless Grant			235	
Community Services MTW Fund			3,934	
Gates Ed Proj Grant			65	
Gates Ed Grant			483	
WA Families Fund			777	
WA Families Fund - Systems Innovation			388	Public Housing
AMP 1 - No K, So M, No G			42,255	
AMP 2 - Fawcett, Wright, 6th Ave			24,517	
AMP 3 - Lawrence, Orchard, Stevens			57,981	
AMP 4 - Hillside Terr - 1800/2500			24,087	
AMP 5 - Salishan Common Areas			161	
AMP 6 - Scattered Sites			4,212	
AMP 7 - HT 1 - Subsidy			15,753	
AMP 8 - HT 2 - Subsidy			2,488	
AMP 9 - HT 1500 - Subsidy			8,635	
Allocation Fund			44,768	Allocations-All Programs
THA SUBTOTAL			1,830,441	
Hillside Terrace 1 through 1500			1,023	Tax Credit Projects - billable
Salishan I - through Salishan 6			432	
Salishan Association - Operations			7,912	
TAX CREDIT SUBTOTAL (Operations - billable)			9,366	1,839,808
Section 8 Checking Account (HAP Payments)				
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,058 - 481,142	138,503	
	ACH	58,680 - 60,096	2,363,770	\$ 2,502,272
Payroll & Payroll Fees - ADP				\$ 486,260
Other Wire Transfers				
Local Funds Semi-Annual Bond Payment - Heritage			-	\$ -
TOTAL DISBURSEMENTS				\$ 4,828,340



TACOMA HOUSING AUTHORITY

Date: May 28, 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 April, 2014 disbursement reports for your approval.

The Finance Department is submitting the financial statement for the month of March, 2014. THA remains in good financial shape. For the month of March, on Line 71, the YTD surplus is \$99,785, compared to projected surplus of \$25,434. I am currently projecting a surplus of \$167,900 compared to the budgeted amount of \$101,736 at year end. I expect the projected actual to change as the year progresses and information clarifies. There are some variances in the report. Many of them are timing issues, and others are some that may need to be addressed during the mid-year budget revision.

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* – We have been authorized at 99.7% of appropriations, HUD cash management procedures dictate that they will not provide us funds in excess of our needs. As long as we are under budget in our expenses, funds will not be disbursed to us, and will be held at HUD. Due to this fact, this number will fluctuate during the year, with the possibility of the projected actual being under budget if our expenses are lower. The remaining funds will be maintained at HUD for our use when needed.
- *Line 9 – Other Government Grants* – Included in the budget is approximately \$60K for administering a blight abatement program, which 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. Even though we may receive these funds, they are not included until such time as realized.

- *Line 12 – Other Revenue Developer Fee* - The budgeted developer fee for Prairie Oaks (LASA) is \$187K for this year, and \$327K for the development in total once completed. As we have not closed on the project yet, I have not included this year's amount in the projected actual column.
- *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. This is due to units that tested hot in 2013, and due to constraints, we were not able to put back until 2014. There is also other work identified in our portfolio that needs addressing and was not in our initial budget.
- *Lines 69 – 71 – Capital Items* - The YTD and projected actual amounts in these categories only reflect active projects that we have contracts on. In the budget, the purchase of New Look Apts., and the HTF and Lakewood funds for Prairie Oaks development are included. New Look is on hold, and as of this writing, we have yet to close on Prairie Oaks. 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. New Look, Prairie Oaks, and RAD conversion funds are included in the Project Actual amounts.

For our cash position, we are including the commitment of funds passed by the Board in the September, 2012 board meeting. These commitments, along with designated Public Housing and Section 8 reserves, leave the agency with minimal unobligated MTW cash levels. That is good in order to conform to HUD's expectations about the use of reserves.

We are working with both Heritage Bank and Foster Pepper to set up a \$2 million Line of Credit. We are looking to have the documents ready for the June board meeting.

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 State auditors are conducting the financial statement and single audit portions of our 2013 records. Their entrance conference coincides with our May finance committee meeting.

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. Our mid-year budget review was scheduled for June 20. It will be rescheduled into July due to scheduling conflicts.

5. YEAR END CLOSING UPDATE

There is nothing to report.



Tacoma Housing Authority Entrance Conference May 22, 2014

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State Auditor
Troy Kelley**

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About Our Office

The State Auditor's Office holds state and local governments accountable for the use of public resources.

Audit

State law requires our Office to examine the financial affairs of all local governments. We consider several factors as we determine the frequency and type of audit to conduct. These include assessing your annual revenues, federal expenditures, significant issues found in prior audits, bond covenants and state laws and regulations. We also strive to meet any other audit needs expressed to us by local governments.

Investigations

We also investigate potential frauds reported to our Office and examine some citizen concerns. Local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website. We determine which citizen concerns we will look at based on their seriousness and our available resources.

Support Services

We provide support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website offers many resources, including a client HelpDesk that answers auditing and accounting questions.

Your Audit

Based on preliminary planning and your audit needs, we will perform the following audits for the fiscal year 2013:

- Accountability audit
- Financial statement audit
- Federal grant compliance audit

Audit Scope

Accountability Audit

Accountability audits examine financial records to evaluate whether public funds are handled properly and in compliance with laws and regulations. We evaluate whether effective internal controls are in place to promote accountability and encourage sound financial management practices. Effective internal controls also prevent losses of public funds or detect them in a timely manner. Governments should continually evaluate internal controls to ensure they are effective and updated when necessary.

Using a risk-based approach, our audit will evaluate accountability and compliance with state laws and regulations in the following areas:

- Construction loan for Prairie Oaks
- General contractor for LASA project
- Write off of account balances
- Agreement with Martin Luther King Housing Authority regarding New Look apartments
- Citi-bank bond debt and D.R. Horton sale agreement

Accountability Audit Report

We expect to issue this report in October 2014 assuming there are no unforeseen delays.

Financial Statement Audit

We perform financial statement audits in accordance with *Government Auditing Standards*, which require we obtain reasonable, rather than absolute, assurance about whether financial statements are free of material misstatement, whether caused by error, fraud or violations of laws or contracts. Since we do not review every transaction, our audit cannot be relied upon to identify all misstatements. We may not express an opinion on your financial statements if we are unable to complete the audit or obtain sufficient and appropriate evidence supporting the statements.

Although these audits are not designed to provide an opinion on the effectiveness of internal controls over financial reporting, we are required to report any significant deficiencies and material weaknesses in controls. We also are required to report noncompliance with provisions of laws, regulations, contracts and grant agreements that could have a direct and material effect on the accuracy of the financial statements.

Our responsibility is to express an opinion on the financial statements based on the results of our audit. The Authority is solely responsible for preparation of these statements in accordance with generally accepted accounting principles (GAAP), including:

- Selecting and applying appropriate accounting policies.
- Establishing and maintaining effective internal controls over financial reporting.
- Designing and following effective controls to prevent and detect fraud.
- Ensuring compliance with laws, regulations and provisions of contracts and grant agreements.

- Making all financial records and related information available to us.
- Correcting the financial statements based on the results of our audit.
- Providing us with a management representation letter, which we will request at the conclusion of our audit. This letter includes representations regarding legal matters. A separate letter may be needed from the Housing Authority's legal counsel.

Financial Statement Audit Report

Our opinion on the fair presentation of the financial statements will be included in this audit report. We will also issue a report on any significant deficiencies and material weaknesses in internal control over financial reporting and on compliance with laws, contracts and grant agreements with a material financial statement effect, as required by Government Auditing Standards.

We expect to issue this report in August 2014. However, this expectation is based on timely access to financial information and no significant audit reporting issues.

Misstatements

All misstatements identified by the audit will be discussed with management. Material misstatements corrected by management and all uncorrected misstatements will be communicated at the exit conference, as required by professional auditing standards.

Federal Grant Compliance Audit

We will perform a federal grant compliance audit, as prescribed by the Office of Management and Budget (OMB) Circular A-133. This audit is required when federal grant expenditures exceed \$500,000 in a fiscal year. We will evaluate the effectiveness of internal controls and determine compliance with federal requirements for the following programs:

- Moving To Work, 14.881
- Housing Choice Voucher Cluster, 14.871/880

Federal Compliance Audit Report

Federal requirements stipulate the submission of these audit reports, along with the Data Collection Form, to the federal clearinghouse within 30 days after receipt of the report or nine months after the end of the audit period, whichever is earlier.

We expect to issue this report in August 2014. However, we are required to include the results of our financial statement audit in this report, so the estimated issue date could change based on the completion of both audits.

Other Engagements

REAC Filing Attestation

In addition to our audit, we will perform the procedures required by HUD related to the Housing Authority's electronic submission to the Real Estate Assessment Center (REAC). The report will be

submitted to REAC electronically, as required. The cost of these services is included in the audit budget.

Reporting Levels for Audit Recommendations

Findings

Findings formally address issues in an audit report. You will be given the opportunity to respond to a finding, and this response, or synopsis of it, will be published in the audit report.

Professional auditing standards define the issues we must report as findings with regard to non-compliance with a financial statement effect and internal controls over financial reporting.

OMB Circular A-133 defines the issues we must report as findings with regards to non-compliance and internal controls over compliance with federal grants.

Management Letters

Management letters communicate less significant instances of noncompliance and make recommendations for strengthening internal controls. Management letters are referenced, but not included, in the audit report.

Exit Items

Exit items are less serious audit issues than a finding or management letter. These issues are informally communicated to you.

Other Information

Confidential Information

Our Office is committed to protecting your confidential or sensitive information. Please notify us when you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws, such as HIPAA.

Audit Costs

The cost of the audit is estimated to be \$60,192, plus travel expenses. This is a budget of 720 hours at the current billing rate of \$83.60.

Audit Staffing

The following staff will assist on this audit:

- Darrell Matz, Assistant State Auditor
- Dan Bray, Audit Intern

Expected Communications

During the course of the audit, we will communicate with Duane Strom, Accounting Manager on the audit status, any significant changes in our planned audit scope or schedule and preliminary results or recommendations as they are developed.

Please let us know if, during the audit, any events or concerns come to your attention of which we should be aware. We will expect Duane to keep us informed of any such matters.

At the conclusion of the audit, we will summarize the results at the exit conference. We will also discuss any significant difficulties or disagreements encountered during the audit and their resolution.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		March, 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	275,935	826,669	809,730	2.09%	3,306,676	3,238,919	2.09%
2	Tenant Revenue - Other	2,740	52,226	11,060	372.20%	83,904	44,241	89.65%
3	HUD grant - Section 8 HAP reimburseme	2,922,410	8,050,712	8,683,120	-7.28%	34,702,848	34,732,479	-0.09%
4	HUD grant - Section 8 Admin fee earned	223,690	665,503	709,753	-6.23%	2,662,012	2,839,011	-6.23%
5	HUD grant - Public Housing subsidy	227,565	612,680	579,627	5.70%	2,350,720	2,318,509	1.39%
6	HUD grant - Community Services	10,122	29,703	36,144	-17.82%	118,812	144,574	-17.82%
7	HUD grant - Capital Fund Operating Reve	256,134	522,334	367,892	41.98%	1,539,336	1,471,568	4.61%
8	Management Fee Income	286,245	861,451	913,673	-5.72%	3,545,804	3,654,691	-2.98%
9	Other Government grants	12,711	41,205	100,908	-59.17%	224,820	403,632	-44.30%
10	Investment income	3,867	11,851	14,881	-20.36%	47,404	59,525	-20.36%
11	Fraud Recovery Income - Sec 8	1,763	15,916	7,500	112.21%	33,664	30,000	12.21%
12	Other Revenue- Developer Fee Income	0	0	141,686	-100.00%	380,000	566,743	-32.95%
13	Other Revenue	26,285	108,422	146,088	-25.78%	433,688	584,351	-25.78%
14	TOTAL OPERATING RECEIPTS	4,249,467	11,798,672	12,522,061	-5.78%	49,429,688	50,088,243	-1.31%
OPERATING EXPENDITURES								
<i>Administrative Expenses</i>								
15	Administrative Salaries	350,842	1,085,559	1,205,345	-9.94%	4,754,089	4,821,380	-1.40%
16	Administrative Personnel - Benefits	138,111	367,398	493,551	-25.56%	1,719,592	1,974,203	-12.90%
17	Audit Fees	0	4,050	21,928	-81.53%	87,711	87,711	0.00%
18	Management Fees	230,604	689,327	724,518	-4.86%	2,832,308	2,898,070	-2.27%
19	Rent	25,204	75,612	74,612	1.34%	302,448	298,446	1.34%
20	Advertising	795	1,224	3,363	-63.60%	4,896	13,450	-63.60%
21	Information Technology Expenses	13,505	38,293	57,461	-33.36%	228,172	229,845	-0.73%
22	Office Supplies	5,050	10,767	19,046	-43.47%	68,068	76,184	-10.65%
23	Publications & Memberships	509	27,268	11,659	133.89%	46,134	46,634	-1.07%
24	Telephone	10,010	22,717	27,994	-18.85%	110,868	111,974	-0.99%
25	Postage	3,118	9,635	10,273	-6.21%	38,540	41,090	-6.21%
26	Leased Equipment & Repairs	11,033	23,955	20,997	14.09%	95,820	83,988	14.09%
27	Office Equipment Expensed	3,568	10,909	16,553	-34.10%	63,636	66,213	-3.89%
28	Legal	5,030	15,095	56,480	-73.27%	225,380	225,920	-0.24%
29	Local Milage	391	1,194	3,309	-63.91%	7,776	13,235	-41.25%
30	Staff Training/Out of Town travel	8,685	36,569	70,406	-48.06%	241,276	281,623	-14.33%
31	Administrative Contracts	14,312	47,145	165,925	-71.59%	688,580	663,700	3.75%
32	Other administrative expenses	5,306	32,965	20,843	58.16%	81,860	83,370	-1.81%
33	Due diligence - Perspective Development	12,968	44,073	122,625	-64.06%	326,292	490,500	-33.48%
34	Contingency	0	0	25,863	-100.00%	0	103,450	-100.00%
35	Total Administrative Expenses	839,041	2,543,755	3,152,747	-19.32%	11,923,446	12,610,986	-5.45%

	March, 2014				Thru 12/31/2014			
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE	
Tenant Service								
36	Tenant Service - Salaries	61,654	197,902	233,376	-15.20%	897,575	933,505	-3.85%
37	Tenant Service Personnel - Benefits	26,165	72,826	95,308	-23.59%	326,304	381,233	-14.41%
38	Relocation Costs	2,089	10,162	23,168	-56.14%	92,670	92,670	0.00%
39	Tenant Service - Other	6,174	34,428	49,780	-30.84%	152,712	199,118	-23.31%
40	Total Tenant Services	96,082	315,318	401,632	-21.49%	1,469,261	1,606,526	-8.54%
Project Utilities								
41	Water	7,208	25,565	29,606	-13.65%	102,260	118,425	-13.65%
42	Electricity	26,996	74,484	49,810	49.54%	247,936	199,240	24.44%
43	Gas	5,012	17,038	14,965	13.85%	68,152	59,860	13.85%
44	Sewer	23,279	80,402	79,818	0.73%	321,608	319,270	0.73%
45	Total Project Utilities	62,495	197,489	174,199	13.37%	739,956	696,795	6.19%
Ordinary Maintenance & Operations								
46	Maintenance Salaries	41,866	136,678	164,968	-17.15%	622,271	659,872	-5.70%
47	Maintenance Personnel - Benefits	12,775	37,816	51,968	-27.23%	171,264	207,872	-17.61%
48	Maintenance Materials	21,286	48,133	51,543	-6.61%	192,532	206,170	-6.61%
49	Contract Maintenance	46,079	179,439	271,141	-33.82%	867,756	1,084,565	-19.99%
50	Total Routine Maintenance	122,006	402,066	539,620	-25.49%	1,853,823	2,158,479	-14.11%
General Expenses								
51	Protective Services	12,302	40,334	35,463	13.74%	161,336	141,850	13.74%
52	Insurance	17,586	50,191	53,969	-7.00%	200,764	215,877	-7.00%
53	Other General Expense	93,959	306,112	342,982	-10.75%	1,349,448	1,371,927	-1.64%
54	Payment in Lieu of Taxes	1,198	3,596	3,876	-7.22%	14,384	15,503	-7.22%
55	Collection Loss	0	0	18,871	-100.00%	90,000	75,482	19.23%
56	Interest Expense	13,590	42,752	69,024	-38.06%	276,096	276,096	0.00%
57	Total General Expenses	138,635	442,985	524,184	-15.49%	2,092,028	2,096,735	-0.22%
58	TOTAL OPERATING EXPENSES	\$ 1,258,259	\$ 3,901,613	\$ 4,792,380		\$ 18,078,515	\$ 19,169,521	
Nonroutine Expenditures								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	129,418	208,246	99,000	110.35%	520,615	396,000	31.47%
60	Casualty Losses	(2,928)	38,182	6,377	498.77%	38,182	25,507	49.69%
61	Sec 8 HAP Payments	2,412,000	7,417,705	7,565,201	-1.95%	30,370,820	30,260,802	0.36%
62	Total Nonroutine Expenditures	2,538,490	7,664,133	7,670,577	-0.08%	30,929,617	30,682,309	0.81%
63	TOTAL EXPENDITURES	3,796,749	11,565,746	12,462,958	-7.20%	49,008,132	49,851,830	-1.69%
64	OPERATING SURPLUS/(DEFICIT)	452,718	232,926	59,103	294.10%	421,556	236,413	78.31%
65	Debt Service Principal Payments	(128,747)	(128,747)	(89,720)	43.50%	(358,880)	(358,880)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	323,971	104,179	(30,617)	-440.27%	62,676	(122,467)	
67	Reserve Appropriations - Operations	5,362	26,306	56,051	-53.07%	105,224	224,203	-53.07%
68	Surplus/Deficit Before Capital Expenditures	329,333	130,485	25,434		167,900	101,736	
69	Revenue - Capital Grants	52,886	266,455	(1,963,188)	-113.57%	762,088	(7,852,750)	-109.70%
70	Capitalized Items/Development Projects	(76,836)	(297,155)	1,389,688	-121.38%	(762,088)	5,558,750	-113.71%
71	Reserve Appropriations - Capital	0	0	573,500	-100.00%	0	2,294,000	-100.00%
71	THA SURPLUS/(DEFICIT)	305,383	99,785	25,434		167,900	101,736	

TACOMA HOUSING AUTHORITY

CASH POSITION - April 2014

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 900,926	0.40%
Section 8 Checking	7,597,715	0.40%
THA Investment Pool	288	0.40%
THA LIPH Security Deposits	88,783	0.40%
THDG - Tacoma Housing Development Group	46,800	0.40%
LF - SF 9Homes Alaska	63,273	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	5,105	0.40%
LF - SFH No. Shirley	19,769	0.40%
LF - SFH N Shirley Security Deposit Acct	1,002	0.40%
LF - Wedgewood Homes	351	0.40%
Salishan 7	1,170,313	0.40%
Salishan 7 Security Deposit	26,243	0.40%
Salishan 7 Replacement Reserve	98,564	0.40%
Salishan 7 Operating Reserve	197,870	0.40%
Payroll Account	5,411	0.40%
General Fund Money Market	734,963	0.40%
IDA Account	13,730	0.40%
WASHINGTON STATE		
Investment Pool	\$ 1,626,448	0.10%
1. TOTAL THA CASH BALANCE	\$ 12,597,554	
Less:		
2. Total MTW Cash Balance	\$ 6,924,239	
<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)	278,392	
2.10 Total Reserve Commitments	\$ 5,608,392	
<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)	\$ 459,847	

TACOMA HOUSING AUTHORITY

CASH POSITION - April 2014

4. Non MTW Cash			
<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	115,197	
4.02 VASH, FUP & NED HAP Reserves		126,077	
4.03 Mod Rehab Operating Reserves		130,641	
4.04 Security Deposit Accounts		127,310	
4.05 Salishan Sound Families - 608		109,014	
4.06 IDA Accounts - 604		13,730	
4.07 Gates Foundation - 612, 614 & 623		222,236	
4.08 WA Families Fund - 674, 712, 713		84,984	
4.09 Wedgewood Replacement Reserve		804,357	
4.10 Bond Financed Single Family Homes Reserve		90,000	
4.11 Salishan 7 Reserves		721,435	
4.12 THDG - 048		46,800	
<i>4.20 Total - Other Restrictions</i>			\$ 2,591,780
<i>Agency Liabilities:</i>			
4.30 Windstar Loan - 042		305,799	
<i>4.40 Total - Agency Liabilities</i>			\$ 305,799
<i>4.45 Development Draw Receipts for Pending Vendor Payments</i>			\$ -
<i>4.50 Development Advances/Due Diligence Commitments¹</i>			\$ 224,279
5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.50)			\$ 3,121,857
6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)			\$ 2,551,457
7. Agency Current Commitments:	Board Approval	Expended	Obligation Balance
LASA Development advance	\$ 675,000	\$ 520,721	\$ 154,279
Salishan Campus (PY exp plus 2014 budget)	\$ 196,174	\$ 126,174	\$ 70,000
¹ Total Current Commitments outstanding			\$ 224,279
Agency Advances that resulted in reduced amount of Unencumbered Cash (line 6)			
LASA Development advance		\$ 520,721	
Hillside Terrace Redevelpmnt - HTF, HOME, CDBG and COT Funds		\$ -	
Total Agency Advances			\$ 520,721

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: May 28, 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 April. 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	2	0	60	96.77%
Family Properties	145	5	4	140	96.6%
Salishan	631	7	0	624	98.9%
Senior/Disabled	353	26	4	327	93.8%
All Total	1,193	40	8	1,151	96.7%

- *Vacant Unit Turn:*

On page four (4) there is a table with all of the units turned in fiscal year 2014. Ten (10) units were turned and rented in the month of April. The average unit turn for the month of April was 55 days; and **19 days for nine (9) clean units**. The average unit turn for the year 2014 as of May 2014 was 118 days. The FYTD decreased from 124 from the previous month. One (1) of the units that were turned in April tested positive for meth and needed to be remediated.

As of May 13, 2014, 124 of the 310 units that have been tested for contamination have tested positive for methamphetamine. Overall, this is a 40% positive rate for the units that have been tested. Since June 25, 2013, THA began using the home testing kits that test for contamination at the health-based contamination level of 1.5 micrograms per 100 cm² rather than 0.1 standard. Since that time, THA tested 126 tests; 27 or 21% have tested positive for contamination.

In November 2013, THA rather than its contractor started conducting the home field tests in house. We used a standardized procedure for sampling and interpreting results.

This furthered lowered our hot rate to 12% hot rate. This lower rate has held steady since November.

1.1 Vacant clean unit turn status

For clean units, the average turn days for the month of April were 19 days (9 units)! Below is a breakdown of each unit that exceeded the 20 day goal.

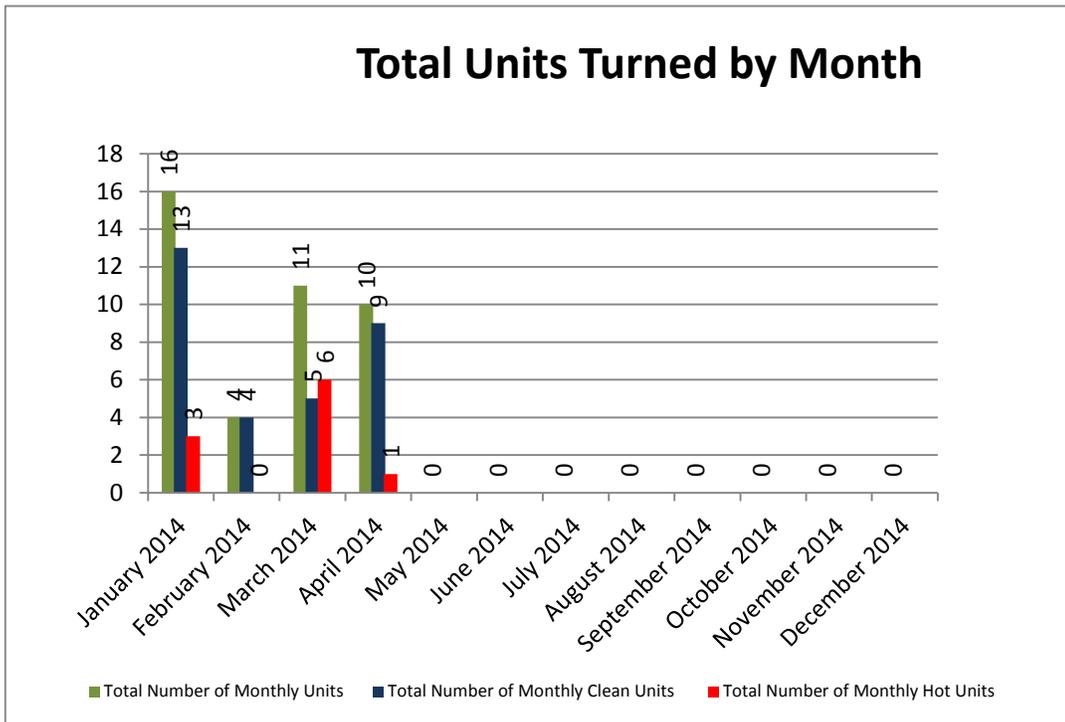
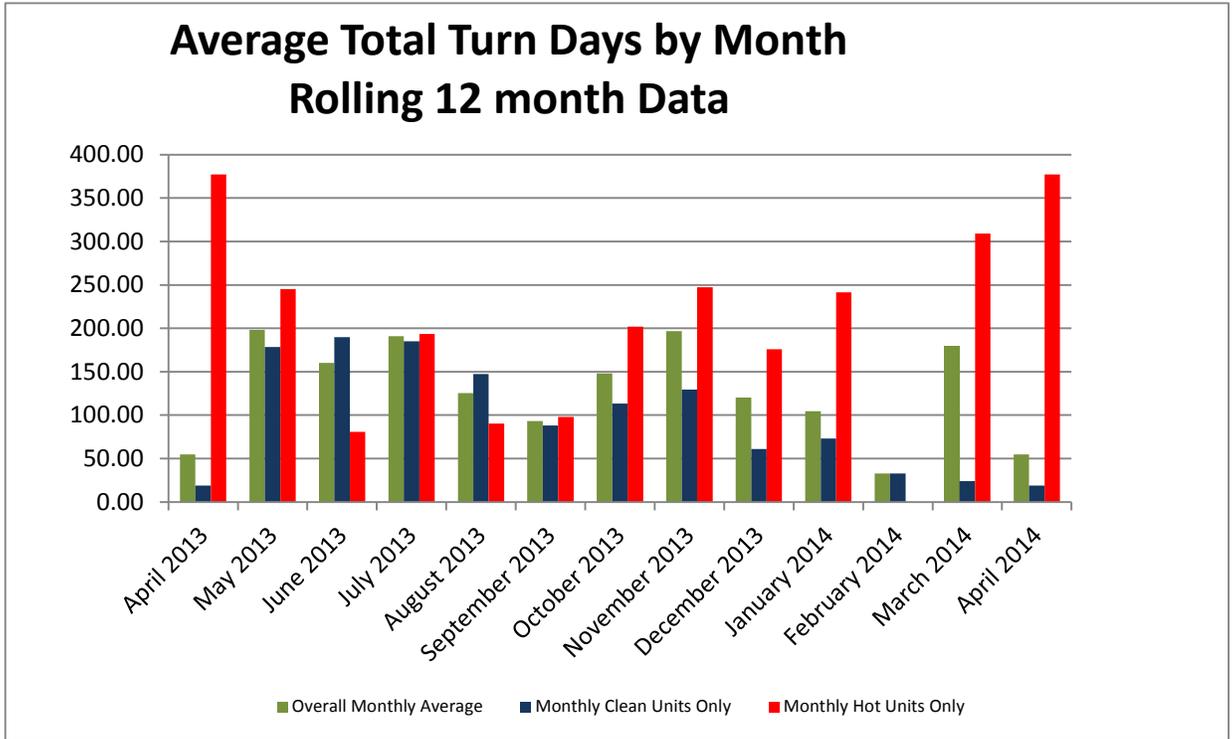
- Salishan 2 (AMP 11) 3901 Sal BLVD (43 days)- Maintenance completed the work in this unit in 16 days. The remaining days were due to leasing complications. This is an ADA unit and attempts were made to place a qualifying family into this unit. Per THA's Transfer policy, this unit must be offered to families needing these types of accommodations off the Reasonable Accommodations (RA) Transfer list. We showed this unit to 3 families before it was accepted. Four (4) days were attributed to the weekends where no work was performed in the unit.

1.2 Contaminated unit turns

As of May 13, 2014 there were 37 vacant units in THA's portfolio. Of these units:

- 10 are not contaminated,
- 2 are awaiting field testing,
- 24 are in remediation, (this includes dry-out)
- 1 unit was completed by the contractor

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 month of April, all emergency work orders were completed within 24 hours. In April, maintenance staff completed 294 non-emergency work orders and a total of 1,458 for the calendar year. The annual average number of days to complete a non-emergency work order is 8.45.

**Work Order Summary by Portfolio
 For the Month of April, 2014**

Portfolio	Completed Work Orders							
	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	0.67	40	1.35
HILLSIDE TERRACE PH I	0	0.0%	1	100.0%	20	4.90	55	2.98
HILLSIDE TERRACE PH II	1	100.0%	2	100.0%	9	1.22	39	2.23
	1	100.0%	4	100.0%	38	3.03	134	2.28
Family Properties								
BERGERSON TERRACE	0	0.0%	1	100.0%	33	8.73	116	8.22
DIXON VILLAGE	1	100.0%	1	100.0%	20	10.80	52	5.89
MARKET RATE SFR	0	0.0%	0	0.0%	0		9	17.67
SCATTERED SITES	0	0.0%	1	100.0%	9	6.33	32	6.50
	1	100.0%	3	100.0%	62	9.05	209	7.74
Salishan								
SALISHAN I	1	100.0%	4	50.0%	7	23.14	79	15.44
SALISHAN II	0	0.0%	1	100.0%	3	2.00	74	12.54
SALISHAN III	1	0.0%	1	0.0%	7	6.00	66	13.88
SALISHAN IV	0	0.0%	1	100.0%	19	11.11	99	12.30
SALISHAN V	0	0.0%	2	100.0%	9	6.44	112	9.84
SALISHAN VI	0	0.0%	1	0.0%	6	28.00	70	19.91
SALISHAN VII	0	0.0%	0	0.0%	9	12.22	56	13.81
	2	50.0%	10	60.0%	60	12.62	556	13.58
Senior / Disabled Properties								
6TH AVE	0	0.0%	4	100.0%	50	3.36	113	3.42
E.B. WILSON	0	0.0%	4	100.0%	17	4.41	93	3.80
FAWCETT APARTMENTS	0	0.0%	2	100.0%	6	2.67	70	4.97
LUDWIG APARTMENTS	0	0.0%	2	100.0%	13	5.85	64	8.27
NORTH G ST	1	100.0%	2	100.0%	21	8.33	62	8.79
NORTH K ST	0	0.0%	2	100.0%	11	8.09	56	6.25
WRIGHT AVE	4	100.0%	11	100.0%	16	4.56	101	3.55
	5	100.0%	27	100.0%	134	5.01	559	5.10
Agency Totals:	9	88.9%	44	90.9%	294	7.16	1,458	8.45

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

Portfolio	Emergency		Non Emergency		
	Opened Emergency WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside					
HT1 HILLSIDE TERRACE PH 1	0	0	1	1	0
HT1500 HILLSIDE TERRACE 1500 Block	0	0	1	1	0
HT2 HILLSIDE TERRACE PH II	1	0	0	0	0
	1	0	2	2	0
Family Properties					
020 BERGERSON TERRACE	0	0	3	3	0
022 LOW RENT SCATTERED SITES (5)	0	0	8	7	1
023 DIXON VILLAGE	1	0	7	7	0
	1	0	18	17	1
Salishan					
SAL1 SALISHAN ONE LLC (PH)	1	0	23	8	15
SAL2 SALISHAN TWO LLC (PH)	0	0	16	7	9
SAL3 SALISHAN THREE LLC (S8)	1	0	23	10	13
SAL4 SALISHAN FOUR LLC (S8)	0	0	70	49	21
SAL5 SALISHAN V LLC (PH)	0	0	68	40	28
SAL6 SALISHAN SIX LLC (PH)	0	0	16	7	9
SAL7 SALISHAN SEVEN	0	0	20	6	14
	2	0	236	127	109
Senior / Disabled Properties					
006 NORTH K ST	0	0	3	3	0
008 E.B. WILSON	0	0	8	8	0
009 FAWCETT APARTMENTS	0	0	2	2	0
010 WRIGHT AVE	4	0	3	3	0
012 LUDWIG APARTMENTS	0	0	6	6	0
013 NORTH G ST	1	0	7	7	0
014 6TH AVE #2	0	0	7	4	3
	5	0	38	33	3
Agency Totals:	9	0	292	179	113

REAC Update:

In addition to making significant improvement in our unit turnaround time and completing routine work orders, staff have been preparing for HUD REAC inspections. You will note the improvement in these scores from past inspections, including the first 100 score!. Our Property Management strategic objective performance measures have set a target to have 6 of our 15 AMPs receives scores 90 or above and nine (9) receive scores 85 or above.

Property	Date	2014 Scores	2011 Scores	2010 Scores
AMP 2 (6 th , Wright, Fawcett)	April 9, 2014	Awaiting score	81	86
AMP 3 (Bergerson, Ludwig, Dixon)	April 10, 2014	82 (appeal requesting 6 points submitted)	79	93
AMP 7 (Hillside phase 1)	April 3, 2014	83 (appeal requesting 5 points submitted)	89	94
AMP 13 (Salishan 4)	May 5, 2014	97	88	69
AMP 14 (Salishan 5)	May 7 2014	100	85	72

2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 97.3% for the month of April 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	131	4 shoppers 10 referrals needed
Non-Elderly Disabled Vouchers (NED)	100	87 (including 14 port outs)	11 shoppers 2 referrals needed
Family Unification Program (FUP)	50	41	6shoppers and 3referrals needed
McCarver Program	50	40	

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

3. PENDING WALK ON RESOLUTION

We have issued a Request for Proposals (RFP) for the third party contract work needed to remediate the methamphetamine contamination in “hot” units. This work is currently subcontracted by Rainbow International as part of its Emergency Mitigation Services contract with THA. That contract includes remediation and unit put back. In order to reduce the mark up on the subcontracted work for remediation, this pending resolution will award the remediation work to a contractor certified to perform that work itself. I anticipate the value of the new contract will start at \$250,000. We will save at minimum 10% in overhead per unit. This is approximately \$1,500 per unit.

4. MTW AND RENT REFORM SCHEDULE

We have been discussing initiating rent reform across THA’s current programs. These discussions have been consolidated with our annual MTW planning. The following pages include our full planning schedule. The board will be directly involved related to this planning on the following dates:

- June 25: We will brief the board on the proposed 2015 activities
- August 1: You will receive an emailed copy of the draft 2015 MTW Plan and public hearing schedule.
- August 18: Public hearing 1. You are invited to attend.
- August 20: Public hearing 2. You are invited to attend.
- August 26: Public hearing 3. You are invited to attend.
- August 28: Public hearing 4. You are invited to attend.
- September 12: Board study session on 2015 MTW Plan.
- September 24: Board meeting to review and approve Plan.

Task Name	Duration	Start	Finish
Plan Preparation (pre-public comment):	60 days	Thu 5/15/14	Wed 8/6/14
Prepare memo with activities in "parking lot"	7 days	Thu 5/15/14	Fri 5/23/14
Email Staff about 2015 ideas	1.2 wks	Fri 5/16/14	Fri 5/23/14
AB review and finalize memo	1 day	Fri 5/23/14	Fri 5/23/14
SS email memo to Cabinet	1 day	Tue 5/27/14	Tue 5/27/14
Meet with Cabinet re: ideas/memo	1 day	Fri 5/30/14	Fri 5/30/14
Meet with staff about suggested activities, solicit their ideas	5 days	Mon 6/2/14	Fri 6/6/14
Incorporate staff ideas into planning memo	5 days	Mon 6/9/14	Fri 6/13/14
Assign section of plan to section owners	1 day	Fri 6/13/14	Fri 6/13/14
Provide Cabinet with revised memo	1 day	Mon 6/16/14	Mon 6/16/14
Discuss revised memo with Cabinet	1 day	Fri 6/20/14	Fri 6/20/14
Brief Board on proposed activities	1 day	Wed 6/25/14	Wed 6/25/14
Provide NJP with synopsis of proposed activities	1 day	Mon 6/30/14	Mon 6/30/14
Begins collecting data for plan	1 mon	Mon 6/30/14	Fri 7/25/14
Prepare MTW Coordinator sections of Plan	1 day	Fri 6/27/14	Fri 6/27/14
Deadline for section owners	1 day	Thu 6/26/14	Thu 6/26/14
Consolidate all section into near-final plan	1 day	Fri 6/27/14	Fri 6/27/14
Review for edits	5 days	Mon 6/30/14	Fri 7/4/14
Director review	5 days	Mon 7/7/14	Fri 7/11/14
Cabinet review	5 days	Mon 7/14/14	Fri 7/18/14
Executive review of draft plan	9 days	Tue 7/15/14	Fri 7/25/14
Make revisions based on reviews	3 days	Mon 7/28/14	Wed 7/30/14

May 28, 2014 Board of Commissioners Meeting
 REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY
 REPORT

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Email draft report and hearing schedule to Board	1 day	Fri 8/1/14	Fri 8/1/14
Post to website	1 day	Fri 8/1/14	Fri 8/1/14
Prepare Documents for comment period:	25 days	Mon 6/30/14	Fri 8/1/14
Draft newsletter(s)	12 days	Wed 6/18/14	Thu 7/3/14
Edit for readability	5 days	Mon 7/7/14	Fri 7/11/14
Newsletter to staff for edits	0.6 wks	Fri 7/11/14	Tue 7/15/14
Final edits	3 days	Wed 7/16/14	Fri 7/18/14
Finish the newsletter	1 day	Fri 7/25/14	Fri 7/25/14
Email NW Mail		Fri 7/25/14	
Mail newsletter	1 day	Tue 7/29/14	Tue 7/29/14
Email newsletter, cover memo and Plan to NJP, Affordable Housing Coalition, TACID	1 day	Tue 7/29/14	Tue 7/29/14
Post MTW draft plan and cover memo with 30 day notice comment time and public hearing dates	1 day	Fri 8/1/14	Fri 8/1/14
Public Comment Period and Plan Submittal:	53 days	Fri 8/1/14	Tue 10/14/14
Meet with NJP	1 day	Thu 8/7/14	Thu 8/7/14
Meet with Safe	1 day	Wed 8/6/14	Wed 8/6/14
Meet with Affordable Housing Coalition	1 day	Wed 8/13/14	Wed 8/13/14
Meet with TACID	1 day	Thu 8/14/14	Thu 8/14/14
Meet with Staff to obtain additional comments on proposed activities	5 days	Mon 8/11/14	Fri 8/15/14
Report in to Cabinet re: meetings with advocates	1 day	Fri 8/15/14	Fri 8/15/14
Prepare presentation for public hearings	8 days	Fri 8/1/14	Tue 8/12/14
Executive finalize presentation materials	4 days	Wed 8/13/14	Mon 8/18/14
Public Hearing 1	1 day	Mon 8/18/14	Mon 8/18/14
Public Hearing 2	1 day	Wed 8/20/14	Wed 8/20/14
Public Hearing 3	1 day	Tue 8/26/14	Tue 8/26/14
Public Hearing 4	1 day	Thu 8/28/14	Thu 8/28/14
Debrief with Cabinet re:	1 day	Fri 8/29/14	Fri 8/29/14

public hearings			
Public Comment ends	1 day	Tue 9/2/14	Tue 9/2/14
Consolidate Public Comments and answers and post to the website	3 days	Tue 9/2/14	Thu 9/4/14
Meet with Cabinet re: redirection of activities based on comments	1 day	Fri 9/5/14	Fri 9/5/14
Prepare memo for Board study session. Highlight comments, proposed redirection of plan, overview of activities	4 days	Mon 9/8/14	Thu 9/11/14
Board Study Session	1 day	Fri 9/12/14	Fri 9/12/14
Revise MTW Plan based on public comments and Board review	5 days	Mon 9/15/14	Fri 9/19/14
Board Meeting	1 day	Wed 9/24/14	Wed 9/24/14
Revise MTW Plan based on public comments and Board review	7 days	Thu 9/25/14	Fri 10/3/14
Executive review of final plan	5 days	Mon 10/6/14	Fri 10/10/14
Submit Plan to HUD	1 day	Wed 10/15/14	Wed 10/15/14

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: May 28, 2014

TO: THA Board of Commissioners

FROM: Kathy McCormick
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

1. SALISHAN/HOPE VI

1.1 Phase II Construction

1.1.1 *Area 2A, Community Core Development*

The Board approved the general Master Plan Concept at its June 2012 meeting. Staff is reviewing the Master Plan Concept and may suggest some revisions based on current community needs and opportunities and propose an alternative plan for the Salishan Core. Another consideration is the cost of construction. 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.

Staff met with representatives from The Alford Group to review the results of the Philanthropic Market Assessment. We asked The Alford Group to assess THA's prospects for raising philanthropic funds for the Salishan core and for THA's services generally. Staff (Micheal Mirra, Greg Claycamp, Kathy McCormick and Roberta Schur) then met with with Commissioner Lincoln-Hamilton to review Alford's recommendations. We expect to bring the board the conclusion of these discussions.

1.1.2 *Area 3 Lot Sales*

- DR Horton has four models open. DR Horton is pleased with the level of interest. To date, seven low income households have been approved to purchase homes at Salishan. To date, DR Horton has sold 70 houses in Salishan.

1.1.3 *Area 2B*

- THA has listed the 76 homeownership lots in Area 2B (southern portion of Salishan along Portland Avenue) for sale. To date, one Letter of Interest has been received. THA's Realtor is continuing to market the lots so that we may ensure a broad net is cast for potential sales in the area.

1.1.4 Arlington Road

- THA received an unsolicited Letter of Interest for the parcel known as Arlington Road. This is an approximately 5-acres site located at the north end of Salishan along Portland Avenue. THA is negotiating with the prospective purchaser as outlined in the resolution approved by the board in April, 2014.

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. We are planning a community celebration of the ribbon cutting once we are leased up later this Summer, probably in August. We are trying to accommodate the schedules of elected officials.

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.

Phase I Restructuring - To meet the obligations of the CFCF grant award, HUD is requiring THA to replace 26 of the Project Based Section 8 voucher units with 26 public housing units. This requires the restructuring of the financing to include the lower PH operating subsidy provided by HUD and an additional subsidy by THA to backfill that shortfall to meet debt service requirements. This step has the same net effect on THA since we would have used MTW funds for 26 the Project Based Section 8 assistance. This step also ensures that these 26 units can be converted as part of RAD. Staff and our legal team is preparing to submit a Mixed-Finance Operating Subsidy Only application to HUD for review and approval.

In addition, Enterprise Community Investments, Inc. (equity partner) is requiring an additional \$532,604 in reserve to be established for the project. This capitalized reserve would be funded by as a loan to the project with THA MTW funds. Upon conversion to RAD, this reserve requirement would be lifted and funds returned to THA.

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 80% complete. The current work includes preparing the alley for paving and installation of sidewalks and landscapes.

ROW Construction

Curb installation in underway in the alley and the Woonerf design is under review at the City of Tacoma. Sidewalk replacement is ongoing.

Phase-I Vertical Construction:

Building A (mid-rise): Housing is currently 80% complete. Crews are just finishing the exterior siding and painting work. In the interior, crews are installing fixtures, flooring, painting and final finishes. The building is on schedule to receive Certificate of Occupancy on July 27, 2014.

Buildings B – F: Housing is currently 93% complete. Buildings C, D & E have been inspected for deficiencies and are scheduled to receive Certificate of Occupancy May 22, 2014. Buildings B & F are scheduled to receive Certificate of Occupancy in early June and the 16 townhomes will be 100% complete at that time.

Community Center: the community center is 100% complete and has been turned over to property management. 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. Due to construction nearing completion, staff will propose to the Oversight Committee this month that the Committee discontinue meeting after the May 14th meeting. Staff and the contractor do not anticipate any changes in the Section 3 and MBE/WBE reporting for the project now that it is near completion.

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 closed on this home May 5. 6607 E K Street renovations have been completed and the property is listed for sale.

The Notice to Proceed for 4836 S K Street was issued April 14, 2014 and work was started that same day. Construction is 30% complete.

The Notice to Proceed for 3918 S. Thompson bids was issued on April 23, 2014 and work commenced on April 28th. Work is 15% complete

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 is Pavilion Construction Northwest. Staff completed the Value Engineering work in January. 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 with the City of

Lakewood, closing has been delayed. To date the Supportive Services Agreement between THA and LASA, the Allocation Of Responsibilities Agreement (development agreement) between THA and LASA and HOME documents have been finalized.

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 May pending approval of the Section 108 funds by HUD:

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	May 2014
Construction Start	Junel 2014
Complete Construction	February 2015

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. MLF is seeking a consultant to assist them with pre-development services, per our agreement.

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 completed verifying documented conditions, reviewing zoning and land use requirements and meetings with the City planning department. They have developed a conceptual design which indicates 30 to 40

units could be built on the site and approximately 8,000 square feet of ground floor retail could be included. Staff is exploring adding live/work units as part of the mix. BLRB also completed an estimate of construction/design costs for the project. Staff also had preliminary conversations with Key Bank and Mr. McCollum, owner of Mr. Macs, as a potential tenants. In addition, Key Bank's property on 11th and L Street is being considered as a possible location for parking and/or potential joint development. Lastly, if we succeed in purchasing New Look Apartments at the north end of the block, we would also get its parking lot across the street from Key Bank. That parking lot may be useful to the Brown Star Grill project. (see next item).

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. Given the lack of response and emerging opportunities, staff is proposing to close this project.

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 (63%) 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.

<u>Grant</u>	<u>Total Grant</u>	<u>Obligation Start Date</u>	<u>Obligated</u>	<u>% Obligated</u>	<u>Obligation Deadline</u>	<u>Expended</u>	<u>% Expended</u>	<u>Expended Deadline</u>
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$1,876,041	79%	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	\$1,856,167	98%	8/2/13	\$1,115,738	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. Michael Pyatok has agreed to provide pro-bono work that will provide some sketches of potential uses of the properties. His work with this group is expected to begin in June. THA has also been retained by the YWCA to lead it through a strategic development planning process for property it owns close to their 405 Broadway location. The work with the YWCA began in late April, 2014 with the first joint meeting of the staff and board scheduled for late June.

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

DATE: May 28, 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:

The long-promised draft revision of the Community Services Monthly Board Report is near completion. Following review by Executive Director Michael Mirra, the draft will be forward to the Board.

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

CS Service Model

Community Services is currently recruiting an Operations Coordinator. The purpose of this position is to oversee quality assurance practices; assess business systems; and provide administration support to the Department of Community Services to achieve a high level of efficiency and effectiveness for the department's operations. This position also will support the Director of Community Services in general administration functions, development and implementation of policies, and management and control of plans, programs and operations. The Operations Coordinator functions as a member of the Department management team, in collaboration with the Director and Program Managers. The position also assumes responsibility for special projects assigned by the Director.

It is critical that CS develop and track better measures of the Department's efficiency and productivity in engaging clients in services which result in meaningful, measurable outcomes. Our outcome foci are increased household self-sufficiency, achievement of living wage employment for work-able adults, and educational achievement for children and adults.

Hiring a skilled Operations Coordinator will allow us to realize the reforms needed to measure the value of our work and establish best practices. We are able to create this position without adjusting our 2014 budget, as that budget included funding for an Asset Building Program Manager that we will not hire.

The Education Project

Manager for Educational Programs Michael Power has announced his intention to depart THA and return to work within the public schools system. Michael relates that he has made this decision to best position himself for retirement. There is no set date for Michael's departure, but we anticipate that he will leave within the next few months.

The Education Project includes our Department's highest profile initiatives and partnerships. We have suspended recruitment for a Youth Asset Building Specialist, and are instead recruiting now for the next Educational Programs Manager. In taking this action, we hope to allow time to recruit a highly qualified replacement, and create a transitional period for Michael's successor to mine his considerable expertise while he is still with us. We have a number of promising candidates, and anticipate beginning interviews during the first week in June.

This move is also within budget, given the vacant Specialist and discontinued Manager positions.

McCarver Program

In anticipation of the expansion of the McCarver Project, we are making mid-course corrections to strengthen the model. We have drafted a new exception policy that predicates increases in rent upon the household's capacity to pay at < 40% of monthly income. (The rationale for this exception was discussed at length in previous Board reports.) Exceptions to annual rent increases will be accompanied by individualized plans to increase household income.

We are also making changes to the Case Work model, emphasizing increased reliance upon external partners for vocational, mental health and other services, incorporating routine home visits, reducing logistical challenges and creating new incentives to increase parental participation.

New Salishan Children's Savings Accounts

The April Board Report included a document outlining this new initiative, which incorporates the Scholar Incentive program for grades 6-12 with a Children's Matched Savings Account for grades K-5.

Fundraising for this Project remains promising. In addition to the existing Gates Foundation commitment of \$350,000, we anticipate at least two other large grants from Foundations. The local Bamford Foundation has provisionally committed \$120-150,000 toward Children's Savings Account. We also remain optimistic that we will receive \$100,000 in CSA funding from the Cargill Foundation as part of a larger grant proposal being made by the Corporation for Enterprise Development (CFED). We are pursuing a number of other potential funding streams for this very ambitious project.

Other Partnerships

MDC. We await word from MDC confirming that they have been awarded continued funding for youth and adult out-patient chemical dependency services. Once confirmed, we will develop a proposal to engage potential and current tenants who proactively identify a treatment need.

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.

Optum Regional Service Network/Greater Lakes Mental Healthcare.

We continue to note the prevalence of apparent unmet mental health needs across our Programs, including Senior and Disabled, hardship exceptions and case staffings referrals; and challenged households in the McCarver Program. We are investigating with community mental health the possibility of collaborating for engagement. The most promising option may be to attach a certified MH Peer Advocate to CS, to provide direct client engagement and staff consultation. Cost for this service and client confidentiality are concerns.

1.1 Employment

Activities	April 2014	YTD 2014	Annual Goal	% of Goal
Clients referred for employment services	6	55	130	42%
Clients who received employment services	23	84	120	70%
Clients enrolled in employment readiness soft skills workshops	8	39	80	49%
Clients completed employment readiness soft skills workshops	5	21	50	42%
Enrolled in job readiness training	2	11	20	55%
Job placement	8	19	45	42%
WorkSource Participants Assisted	15	40	100	40%
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	April 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	7	7	25	28%
Adults complete education program	0	0	10	0%
Participants attending GED classes	7	7	200	4%
Completes one or more GED tests	0	0	25	0%
Attains GED	1	1	15	7%
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 April 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	April 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:

Success Story

One of our McCarver clients has been working for the last two months as the after-school program coordinator at Bergerson Terrace. We are able to pay her minimum wage for 30 hours a week. She has given us notice that she has gotten a full time job with benefits as a Peer Wellness Coach with Greater Lakes Mental Health.

Extended Learning for McCarver Program Children

26 McCarver Program children attended spring break camp at McCarver. This full day program, sponsored by Peace Community Center and KBTC Public TV, provided academic, arts, healthy breakfast and lunch, and recreational activities for children who would otherwise not have any structured activities during this time.

McCarver Program Featured in Media

The President of the Corporation for Public Broadcasting, a supporter of one of our key partners KBTC Public TV, made a presentation at a conference in New York during which she mentioned the McCarver Program and highlighted one of our families.

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 9 HOP households who were due for recertification in April reminding them of the help available. Two households sent back the postcard indicating they are interested in services. Neither household

followed through with making an appointment to meet with a caseworker. We will continue to reach out to those HOP households who have not signed up for services with a caseworker.

Activities	April 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	11	60	18%

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	7		2		16	
	April 2014	YTD 2014	April 2014	YTD 2014	April 2014	YTD 2014
Entrances	0	0	0	0	0	1
Graduations	1	2	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.

Activities	April 2014	YTD 2014	Annual Goal 2014
Number of households referred for services	9	47	27
N. of successful completions (eviction averted)	1	1	12
Number terminated	0	2	n/a
Number withdrawn	6	13	n/a

Manager's Comment – Mary Syslo: In April Salishan Property Management focused on preparing for the REAC inspection scheduled for early May. They did refer a few new households for services. We anticipate an increase in case staffing referrals when the REAC inspections are completed.

We received a request from Property Management to meet 4 new tenants 45 days post-move in. The caseworkers are developing the procedures and data tracking process for this work and will be ready to meet the families by mid-May. We expect to establish a new “Meet and Greet “protocol in collaboration with Property Management.

1.6 MTW Hardship Exemption Casework

Activities	April 2014	YTD 2014	Annual Goal 2014
Number of households referred for services	4	20	n/a
Number of successful completions	2	8	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. The remaining 4 clients from the 3rd Cohort are on track to complete program requirements by June 1.

Activities	April 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	April 2014	YTD 2014	Annual Goal	% of Goal
Current Participants	101	105	153	69%
Graduates	1	4	17	24%
Removed/Voluntarily Withdrawn	0	2	n/a	n/a
New Contracts Signed	0	5	55	9%
Escrow Balance	\$120,773.25			

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 which began in March will end the first week in May.

Activities	April 2014	YTD 2014	Annual Goal	% of Goal
Life Skills Enrollment	0	13	20	65%
Life Skills Completion	0	7	10	70%
Parenting Enrollment	0	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.

Activities	April 2014	YTD 2014	Annual Goal	% of Goal
Unduplicated client contacts	11	38	260	15%
Referrals	10	34	50	68%
Unduplicated situation/wellness counseling	21	47	140	34%
Assistance with correspondence for Entitlement Programs	5	21	40	53%

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	April 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. We will not meet our goal for this year due to not having coordinators at the labs at the beginning of the year.

Activities	April 2014	YTD 2014	Annual Goal	% of Goal
Computer Lab Participation (cumulative visits)	240	380	1200	32%

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	April 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%

Brown Bags and Books

THA is partnering with St. Leo’s Food Connection, the Salishan Association, and a wide variety of other community agencies to plan our summer free lunch and learning program. It will run weekdays, from the first to the last day of summer vacation.



NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-05-28 (1)

DATE: May 28, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of Purchase and Sale Agreement with Dean and Anne Curry, and/or assigns, to purchase the Wedgewood property

Background

This resolution would authorize me to sign a Purchase and Sale Agreement (PSA) to sell our Wedgewood properties to Dean and Anne Curry. The PSA would be in substantially the form shown in the attached draft.

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.

THA and Anne Curry negotiated a Letter of Intent, with a price of \$6,250,000. The Board had approved the LOI in April. Once we execute the PSA, a 45 day period will follow to allow the Buyer to complete due diligence and determine whether or not to proceed with the purchase. An additional 60 financing period will follow to allow the purchaser to arrange her financing..

The Purchase and Sale Agreement also outlines the brokerage fees to be paid to Wise Real Estate Investments. These fees are 2.5% of the sales price and total \$156,250.

The PSA 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 38 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, HUD will give THA 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 off an existing \$4.1 million debt to Heritage.
- The property currently has approximately \$700,000 in reserves that THA would keep.
- 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.

The Buyer intends to maintain affordability for a period of time, gradually releasing units from the HAP contract, maintaining 75% of the units as affordable and subsidized for the first year and 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. While the “hard” units may eventually be lost as affordable, the subsidies for 50 units will remain in the community. These subsidies can be used for tenants to remain in place at Wedgewood, or move, thereby distributing affordable housing around the City.

The proceeds of sale could be invested into Hillside Terrace II, or another development or acquisition. Hillside is planned as a new construction, 70 unit community, close to other THA properties, making it easier to manage.

Recommendation

Approve Resolution 2014-5-28 (1) authorizing the Executive Director to execute the Purchase and Sale Agreement with Dean and Anne Curry, and/or assigns, to purchase the Wedgewood property.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (1)

APPROVAL OF PURCHASE AND SALE AGREEMENT WITH 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 development of a Purchase and Sale Agreement containing the terms of the Letter of Intent;

WHEREAS, the Purchase and Sale Agreement has been reviewed by THA legal counsel;

WHEREAS, the Purchase and Sale Agreement contains the brokerage fees of 2.5% of the sales price (\$156,250) to be paid;

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

The Executive Director is authorized to execute the Purchase and Sale Agreement with Dean and Anne Curry, and/or assigns to purchase the Wedgewood property.

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 the Purchase and Sale Agreement with Dean and Anne Curry, and/or assigns, to purchase the Wedgewood property. The PSA shall be in substantially the attached form.

Approved: May 28, 2014

Greg Mowat, Chairman

PURCHASE AND SALE AGREEMENT
(The Wedgewood Homes)

This Purchase and Sale Agreement (“**Agreement**”) is made to be effective as of the ____ day of _____, 2014 (the “Effective Date”), by HOUSING AUTHORITY OF THE CITY OF TACOMA, a Public corporation, (“**Seller**”) and Dean and Anne Curry, husband and wife, and/or assigns (“**Buyer**”).

1. Purchase and Sale. Upon the terms and conditions set forth herein, Buyer agrees to buy from Seller and Seller agrees to sell to Buyer the improved real property in Tacoma, Pierce County, Washington consisting of fifty (50) single-family homes, on 48 separate parcels of land, together with all improvements thereon and all other rights appurtenant to the Property, as described on Exhibit A (the “**Land**”), together with all improvements thereon and all other rights appurtenant thereto (the “**Property**”). The Property includes (i) Seller’s interest in the Land and all easements and other rights appurtenant thereto, (ii) all buildings and improvements on the Land (the “**Improvements**”), (iii) personal property owned by Seller and used in the operation of the Property as listed on Exhibit B (the “**Personal Property**”), (iv) all leases and other agreements under which residential tenants occupy all or any portion of the Land and Improvements (“**Leases**” as reflected in the Rent Roll attached as Exhibit C), (v) all contract rights, service contracts and similar agreements Buyer agrees to assume at Closing pursuant to Section 5.5 below (the “**Contracts**”), (vi) the permits, approvals, studies, surveys, warranties and other documents associated with the Land, Improvements, Personal Property, Leases and Contracts (the “**Permits**”), and (vii) all licenses, franchises, trade names, trademarks, service marks, telephone numbers and advertising materials associated with the Property (the “**Intangibles**”).

2. Price. The purchase price for the Property shall be SIX MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$6,250,000) (“**Purchase Price**”) payable as follows: At Closing, Buyer shall pay to Seller the Purchase Price, less the amount of the Earnest Money, plus or minus applicable adjustments and pro-rations as provided below, in cash, or in immediately available funds. No portion (\$-0-) of the Purchase Price shall be allocated to taxable personal property for sales/use tax purposes.

3. Deposit and Earnest Money. Within two (2) business days after the Effective Date, Buyer shall deposit in escrow with First American Title Insurance Company (the “**Escrow Company**”), cash in the amount of FIFTY THOUSAND DOLLARS (\$50,000.00, the “**Earnest Money**”). The Earnest Money shall be credited towards the purchase price at Closing, or disbursed as set forth herein.

4. Title

4.1 Title. Within four (4) business days after the Effective Date, Buyer shall obtain a commitment for title insurance for the Property issued by First

American Title Insurance Company (the “**Title Company**”), together with complete and legible copies of all exceptions and encumbrances noted thereon (the “**Commitment**”).

4.2 Survey. Within five (5) days after the Effective Date, Seller shall provide Buyer with a copy of any survey of the Property in Seller’s possession or control (the “**Survey**”). All costs to survey, re-survey, or to update or recertify the Survey shall be paid by Buyer.

4.3 Title and Survey Review.

4.3.1 Buyer shall have ten (10) business days after the Effective Date (the “**Title Feasibility Period**”) to advise Seller in writing (the “**Title Notice**”) of any encumbrances, restrictions, easements or other matters contained in the Preliminary Commitment or on the Survey (the “**Exceptions**”) to which Buyer objects. Buyer shall not object to (a) taxes, assessments, and similar impositions that are a lien but not yet delinquent (subject to proration at Closing), (b) the Leases, (c) applicable zoning and building ordinances and land use regulations, or (d) the Department of Housing and Urban Development HAP Contract for the Project (“**HAP Contract**”), collectively, the “**Permitted Encumbrances**”. All Exceptions to which Buyer does not object in writing within the Title Feasibility Period, or Seller does not agree to remove, shall also be deemed Permitted Encumbrances.

4.3.2 If Buyer timely delivers a Title Notice to Seller, then Seller shall advise Buyer in writing (“**Seller’s Removal Notice**”) within ten (10) business days after receipt of Buyer’s Title Notice (“**Seller’s Notice Period**”) (i) which Exceptions Seller will not remove at Closing, (ii) which Exceptions the Title Company has agreed to insure around in the title policy to be issued at Closing (together with any proposed form of endorsement for such matters) and (iii) which Exceptions will not be removed or insured around.

4.3.3 If Buyer timely delivers a Title Notice to Seller and (i) Seller does not deliver a Seller’s Removal Notice within the Seller’s Notice Period, or (ii) Seller’s Removal Notice is not acceptable to Buyer, then Buyer may, within five (5) business days after the expiration of Seller’s Notice Period, elect to terminate this Agreement in writing (“**Termination Notice**”) given to Buyer and Title Company, and receive a refund of the Earnest Money. If Buyer does not timely deliver a Termination Notice, Buyer shall be deemed to accept title as reflected in Seller’s Removal Notice (or the Commitment, if no Seller’s Removal Notice is given), this Agreement shall continue in full force and effect, and the parties shall proceed to Closing.

4.3.4 Notwithstanding the foregoing process Seller agrees to remove all financial encumbrances and liens other than the Permitted Encumbrances, at or prior to Closing, provided, however, that if the amount of money demanded by the lender to release the lien of Heritage Bank under the Deed of Trust reflected as Exception No. _____ on the Commitment is in

excess of FOUR MILLION, TWENTY ONE THOUSAND ONE HUNDRED TWENTY SEVEN DOLLARS (\$4,021,127.00), then Seller shall have the election, within ten (10) days after its receipt of the Heritage Bank payoff demand, to terminate this Agreement by written notice to Buyer and to Title Company. If Seller elects to so terminate this Agreement, Seller shall pay the reasonable documented costs of Buyer's feasibility review, which payment shall not in any event exceed Ten Thousand Dollars (\$10,000.00). .

4.4 Title Insurance. Title Company shall deliver to Buyer at Closing an Owner's ALTA Extended Coverage policy of title insurance (2006) issued by Title Company in the face amount of the Purchase Price, dated the date of Closing, insuring Buyer's title subject to no exceptions other than the standard printed exceptions and the Permitted Encumbrances pursuant to Section 4.3 above. Seller agrees to provide a commercially reasonable standard form of affidavit the Title Company may require to remove from the policy of title insurance the standard preprinted exception for parties in possession (other than tenants, as tenants only, under the Leases).

5. Review of Property.

5.1 Review Materials. Within five (5) days after the Effective Date, Seller shall provide to Buyer the following documents and materials, to the extent that they are in the possession or control of Seller (the "**Review Materials**):

5.1.1 The most current rent roll for the Property (the "**Rent Roll**").

5.1.2 A summary of the Personal Property.

5.1.3 Copies of all contracts and agreements applicable to the Property.

5.1.4 Any existing surveys of the Property.

5.1.5 Financial Statements for the Property for the last 3 years, together with monthly income and expense statements for the Property for each of the last two (2) months prior to the date of this Agreement.

5.1.6 A list and description of all litigation relating to the Property, if any.

5.1.7 A copy of all environmental, engineering and soils reports relating to the Property (or any property adjacent to the Land, if such reports are in Seller's possession).

In addition to the foregoing specific items, Seller shall also make available to Buyer for its review at Seller's office or the office of Seller's property manager, all of Seller's books and records relating to the Property, copies of all Leases, any inspection

reports with respect to the Property, reports of any capital needs assessments, records of capital improvements, advertising materials, correspondence, and other documents, materials and records related to the Property and the operation thereof.

5.2 Feasibility Period. Buyer shall have forty five (45) days from the Effective Date of this Agreement (the “**Feasibility Period**”) to conduct a due diligence and feasibility review with respect to the Property and the Review Materials and to satisfy itself with respect to the condition of and other matters relating to the Property. Seller and its representatives and consultants shall cooperate with Buyer in connection with Buyer’s review of the Property and the Review Materials.

5.2.1 Initial Feasibility Contingencies. Buyer's obligation to close the purchase of the Property under the terms of this Agreement will be contingent upon Buyer's review and satisfaction, within the Feasibility Period, with each of the following “**Initial Contingencies**”:

5.2.1.1 Property Condition: Buyer will determine, in Buyer's sole discretion, the feasibility of the Property for Buyer's purposes.

5.2.1.2 Land Use/Zoning: Buyer will review and determine, in Buyer's sole discretion, whether the current and potential land use and zoning designations and environmental audits of the Property are sufficient and acceptable for Buyer's purposes.

5.2.1.3 Department of Housing and Urban Development HAP Contract: Buyer will review and determine, in Buyer’s sole discretion, the ability of Buyer to assume, and operate the property in accordance with the affordability covenants of the Project-Based HAP Contract, its contractual obligations, language, and requirements, in a manner acceptable for Buyer’s purposes. It is Buyer’s intention to renew the HAP Contract for successive one year periods, after maturity of the current HAP Contract term, which expires in October 2014, with the ability to gain release from the contract, up to twelve (12) of the individual properties at each successive renewal, beginning with the second renewal in October 2015, but nothing in the Buyer’s plans or intentions will have the effect of imposing any obligation on Seller with respect to the HAP Contract or otherwise. After closing, Tacoma Housing Authority shall have no further obligation with respect to the HAP Contract.

Not later than the last day of the Feasibility Period, Buyer shall give Seller notice in writing (“**Feasibility Notice**”) either waiving the Initial Contingencies or terminating this Agreement. If Buyer fails to provide a Feasibility Notice to Seller prior to expiration of the Feasibility Period that the Property is acceptable to Buyer, then Buyer shall be deemed to have waived the Initial Contingencies, this Agreement shall continue in full force and effect, and the parties shall proceed to Closing.

5.3 Access, Entry and Restoration. During the Feasibility Period and subject to the rights of all Tenants, Buyer shall be entitled to access to the Property to

conduct such investigations, tests, surveys and other analyses as Buyer determines is necessary, provided (i) Buyer shall conduct such tests or investigations so as not to interfere with Seller or Tenant activities on the Property, (ii) Buyer shall restore the Property to its original condition following any such tests and investigations, and (iii) Buyer shall indemnify, defend and hold Seller harmless from and against all claims, costs, expenses and liabilities arising out of the entry by Buyer or any person on behalf of Buyer upon the Property and/or the performance of the tests and investigations conducted by Buyer on the Property. Any soils, water, or other materials bored or excavated by Buyer's inspectors shall be properly handled and disposed of at Buyer's expense in accordance with all applicable laws, rules and regulations. Buyer shall promptly pay, discharge, or otherwise remove any mechanics liens filed against the Property by Buyer's inspectors. Seller shall have the right to have an employee, agent or representative accompany Buyer and Buyer's inspectors, and Buyer shall give Seller at least four (4) days' notice ("**Entry Notice**") of any entry on the Property for any purpose, to facilitate the scheduling of such inspections. Seller shall provide notice to the Tenants of Buyer's proposed entry onto the Property in accordance with such Entry Notice. In the event that Buyer revises or reschedules an inspection time, then Buyer shall give to Seller an additional Entry Notice for such revised time. The indemnity obligations of Buyer set forth above shall survive the Closing or any termination of this Agreement.

5.4 Right to Interview Property Manager. During the Feasibility Period, Buyer shall be entitled to meet with and/or interview Seller's property manager and all on-site staff at the Property, at reasonable times upon advance notice.

5.5 Approval of Contracts. Prior to expiration of the Feasibility Period, Buyer shall also advise Seller in writing of the Contracts Buyer desires to assume and continue in effect following Closing, and those that Buyer will have Seller terminate. Seller at its sole cost and expense shall cause all Contracts not to be assumed by Buyer at Closing to be terminated at or prior to Closing provided, however, if such Contracts do not by their terms allow for termination within such time period, then such Contracts shall be terminated in accordance with their terms and Buyer shall assume all obligations under such Contracts until so terminated. If Buyer does not notify Seller of Contracts to be terminated, then Buyer shall assume all obligations under all Contracts.

5.6 Survey. During the Feasibility Period, Buyer may, at Buyer's sole option and expense, obtain a new survey of the Property or update any existing surveys provided by Seller.

6. Financing Contingencies. Buyer shall obtain new purchase financing for Buyer's acquisition of the property.

6.1 Acquisition Financing. Buyer's obligation to purchase the Property will be dependent on Buyer's subjective satisfaction with a loan commitment provided to Buyer from Buyer's lender. Buyer shall have a period of sixty (60) days after Buyer's waiver of the Initial Contingencies (the "**Financing Period**") in which to obtain said loan commitment from a lender of Buyer's choice.

6.2 Waiver or Termination of Financing Contingencies. Buyer shall have until the end of the Financing Period, to waive, in writing, this Financing Contingency (“**Financing Notice**”). If Buyer does not Deliver a Financing Notice by the end of the Financing Period, then Buyer shall be deemed to have waived the Financing Contingencies, this Agreement shall continue in full force and effect, and the parties shall proceed to Closing.

7. Closing.

7.1 Time and Place of Closing. Closing shall occur in the office of the Escrow Company, on a date agreed to by Buyer and Seller, not later than ten (10) business days after the earlier of (a) the date of delivery of the Financing Notice, or (b) the last day of the Financing Period. Buyer and Seller shall deposit in escrow all funds, instruments and documents necessary to complete the transaction in accordance with this Agreement. As used herein, “Closing” or “date of Closing” means the date on which all appropriate documents are recorded and the proceeds of sale are available for disbursement to Seller.

7.2 Closing Costs. At Closing, Seller shall pay (i) the premium for the standard coverage policy of title insurance, (ii) real estate excise taxes, and (iii) one-half of Escrow Company’s escrow fees and charges. Buyer shall pay (i) the costs of the extended coverage portion of the policy of title insurance and any title insurance endorsements required by Buyer, (ii) one-half of Escrow Company’s escrow fees and charges, (iii) the costs of ordering or updating any survey, and (iv) all recording fees. All other closing costs shall be paid and allocated in accordance with the custom in the county in which the Property is located. Each party shall be responsible for its own legal, accounting and consultant fees.

7.3 Pro-rations. Real property taxes, assessments, surface water management charges, utilities and other expenses of the Property shall be prorated as of the date of Closing. Lease income and all other income and revenue of the Property shall be prorated as of the date of Closing based upon the rental income and revenue actually collected for the month in which Closing occurs. Any rental delinquencies collected after Closing shall be paid to Buyer and applied first to rents owed to Buyer for rent due after Closing, then to past due rents owed to Seller for periods prior to Closing. Security deposits, prepaid rents, and all other refundable and non-refundable deposits and fees shall be transferred to Buyer in cash at Closing or, at Seller's option, at Closing, Buyer shall receive a credit against the Purchase Price for such amounts.

Any revenue or expense amount which cannot be ascertained with certainty as of Closing shall be prorated based upon the parties’ reasonable estimation, and shall be reconciled within thirty (30) days of Closing or as soon thereafter as the precise amounts can be ascertained. Either party owing the other party money based upon the final reconciliation shall promptly pay it to the other party, which amount shall bear interest at the rate of 12% per annum from the date 10 days after written demand for such payment is made by the party entitled to such payment.

8. Deliveries at Closing.

8.1 Seller's Delivery. At Closing, Seller shall deliver the following:

8.1.1 Statutory Warranty Deed (the "**Deed**") and Real Estate Excise Tax Affidavit in the prescribed form, and any other transfer tax forms as may be required in connection with the transfer of the Property or any portion thereof.

8.1.2 Bill of Sale, in form attached hereto as Exhibit E.

8.1.3 Assignment and Assumption of Leases, in form attached hereto as Exhibit F.

8.1.4 Assignment and Assumption of Contracts, in form attached hereto as Exhibit G, transferring to Buyer the HAP Contract and the Service Contracts Buyer agrees to assume at Closing.

8.1.5 Such other quit claim assignments as Buyer may reasonably require to transfer all other Property to Buyer.

8.1.6 FIRPTA Affidavit.

8.1.7 All prepaid rents and security deposits and fees (whether refundable or nonrefundable) under the Leases, subject to Seller's right under Section 7.3 above to grant Buyer a credit at Closing against the amount otherwise due from Buyer.

8.1.8 Originals (if available) of all of the Leases and Contracts which Buyer has elected to assume at Closing relating to the Property.

8.1.9 Such other documents and instruments as may be reasonably required by Buyer or the Title and/or Escrow Company in connection with the Closing.

8.2 Buyer's Delivery. At Closing, Buyer shall deliver the following:

8.2.1 Cash in the amount of the Purchase Price (subject to adjustments and pro-rations as set forth herein and with a credit for the Earnest Money, and at Seller's option, a credit for all prepaid rents and security deposits and fees (whether refundable or nonrefundable) under the Leases.

8.2.2 A counterpart of the Assignment and Assumption of Leases.

8.2.3 A counterpart of the Assignment and Assumption of Contracts.

8.2.4 Real Estate Excise Tax Affidavit in the prescribed form and

any other transfer tax forms as may be required in connection with the transfer of the Property or any portion thereof.

8.2.5 Such other documents and instruments as may be reasonably required by Seller or the Title and/or Escrow Company in connection with the Closing.

9. Operations Pending Closing. From the date hereof until Closing, Seller agrees to manage and operate the Property in a prudent manner consistent with existing practices and to keep the Property in good working order and repair. Seller further agrees (i) to maintain the existing property and casualty insurance on the Property, (ii) to perform all of its obligations under any existing licenses, permits, Leases and Contracts, and (iii) to not lease, rent or otherwise permit any person or persons to occupy any portion of the Property other than pursuant to Leases executed in the ordinary course of business with parties unaffiliated with Seller (using a tenant occupancy lease form consistent with the form previously delivered to Buyer, and at rental rates and for terms generally as set forth in the Rent Roll.

10. Risk of Loss. Seller shall deliver the Property to Buyer at Closing in substantially the same condition existing as of the date hereof. Risk of loss of or damage to the Property shall be borne by Seller until the date of Closing. In the event of material loss or damage to the Property or any material portion thereof prior to Closing, Buyer may terminate this Agreement and the Earnest Money shall be refunded to Buyer. Notwithstanding the foregoing, Buyer may elect to purchase the Property in the condition existing on the date of Closing, and Seller shall assign or transfer to Buyer all insurance proceeds or insurance claims applicable to any loss or damage occurring prior to Closing.

11. Condemnation. If the Property or any material part thereof is or becomes the subject of a condemnation proceeding prior to Closing, Buyer may, at its option, terminate this Agreement by giving notice of such termination to Seller, and upon such termination the Earnest Money shall be refunded to Buyer; provided, however, that Buyer may elect to purchase the Property (or such portions thereof as have not been taken in the condemnation proceeding), in which case the total Purchase Price shall be reduced by the total of any condemnation award received by Seller at or prior to Closing. On Closing, Seller shall assign to Buyer all Seller's rights in and to any future condemnation awards or other proceeds payable or to become payable by reason of any taking. Seller agrees to notify Buyer of condemnation proceedings promptly after Seller learns thereof.

12. ENVIRONMENTAL MATTERS. Intentionally Omitted

13. Closing Conditions of Buyer. In addition to the other provisions set forth elsewhere in this Agreement, the obligations of Buyer hereunder are conditioned upon the following:

13.1 Seller's representations and warranties as set forth in Section 14.1 through 14.11 hereof shall be true, complete and current as of the date of Closing.

13.2 Seller shall have performed all of its obligations under this Agreement.

14. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

14.1 Title. As of the date of Closing, Seller shall have good, marketable, indefeasible title to the Property free and clear of all liens, claims and encumbrances except for Permitted Encumbrances.

14.2 Leases. The Leases made available to Buyer have not been amended, orally or in writing, except as disclosed to Buyer. With respect to the Leases:

14.2.1 There are no oral or written leases, rental agreements or other occupancy agreements other than the Leases reflected on the Rent Roll at the Effective Date and the Closing Date.

14.2.2 No person other than the tenants named in the Leases has any right of possession to any portion of the Property.

14.2.3 Except as reflected in the Rent Roll, no concessions or abatements have been given to any tenant under a Lease and no tenant is occupying a portion of the Property free of rent.

14.2.4 Excluding security deposits and advanced rentals disclosed in the Rent Roll, no more than one month's rent has been paid in advance by any tenant under a Lease.

14.2.5 Each Lease has been executed and is in full force and effect without modification and full rent (as shown in the Rent Roll) is accruing thereunder.

14.2.6 No person has an option or right of first refusal to purchase or lease any fee interest in the Property, and no person has any expansion rights, renewal rights, or deferred leasing commissions.

14.2.7 Tenants have taken occupancy of their Units under the Leases.

14.2.8 Seller is not in default under any Lease.

14.2.9 To the best of Seller's knowledge, other than rental or other delinquencies as set forth on the Rent Roll, no Tenants under a Lease are in default thereunder.

14.2.10 No brokerage or leasing commission is due, unpaid or partially paid, or may become due in the future, with respect to Leases, and there is no

agreement (written or oral) that would commit Buyer to pay any such commission under any Lease.

14.3 Use of Property. Subject to matters disclosed in the Review Materials provided to Buyer, to the best of Seller's knowledge, Seller has not receive any notice indicating that the present use and operation of the Property (i) are not authorized by, or are not in material compliance with, any laws, rules, regulations, permits, agreements, and licenses with respect thereto or any covenants and restrictions disclosed in the Commitment, or (ii) are not in material compliance with all applicable zoning and land use laws and regulations.

14.4 Personal Property. Any Personal Property owned by Seller, which is discovered on the Property by Buyer or Seller prior to or after the Closing shall be transferred by Seller to Buyer at no additional cost, free and clear of all liens, claims and other encumbrances.

14.5 Contracts. All Contracts made available for Buyer's review have been executed and are in full force and effect (other than Contracts required to be terminated by Seller prior to Closing). No default or breach by Seller exists under any Contract. In addition, to the best of Seller's knowledge, the parties other than Seller to any Contract are not in default thereunder.

14.6 Litigation. To Seller's knowledge, there is no claim, litigation, proceeding or governmental investigation pending or threatened against or relating to Seller, the Property, or the transactions contemplated by this Agreement, or any dispute arising out of any contract or commitment entered into regarding the Property.

14.7 No Defaults. To the best of Seller's knowledge, neither the execution or delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of the terms hereof, will conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument which affects the Property or to which the Property is subject or any applicable laws or regulations of any governmental body having jurisdiction over the Property.

14.8 Mechanics' Liens. Seller agrees to keep the Property free from liens which might result from any improvements, repairs or maintenance that have been made or will be made to the Property prior to Closing which might form the basis of mechanics' and materialmens' liens, and to indemnify, defend, protect and hold Buyer harmless from any and all such liens (except any such liens that may arise from the activities of Buyer or Buyer's inspectors on the Property).

14.9 Organization. Seller is authorized to own and operate the Property in the manner in which the Property is currently operated. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (i) be in violation of Seller's organizational documents; (ii) to the best of

Seller's knowledge, conflict with or result in a breach of any law, regulation, writ, injunction or decree of any or governmental instrumentality applicable to Seller; (iii) constitute a breach of any evidence of indebtedness or agreement to which Seller is a party or by which Seller is bound, provided that any such indebtedness is paid in full at Closing, and/or Buyer fully complies with the assumption requirements and affordability requirements of the Department of Housing and Urban Development HAP Contract.

14.10 Financial Statements. The financial statements provided to Buyer as part of the Review Materials (i) are true and complete and (ii) fairly present the income and expenses of the Property for the periods covered by such statements.

14.11 Hazardous Substances. To the best of Seller's knowledge, except as described in the environmental reports and Review Materials provided to Buyer, (i) the Property does not contain, no activity on the Property has produced, and the Property has not been used in any manner for the storage, discharge, deposit or dumping of hazardous or toxic wastes or substances, whether in the soil, ground water or otherwise; and (ii) the Property does not contain underground tanks of any kind.

14.12 Survival. The representations and warranties of Seller set forth in this Section 14 shall survive the Closing for a period of one (1) year ("Survival Period"). Buyer shall provide Seller with written notice (a "Notice of Breach") of any alleged breach or failure of any representation or warranty made by Seller and specifying the nature thereof within the Survival Period. Buyer must commence any action, suit, or proceeding with respect to any breach or failure that is the subject of the Notice of Breach, if at all, on or before the date that is ninety (90) days after the expiration of the Survival Period ("Suit Deadline"). Seller acknowledges and agrees that the resolution of such action, suit, or proceeding may not occur until after the expiration of the Survival Period and the Survival Period shall be deemed to be tolled with respect to (and only with respect to) any alleged breach or failure of a representation or warranty of which Seller receives a Notice of Breach before the expiration of the Survival Period, provided Buyer files an action, suit, or proceeding with respect thereto prior to the Suit Deadline. Notwithstanding the foregoing to the contrary, Seller shall have no liability in connection with this Agreement by reason of any inaccuracy of a representation or warranty if, and to the extent that, Buyer should reasonably have had knowledge of such inaccuracy at the time of the Closing given the circumstances, including without limitation the timing of the receipt of such information as disclosed to Buyer or otherwise included in the Review Materials, and Buyer elects, nevertheless, to consummate the transaction contemplated hereby.

14.13 **WAIVER OF RIGHT TO RECEIVE SELLER DISCLOSURE STATEMENT AND WAIVER OF RIGHT TO RESCIND. THE LAND AND IMPROVEMENTS CONSTITUTE "COMMERCIAL REAL ESTATE" AS DEFINED IN RCW 64.06. BUYER WAIVES THE RIGHT TO RECEIVE A SELLER DISCLOSURE STATEMENT (A "SELLER DISCLOSURE STATEMENT") IF REQUIRED BY RCW 64.06. RCW 64.06 PROVIDES THAT BUYER MAY WAIVE ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT; PROVIDED, HOWEVER, IF THE ANSWER TO ANY OF THE**

QUESTIONS IN THE SECTION OF THE SELLER DISCLOSURE STATEMENT ENTITLED "ENVIRONMENTAL" WOULD BE "YES," BUYER MAY NOT WAIVE THE RECEIPT OF THE "ENVIRONMENTAL" SECTION OF THE SELLER DISCLOSURE STATEMENT. BY EXECUTING THIS AGREEMENT, BUYER ACKNOWLEDGES THAT IT HAS RECEIVED THE "ENVIRONMENTAL" SECTION OF THE SELLER DISCLOSURE STATEMENT ATTACHED HERETO AS EXHIBIT D, AND BUYER WAIVES ITS RIGHT TO RECEIVE THE BALANCE OF THE COMPLETED SELLER DISCLOSURE STATEMENT.

Buyer further agrees that any information discovered by Buyer concerning the Land and Improvements shall not obligate Seller to prepare and deliver to Buyer a revised or updated Seller Disclosure Statement. Buyer hereby waives any right to receive an updated or revised Seller Disclosure Statement, regardless of the source of any new information.

BUYER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, THE RIGHT TO RESCIND THIS AGREEMENT PURSUANT TO ANY PROVISION OF RCW 64.06. IT IS THE INTENT OF BUYER THAT ANY SELLER DISCLOSURE STATEMENT PROVIDED BY SELLER WILL NOT BE RELIED UPON BY BUYER, AND SHALL GIVE BUYER NO RIGHTS WITH RESPECT TO SELLER OR UNDER THIS AGREEMENT. THIS WAIVER OF THE RIGHT TO RESCIND APPLIES TO SELLER DISCLOSURE STATEMENTS PROVIDED BEFORE, ON OR AFTER THE DATE OF THIS AGREEMENT AND APPLIES PROSPECTIVELY TO ANY UPDATED OR REVISED SELLER DISCLOSURE STATEMENTS THAT MAY BE PROVIDED BY SELLER TO BUYER.

Buyer's Initials: _____

14.14 "AS IS" Condition of Property. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS OF SELLER MADE IN SECTION 14.1 through 14.11 OF THIS AGREEMENT (THE "EXPRESS REPRESENTATIONS"), SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) VALUE; (II) THE INCOME TO BE DERIVED FROM THE PROPERTY; (III) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH MAY BE CONDUCTED THEREON, INCLUDING, WITHOUT LIMITATION, THE POSSIBILITIES, IF ANY, FOR FUTURE DEVELOPMENT OF THE PROPERTY; (IV) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (V) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (VI) THE NATURE, QUALITY, OR CONDITION OF THE PROPERTY, INCLUDING,

WITHOUT LIMITATION, THE INDOOR AND OUTDOOR ENVIRONMENT AIR QUALITY, WATER, SOIL, AND GEOLOGY; (VII) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDERS, ORDINANCES, OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (VIII) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (IX) COMPLIANCE WITH ANY FEDERAL, STATE, AND LOCAL ENVIRONMENTAL PROTECTION, POLLUTION, HEALTH AND SAFETY OR LAND USE LAWS, RULES, REGULATIONS, ORDINANCES, ORDERS, REQUIREMENTS OR COMMON LAW, INCLUDING, WITHOUT LIMITATION, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, AS AMENDED, THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, THE RESOURCE CONSERVATION AND RECOVERY ACT, AS AMENDED, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE SAFE DRINKING WATER ACT, AS AMENDED, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, AS AMENDED, THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970, AS AMENDED, THE TOXIC SUBSTANCE CONTROL ACT, AS AMENDED, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING AND ANALOGOUS STATE STATUTES AND REGULATIONS (COLLECTIVELY, "ENVIRONMENTAL LAWS"); (X) THE PRESENCE OR ABSENCE OF HAZARDOUS OR TOXIC MATERIALS, SUBSTANCES OR WASTE AT, ON, UNDER, OR ADJACENT TO THE PROPERTY (SUBSECTIONS (IX) AND (X) HEREIN COLLECTIVELY REFERRED TO AS, "**ENVIRONMENTAL MATTERS**"); (XI) THE CONTENT, COMPLETENESS, OR ACCURACY OF THE PROPERTY INFORMATION, THE REVIEW MATERIALS, THE SURVEY, OR THE COMMITMENT; (XII) THE CONFORMITY OF THE IMPROVEMENTS TO ANY PLANS OR SPECIFICATIONS FOR THE PROPERTY, INCLUDING ANY PLANS AND SPECIFICATIONS THAT MAY HAVE BEEN OR MAY BE PROVIDED TO BUYER; (XIII) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT, OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (XIV) DEFICIENCY OF ANY UNDERSHORING, (XV) DEFICIENCY OF ANY DRAINAGE; (XVI) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; (XVII) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; OR (XVIII) ANY OTHER MATTER RELATING TO THE CONDITION OF THE PROPERTY.

BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY WITH QUALIFIED PERSONNEL AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, BUYER IS RELYING SOLELY ON THE EXPRESS REPRESENTATIONS, ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF INFORMATION AND DOCUMENTATION, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THE EXPRESS REPRESENTATIONS. BUYER

FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO BUYER OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS EXPRESSLY SET FORTH IN THE EXPRESS REPRESENTATIONS. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT BUYER SHALL NOT BE ENTITLED TO RELY ON ANY REPORTS OR OTHER PROPERTY INFORMATION SUPPLIED BY SELLER TO BUYER, EXCEPT AS SET FORTH IN THE EXPRESS REPRESENTATIONS.

BUYER AGREES TO FULLY AND IRREVOCABLY RELEASE SELLER FROM ANY AND ALL CLAIMS THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST SELLER FOR ANY COSTS, LOSS, LIABILITY, DAMAGE, EXPENSE, DEMAND, ACTION, OR CAUSE OF ACTION ARISING FROM BUYER'S INVESTIGATION AND SUCH INFORMATION OR DOCUMENTATION, EXCEPT TO THE EXTENT ARISING OUT OF A BREACH BY SELLER OF AN EXPRESS REPRESENTATION OR WARRANTY (SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 14.12 HEREIN) MADE IN THE EXPRESS REPRESENTATIONS. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON TO THE EXTENT NOT EXPRESSLY SET FORTH IN THE EXPRESS REPRESENTATIONS.

BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS AND DEFECTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS, OR IMPROVEMENTS EXCEPT AS MAY OTHERWISE BE EXPRESSLY STATED HEREIN. BUYER REPRESENTS, WARRANTS, AND COVENANTS TO SELLER, WHICH REPRESENTATION, WARRANTY, AND COVENANT TO SELLER SHALL SURVIVE THE CLOSING AND NOT BE MERGED WITH THE DEED, THAT, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS, BUYER IS RELYING SOLELY UPON BUYER'S OWN INVESTIGATION OF THE PROPERTY.

BY INITIALING BELOW, BUYER ACKNOWLEDGES THAT (i) THIS SECTION 14.14 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) BUYER HAS HAD THE OPPORTUNITY TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 14.14.

BUYERS' INITIALS: _____

14.15 Waiver. WITHOUT IN ANY WAY LIMITING ANY PROVISION OF SECTION 14.14 ABOVE, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT WITH RESPECT TO THE EXPRESS REPRESENTATIONS AND THE OBLIGATIONS OF SELLER SET FORTH IN THIS AGREEMENT, AND ANY CLOSING DOCUMENTS, BUYER HEREBY WAIVES, RELEASES, AND DISCHARGES ANY CLAIM IT HAS, MIGHT HAVE HAD, OR MAY HAVE AGAINST SELLER WITH RESPECT TO (A) THE DISCLAIMED MATTERS, (B) THE CONDITION OF THE PROPERTY AS OF THE CLOSING DATE, (C) THE PAST, PRESENT, OR FUTURE PHYSICAL, ENVIRONMENTAL, ECONOMIC, OR LEGAL CONDITION OR COMPLIANCE OF THE PROPERTY WITH ANY FEDERAL, STATE, OR LOCAL LAW, STATUTE, ORDINANCE, RULE, REGULATION, ORDER, OR DETERMINATION OF ANY GOVERNMENTAL AUTHORITY OR AGENCY AFFECTING THE PROPERTY, INCLUDING WITHOUT LIMITATION THOSE PERTAINING TO ENVIRONMENTAL MATTERS, OR (D) ANY OTHER STATE OF FACTS THAT EXISTS WITH RESPECT TO THE PROPERTY OR ANY OF THE PROPERTY INFORMATION OR REVIEW MATERIALS. THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES, AND CAUSES OF ACTION. BUYER ACKNOWLEDGES THAT THE FOREGOING WAIVER INCLUDES CLAIMS BY BUYER AGAINST SELLER UNDER ALL ENVIRONMENTAL LAWS, AND CLAIMS UNDER THE AMERICANS WITH DISABILITIES ACT OF 1990, AS AMENDED. IN THIS CONNECTION AND TO THE EXTENT PERMITTED BY LAW, BUYER HEREBY AGREES, REPRESENTS, AND WARRANTS THAT BUYER UNDERSTANDS AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGES, COSTS, LOSSES AND EXPENSES THAT ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND BUYER FURTHER AGREES, REPRESENTS, AND WARRANTS THAT THE WAIVERS AND RELEASES HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND THAT BUYER NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE, AND ACQUIT SELLER FROM ANY SUCH UNKNOWN CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGES, COSTS, LOSSES AND EXPENSES THAT MIGHT IN ANY WAY BE INCLUDED IN THE WAIVERS AND MATTERS RELEASED AS SET FORTH IN THIS SECTION. BUYER ACKNOWLEDGES THAT BUYER HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS SELECTION AND BUYER IS GRANTING THIS RELEASE OF ITS OWN VOLITION AND AFTER CONSULTATION WITH ITS COUNSEL. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT OR THE CLOSING OF THE SALE AND SHALL NOT BE DEEMED TO HAVE MERGED INTO ANY OF THE DOCUMENTS EXECUTED OR DELIVERED AT CLOSING. TO THE EXTENT REQUIRED TO BE

OPERATIVE, THE DISCLAIMERS OR WARRANTIES CONTAINED HEREIN ARE
“CONSPICUOUS” DISCLAIMERS FOR PURPOSES OF ANY LEGAL
REQUIREMENT.

NOTHING IN THE FOREGOING RELEASE SHALL INCLUDE CLAIMS ARISING OUT OF RIGHTS SPECIFICALLY GRANTED IN THIS AGREEMENT, THE CLOSING DOCUMENTS, OR CLAIMS THAT BUYER HAS AGAINST THIRD PARTIES.

BUYERS' INITIALS: _____

15. Liabilities and Assumption of Obligations. Except as expressly provided herein, Buyer shall not assume or take subject to any liabilities or obligations of the Property or Seller existing or accrued as of the date of Closing, and Seller shall pay the same as they mature and shall hold Buyer harmless with respect to all such liabilities and obligations. Liabilities and obligations of the Property accruing after the date of Closing shall be the responsibility of Buyer. Each party agrees to indemnify, defend and hold the other party harmless with respect to the liability and responsibility of such party in accordance with this Section 15.

16. Negotiation and Construction. This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either party.

17. Brokers and Finders; Buyer Disclosure.

17.1 Buyer and Seller acknowledge and agree that Wise Real Estate Investments, Inc. ("**Broker**") represents Seller in this transaction. Seller agrees that it shall pay Broker at Closing a commission of two and one-half percent (2.5%) of the Purchase Price (the "**Broker Commission**"). Except for Wise Real Estate Investments, Inc, each party represents and warrants that it has not contracted with any other broker or finder in connection with this transaction. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, hereby agrees to indemnify Seller against and hold Seller harmless from any and all damages, liabilities, costs, expenses, and losses (including, without limitation, reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim, and Seller, if such claim is based upon any agreement alleged to have been made by Seller, hereby agrees to indemnify Buyer against and hold Buyer harmless from any and all damages, liabilities, costs, expenses and losses (including, without limitation, reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this section shall survive the termination of this Agreement or the Closing.

17.2 Buyer is a licensed real estate broker in the State of Washington. Buyer does not represent Seller in any capacity, but intends to purchase the Property on Buyer's own behalf for investment purposes.

18. Possession. Buyer shall be entitled to possession of the Property on the date of Closing, subject to existing Leases.

19. Governing Law, Attorneys' Fees. This Agreement shall be construed according to the laws of the state of Washington. If either Buyer or Seller should find it necessary to employ an attorney to enforce a provision of the Agreement or to recover damages for the breach hereof (including proceedings in bankruptcy), the prevailing party shall be entitled to be reimbursed for its costs and attorneys' fees, in addition to all damages, through all levels of appeal.

20. Default. Time is of the essence of this Agreement. In the event Buyer fails without legal excuse to complete the purchase of the Property, the Earnest Money deposited by Buyer shall be forfeited to Seller as the sole and exclusive liquidated damages remedy available to Seller for such failure. If Seller shall fail to perform any covenant or agreement of Seller contained herein, Buyer may elect to pursue (a) specific performance of this Agreement; or (b) rescission of this Agreement and recovery of the Earnest Money. In no event shall Buyer or Seller be liable for any consequential or punitive damages.

21. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, addressed as set forth below:

SELLER:	Executive Director Tacoma Housing Authority 902 South L Street Tacoma, WA 98405 (253) 207-4440 fax
SELLER'S ATTORNEY:	Van Ness Feldman, LLP 719 Second Avenue, Suite 1150 Seattle, WA 98104 Attn: Susan A. Shyne, Esq. (206) 623-4986 fax
BUYER:	Dean and Anne Curry 2920 N Warner St Tacoma, WA 98407 anne@annecurryhomes.com
BUYER'S ATTORNEY	Bryce Dille Campbell, Dille, Barnett & Smith , PLLC Post Office Box 488 Puyallup, Washington 98371

Either party hereto may by proper notice made by the other party designate such other address for giving of notices. All notices shall be deemed given on the day such notice is personally served, or on the third business day following the date such notice is mailed in accordance with this Section.

22. Assignment; Successors and Assigns. Except for an assignment by Buyer as permitted pursuant to this Section, neither party shall have the right to assign this Agreement without the prior written consent of the other, which consent may be granted or withheld in the sole and absolute subjective discretion of the party whose consent has been requested; provided, however, that Buyer shall have the right to assign its interest in this Agreement and delegate its duties to an affiliate, so long as such affiliate controls, is controlled by, or is under common control with Buyer, and provided that (a) such affiliate shall assume, in writing (by execution of an assignment and assumption of this Agreement in a form acceptable to Seller), all of Buyer's obligations under this Agreement, but Buyer shall not be released of any obligations under this Agreement. If Buyer so assigns this Agreement to an affiliate, Buyer shall, at least five (5) Business Days prior to the Closing Date, give the Seller written notice of such assignment, together with a copy of the assignment and assumption agreement executed by Buyer and the assignee. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, administrators and permitted assigns.

23. Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes any prior agreements between them respecting the subject matter hereof.

24. OFAC Representation; Further Assurances. Each of Buyer and Seller represent to the other that he, she, or it is not a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control of the Department of the Treasury ("OFAC") (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any similar statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other similar governmental action. As and to the extent otherwise contemplated by this Agreement, each party to this Agreement agrees that it will at any time and from time to time after the date hereof, at its sole cost and expense, immediately following the reasonable request of the other party, promptly execute, acknowledge (if necessary) and deliver or cause to be properly executed, acknowledged (if necessary) and delivered, such agreements, certificates, statements, instruments and documents and promptly take, or promptly cause to be taken, such other and further steps and actions, as may be required by law or as reasonably shall be deemed necessary by the other party in order to more fully effect, evidence or carry out the intent and purposes of this Agreement.

25. Counterparts. This Agreement may be executed in several counterparts, which shall be treated as originals for all purposes, and all counterparts so executed shall

constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the person who executed it.

26. Tax Deferred Exchange. Either party may convey or receive a conveyance of the real property described herein as part of an IRC Section 1031 Tax Deferred Exchange. Notwithstanding the provisions of Section 22 above, either Buyer or Seller may assign all contract rights and obligations hereunder to a qualified exchange intermediary, as part of, and in furtherance of, such tax deferred exchange. In the event of such assignment, the non-exchanging party agrees to assist and cooperate in such exchange for the benefit of the exchanging party at no cost, expense or liability to the non-exchanging party, and further agrees to execute any and all documents (subject to the reasonable approval of the other party's legal counsel) as are reasonably necessary in connection with such exchange at the exchanging party's sole expense. Nothing contained in this Section 26 shall release the exchanging party of any of its obligations or liabilities under this Agreement, whether arising before, at or after Closing.

SELLER: HOUSING AUTHORITY OF THE CITY OF TACOMA, a
Public corporation,

By _____
Its _____

BUYER: DEAN CURRY and ANNE CURRY, husband and wife

Dean Curry

Anne Curry

EXHIBITS:

Exhibit A	Legal Description of Property
Exhibit B	Personal Property
Exhibit C	Rent Roll
Exhibit D	Environmental Disclosure
Exhibit E	Bill of Sale
Exhibit F	Assignment and Assumption of Leases
Exhibit G	Assignment and Assumption of Contracts and Intangible Property

EXHIBIT A
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

Legal Description

LEGAL DESCRIPTION MUST BE ADDED BEFORE PSA EXECUTION

PROPERTY PARCEL NUMBERS

Parcel #1	484400001	0	Parcel #26	484400026	0
Parcel #2	484400002	0	Parcel #27	484400027	0
Parcel #3	484400003	0	Parcel #28	484400028	0
Parcel #4	484400004	0	Parcel #29	484400029	0
Parcel #5	484400005	0	Parcel #30	484400030	0
Parcel #6	484400006	0	Parcel #31	484400031	0
Parcel #7	484400007	0	Parcel #32	484400032	0
Parcel #8	484400008	0	Parcel #33	484400033	0
Parcel #9	484400009	0	Parcel #34	484400034	0
Parcel #10	484400010	0	Parcel #35	484400035	0
Parcel #11	484400011	0	Parcel #36	484400036	0
Parcel #12	484400012	0	Parcel #37	484400037	0
Parcel #13	484400013	0	Parcel #38	484400038	0
Parcel #14	484400014	0	Parcel #39	484400039	0
Parcel #15	484400015	0	Parcel #40	484400040	0
Parcel #16	484400016	0	Parcel #41	484400041	0
Parcel #17	484400017	0	Parcel #42	484400042	0
Parcel #18	484400018	0	Parcel #43	484400043	0
Parcel #19	484400019	0	Parcel #44	484400044	0
Parcel #20	484400020	0	Parcel #45	484400045	0
Parcel #21	484400021	0	Parcel #46	484400046	0
Parcel #22	484400022	0	Parcel #47	659000050	7
Parcel #23	484400023	0	Parcel #48	562500238	0
Parcel #24	484400024	0			
Parcel #25	484400025	0			

EXHIBIT B
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

PERSONAL PROPERTY LIST

NONE

EXHIBIT C
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

RENT ROLL

EXHIBIT D
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

ENVIRONMENTAL SELLER DISCLOSURE STATEMENT

NOTICE TO PURCHASER:

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LEGALLY DESCRIBED AS FOLLOWS: The Wedgewood Homes in Tacoma Washington (Legal description on Schedule 1 attached).

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO PURCHASER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN PURCHASER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE PURCHASER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

SELLER IS NOT OCCUPYING THE PROPERTY.

EXHIBIT D
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

SELLER'S ENVIRONMENTAL DISCLOSURES

If you answer "Yes" to a question with an asterisk (), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

		YES	NO	DON'T KNOW
*A	Have there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?			X
*B	Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?			X
*C	Are there any shorelines, wetlands, floodplains, or critical areas on the property?			X
*D	Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?	X Asbestos, primarily in spray-on "acoustic" type (popcorn) ceilings		
*E	Is there any soil or groundwater contamination?			X
*F	Has the property been used as a legal or illegal dumping site?			X
*G	Has the property been used as an illegal drug manufacturing site?			X

EXHIBIT D
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

Schedule 1 to ENVIRONMENTAL SELLER DISCLOSURE STATEMENT
Legal Description of Property

EXHIBIT E
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

BILL OF SALE
(The Wedgewood Homes)

THIS BILL OF SALE is executed as of the _____ day of _____, 2014, by HOUSING AUTHORITY OF THE CITY OF TACOMA, a Public corporation, (“**Seller**”) and Dean and Anne Curry, husband and wife, and/or assigns (“**Buyer**”):

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Seller does hereby convey, and quit claim unto Buyer all fixtures, furniture, equipment, furnishings, and other personal property (other than computer hardware and software) owned by Seller (the “Personal Property”) located on that certain real property commonly known as the Wedgewood Homes, located in Tacoma, Pierce County, Washington, which real property has been sold by Seller to Buyer as of the date hereof and which is more particularly described on Exhibit A attached hereto.

IN WITNESS WHEREOF, Seller has executed and delivered this Bill of Sale as of the day and year first above written.

SELLER: HOUSING AUTHORITY OF THE CITY OF TACOMA, a
Public corporation

By _____
Its _____

BUYER: Dean and Anne Curry, husband and wife

Dean Curry

Anne Curry

Exhibit
Exhibit A: Legal Description

EXHIBIT F
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

**ASSIGNMENT AND ASSUMPTION OF LEASES
AND SECURITY DEPOSITS
(The Wedgewood Homes)**

This Assignment, effective as of the ____ day of _____, 2014, is made by and between HOUSING AUTHORITY OF THE CITY OF TACOMA, a Public corporation, (“**Assignor**”) and Dean and Anne Curry, husband and wife, and/or assigns (“**Assignee**”):

In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Property. The “Property” means the real property located in Pierce County, Washington, commonly known as the Wedgewood Homes, which is legally described in Exhibit A attached to this Assignment, together with the building, structures and other improvements located thereon.

2. Leases. The “Leases” means the leases affecting the Property, more particularly described in the Exhibit B rent roll attached to this Assignment.

3. Security Deposits. “Security Deposits” means the refundable security and other refundable deposits held by or for Assignor on account of tenants under the Leases with respect to which Assignee received a credit at the closing of the transaction pursuant to this Assignment. The Security Deposits are also set forth in the Exhibit B rent roll.

4. Assignment. Assignor hereby grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the Leases and the Security Deposits.

5. Assumption. Assignee hereby assumes the covenants, agreements and obligations of Assignor as landlord or lessor under the Leases which are applicable to the period and required to be performed from and after the date of this Assignment, but not otherwise, and Assignee further assumes all liability of Assignor for the proper refund or return of the Security Deposits if, when and as required by the Leases. No person or entity, other than Assignor shall be deemed a beneficiary of the provisions of this Section 5.

6. Indemnification. Assignor shall indemnify and hold Assignee harmless from and against all obligations of the “lessor” or “landlord” under the Leases to the extent such obligations were applicable to the period and required to be performed prior to the date of this Assignment. Assignee shall indemnify and hold Assignor harmless from and against all obligations of the “lessor” or the “landlord” under the Leases to the extent that such obligations are applicable to the period and required to be performed from and after the date of this Assignment.

7. Legal Expenses. If either party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and

expenses (including fees of attorneys, expert witnesses, accountants, reporters and others) incurred in connection therewith including all such costs and expenses incurred in: (a) in trial and appellate proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another whether or not such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

8. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

9. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the date first written above.

ASSIGNOR: HOUSING AUTHORITY OF THE CITY OF TACOMA, a Public corporation

By _____
Its _____

ASSIGNEE: Dean and Anne Curry, husband and wife

Dean Curry

Anne Curry

Exhibits

Exhibit A: Legal Description

Exhibit B: Rent Roll

STATE OF WASHINGTON

ss.

COUNTY OF PIERCE

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of The Housing Authority of the City of Tacoma, a public corporation, to be its free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2014.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington,
residing at _____

My appointment expires _____

STATE OF _____

ss.

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ and _____ are the persons who appeared before me, and they acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument

Dated this ____ day of _____, 2014.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington,
residing at _____

My appointment expires _____

EXHIBIT G
TO PURCHASE AND SALE AGREEMENT
(Wedgewood Homes)

**ASSIGNMENT AND ASSUMPTION OF
HAP CONTRACT, SERVICE CONTRACTS AND INTANGIBLES**
(The Wedgewood Homes)

THIS ASSIGNMENT AND ASSUMPTION OF HAP CONTRACT, SERVICE CONTRACTS AND INTANGIBLES (this "Assignment") is entered into as of the ____ day of _____, 2014, by and between THE HOUSING AUTHORITY OF THE CITY OF TACOMA, a Public corporation, ("**Assignor**") and Dean and Anne Curry, husband and wife, and/or assigns ("**Assignee**") who agree as follows:

1. Property. The "Property" means the real property located in Tacoma, Pierce County, Washington, commonly known as the Wedgewood Homes and legally described in Exhibit A attached to this Assignment, together with the building, structures and other improvements located thereon.

2. HAP Contract. "HAP Contract" means the Project-Based Section 8 Housing Assistance Payments Basic Renewal Contract described on Exhibit B attached to this Assignment.

3. Service Contracts. "Service Contracts" means those maintenance, supply and service agreements, equipment leases, utility agreements, rights under bonds, and similar agreements relating to the Property.

4. Intangibles. "Intangibles" means, to the extent assignable by Assignor, the name "Wedgewood Homes," and those records in Assignor's possession (if any) respecting plans, specifications, building permits, certificates of occupancy, signs, maintenance supplies, utilities, permits, approvals, studies, surveys, guaranties, warranties, and any other similar items, relating to the Property.

5. Assignment. For good and valuable consideration received by Assignor, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the HAP Contract, the Service Contracts, and the Intangibles. Assignor shall be responsible for and shall perform and satisfy its obligations under the HAP Contract and the Service Contracts insofar as such obligations relate to the period before the date of this Assignment.

6. Assumption. Assignee hereby assumes the covenants, agreements and obligations of Assignor under the HAP Contract and the Service Contracts which are applicable to the period and required to be performed from and after the date of this Assignment, but not otherwise. No person or entity other than Assignor shall be deemed a beneficiary of the provisions of this Section 5.

7. Indemnification. Assignor shall indemnify and hold harmless Assignee from and against all obligations of the Assignor under the HAP Contract and the Service Contracts to the extent such obligations were applicable to the period and required to be performed prior to the date of this Assignment. Assignee shall indemnify and hold harmless Assignor from and against all obligations assumed by the Assignee under the Service Contracts to the extent that such obligations are applicable to the period and required to be performed from and after the date of this Assignment.

8. Legal Expenses. If either party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, reporters and others) incurred in connection therewith including all such costs and expenses incurred: (a) in trial and appellate proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another whether or not such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

9. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

10. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first above written.

ASSIGNOR: HOUSING AUTHORITY OF THE CITY OF TACOMA, a
Public corporation

By _____
Its _____

ASSIGNEE: Dean and Anne Curry, husband and wife

Dean Curry

Anne Curry

Exhibit A: Legal Description

Exhibit B: HAP Contract Description

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: WA190045001

Section 8 Project Number of Expiring Contract: WA190045001

FHA Project Number (if applicable): NA

Project Name: Wedgewood Apts

Project Description:³

1201 E 59th St, Tacoma, Pierce County, WA 98407

RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (2)

DATE: May 28, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Update of THA Administrative Plan

Background

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

Before bringing the document to the board for approval, THA elicited community comment during a 30 day MTW public comment period. The major changes to the Administrative Plan are as follows:

- **Tacoma Community College Housing Assistance Program:**

This resolution would add a new chapter to the Administrative Plan to govern the administration of the Tacoma Community College Housing Assistance Program. This program will become the latest initiative of THA's Education Project. It will provide rental assistance to enrolled T.C.C. students who are homeless or near homeless. We have been planning this initiative with T.C.C.'s leadership for quite a while. As with other aspects of our Education Project, this initiative will not only house needy persons. It will help them in their educational striving and promote their ability to support themselves and their families. This initiative will also strengthen T.C.C. and its important mission. T.C.C. is the region's largest post-secondary institution. It is justifiably proud of its ability to welcome to low income students and those who would be the first in their family to attend college. THA's contribution will make T.C.C. still more hospitable to these needy but ambitious students. It should be a very good use of a housing dollar. We will start by assisting 25 such students. If the outcomes are positive, we may increase this number.

Minor changes to the Housing Opportunity Program (HOP) that include allowing THA to subsidize units not typically allowed in the Section 8 Program.

Below is a list of major policy changes, the current policy/practice, proposed policy and associated policy chapters in the documents.

Topic	Proposed policy	Purpose	THA Recommendation
<p>Dwelling Units for the Housing Opportunity Program</p>	<p>Allow HOP tenants to lease up in shared housing situations.</p> <p>Allow HOP tenants to rent from relatives when:</p> <ul style="list-style-type: none"> • A household cannot lease up because of poor credit. • A household would rely on the relative to help with childcare. • A household with bad rental history has remediated the root causes for the bad rental history. • A household cannot lease because of a poor criminal history that has shown proper rehabilitation. <p>Modify the rent calculation language in the Plan to reflect the simplified HOP calculations related to these housing types.</p>	<p>Allow more flexibility for hard to house applicants/tenants when they are searching for a housing unit.</p>	<p>Approve the policy.</p> <p>THA will examine each situation on a case by case basis and approve when needed.</p>
<p>New Chapter to Administrative Plan: Chapter 19: Tacoma</p>	<p>This program will provide up rental assistance to up to 25</p>	<p>This program is designed to help homeless or at risk of</p>	<p>Move forward with the policy.</p>

Topic	Proposed policy	Purpose	THA Recommendation
<p>Community College Housing Program:</p> <p>Admissions Policy</p>	<p>enrolled T.C.C. students who are homeless or at risk of being homeless.</p> <p>All tenants of this program will need to be TCC students attending full time.</p> <p>They will need to have a minimum grade point average of 2.0..</p> <p>TCC will maintain the waitlist and recommend applicants to THA for screening.</p> <p>All other THA admissions policy will apply.</p>	<p>being homeless students finish their program at TCC.</p> <p>Admissions policy needs to be limited to TCC students meeting basic requirements.</p>	
<p>T.C.C. Program [continued]</p> <p>Dwelling Units</p>	<p>Allow TCC Program tenants to lease up in shared housing situations. Allow TCC Program tenants and rent from relatives when:</p> <ul style="list-style-type: none"> • A household cannot lease up because of poor credit. • A household would rely on the relative to help with childcare. • A household with bad rental history has remediated the root causes for the bad rental history. 	<p>Allow more flexibility for hard to house applicants/tenants when they are searching for a housing unit.</p>	<p>Move forward with the policy</p>

Topic	Proposed policy	Purpose	THA Recommendation
	<ul style="list-style-type: none"> A household cannot lease up because of a poor criminal history that has shown proper rehabilitation. <p>Modify the rent calculation language in the Plan to reflect the simplified HOP calculations related to these housing types.</p>		
T.C.C. Program [continued Income and subsidy determinations]	<p>Subsidy will be based on 50% of the payment standard.</p> <p>Income will not be used to determine subsidy.</p> <p>Higher of self-reported income or EIV income will be reported to HUD.</p>	<p>This calculation is the same as the HOP program. It allows a household to receive a subsidy to help with housing costs while also being administratively easier to manage.</p>	<p>Move forward with policy.</p>
T.C.C. Program [continued Time Limits]	<p>A student will have three (3) years of subsidy before being timed out of the program.</p>	<p>While working with TCC, it was determined the average student needs three (3) years to finish a program.</p> <p>This time limit will act as both a motivating force while also subsidizing the student during his or her studies.</p>	<p>Move forward with the policy</p>

Topic	Proposed policy	Purpose	THA Recommendation
T.C.C. Program [continued Termination]	<p>Students can be terminated for the following reasons.</p> <ul style="list-style-type: none"> • The student's GPA falls below 2.0; • The student stops attending class; • The student graduates ; • The three year T.C.C. H.A.P. time period expires ; • Student misses meetings with caseworker; • The student's income reaches 80% of AMI. • The student fails to comply with other program rules. 	<p>The main focus of this program is to help a student finish their college program. If the student fails to attend class or keep up basic requirements, he or she will be removed from the program.</p> <p>THA will work with TCC in any situation where this might arise.</p>	<p>Move forward with the policy.</p>
T.C.C. Program [continued New Chapter to Administrative Plan Chapter 19: Hardship]	<p>THA and TCC may allow for a one month hardship for any student that graduates from the program or times out but is still not ready to give up the housing subsidy.</p> <p>The student will have to demonstrate to TCC the need by showing that paying rent without the subsidy would be more than 40% of his or her income.</p>	<p>The hardship would allow the student an extra month of subsidy if required at the end of the program, or if he or she reaches 80% of AMI and is still paying 40% or more of income towards rent.</p>	<p>Move forward with policy.</p>

Recommendation

Approve Resolution 2014-5-28 (2) authorizing THA to adopt updates to the Administrative Plan.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (2) UPDATE OF THA ADMINISTRATIVE PLAN

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

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

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

1. Adopting the indicated updates to the Administrative Plan.

Approved: May 28, 2014

Greg Mowat, Chairman

RESOLUTION #3



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (3)

DATE: May 28, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of New Unarmed Security Contract with Cypress Security

Background

THA has sought to consider changing its security firm to provide unarmed security services at its properties. On January 16, 2014 staff issued a Request for Proposal (RFP) from firms interested in doing this. The work consists of daily patrols at each of the THA sites, communication with residents, communication with Tacoma Police Department, issuing trespass notices, ticketing and towing unauthorized vehicles, responding to alarms, and generally deterring criminal activity through enforcement of community rules.

This contract will separate the Salishan patrol contract from the THA contract. The Salishan Association will execute its own contract for unarmed security for Salishan since that entity pays for and oversees Salishan security. The contract for Salishan will be with the same company that is selected for THA.

THA received six proposals to its RFP and interviewed the four top-scoring firms. The review committee included THA staff, Salishan Association staff, and a Tacoma Police Department Community Liaison Officer. The results of the scoring, including the oral interview score, are below:

Bid Results Unarmed Security Services

Company	Overall Score
Cypress Private Security	258
McRoberts Security	253
Phoenix Protective Security	249
Pierce County Security	167
B Force Protection	50
Jaguar	28

This contract will result in a change in security services from the current contract. Cypress Private Security is headquartered in San Francisco, CA. This company comes with a customer service approach and intends to survey all households and entities that will be impacted by this

contract to ask what customers would like to see. Cypress also has sophisticated data reporting system so we can get more real-time data regarding what is happening on the properties. We are also excited to learn how their access to technology can help us with remote monitoring when we have isolated problems. Overall, we are hopeful this will be a positive change for our communities.

Recommendation

Approve Resolution 2014-5-28 (3) authorizing the Executive Director to negotiate and, if those negotiations are successful, to award a contract to Cypress Private Security for unarmed security services at THA's housing developments in an amount not to exceed \$150,000.00. If those negotiations are not successful, the Executive Director is authorized to negotiate, and if those negotiations are successful, to award a contract to the next proposer in turn as reflected in the scoring.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (3)

APPROVAL OF NEW UNARMED SECURITY CONTRACT WITH CYPRESS SECURITY

WHEREAS, Tacoma Housing Authority (THA) staff issued a Request for Proposal (RFP) from firms interested in providing unarmed security services at all of its properties on January 16, 2014;

WHEREAS, The proposals were due on February 19, 2014;

WHEREAS, THA received six (6) and scored all six of the proposals;

WHEREAS, The top four scoring proposals were called for the oral interview;

WHEREAS, After the oral interview process, Cypress Private Security was the overall top scoring responsive proposer;

WHEREAS, THA has provided budget authority within each of the Asset Managed Projects (AMP) to allow for unarmed security services;

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 a contract with Cypress Private Security and, if those negotiations are successful, to award the contract in the amount of \$150,000 for Unarmed Security Services. If those negotiations are not successful, the Executive Director is authorized to negotiate, and if those negotiations are successful, to award a contract to the next proposer in turn as reflected in the scoring.

Approved: May 28, 2014

Greg Mowat, Chairman

RESOLUTION #4



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (4)

DATE: May 28, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Amendment Number 2 to Pierce County Special Program Housing Contract—
Youth Housing

Background

This resolution would authorize a second amendment to THA's contract with Pierce County to provide rental assistance to homeless youth and young adults without families. This amendment would extend the duration of the contract and increase the contract amount. By Resolution 2012-9-26(4), the Board approved the initial contract in the amount of \$187,500. By Resolution 2013-3-27 (7), the Board raised the contract amount to \$250,000 per year.

This resolution would further raise THA's maximum payment to Pierce County for all services and reimbursable expenses, if any, to the following::

- \$288,000 for CY 2014
- \$288,000 for CY 2015
- \$288,000 for CY 2016
- \$288,000 for CY 2017
- \$288,000 for CY 2018

Under the terms of the contract, short term rental assistance will be valued at an average of \$600 per month per household for up to 24 months.

This contract will be extended through December 31, 2018.

The money for this contract for 2014 is included in the REMHS Rental Assistance HAP budget line item. Future years will be funded through this same budget. The contract does allow for termination if funds are not available.

Reporting Requirements and Evaluation

Pierce County, through its subcontracted service providers, will be required to report on a quarterly basis on the following metrics:

- The number of households served
- Monthly subsidy paid on behalf of each household
- Length of time each household spends on the program
- In-kind value of casework provided

- Each household's income at entry to program
- Each household's income at exit from program
- Change in household income
- Change in household earned income
- Each household's housing stability 3, 6 and 12 months after exit from the program
- Number of households transitioning to another rent subsidy program upon exit

We have initial data from the first year of this contract and will share it with the Board by the July board meeting.

Recommendation

I recommend approving Resolution 2014-5-28 (4) authorizing the Executive Director to execute a second amendment to the contract with Pierce County for the purpose of providing rental assistance to homeless unaccompanied youth and young adults.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (4)

AMENDMENT NUMBER 2 TO PIERCE COUNTY SPECIAL PROGRAM HOUSING CONTRACT—YOUTH HOUSING

WHEREAS, Tacoma Housing Authority (THA) has an approved Moving to Work (MTW) activity allowing it to use a regional approach for administering its special purpose housing programs;

WHEREAS, Pierce County has been selected to oversee some of THA's special programs, to select qualified service providers to administer the programs, and to comply with all State and Federal regulations connected with THA's Moving to Work funds;

WHEREAS, Pierce County has conducted a competitive process and selected qualified service providers to administer these funds for rental assistance for homeless unaccompanied youth and young adults;

WHEREAS, this contract will extend through December 31, 2018;

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:

The executive director is authorized and directed to execute a contract with Pierce County in the amount of \$288,000 for CY 2014; \$288,000 for CY 2015; \$288,000 for CY 2016; \$288,000 for CY 2017; \$288,000 for CY 2018 for the purpose of providing rental assistance to homeless families with children.

Approved: May 28, 2014

Greg Mowat, Chair

RESOLUTION #5



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28(5)

Date: May 28, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Landscape Maintenance at Salishan For-Sale Lot Areas

Background

On May 22, 2012 THA entered into a contract agreement with Lawn & Landscape Services Inc. for landscape maintenance of the Salishan For-Sale lots. Work included mowing, trimming, weeding, fertilizing and irrigation maintenance and repairs. The term of the contract was from May 17, 2012 to December 31, 2012, and allows two one-year extensions. Four Amendments to the contract were issued extending the contract term to May 31, 2014 and Hillsdale Heights, Arlington and several other properties were added to the work Scope. The Contract was increased to a Not-to-Exceed amount of \$97,439.12.

The current contract is nearing expiration and is reaching the contract dollar limit.

Lawn & Landscape Services has performed the work satisfactorily throughout the terms of the contract. Landscape maintenance of the for-sale lots, Arlington and Hillsdale heights is necessary.

Recommendation

Approve Resolution No. 2014-5-28(5) authorizing Executive Director to expand the contract with Lawn & Landscape Services for maintenance at Salishan Area 2B, Arlington, Hillsdale Heights and miscellaneous lawn maintenance, as-needed, to increase the contract by \$30,000 with a Not-to-Exceed price of \$ 127,493.12, and extend its term to December 31, 2014.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28(5) LANDSCAPE MAINTENANCE AT SALISHAN FOR-SALE LOT AREAS

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

Whereas, On May 22, 2012 THA entered into a contract agreement with Lawn & Landscape Services Inc. for landscape maintenance of the Salishan For-Sale lots.

Whereas, The term of the contract spanned May 17, 2012 to December 31, 2012, and allows two one-year extensions.

Whereas, Four Amendments to the contract were issued extending the contract term to May 31, 2014 and expanding the scope of work. The contract will also be extended to December 31, 2014 with this amendment, per the procurement.

Whereas, The current contract is nearing expiration and is reaching the contract dollar limit of \$97,439.12.

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

The Executive Director is authorized to agree to an amendment of the contract for landscape maintenance at Salishan For-Sale Lot Areas and other properties in an additional amount of \$30,000 with a not-to-exceed amount of \$127,439.12, and a new contract term to December 30, 2014..

Approved: May 28, 2014

Greg Mowat, Chair

RESOLUTION #6
This is a walk on Resolution



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-5-28 (6)

DATE: May 28, 2014
 TO: Board of Commissioners
 FROM: Michael Mirra, Executive Director
 RE: Approval of Methamphetamine Remediation and Decontamination Contract

Background

On April 25th, 2014 Tacoma Housing Authority (THA) staff issued a Request for Proposal (RFP) for firms interested in providing remediation/decontamination services to its properties that test positive for methamphetamines. The work consists of preparing work plans Tacoma/Pierce County Health Department (TPCHD) for approval in accordance with WA State Department of Health and clean units so they become Fit for Use by TPCHD.

This work is currently included in a more encompassing contract with Rainbow International. Rainbow currently subcontracts this portion of its contract. THA is subject to overhead and profit charges from both the contractor and subcontractor. This new contract will break out remediation work from the Rainbow contract.

This contract will cover all THA properties owned and operated by THA. It will require that when the cleanup is complete, units will be handed over to either THA maintenance staff or, in the case where the work exceeds a normal unit turn, a third party general contractor to put the unit back to an occupancy ready status.

The initial term of the contract will be for one year with the opportunity for up to three (3) one year extensions.

THA received one proposal to its RFP. A committee reviewed the sole proposal for responsiveness and concluded that the proposal was responsive and responsible. The review committee included THA staff who is currently working with the existing contract.

Bid Results

Methamphetamine Remediation & Decontamination

Company	Overall Score
Able Environmental, LLC	N/A*

*Since we received only one proposal the committee only reviewed for reasonable and responsiveness. No score was given.

Recommendation

Approve Resolution 2014-5-28 (6) authorizing the Executive Director to negotiate and award a contract to Able Environmental for methamphetamine remediation or decontamination at THA's housing developments in an amount not to exceed \$350,000.00.

RESOLUTION 2014-5-28 (6)

APPROVAL OF METHAMPHETAMINE REMEDIATION AND DECONTAMINATION CONTRACT

WHEREAS, Tacoma Housing Authority (THA) staff issued a Request for Proposal (RFP) from firms interested in providing methamphetamine remediation and decontamination for all its properties owned and managed by THA on April 25, 2014;

WHEREAS, the proposals were due on May 14, 2014;

WHEREAS, THA received one (1) and reviewed for responsive and reasonableness;

WHEREAS, After the review process, the review committee agreed that Able Environmental, LLC, was a responsive proposer;

WHEREAS, THA has provided budget authority within each of the Asset Managed Projects (AMP) to allow for meth remediation and decontamination;

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

1. Authorizes the Executive Director to negotiate a contract with Able Environmental, LLC and, if those negotiations are successful, to award the contract in the amount of \$350,000 for Methamphetamine Remediation and Decontamination. If those negotiations are not successful, the Executive Director is authorized to reprocur a new contract.

Approved: May 28, 2014

Greg Mowat, Chairman