



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**February 25, 2015**



Michael Mirra  
Executive Director

# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS

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

## REGULAR MEETING BOARD OF COMMISSIONERS

**WEDNESDAY, February 25, 2015**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, February 25, 2015 at 4:45 PM**

The meeting will be held at:

**Bay Terrace  
2550 South G. 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 February 20, 2015, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE to:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	emailed to tips@q13fox.com
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

*and other individuals and resident organizations with notification requests on file*

---

Christine Wilson  
Executive Administrator



# TACOMA HOUSING AUTHORITY

## REVISED

**AGENDA  
REGULAR MEETING  
BOARD OF COMMISSIONERS  
February 25, 2015 4:45 PM  
2550 South G. Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
  - 3.1 Minutes of January 28, 2015 – Regular Session
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Real Estate Management and Housing Services
  - 7.3 Real Estate Development
  - 7.4 Community Services
- 8. NEW BUSINESS**
  - 8.1 2015-2-25 (1), 902 South L. Street Admin Building Tenant Improvement – Contractor
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION**

Discussion of possible real estate transaction.
- 11. ADJOURNMENT**

# MEETING MINUTES





# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, January 28, 2015

*(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, January 28, 2015.**

### 1. CALL TO ORDER

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

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Stanley Rumbaugh, Chair	
Arthur C. Banks, Vice Chair (arrived at 4:57 PM)	
Janis Flauding, Commissioner	
Rose Lincoln Hamilton, Commissioner	
Minh-Anh Hodge, Commissioner	
<b>Staff</b>	
Michael Mirra, Executive Director	Greg Claycamp, Community Services Director
Christine Wilson, Executive Administrator	
Ken Shalik, Finance and Administration Director	
April Black, REMHS Director	
Barbara Tanbara, Human Resources Director	
Kathy McCormick, RED Director	
Todd Craven, Administration Director	

Chair Rumbaugh declared there was a quorum present @ 4:56 and proceeded. Chair Rumbaugh acknowledged the recent agency re-organization discussions led by ED Mirra and the cabinet. He congratulated ED Mirra for his leadership in bringing those decisions to the BOC, and he congratulated both Deputy Executive Director April Black and Director Pat Patterson for their promotions. ED Mirra congratulated Director Greg Claycamp, who was not present, on his new position as Director of Client Services.

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

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, December 17, 2014. Commissioner Flauding moved to adopt the minutes, Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

#### **Motion approved**

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Special Session of the Board of Commissioners for Monday, January 12, 2015. Commissioner Hodge moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

#### **Motion approved**

### **4. GUEST COMMENTS**

Bonnie Hill, Program Manager for Catholic Community Services (CCS) made a brief presentation to the board. She described the partnership between THA and CCS by which THA is providing housing vouchers to the homeless populations who will live at CCS's New Nativity House. She described the process and assessment tool CSS uses to evaluate prospective clients considered to enter the programs. Multiple partners make up the assessment team. This referral process places participants in the programs that best fit their needs. There are three case managers that provide clients with supportive services. Chair Rumbaugh inquired about the mental health supportive services offered. Ms. Hill explained how the case managers determine those local agencies who best match the needs of the clients. Ms. Hill also explained that THA's flexibility with the program has been beneficial to its success, specifically citing the Housing First model. Chair Rumbaugh thanked Ms. Hill for attending the meeting and sharing the program details. He explained how its importance to the community is evident to the court system that must address a large number of mentally ill offenders who are better off with services and housing.

Hope Rehn, President from SAFE addressed the board. She is working with THA staff on the emergency preparedness plan for the seven senior/disabled buildings. Ms. Rehn announced that SAFE has a new treasurer.

## **5. COMMITTEE REPORTS**

Real Estate Development Committee – Commissioner Rumbaugh stated that the committee met in early January. Its discussions covered Hilltop Lofts project, Lakeside Landing, Bay Terrace Phase II and the scattered sites. He announced to the board that there will be an executive session at its meeting about a possible property acquisition.

Finance Committee – None

Citizen Oversight Committee – None

## **6. ADMINISTRATIVE REPORTS**

### **Executive Director**

ED Mirra directed the board to his report. He spoke about the re-organization and the transition it will entail. April will lead it. Discussions with HUD continue regarding the MTW extension. HUD had previously shown some flexibility on the permissible uses of voucher funds. More recently however, HUD has retracted its flexibility. He added that a team of seven MTW Housing Authorities are negotiating with HUD. ED Mirra stated that the executive directors and staff of the Pacific Northwest MTW agencies met. They devised a “Northwest” proposal for the negotiating team to consider. The upcoming MTW conference to be held in Washington DC in early February will be a chance for the team to consider that proposal. He will update the board as he learns more.

Commissioner Banks commended ED Mirra and staff for the agency re-organization. He was pleased that we found the talent we needed for the new positions within present staff.

### **Finance**

Director Shalik directed the board to his report. His staff is busy closing books for year end. The 2015 budget will be realigned to coincide with the new structure as outlined in the reorganization plan, and input into the VisualHOMES system. There will be no change in the overall dollar amount. Discussion ensued related to the Cash Position reporting.

Chair Rumbaugh called for a motion to ratify the payment of cash disbursements totaling \$7,325,661 for the month of December, 2014. Commissioner Banks moved to ratify the payment of cash disbursements. Commissioner Flauding 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**

Director Black directed the board to her report. She discussed the 2014 unit turn rate for clean units and units contaminated with meth. She noted the significant drop in the percentage of hot units during 2014, from 50% in 2013 to 11% for all of 2014. The unit turn time has increased. Director Black stated several factors that account for the increase. They include reasonable accommodation transfers, and overhoused and underhoused transfers for tenants. Commissioner Flauding asked about the process for tracking work orders from start to finish. She is concerned about the amount of time it takes to get the work completed. Director Black will look into the issue and report back to the board. ED Mirra asked Director Black to provide an update on the boiler at K Street. She stated there have been ongoing discussions with the vendor and staff is confident there will be a resolution soon. ED Mirra requested Ms. Rehn to help the K Street tenants know that we are taking this boiler issue very seriously and we are committed to fixing it quickly.

### **Real Estate Development**

Director McCormick directed the board to her report. The 9% tax credit applications have been submitted to the Housing Trust Fund for Bay Terrace Phase II. Staff also submitted a Housing Trust Fund application for the Hilltop Lofts. The legislature is considering capital funds for THA development that has bipartisan support. Chair Rumaugh inquired about the LASA project. Director McCormick stated it is going well. THA continues to work closely with LASA staff. There are continued discussions related to the funding for the supportive service plan. THA staff will continue to work with LASA and the local providers to obtain the necessary funding.

### **Community Services**

ED Mirra provided the report on behalf of Director Claycamp. He distributed a copy of the proposal THA made to the school district for the expansion of the McCarver pilot program.

## **Administration**

Director Craven directed the Board to his report. Chair Rumbaugh stated that he and ED Mirra recently had a robust conversation about the software selection with Director Craven. Director Craven reported that the Software Selection Committee met in December and voted unanimously to recommend moving forward with the Eightcloud/Salesforce proposal as its enterprise software provider. The Board will review a resolution this evening recommending EightCloud. Chair Rumbaugh added upon his review of the information provided by Director Craven, he understood the choice we faced. The TenMast product would be an off the shelf product similar to what we are currently using. We have learned since becoming an MTW agency that we need a software program that allows for programming flexibility. Commissioner Banks asked Director Craven if we can expect longevity with the Salesforce program. Director Craven replied that we could and that its longer term usefulness because of its flexibility was an important factor in the staff recommendation. Director Craven provided an update on RAD. The 2015 Congressional appropriation raised the RAD unit cap to 185,000 units. This effectively authorizes Tacoma Housing Authority's portfolio application. He expects to receive official notification from HUD in mid-February.

### **7. OLD BUSINESS**

None.

### **8. NEW BUSINESS**

#### **8.1 RESOLUTION 2015-1-28 (1), Certifications of Compliance**

**Annual Moving to Work Plan  
Certifications of Compliance  
U.S. Department of Housing and Urban Development,  
Office of Public and Indian Housing  
Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan\***

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

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board

of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.

2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.

3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.

4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.

5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.

6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.

7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.

8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

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



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

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

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

15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.

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

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

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

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

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

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

Housing Authority of the City of Tacoma  
**PHA Name**

WA005  
**PHA Number/HA Code**

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Stanley Rumbaugh  
**Name of Authorized Official**

Chair  
**Title**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** January 28, 2015

\_\_\_\_\_  
Stanley Rumbaugh, Chair

## **8.2 RESOLUTION 2015-1-28 (2), MARKET RATE SCATTERED SITES DISPOSITION**

**Whereas,** THA owns ten market rate single family five bedroom homes scattered throughout Tacoma.

**Whereas,** THA needs the money their sale would provide in order to adequately maintain the balance of its portfolio;

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

**Whereas**, the sale would leave THA's portfolio with enough five-bedroom homes that would be proportionate to the need for them as evident from the waiting list and city data.

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

The Executive Director has the authority to sell the market rate scattered site homes as their present leases expire.

**Approved: January 28, 2015**

\_\_\_\_\_  
Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

**Motion Approved: January 28, 2015**

\_\_\_\_\_  
Stanley Rumbaugh, Chair

### **8.3 RESOLUTION 2015-1-28 (3), (GGLO A&E SERVICES FOR BAY TERRACE PHASE 2)**

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

**Whereas**, RCW 35.82.070(2) provides that a housing authority is authorized to "prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alternation or repair of any housing project or any part thereof" and RCW 35.82.020 defines "housing project" to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwelling apartments, mobile home parks or other living accommodations for persons of low income";

**Whereas**, RCW 35.82.070(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments, including but not limited to architectural design agreements";

**Whereas**, on July 24, 2009 the Board approved Resolution 2009-06-24(1) authorizing the Executive Director to negotiate and award a contract for Architectural and Engineering Services for the 1800 and 2500 Hillside Terrace redevelopment and GGLO was properly procured to provide architectural services for this development ((THA renamed the 2500 block Hillside Terrace redevelopment as Bay Terrace Phase 1 and 2);

**Whereas**, the Housing Authority of the City of Tacoma has negotiated a not-to-exceed fee for Phase 2 Architectural and Engineering Services with GGLO Architects in the amount of \$1,398,934 for Basic and Additional Services; and

**Whereas**, the approval of this Resolution will be in the best interest of the Authority to begin design services to meet deadlines imposed on the agency as a result of receiving Low Income Housing Tax Credits;

***Resolved by the Board of Commissioners of the Tacoma Housing Authority as follows:***  
The Executive Director is authorized to negotiate, and if those negotiations are successful, to execute a new agreement with GGLO Architects for architectural and engineering services in an amount not-to-exceed of \$ 1,400,000.00 for Bay Terrace Phase 2 project.

Approved: January 28, 2015

---

Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** January 28, 2015

---

Stanley Rumbaugh, Chair

#### **8.4 RESOLUTION 2015-1-28 (4), (ABSHER PRE-CONSTRUCTION SERVICES FOR BAY TERRACE PHASE 2)**

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

**Whereas**, RCW 35.82.070(2) provides that a housing authority is authorized to “prepare, carry

out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alternation or repair of any housing project or any part thereof". RCW 35.82.020 defines "housing project" to include, among other things, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwelling apartments, mobile home parks or other living accommodations for persons of low income";

**Whereas**, RCW 35.82.070(1) provides that a housing authority may, among other things, "make and execute contracts and other instruments, including but not limited to architectural design agreements";

**Whereas**, on February 24, 2010 the Board approved Resolution 2010-2-24(6) authorizing the Executive Director to negotiate and award a CM/GC contract to Absher Construction, Inc., for the 1800 and 2500 Hillside Terrace redevelopment. On December 19, 2012 the Board approved Resolution 2012-12-19(2) authorizing the Executive Director to negotiate and execute the first modification to the CM/GC contract for 2500 Hillside Terrace Phase 1 with Absher Construction, Inc. in an amount not-to-exceed \$17,390,507. (THA renamed the 2500 block Hillside Terrace redevelopment to Bay Terrace Phase 1 & 2.) Phase I project was completed in July 2014 and 100% leased; and

**Whereas**, the Housing Authority has received a proposal for modification 3 of the contract from Absher Construction, Inc. to provide pre-construction services for Bay Terrace Phase II in an amount not-to-exceed \$133,000 ;

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to execute modification no. 3 to Absher's contract in an amount not-to-exceed of \$ 133,000.00 for the Bay Terrace Phase 2 project pre-construction services.

Approved: January 28, 2015

---

Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** January 28, 2015

---

Stanley Rumbaugh, Chair

## **8.5 RESOLUTION 2015-1-28 (5), SELECTION OF ENTERPRISE SOFTWARE PROVIDER**

**Whereas,** THA's current enterprise software, VisualHOMES, is at end of its useful life. THA needs to replace it.

**Whereas,** THA's staff defined its business objectives and process requirements that its enterprise software needs to fulfill and used these requirements to develop the scope of work for the Request for Proposals (RFP);

**Whereas,** on June 16, 2014, THA issued an RFP for an Enterprise Software Solution;

**Whereas,** THA received six (6) proposals, one of which was deemed unresponsive;

**Whereas,** the proposals were evaluated using the criteria outlined in the RFP;

**Whereas,** the top four (4) scoring vendors were invited to give product demonstrations;

**Whereas,** two (2) vendors came to THA offices for a second demonstration;

**Whereas,** THA's software selection committee selected Eightcloud to be its Enterprise Software Provider;

**Whereas,** THA's 2015 budget includes \$600,000 for software conversion, to be paid out of Moving to Work reserves;

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

The Executive Director has the authority to negotiate, and if those negotiations are successful, and execute a contract with Eightcloud/Salesforce to be THA's Enterprise Software Provider.

**Approved: January 28, 2015**

\_\_\_\_\_  
Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

**Motion Approved: January 28, 2015**

\_\_\_\_\_  
Stanley Rumbaugh, Chair



**8.6 RESOLUTION 2015-1-28 (6), ADMINISTRATIVE PLAN UPDATE—  
CHILDREN’S HOUSING OPPORTUNITY PROGRAM AND COLLEGE  
HOUSING ASSISTANCE PROGRAM**

**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. Approve the enumerated changes to THA’s Administrative Plan.

**Approved:** January 28, 2015

\_\_\_\_\_  
Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** January 28, 2015

\_\_\_\_\_  
Stanley Rumbaugh, Chair

**9. COMMENTS FROM COMMISSIONERS**

None

**10. EXECUTIVE SESSION**

BOC went into Executive Session at 6:34 for 10 minutes to discuss a possible real estate transaction. The Executive Session was extended at 6:44 for 5 minutes. The Executive Session was extended again at 6:49 for 5 minutes.

The BOC moved back into regular session at 6:54 PM.

**11. NEW BUSINESS (Continued)**

**11.1 RESOLUTION 2015-1-28 (7), PROPERTY PURCHASE AGREEMENT**

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

**Whereas,** THA is interested in acquiring the property at 1011 S. L Street to allow for future development of affordably priced and high quality rental housing for the neighborhood;

**Whereas,** THA is interested in making a cash offer,

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

The Executive Director is authorized to negotiate the purchase along the lines that the board directed, and if those negotiations are successful to conclude the purchase.

Approved: January 28, 2015

\_\_\_\_\_  
Stanley Rumbaugh, Chair

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** January 28, 2015

\_\_\_\_\_  
Stanley Rumbaugh, Chair

**12. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:56 PM.

**APPROVED AS CORRECT**

**Adopted:** February 25, 2015

\_\_\_\_\_  
Stanley Rumbaugh, Chair

Finance Committee  
*Commissioner Lincoln Hamilton*

Real Estate and Development Committee  
*Commissioner Rumbaugh*

Citizen Oversight Committee  
*Commissioner Banks*

# ADMINISTRATION REPORTS

# EXECUTIVE DIRECTOR REPORT



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
**From:** Michael Mirra, Executive Director  
**Date:** February 18, 2015  
**Re:** Executive Director's Report

---

This is my monthly report for February 2015. The departments' reports supplement it.

## 1. **THA RE-ORGANIZATION: THE TRANSITION**

Last month I was pleased to announce THA's re-organization. I provided the Board with my memo to staff that in turn attached a new summary organizational chart. My memo reviewed the reasons we were doing this. Since then we have been planning our transition to the new structure, and starting the transition work. April is the project manager for the transition. On February 14<sup>th</sup>, I sent the Board my email of that date to staff reporting on some of the details of the transition. I attach a copy of that email. I also attach two documents that went with it. The first is April's project outline for the transition. It shows the considerable work this transition will require. THA is a complex creature. Changing one part affects other parts. I also attach a copy of our new detailed organization chart. Like all organizational charts, this one will be a perpetual work in progress. I am pleased to feel that we made good choices.

Starting in March or so, the new department structure will start to show in Board reports and financial statements.

## 2. **MTW NEGOTIATIONS WITH HUD**

The negotiations with HUD continue over the changes HUD seeks in our MTW contracts. I will have some updates to report at the Board meeting.

Most of the MTW controversy seems to show in the rarefied air of congressional offices and Washington, D.C. think tanks. I attach two papers that give a flavor the contention. The first is a January 21, 2015 paper from the Center on Budget and Policy Priorities. The second is a reply from the Public Housing Authority Directors Association.

Perhaps more meaningfully, I also attach the executive summary of a report by a research firm, Abt Associates. It reports on the impressive array of innovation evident from the 39 MTW agencies.

Each MTW agency is eliciting letters of support from their local communities. I attach two letters from Tacoma. Additional letters will be coming in the next week or so.

## 3. **STRATEGIC PLANNING**

I reported last time that our reorganization and the press of other business has delayed our strategic planning. I now hope, and expect, to present to the Board for its review and approval the performance measures for the strategic objectives, with baselines and targets.



**4. MISCELLANEOUS**

Please note that Greg and I will be participating in the Board meeting by telephone. We, along with Jean Brownell and Andrea Cobb, will be in Washington, D.C.. We will be attending the first "housing and education summit" hosted by the Bill & Melinda Gates Foundation and the Council of Large Public Housing Authorities (CLPHA). I will have the pleasure of addressing the conference with Superintendent Carla Santorno.

## Michael Mirra

---

**From:** Michael Mirra  
**Sent:** Saturday, February 14, 2015 10:00 AM  
**To:** THA All  
**Cc:** (MHODGE@Tacoma.K12.Wa.US); drart6651@aol.com; Janis Flauding; rlincoln@gtcf.org; Stan Rumbaugh  
**Subject:** Transition to THA's reorganization  
**Attachments:** Re-Organization of THA Transition - Project Outline EX-2015-2.pdf; THA ORG CHART - AGENCY 2014-2-12.pdf

Dear THA All:

At the THA Winter Event on December 19<sup>th</sup>, the staff luncheon, we announced some organizational changes for THA. I thank those many staff who helped us find a very good re-organization that should serve us well. At the luncheon, we handed out a new organizational chart. In my December 26<sup>th</sup> email to All Staff, I provided some more detail with an attached memo of that same date. In that memo I noted that we then had to plan our transition to the new organization. Many of you have been busy doing that. April is leading us in that effort. It can be surprising to know how many details require attention. If you care to know these details take a look at her project outline on the project data base for Project No. EX-2015-2. I also attach a copy. We appreciate your patience while we puzzled through these changes. I am pleased to write now to report on some of those details. I also attach the detailed new organizational chart! Like all organizational charts, this one will undoubtedly go through further changes.

### DEPARTMENT AND DIVISION CHANGES:

All department and division changes will take effect on **Monday, February 16th**. Some departments and divisions will see no change. Here are some details:

**Real Estate Development, Finance, and Human Resources:** these departments will see **no** changes as a result of the reorganization.

**Deputy Executive Director:** April Black is now our Deputy Executive Director! She will also lead our Policy, Innovation and Evaluation function and our communications and the hunt for grant writing, fund raising and community partnerships.. Eric Lane, Sheryl Stansell, and Scott Hollis will report to her.

**Property Management Department:** Pat Patterson is now the Director of the new Department of Property Management! He will report to Michael until we find our new Chief Operations Officer (COO). Melinda Monroe will move to the Department of Property Management department. There will be no other changes at this time.

**Client Services Department:** The new department of Client Services will form. Greg Claycamp will be its director! He will report to Michael until we find our C.O.O.. His department will have a division of Community Services and a division of Rental Assistance. Each division will have an Associate Director.

**Administration and Asset Management Department:** The department of Administration is making some interim changes. These are not part of the reorganization. Instead, they relate to the coming effort to design and convert to our new software system over the next 18 months. Todd Craven will remain the Director of Administration. For the next 18 months, his focus will shift to managing the software conversion and the related Business Process Improvement Project. Todd will report to Michael until the COO is hired. During this interim period, Sandy Burgess will become



the department's Associate Director! She will report to Todd. She will likely manage the department as much as possible to free up Todd's time for the software conversion and the Business Process Project.

**Civil Rights Compliance:** Christine Wilson will move to the Department of Administration. She will assume full time Civil Right and Compliance Coordinator duties. She will also help Ric with his compliance responsibilities.

### **FILLING POSITIONS:**

The 2015 budget included some new positions and this re-organization includes one unbudgeted position. They show on the attached chart. You will begin to see postings come through your email. Here is a list of the positions we plan to fill in the next 6-9 months.

The budgeted positions:

- **Chief Operating Officer (Executive position):** This position will oversee the operational functions in the agency.
- **Data Requirements Specialist (Department of Software and Systems Improvement):** This position will help with the software conversion project. It will be a sunset position for the length of the software project.
- **Project Manager I (Department of Real Estate Development):** This position will help RED with more development and acquisition projects. Having this new position will also allow RED to assume responsibility for overseeing the meth remediation and put-back contracts in our portfolio. This will free up Pat, Jason and Yvonne who are ready to think about some other things than meth.
- **Community Resource Planner (Department of Policy):** This position will manage THA's grant writing and fundraising for the agency. We hope to find a person that will be able to keep an eye on all of the projects (and hopes) of each department and to coordinate fundraising efforts. The person in this position will also be very active in the community to watch for ways THA can coordinate with other community partners and funders. Our work in the MLK Corridor and Salishan Core are examples of where this position will be helpful.
- **Leasing and Occupancy Specialist (Department of Client Services):** Our special programs continue to grow as we receive more VASH vouchers and begin new programs like the College Housing Assistance Program (CHAP) and Children's Housing Opportunity Program (CHOP). This new L&O will help manage those special programs.

The one unbudgeted position:

- **Executive Assistant:** This position was not planned in the budget process but will fill the duties Christine leaves behind when she moves to Civil Rights Compliance Coordinator position.

These are the main decisions our re-organization required of us, at least for now. As April's project outline shows, there is some more work to do and details to consider.

Thank you again for your patience as we puzzle through it.

Michael

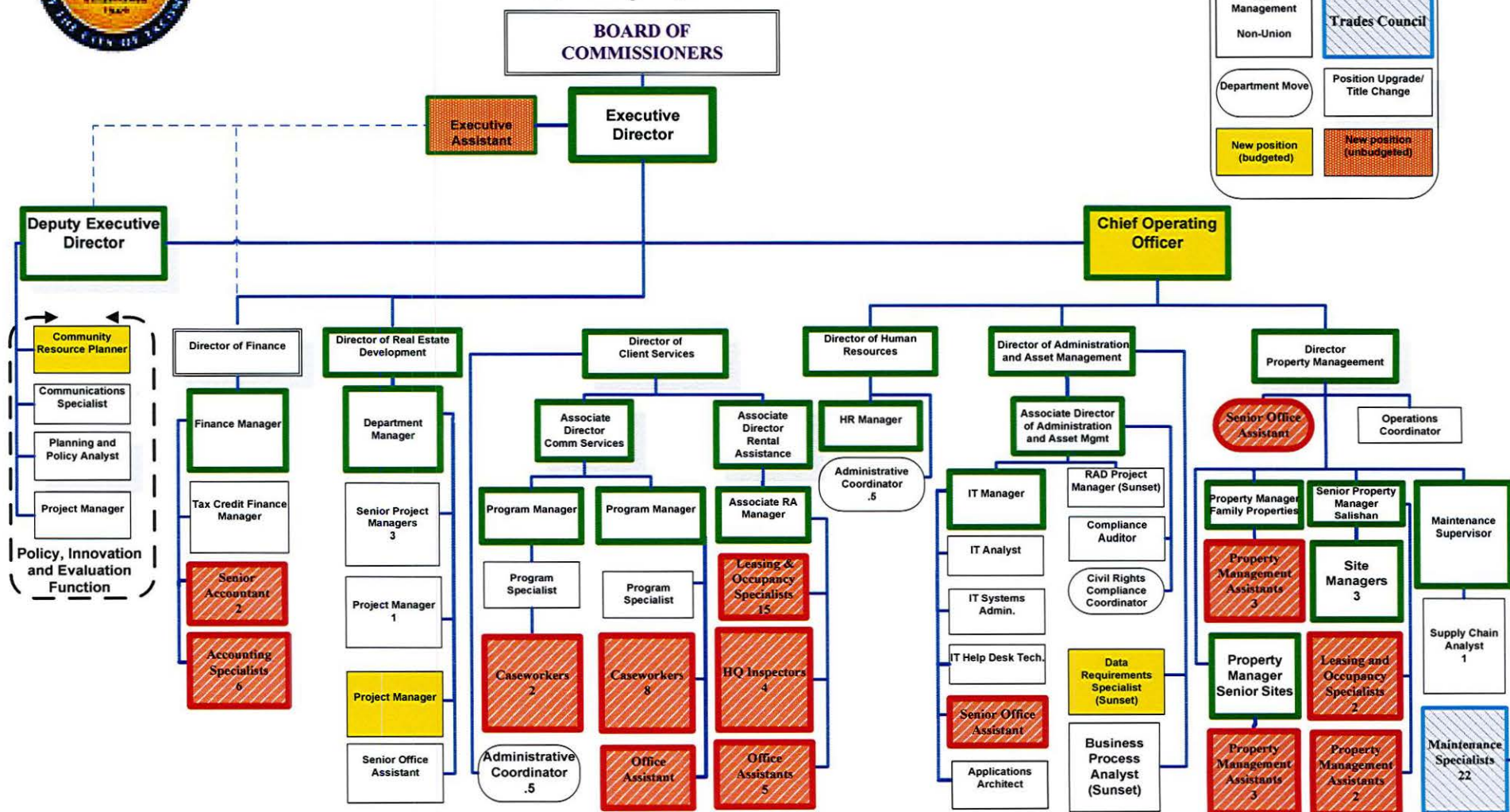
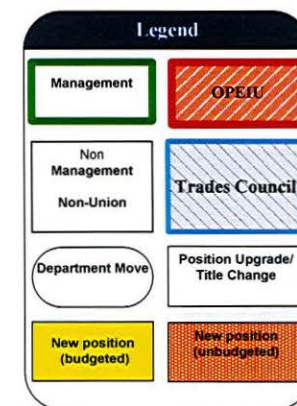
Michael Mirra

Executive Director  
Tacoma Housing Authority  
902 South L Street  
Tacoma, WA 98405  
(253) 207-4429  
[mmirra@tacomahousing.org](mailto:mmirra@tacomahousing.org)  
[www.tacomahousing.org](http://www.tacomahousing.org)





**TACOMA HOUSING AUTHORITY  
AGENCY  
ORGANIZATIONAL CHART  
February 12, 2015**





**Tacoma Housing Authority**  
**Project Database**  
**PROJECT OUTLINE**

**Project Number:** EX-2015-2  
**Project:** RE-ORGANIZATION OF THA TRANSITION  
**Date:** February 14, 2015  
**Deadline:** April 1, 2015  
**Project Manager:** April Black

Task or Objective	Who	Deadline	Status
<b>1. GENERAL</b>	A. Black	4/1/2015	Open
<b>2. COMMUNICATION AND CONSULATION ABOUT THE TRANSITION</b>	A. Black	4/1/2015	Open
<b>2.1 Communication with Cabinet</b>	M. Mirra	4/1/2015	Open
2.1.1 E.D. Communication with Cabinet: What he needs from the new structure	M. Mirra	4/1/2015	Open
<b>2.2 Staff Communication</b>	M. Mirra	4/1/2015	Open
2.2.1 Hold Mid-Managers Skip Meeting to discuss new org chart and chart of responsibilities	M. Mirra	2/13/2015	Open
<b>2.3 Board Communication</b>	M. Mirra	4/1/2015	Open
<b>3. FINALIZE NEW ORGANIZATIONAL CHART</b>	M. Mirra	2/27/2015	Open
3.1 Consult Directors re: changes they wish to make during the reorganization	B. Tanbara	1/15/2015	Closed
3.2 Create a proposed organizational chart in anticipation of Cabinet discussion	B. Tanbara	1/16/2015	Closed
3.3 Finalize organization chart with names	B. Tanbara	2/11/2015	Open !
3.4 Create interim reporting structure for period until COO begins	A. Black	2/6/2015	Open
3.5 Existing direct supervisors to discuss any departmental moves with impacted employees	D. All*	2/11/2015	Open
3.6 Email to all staff with new organizational chart	M. Mirra	2/13/2015	Open



**Project:** RE-ORGANIZATION OF THA TRANSITION  
**Date:** February 14, 2015  
**Deadline:** April 1, 2015  
**Project Manager:** April Black

Task or Objective	Who	Deadline	Status
3.7 Create a description of decision making process under organizational structure	A. Black	2/26/2015	Open !
3.7.1 Discussion/proposal from Cabinet	A. Black	2/13/2015	Open
<b>4. REVISE CHART OF RESPONSIBILITIES</b>	A. Black	4/1/2015	Open
4.1 Revise chart of responsibilities based on 1/20 Cabinet discussion	A. Black	1/30/2015	Open
4.2 Finalize revised chart of responsibilities	M. Mirra	2/6/2015	Open !
4.3 Email to all staff with new chart of responsibilities	M. Mirra	2/13/2015	Open
4.4 Cabinet discussion regarding contract and procurement responsibilities	K. Shalik	4/1/2015	Open
<b>5. FINALIZE PLANS FOR SEATING UNDER PLANNED REMODEL</b>	A. Black	2/13/2015	Open
5.1 Prepare proposed seating arrangements based on outcome of org chart and responsibilities discussions	A. Black	2/3/2015	Open
5.2 Discuss seating plan at Cabinet meeting	A. Black	2/6/2015	Open
5.3 Make revisions to seating arrangements	A. Black	2/11/2015	Open !
<b>6. ADJUSTMENT OF PERTINENT SYSTEMS AND PROCESSES</b>	A. Black	4/1/2015	Open
<b>6.1 Miscellaneous</b>	B. Tanbara	4/1/2015	Open
6.1.1 New Business Cards For People With New Positions	B. Tanbara	4/1/2015	Open
6.1.2 New Name Plates For People with New Positions	B. Tanbara	4/1/2015	Open
<b>6.2 Cabinet and SubCabinet Processes</b>	A. Black	4/1/2015	Open
6.2.1 Propose Cabinet and SubCabinet members and meeting frequency to MM	A. Black	2/4/2015	Open

**Project:** RE-ORGANIZATION OF THA TRANSITION  
**Date:** February 14, 2015  
**Deadline:** April 1, 2015  
**Project Manager:** April Black

Task or Objective	Who	Deadline	Status
6.2.2 Present proposed structure and frequency to existing Cabinet	M. Mirra	2/6/2015	Open !
<b>6.3 Board Reporting</b>	M. Mirra	4/1/2015	Open
<b>6.4 Financing and Budget Tracking</b>	A. Black	4/1/2015	Open
<b>6.5 Project Data Base</b>	M. Mirra	4/1/2015	Open
6.5.1 Miscellaneous	M. Mirra	4/1/2015	Open
6.5.2 Change Department Designations	M. Mirra	4/1/2015	Open
6.5.3 Change Staff Designations Showing Their Department	M. Mirra	4/1/2015	Open
6.5.4 Adjust Privilege Levels	M. Mirra	4/1/2015	Open
6.5.5 Re-assign Open and Future Projects As Appropriate	M. Mirra	4/1/2015	Open
<b>6.5.6 Project Data Base Training</b>	M. Mirra	4/1/2015	Open
(a) Community Services Division	M. Mirra	4/1/2015	Open
(b) Rental Assistance Division	M. Mirra	4/1/2015	Open
(c) Administration Department	M. Mirra	4/1/2015	Open
(d) Property Management Department	M. Mirra	4/1/2015	Open
(e) Real Estate Development Department	M. Mirra	4/1/2015	Open
(f) Finance Department	M. Mirra	4/1/2015	Open
(g) Human Resources Department	M. Mirra	4/1/2015	Open
(h) Executive Department	M. Mirra	4/1/2015	Open
<b>6.6 Administrative IT tasks</b>	T. Craven	4/1/2015	Open
6.6.1 Update sharepoint sites	T. Craven	4/1/2015	Open

**Project:** RE-ORGANIZATION OF THA TRANSITION  
**Date:** February 14, 2015  
**Deadline:** April 1, 2015  
**Project Manager:** April Black

<b>Task or Objective</b>		<b>Who</b>	<b>Deadline</b>	<b>Status</b>
6.6.2	Update email groups	T. Craven	4/1/2015	Open
6.6.3	Update staff directories	T. Craven	4/1/2015	Open
6.6.4	Update department drives	T. Craven	4/1/2015	Open
<b>6.7</b>	<b>Revise Job Descriptions as Appropriate</b>	B. Tanbara	4/1/2015	Open
6.7.1	Finalize job titles	B. Tanbara	3/31/2015	Open
<b>6.8</b>	<b>Revise THA Policies</b>	A. Black	4/1/2015	Open
6.8.1	THA Policy G-05 Exercise and Delegation of Authority	A. Black	4/1/2015	Open
<b>7.</b>	<b>SUPPORT FOR STAFF WITH NEW RESPONSIBILITIES</b>	A. Black	4/1/2015	Open
7.1	Cabinet consideration of Team Building Proposal	B. Tanbara	2/27/2015	Open
<b>8.</b>	<b>SALARY ADJUSTMENTS AS APPROPRIATE</b>	B. Tanbara	4/1/2015	Open !
<b>9.</b>	<b>RECRUIT A FIRST RATE CHIEF OPERATING OFFICER: CREATE A SEPARATE PROJECT FOR THIS PURPOSE</b>	B. Tanbara	4/1/2015	Open



---

January 21, 2015

## **HUD Seeks Significant Improvements to “Moving to Work” Demonstration, But Additional Changes Needed**

### **Well-Designed Changes Could Help More Needy Families Afford Housing and Improve Effectiveness of Rental Assistance**

By Will Fischer

The Department of Housing and Urban Development (HUD) is preparing to extend through 2028 the Moving to Work (MTW) demonstration, which waives program rules and sets special funding formulas for 39 of the state and local agencies administering the Housing Choice Voucher and public housing programs. HUD intends to address some key MTW shortcomings by reducing shifts of rental assistance resources to other purposes, distributing funding more fairly between MTW and non-MTW agencies, and requiring more rigorous evaluation of certain MTW activities. Important details of the extensions will need strengthening, however, to ensure that they actually benefit low-income families; added changes are also needed in some areas that HUD’s plans don’t cover.

Despite its name, MTW is a broad deregulatory initiative rather than one focused on employment. It allows HUD to waive most of the main statutory and regulatory provisions that govern vouchers and public housing, establish special funding formulas for MTW agencies, and permit agencies to shift voucher and public housing funds between the programs or to other uses.

MTW agencies operate under agreements with HUD that delineate the scope of waivers, establish responsibilities of agencies and HUD, and set funding formulas. The current agreements run through 2018, at which point the agencies’ participation in MTW will end unless the agreements are extended. HUD and MTW agencies are negotiating a decade-long extension now — three years before the agreements expire — to address agencies’ concerns that it would be more difficult to obtain private investment in MTW-funded housing development projects if the agreements aren’t extended until they are close to expiration.

Since its implementation in 1998, MTW has resulted in some useful innovation but has also exhibited major shortcomings.<sup>1</sup> According to the most recent available description of HUD’s plans, HUD intends to use the extensions to address a number of these shortcomings and plans various

---

<sup>1</sup> See Will Fischer, “Sharp Expansion of HUD’s MTW Demonstration Raises Serious Concerns,” Center on Budget and Policy Priorities, January 22, 2010, <http://www.cbpp.org/cms/?fa=view&id=3055>.

changes to the current agreements.<sup>2</sup> Substantial adjustments are needed to some aspects of HUD's plans to ensure that they bring about real benefits, however, and improvements are needed in some additional areas where HUD has not said that it plans changes.

- HUD plans to end preferential public housing funding formulas for some MTW agencies, which deprive non-MTW agencies of funds to maintain developments in decent condition. Instead, HUD plans to provide equitable funding to all agencies that operate public housing.
- HUD plans to require agencies to achieve a "voucher utilization rate" of 90 percent or greater. If agencies had to use at least 90 percent of their voucher funds for vouchers — rather than shifting large amounts to other purposes, as some MTW agencies do today — more than 20,000 additional low-income families could receive rental assistance at no added federal cost. But HUD's plan appears too ill-defined and weakly enforced to achieve a significant, sustained increase in the number of families receiving rental assistance.
- HUD is considering raising the total number of families that agencies must assist through their MTW programs. But HUD may undermine this requirement by allowing agencies to count families that receive very shallow assistance.
- HUD plans to require added evaluation of new MTW policies that pose the greatest risks for low-income families, likely including major rent changes, restrictions on where families can live, time limits, and work requirements. HUD has yet, however, to fill in key details needed to assess whether its plan will result in meaningful evaluations that generate useful information about the policies' impact.
- HUD's plan would do virtually nothing to encourage MTW agencies to give low-income families access to neighborhoods with good schools and low crime. Research shows that living in lower-poverty neighborhoods can have major benefits for children.<sup>3</sup> Expanding housing choice is one of MTW's three statutory goals, but many MTW agencies have done little to help families move to a wider range of neighborhoods. Some have used their flexibility under MTW to *restrict* housing choice.

The decisions HUD makes now regarding MTW's extension have long-term implications. HUD has broad discretion over whether and how to extend agencies' participation in MTW, but once the extensions through 2028 are signed, the agreements will give agencies legal rights that limit HUD's authority to require further improvements for another decade.

Moreover, the impact of the extension agreements could reach beyond the 39 agencies now in MTW. HUD views the extensions as laying the groundwork for adding other agencies to MTW if Congress were to authorize such an expansion.<sup>4</sup> Several legislative proposals have called for major MTW expansions.<sup>5</sup> The extension terms for today's MTW agencies wouldn't automatically apply to

---

<sup>2</sup> Department of Housing and Urban Development, "Summary of Moving to Work (MTW) Extension Principles and Updated Terms," November 24, 2014.

<sup>3</sup> Barbara Sard and Douglas Rice, "Creating Opportunity for Children: How Housing Location Can Make a Difference," Center on Budget and Policy Priorities, October 15, 2014, <http://www.cbpp.org/cms/index.cfm?fa=view&id=4211>.

<sup>4</sup> HUD, 2014, p. 1.

<sup>5</sup> Senator David Vitter (R-LA) introduced a bill on January 7, 2015 requiring HUD to add 250 agencies to MTW; Representative Steve Stivers (R-OH) introduced a bill in June 2014 permitting HUD to add ten agencies. In April 2012, the House Financial Services Committee's leadership included an MTW expansion plan in a draft of the Affordable



new agencies, and some provisions could need adjustment based on new legislative requirements, but HUD would likely seek to enter agreements with new MTW agencies that are as consistent as possible with the extensions.

## Providing Equitable Public Housing Funding

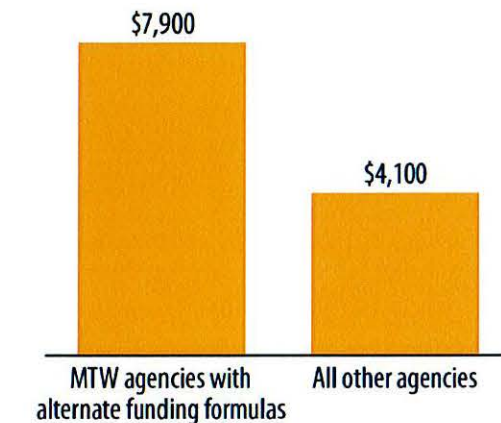
One important improvement HUD plans to make through the extension agreements would end alternative formulas used to set public housing operating funding for 11 MTW agencies.<sup>6</sup> HUD plans to fund these agencies (after a transition period to allow them to adjust) under the same formula used for other MTW agencies and non-MTW agencies.

The special MTW formulas for these 11 agencies are far more generous on average than the regular operating fund formula. In 2013, agencies funded through alternative formulas were eligible for \$7,900 per public housing unit — 91 percent more than the average for non-MTW agencies and the 28 MTW agencies without special formulas (see Figure 1). A portion of this difference may be explained by factors such as the age of developments and the incomes of residents, which affect operating subsidy needs, but much of the difference appears to reflect the terms of the MTW formulas.

FIGURE 1

### Some “Moving to Work” Agencies Get Much Higher Public Housing Funding

Operating fund eligibility per public housing unit, 2014



Source: CBPP analysis of Department of Housing and Urban Development data.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

In recent years, Congress has usually underfunded the public housing operating fund, resulting in pro rata reductions for all agencies. The added funding provided to the 11 MTW agencies makes these prorations deeper than they otherwise would be. If MTW agencies with alternative formulas received the same average funding as other agencies, they would have been eligible for \$260 million less in 2014.<sup>7</sup> HUD would then have had sufficient funds to provide all agencies 94 percent of the funding for which they were eligible, instead of the 89 percent they actually received.

The deep underfunding of public housing has left some agencies with substantially less funding than they need to operate their developments. This can compel agencies to raise utility charges and

---

Housing and Self-Sufficiency Improvement Act that would have allowed HUD to expand MTW to cover more than 1.3 million voucher and public housing units — over a third of the total — while adding measures to seek to limit the adverse consequences.

<sup>6</sup> The Chicago, New Haven, Delaware, Oakland, Lawrence-Douglas County (KS), Cambridge, Baltimore, Philadelphia, Pittsburgh, Portland (OR), and Seattle housing agencies currently have alternative public housing operating fund formulas.

<sup>7</sup> The detailed data needed to determine how much operating funding MTW agencies would be eligible for if they were funded under the regular formula are not publicly available, so the actual impact could be somewhat higher or lower.

other fees on vulnerable low-income residents or to cut back on security or maintenance, potentially exposing residents to safety threats and causing higher federal costs down the road. Ending preferential MTW formulas after a reasonable transition period and thereby making more funding available for the most severely underfunded agencies would reduce the need for such steps.

## **Encouraging Agencies to Use Voucher Funds to Assist More Needy Families**

HUD plans new requirements to encourage housing agencies to assist more families through the voucher program. As described in available documents, however, these measures could have little long-term impact. Some MTW agencies use far fewer vouchers than they could with available funds, largely because MTW agencies receive nearly all of their voucher funds through block grant formulas, which adjust voucher subsidy and administrative funding from year to year based on inflation, regardless of how many families an agency assists or how it uses its funds. By contrast, non-MTW agencies receive subsidy funding based on the cost of the authorized vouchers they used in the previous year adjusted for inflation, and administrative funds based on the number of their vouchers in use.<sup>8</sup>

### **MTW Agencies Use Far Fewer Vouchers Than They Could with Available Funds**

These federal funding policies create a much stronger incentive for non-MTW agencies to issue vouchers to low-income families than MTW agencies. Data on voucher use show the impact of these incentives. Non-MTW agencies leased *99.5 percent* of the vouchers they were authorized and funded to use in 2013, the last year for which complete data are available.<sup>9</sup> In contrast, the 35 agencies that participated in MTW throughout 2013 used only 86 percent of the vouchers they could have supported with their 2013 funding.<sup>10</sup> (See Figure 2.)

---

<sup>8</sup> Both MTW and non-MTW agencies also have their funding for existing vouchers raised or lowered on a pro rata basis if Congress appropriates more or less overall voucher funding than agencies are due, and receive added funding if they are awarded new vouchers.

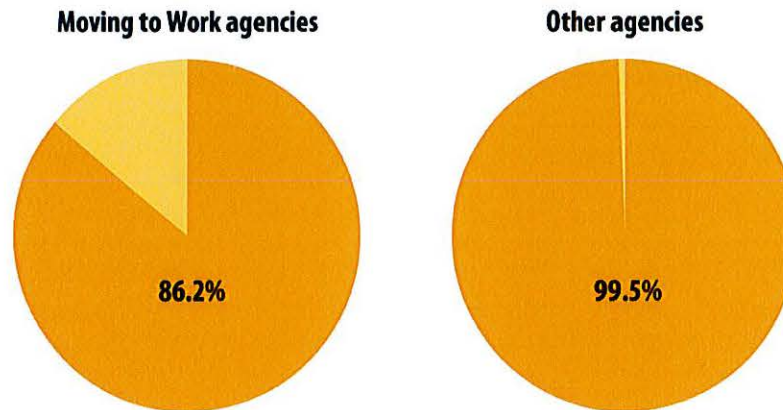
<sup>9</sup> The share of funded vouchers in use at both MTW and non-MTW agencies was somewhat higher than normal in 2013 because voucher funding was cut deeply below the 2012 level. Agencies consequently needed to use a larger share of their funds to continue assisting the families they assisted the previous year — and many agencies had to reduce the number of families they assisted because of inadequate funding. In 2012, when (as in most years) voucher funding rose modestly and was sufficient to cover most or all vouchers in use, MTW agencies used 83 percent of the vouchers they could have used with their funds and non-MTW agencies used 98 percent. Complete data for 2014 are not yet available, but since funding rose significantly above the 2013 level, the share of funds in use likely fell at both groups of agencies.

<sup>10</sup> The 86 percent figure is the share of all of their funded vouchers, including vouchers above their “authorized caps,” that MTW agencies used in 2013. Congress permits MTW agencies, but not other agencies, to use vouchers above the number they are authorized to administer, and some MTW agencies receive sufficient funds to do so. In 2013, MTW agencies used 89 percent of the somewhat smaller number of vouchers that were covered by available funds *and* were below their authorized caps.

FIGURE 2

### **“Moving to Work” Agencies Use Smaller Share of Vouchers Than Other Agencies**

Vouchers in use as share of vouchers that annual funding could support, 2013



Source: CBPP analysis of Department of Housing and Urban Development data.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Overall, MTW agencies shifted more than \$350 million in voucher funds to other purposes in 2013 or left the funds unspent. MTW agencies can use transferred funds to provide rental assistance to additional families through public housing or other programs, but this hasn't occurred on a scale anywhere near sufficient to offset the loss of vouchers, and the bulk of the funds haven't been used to expand rental assistance.

MTW agencies have used voucher funds for a wide range of purposes, including renovating public housing, developing new housing, providing services to housing assistance recipients, supplementing agency budgets for administration and operations, or leaving funds unspent and accumulating large reserves. Some expenditures appear to have achieved positive outcomes, but there has been no rigorous assessment of whether they promote the goals of the housing assistance programs cost-effectively. Indeed, available evidence strongly suggests that some transfers do *not* improve cost effectiveness. For example, studies by the Government Accountability Office (GAO) and others have found that developing new affordable housing is generally less efficient than providing vouchers to help low-income families afford modest housing of their choice in the private market.<sup>11</sup>

There is no evidence that transfers of MTW funds for services or other purposes pay for themselves (for example, by increasing tenant incomes and rent payments or freeing up subsidies to

<sup>11</sup> Government Accountability Office, "Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs," GAO-02-76, January 2002, <http://www.gao.gov/new.items/d0276.pdf>.



assist new families by enabling recipients to afford housing on their own).<sup>12</sup> Any transfers that do not achieve those outcomes or provide housing assistance cost-effectively through other programs will exacerbate the already severe unmet need for assistance. HUD estimates that in 2011, some 8.5 million renter households that had incomes below half of the median income in their area and didn't receive rental assistance either lived in substandard housing or paid more than half their income for housing.<sup>13</sup>

### **HUD Plans New Voucher Utilization Requirements, But Further Improvements Needed**

HUD has identified low voucher utilization at MTW agencies as a significant problem, noting that "it is critical that the scarce resources appropriated by Congress for housing assistance be used to house families."<sup>14</sup> To further this goal, HUD has said it will extend MTW agreements only for agencies that achieve a 90 percent "voucher utilization rate" in some year before 2018 and will require a 90 percent utilization rate on an ongoing basis after the agreements are extended. If all MTW agencies had raised the share of their voucher funds they spent on vouchers to 90 percent in 2013, about 23,000 additional families would have received assistance. Yet a sustained increase of this magnitude in effective assistance for low-income families would be unlikely under the planned MTW reforms HUD has described, for three reasons.

- HUD plans to allow agencies to meet the utilization requirement by spending 90 percent of their voucher funds on qualifying expenditures *or* using 90 percent of the vouchers they are authorized to administer. The latter option could encourage agencies that wish to shift funds to other purposes to provide very shallow subsidies, enabling them to use 90 percent of their authorized vouchers with much less than 90 percent of their funds. Very shallow subsidies, however, will often be too low to bridge the gap between the cost of decent, stable housing and the amount that the lowest-income families can afford to pay.
- HUD plans to allow spending on developing "affordable housing" to count as voucher spending for the utilization requirement. Since development expenditures tend to be less cost effective over the long run than direct rental assistance, spending funds on development will assist fewer families, on average. In addition, development projects may reduce rents only modestly (if at all) below market rents, so they could be much less effective than direct rental assistance in providing stable housing for the neediest families.
- HUD plans a one-time adjustment to voucher funding in 2019 for agencies with low utilization in 2018, but after that, MTW agencies would be allowed to revert to a block grant formula with no incentive for higher utilization.<sup>15</sup> Thus, after 2019 the voucher funding formula for MTW agencies wouldn't be based on their actual prior-year voucher utilization and expenditures —

---

<sup>12</sup> Barbara Sard, "Most Rental Assistance Recipients Work, Are Elderly, or Have Disabilities," Center on Budget and Policy Priorities, July 17, 2013, <http://www.cbpp.org/cms/?fa=view&id=3992>, pp. 8-9 and 16-18.

<sup>13</sup> Department of Housing and Urban Development, *Worst Case Housing Needs 2011: Report to Congress*, August 2013, [http://www.huduser.org/portal/publications/affhsg/wc\\_HsgNeeds11\\_report.html](http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds11_report.html).

<sup>14</sup> HUD, 2014, p. 1.

<sup>15</sup> In 2019, HUD plans to continue funding for agencies with 2018 utilization at or above 90 percent at their full block grant funding level adjusted for inflation, but to reduce funding for agencies with utilization below 90 percent to equal their 2018 utilization level adjusted for inflation. Since HUD only plans to grant extensions to agencies that achieve 90 percent utilization at some point from 2014 through 2018, it appears that this funding adjustment would only apply to agencies that achieve 90 percent utilization before 2018 but then drop below 90 percent in 2018.

the approach that has successfully encouraged high utilization at non-MTW agencies. Instead, HUD apparently would rely on administrative sanctions to enforce the 90 percent utilization requirement.

Identifying violations and determining sanctions would require case-by-case decisions that would strain HUD's administrative capacity. HUD would likely give agencies a period of time to return to compliance before imposing any sanctions, and agencies might take political or legal action to weaken or delay penalties further, dampening any incentive to maintain a high voucher utilization rate. As a result, there would be a serious risk that agencies wishing to shift funds to other purposes would comply with the requirement in 2018 (to avoid losing funding) but then allow utilization to decline.

HUD should determine compliance with the 90 percent utilization requirement based solely on the share of the agency's voucher subsidy funds spent on voucher subsidies or other direct rental assistance — not development, services, administration, or other purposes. HUD also should determine the bulk of MTW agencies' voucher subsidy funding throughout the term of the extensions the same way it does for all other agencies: based on utilization in the previous year. MTW agencies could continue to receive 10 percent of their funds as a block grant that they could use for other purposes without penalty, but HUD should reduce their funding proportionately if an agency's utilization rate falls below 90 percent.

### **Improving Enforcement of “Substantially the Same” Requirement**

HUD plans to take another step to require agencies to assist more families by strengthening implementation of a statutory requirement that MTW agencies assist “substantially the same” number of low-income families as they would without the flexibility to transfer voucher and public housing funds to other purposes. Congress included this requirement in the legislation authorizing MTW in 1996, but HUD didn't establish a process to determine if agencies met this requirement until 2013, and the current policy has two important flaws.

- HUD has implemented the requirement by assessing whether an agency assists substantially the same number of families as it did when it entered MTW (adjusted for new voucher awards and removal of public housing units). This “baseline” is often well below the number of families the agency *could* assist if it didn't transfer funds, mainly because some MTW agencies had large numbers of idle vouchers and vacant public housing units when they entered MTW but received funding for those units under the funding formulas then in place.
- HUD counts nearly any income-eligible family that receives any type of MTW-funded housing-related benefit as “assisted,” even if the assistance is very small. For example, the current definition would count as “assisted” any eligible family living in a building that received even a small MTW-funded subsidy during construction, for as long as the building remains as affordable housing. As a result, agencies could sharply cut the number of families with substantial rental assistance while “assisting” many other families with small shares of their funding, then use the remaining funds for other purposes.

HUD intends to improve the process for setting the baseline for the “substantially the same” requirement. One possible option, HUD has indicated, is setting the baseline to reflect the number of families each agency could assist with its funding. This would be a significant improvement.

HUD, however, hasn't indicated how it will define "assistance" in the MTW extension agreements. One promising model is provided by the Affordable Housing and Self-Sufficiency Improvement Act (AHSSIA), a bill proposed in 2012 that would have expanded MTW, added new protections to address some of the demonstration's shortcomings, and enacted other reforms to federal rental assistance programs. Under a draft of AHSSIA circulated by the House Financial Services Committee leadership in April 2012, families would only be counted as assisted if they receive rental assistance that reduces their rent burden to levels that on average are comparable to those of families that receive assistance under the regular rent rules.<sup>16</sup>

## Requiring Rigorous Evaluation of Major Policy Changes

Reports from the Urban Institute, HUD, and GAO have found that MTW has generally failed to generate conclusive results showing whether the alternative policies that agencies have implemented have been effective. A 2010 HUD report and some other assessments have highlighted "best practices," but GAO noted that "in most cases, the practices chosen were based on the opinions of HUD or contracted staff and largely involved anecdotal (or qualitative) data rather than quantitative data."<sup>17</sup>

This is partly because MTW wasn't designed as an experimental evaluation, in which randomly selected families receive housing assistance under alternative policies and are compared to otherwise similar families who receive assistance under regular program rules. Random assignment is not necessary for evaluating relatively modest changes, such as streamlining the processes for determining tenant incomes or conducting housing quality inspections, where the risks of adverse consequences for low-income families are limited and the impact on administrative costs is direct and easy to measure. But random assignment is a standard feature of successful demonstrations that test more substantial policy changes; otherwise it is very difficult to determine those policies' actual effects.

For example, some MTW agencies require non-elderly, non-disabled recipients of housing assistance to work as a condition for continuing to receive subsidies. Such policies may increase work to some degree among the small minority of rental assistance recipients who are not elderly, disabled, already working, or subject to work requirements under another program.<sup>18</sup> But they may also result in homelessness or other severe hardship for families that cannot find jobs, as well as higher administrative costs from monitoring and enforcement. Without an experimental evaluation, it is difficult to determine whether subsequent changes in employment, hardship, or costs stem from the work requirement or other factors, such as economic conditions or changes in the agency's caseload.

---

<sup>16</sup> Some refinements of the AHSSIA definition would be needed, including limiting an exception for families subject to experimental rent rules and prohibiting agencies from counting units that receive deep rental assistance through non-MTW funds.

<sup>17</sup> Government Accountability Office, "Moving to Work Demonstration: Opportunities Exist to Improve Information and Monitoring," GAO-12-490, April 2012, p. 21.

<sup>18</sup> In 2010, the most recent year for which data are available, 88 percent of households with HUD rental assistance were elderly, disabled, currently or recently working, or likely subject to work requirements under Temporary Assistance for Needy Families (TANF) or another program. See Sard 2013, note 12 above.

The extension of MTW agreements gives HUD the opportunity to make the demonstration more effective in testing alternative policies. HUD intends to require more rigorous evaluation of major new policies not permitted in the regular voucher and public housing programs, which it indicated could include time limits, work requirements, major rent changes, and restrictions on housing choice. This is an important step, but two details will be critical:

- Evaluations should be sufficiently rigorous to draw meaningful conclusions about the effects of MTW policies. HUD should require random assignment evaluations for major policy changes — including those noted above that HUD identified and other policies that risk substantial harm to low-income families — unless it determines in a particular case that another approach would measure a policy's impacts equally or more accurately.
- HUD should make clear that if federal funds are unavailable to support a rigorous evaluation, agencies will not be permitted to implement the specified policies unless they identify other resources to fund a rigorous evaluation meeting HUD's standards. This will give agencies interested in testing policies a strong incentive to seek the needed resources from foundations and other sources.

HUD should also require agencies, to the extent feasible, to evaluate major policy changes they have already adopted. HUD appears to have targeted *new* policies for more rigorous evaluation because it is more difficult to experimentally evaluate policies that have been in place for a period of time (since this would require shifting some families back to the regular public housing and voucher rules). Some policies adopted shortly before the extension agreements are signed, however, may be early enough in the implementation process that a rigorous, controlled evaluation is still feasible. Even when policies have been in place for an extended period, non-experimental evaluation and monitoring — such as tracking outcomes for families terminated from assistance due to time limits or work requirements — could provide useful information.

## Supporting Housing Choice

One of MTW's three statutory goals is to “increase housing choices for low-income families.” Broadening housing choice — in particular, helping low-income families with children gain access to low-poverty, high-opportunity neighborhoods — is an important policy goal. A growing body of evidence indicates that living in high-poverty neighborhoods can impair children's cognitive development, school performance, and mental and physical health. By contrast, poor children who live in low-poverty neighborhoods and consistently attend high-quality schools perform better academically than those who do not.

Many MTW agencies, however, have done little to promote choice, and some have even used their expanded flexibility to limit the choices available to low-income families. For example, voucher holders normally can use their vouchers in any community with a voucher program. This “portability” right allows families to move closer to a job or a desired school, even if these opportunities are in the suburbs and the voucher was issued by a central city housing agency. More than a dozen MTW agencies, however, have proposed (and in most cases obtained) waivers from HUD allowing them to restrict voucher portability.

HUD lists mobility restrictions as one of the policy types for which it may require more rigorous evaluation. HUD should not, however, grant waivers permitting such restrictions even if they are

evaluated. Housing choice is a fundamental characteristic of the voucher program, and HUD is legally obligated to support fair housing opportunities. Moreover, the primary benefit of restricting portability would go to local agencies spared the work of administering the option, not to families. HUD has proposed a regulation making portability easier to administer for all agencies; this is a far better approach than allowing MTW agencies to scale back portability rights.

HUD should also establish criteria to identify MTW agencies whose voucher holders (or recipients of all forms of rental assistance) are excessively concentrated in high-poverty areas and require them to develop plans to use their MTW flexibility to help assisted families access a broader range of neighborhoods. These plans could include targeted outreach to landlords and property managers in high-opportunity communities, housing search assistance, funds for security deposits, use of project-based vouchers in low-poverty neighborhoods, and voucher subsidy caps tied to neighborhood rents so they allow the use of vouchers in a wide range of neighborhoods.

HUD should also require the identified agencies to use a portion (perhaps 5 percent) of any voucher funds they shift to purposes other than rental assistance to support the plan. For example, an agency that shifts the full 10 percent permitted under the voucher utilization requirement described above would have to use 0.5 percent for activities that broaden housing opportunities, leaving no more than 9.5 percent for other purposes.<sup>19</sup>

## Conclusion

The extension agreements offer a pivotal opportunity for HUD to strengthen federal rental assistance. Rental assistance sharply reduces homelessness and housing instability — problems with long-term adverse effects on education and health outcomes — but fewer than one in four eligible families receive assistance due to funding limitations. Well-designed extension agreements could help tens of thousands of added low-income families afford housing using available funds, improve the quality of assistance for families now served by MTW agencies, spur effective research on alternative rental assistance policies, and establish a policy framework that could reduce the potential adverse effects if MTW is expanded to additional agencies. A similar opportunity to improve the demonstration will not occur for another decade.

HUD has outlined goals that would move the demonstration in the right direction, such as requiring higher voucher utilization and more rigorous evaluation. It's critical, however, that HUD strengthen the extension provisions to generate meaningful lessons about the effectiveness of alternative policies and deliver concrete benefits to the vulnerable low-income people the public housing and voucher programs serve.

---

<sup>19</sup> HUD could further encourage MTW agencies to help families move to high-opportunity areas by requiring them to use 90 percent of their voucher administrative funding for either administration of voucher-funded rental assistance or activities that help families use that assistance. Currently MTW agencies can use unlimited amounts of administrative funds for purposes unrelated to their voucher programs.





February 10, 2015

## President's Forum: CBPP Criticizes Moving to Work Program

### *Cites Misleading Voucher Utilization Figures*

By Greg Russ, PHADA President

#### Introduction

This is a hard column to write. The Center on Budget Policy and Priorities (CBPP) is an organization I respect for their work and analysis on all manner of policy issues. Recently, the Center issued another in a series of papers that is highly critical of the Moving to Work (MTW) program. On this policy issue many in the industry, myself included, have come to believe that the Center is way off the mark. The Center comes to the MTW issue with a strong bias against the public housing program and a policy preference for the Housing Choice Voucher program. This latest critique follows others by the Center alleging that MTW agencies are "diverting" Section 8 funds to other purposes (the implication is "less desirable" or even inappropriate uses) and the flawed assertion that MTW "block grants" are more susceptible to federal budget cuts than other accounts.

The paper has implications for our entire industry because the Center is influential in housing policy circles and a major MTW expansion is one of PHADA's top legislative priorities. While PHADA respects the Center, and has collaborated with it on occasion, we are reminded of an oft-quoted admonition by the late statesman and U.S. Senator Daniel Patrick Moynihan: *"Everyone is entitled to his own opinion, but not to his own facts."*

#### Fact-checking the CBPP MTW Paper

As a general policy, the Center objects to some MTW agencies using voucher dollars to preserve their public housing stock or other activities that support the objectives Congress articulated when it created MTW. This flexibility, the Center implies, has hurt many low-income voucher-holders. We should start by looking at the some of data from the Center's paper; data that PHADA believes is too well massaged to be accurate. To buttress its position that MTW agencies aren't serving as many households as non-MTW agencies, the CBPP uses a non-standard definition of Section 8 voucher utilization, claiming that all non-MTW HAs are at 99.5 percent, compared to an unflattering portrait of MTW HAs, which it says are at 86.3 percent. This portrayal is very misleading. **Indeed, HUD recently lamented that voucher lease up rates nationwide have dropped to the low 90 percent range.** (see [chart](#))

The following chart based on standard HUD data helps make PHADA's point:

Voucher Lease-up Rate - 2013 PHADA Adjusted	% of <u>MTW</u> Agencies -2103	% of <u>Non-MTW</u> Agencies - 2013
At or Above 90%	71%	53%

Average	86.3%	91.7% (99.5% CBPP)
Median	94.7%	90.0%

*Data Source: HUD's validated Voucher Management System (VMS) data for CY 2013, the most recent of years for which complete data is available.*

As indicated in the above chart, PHADA's analysis of non-MTW and the MTWs' voucher "lease-up rates," using HUD's data and the uniformly accepted definition (the total number of voucher assisted households leased divided by the total number of vouchers each is authorized to lease), reveals a very different picture than the one CBPP paints. We note that the median is more accurate for a true basis of comparing lease-up rates than the average, given there are roughly three-dozen MTWs vs. thousands of non-MTW agencies. Indeed, the MTWs fare better in this comparison. (For reference, further elaboration and data analysis conducted by PHADA Policy Analyst Jonathan Zimmerman is available on our website at [www.phada.org/pdf/RecentCBPPPaperCriticizesMTWDemonstration.pdf](http://www.phada.org/pdf/RecentCBPPPaperCriticizesMTWDemonstration.pdf).)

### **Other Problems, Contradictions with the Center's Arguments**

CBPP has other longstanding policy objections to the Moving to Work program, and these too surface in the paper. MTW allows HAs to try out housing policy solutions based on locally defined needs and priorities, adapting to the market and housing conditions in its community; the Center finds this flexibility objectionable.

We strongly disagree with CBPP and believe its thinking is misguided, particularly at a time when funding for housing and other domestic programs is at historic lows. PHADA believes that we are at a pivotal point for all of our programs. MTW, and similar programs, represent the future. The Center's critique damages the innovation we will need going forward. In the current budget environment, local agencies need the maximum amount of flexibility (with some safeguards, of course. For example, MTW has strong public process requirements) to protect their physical assets and residents. U.S. communities are much better positioned to understand their local needs than think tanks and academics based in Washington, D.C. The Center's MTW paper ignores or misrepresents a number of key policy and program approaches made possible by MTW. For example:

- Why does CBPP wish to deny this once in a generation opportunity for true innovation in government? A recent report from Abt Associates noted that MTWs have produced over 300 innovations, allowing them to save funds and serve more needy families. (Abt's full report was featured in the January 21 edition of the *Advocate* and is linked in the first paragraph of the article). Some MTW innovations have been so successful that Congress has enacted several of these ideas into statutes to expand them to other housing authorities. HUD's proposed Streamlining rule also includes ideas borrowed from MTW. Although the Center fears that MTW HAs will somehow "mistreat" residents by raising rents or terminating assistance, more than 15 years into MTW, no such evidence has been documented.
- The Center clearly prefers the voucher program over public housing as a national housing policy strategy. Perhaps that is why it has frequently accused MTWs of "diverting" voucher funds to other local priorities even though the MTW statute clearly permits such flexibility within certain parameters. Still, CBPP's bias toward vouchers is deeply flawed because the group itself observed in 2008 that vouchers often cost considerably more than public housing, and the latter is far more "suitable" for many low-income persons. Ironically, the CBPP's 2008 report argues for the preservation of hard units noting that: "... less than 11% of all public housing in the nation outside New York City... are in ... high-poverty neighborhoods." The 2008 report continues, "public housing serves certain demographic groups [i.e. elderly and the disabled] better than vouchers can." We should reflect on this a moment: CBPP is highly critical of MTW agencies for using their statutory authority to re-purpose funds (diverting funds) to preserve units for senior and disabled families, the same group that the Center admits are not well served by the voucher program. This does not compute.
- The Center fails to adjust its policy thinking by ignoring the massive capital funding cuts over the last several



years (see [chart](#)). On this point, the Center's latest paper again contradicts earlier statements from 2008 in which it observed that "... large and persistent funding short-falls threaten to undermine public housing's recent progress and also have contributed to the loss of thousands of public housing units, forced harmful cuts in security and other services, and delayed needed repairs." Why then does CBPP now seek to deny MTWs the ability to use funds for desperately needed capital improvements to preserve their stock? (Nationally, a 2010 HUD study estimates a cost of \$19,029 per unit to fix as-is. All in, the estimate is \$26 billion). Does the Center's position truly protect the interests of the low-income public housing families it purports to represent when it advocates **against** options to address this deep capital need?

- The Center ignores outcomes that saved public housing in communities where the portfolio teetered on the brink of collapse. MTW has helped preserve public housing in major U.S. cities including Philadelphia, Chicago, and Atlanta, among others. CBPP should consult public housing residents in these communities, many of whom would be without housing absent the MTW program and other tools such as HOPE VI.
- The Center has supported the Rental Assistance Demonstration (RAD) and so has PHADA. But RAD is finicky and in some communities, like my own, Cambridge, MA, RAD only works *because* of MTW. RAD with MTW allows HAs to use voucher funding to preserve their public housing. Why does CBPP oppose more MTW HAs having that same ability under an expanded program?
- CBPP objects that some MTW HAs have amassed millions of HCV dollars that are not yet spent. The implication is that the money is being wasted or frittered away. But MTWs are engaged in complex mixed finance real estate transactions that often require significant sums to cover reserves, lender guarantees, and other investor-related requirements. These investments also take years to unfold and require multi-year funding commitments. The Center's criticisms ignore these very real capital financing demands.
- The Center objects that some MTWs legitimately negotiated favorable funding agreements with HUD. These formulas were not just "giveaways." For example, one practice in some MTW agreements was to freeze the utility consumption so that the agency is held harmless from pricing changes but "... takes the risk/reward for any change in consumption." The Center does not understand that the MTW agency only benefits *because* of the risk-taking and the Agency must manage the risk to reap any reward. If savings are earned the funds are put back into the property or to other MTW uses in the community. Is it prudent for CBPP to advocate so strongly to eliminate an energy-saving behavior that should be incentivized across the entire public housing portfolio?
- 11 MTW agencies have used their flexibility to fulfill another objective of the Center: support for vulnerable homeless and disadvantaged populations like victims of domestic violence or youth aging out of foster care. The Abt Innovations Report shows MTW agencies using unit set-asides, project-based vouchers, and sponsor-based vouchers to assist well over 5,000 families in populations that HAs are traditionally unable to serve. One MTW agency has added over 500 accessible units to its portfolio thereby increasing housing choice for disabled residents. The various types of innovations may be found Exhibits 5-1 and 5-2 of the Aforementioned Abt Report.
- One last item, mobility. The Center continues to stress voucher mobility as a lynchpin of housing policy and represents the attractiveness of the voucher over a hard unit, where subsidy is tied to the unit and not the family. But the real world results of the Moving To Opportunity Study (a rigorous evaluation commissioned by HUD in late 2011) paint a very different picture. Here is an extract from the study's final report: "Families in the experimental group did not experience better employment or income outcomes than the other families. The children in the Section 8 and experimental groups did not have better educational achievements than those in the control group... A more comprehensive approach is needed to reverse the negative consequences of living in neighborhoods with heavily concentrated poverty. Housing is a platform for positive outcomes, but it is not sufficient alone for achieving these additional benefits." **We suggest that MTW is the platform where housing can be easily coupled with services in a "comprehensive approach" to increase family economic opportunities.** It is MTW, not mobility on its own, that is implementing the policy findings from MTO study. (The MTO final report and outcomes can be found on the HUD [website](#).)

## Conclusion

As noted above, some of the MTW innovations have been so successful that HUD has proposed they be expanded to other HAs. Congress has enacted several into law, and they are can be found on PHADA's website at [www.phada.org/pdf/MTWInnovationsBecomeNationalPolicy.pdf](http://www.phada.org/pdf/MTWInnovationsBecomeNationalPolicy.pdf).



PHADA continues to support a major expansion of the Moving to Work program and strongly encourages the White House and Capitol Hill to enact legislation in this session of Congress.

*PHADA would like to take this opportunity to ask that you consider becoming a member. With more member support, PHADA can have an even greater impact representing our industry's concerns on critical issues in Washington. An online membership application is available [here](#) or you may print a [PDF form](#) and return by mail. Thank you.*

---

Click [here](#) to unsubscribe to further emails from PHADA.



February 10, 2015

## President's Forum: CBPP Criticizes Moving to Work Program

### *Cites Misleading Voucher Utilization Figures*

By Greg Russ, PHADA President

#### Introduction

This is a hard column to write. The Center on Budget Policy and Priorities (CBPP) is an organization I respect for their work and analysis on all manner of policy issues. Recently, the Center issued another in a series of papers that is highly critical of the Moving to Work (MTW) program. On this policy issue many in the industry, myself included, have come to believe that the Center is way off the mark. The Center comes to the MTW issue with a strong bias against the public housing program and a policy preference for the Housing Choice Voucher program. This latest critique follows others by the Center alleging that MTW agencies are "diverting" Section 8 funds to other purposes (the implication is "less desirable" or even inappropriate uses) and the flawed assertion that MTW "block grants" are more susceptible to federal budget cuts than other accounts.

The paper has implications for our entire industry because the Center is influential in housing policy circles and a major MTW expansion is one of PHADA's top legislative priorities. While PHADA respects the Center, and has collaborated with it on occasion, we are reminded of an oft-quoted admonition by the late statesman and U.S. Senator Daniel Patrick Moynihan: *"Everyone is entitled to his own opinion, but not to his own facts."*

#### Fact-checking the CBPP MTW Paper

As a general policy, the Center objects to some MTW agencies using voucher dollars to preserve their public housing stock or other activities that support the objectives Congress articulated when it created MTW. This flexibility, the Center implies, has hurt many low-income voucher-holders. We should start by looking at the some of data from the Center's paper; data that PHADA believes is too well massaged to be accurate. To buttress its position that MTW agencies aren't serving as many households as non-MTW agencies, the CBPP uses a non-standard definition of Section 8 voucher utilization, claiming that all non-MTW HAs are at 99.5 percent, compared to an unflattering portrait of MTW HAs, which it says are at 86.3 percent. This portrayal is very misleading. **Indeed, HUD recently lamented that voucher lease up rates nationwide have dropped to the low 90 percent range.** (see [chart](#))

The following chart based on standard HUD data helps make PHADA's point:

Voucher Lease-up Rate - 2013 PHADA Adjusted	% of <u>MTW</u> Agencies -2103	% of <u>Non-MTW</u> Agencies - 2013
At or Above 90%	71%	53%



Average	86.3%	91.7% (99.5% CBPP)
Median	94.7%	90.0%

*Data Source: HUD's validated Voucher Management System (VMS) data for CY 2013, the most recent of years for which complete data is available.*

As indicated in the above chart, PHADA's analysis of non-MTW and the MTWs' voucher "lease-up rates," using HUD's data and the uniformly accepted definition (the total number of voucher assisted households leased divided by the total number of vouchers each is authorized to lease), reveals a very different picture than the one CBPP paints. We note that the median is more accurate for a true basis of comparing lease-up rates than the average, given there are roughly three-dozen MTWs vs. thousands of non-MTW agencies. Indeed, the MTWs fare better in this comparison. (For reference, further elaboration and data analysis conducted by PHADA Policy Analyst Jonathan Zimmerman is available on our website at [www.phada.org/pdf/RecentCBPPPaperCriticizesMTWDemonstration.pdf](http://www.phada.org/pdf/RecentCBPPPaperCriticizesMTWDemonstration.pdf).)

### **Other Problems, Contradictions with the Center's Arguments**

CBPP has other longstanding policy objections to the Moving to Work program, and these too surface in the paper. MTW allows HAs to try out housing policy solutions based on locally defined needs and priorities, adapting to the market and housing conditions in its community; the Center finds this flexibility objectionable.

We strongly disagree with CBPP and believe its thinking is misguided, particularly at a time when funding for housing and other domestic programs is at historic lows. PHADA believes that we are at a pivotal point for all of our programs. MTW, and similar programs, represent the future. The Center's critique damages the innovation we will need going forward. In the current budget environment, local agencies need the maximum amount of flexibility (with some safeguards, of course. For example, MTW has strong public process requirements) to protect their physical assets and residents. U.S. communities are much better positioned to understand their local needs than think tanks and academics based in Washington, D.C. The Center's MTW paper ignores or misrepresents a number of key policy and program approaches made possible by MTW. For example:

- Why does CBPP wish to deny this once in a generation opportunity for true innovation in government? A recent report from Abt Associates noted that MTWs have produced over 300 innovations, allowing them to save funds and serve more needy families. (Abt's full report was featured in the January 21 edition of the *Advocate* and is linked in the first paragraph of the article). Some MTW innovations have been so successful that Congress has enacted several of these ideas into statutes to expand them to other housing authorities. HUD's proposed Streamlining rule also includes ideas borrowed from MTW. Although the Center fears that MTW HAs will somehow "mistreat" residents by raising rents or terminating assistance, more than 15 years into MTW, no such evidence has been documented.
- The Center clearly prefers the voucher program over public housing as a national housing policy strategy. Perhaps that is why it has frequently accused MTWs of "diverting" voucher funds to other local priorities even though the MTW statute clearly permits such flexibility within certain parameters. Still, CBPP's bias toward vouchers is deeply flawed because the group itself observed in 2008 that vouchers often cost considerably more than public housing, and the latter is far more "suitable" for many low-income persons. Ironically, the CBPP's 2008 report argues for the preservation of hard units noting that: "... less than 11% of all public housing in the nation outside New York City... are in ... high-poverty neighborhoods." The 2008 report continues, "public housing serves certain demographic groups [i.e. elderly and the disabled] better than vouchers can." We should reflect on this a moment: CBPP is highly critical of MTW agencies for using their statutory authority to re-purpose funds (diverting funds) to preserve units for senior and disabled families, the same group that the Center admits are not well served by the voucher program. This does not compute.
- The Center fails to adjust its policy thinking by ignoring the massive capital funding cuts over the last several



years (see [chart](#)). On this point, the Center's latest paper again contradicts earlier statements from 2008 in which it observed that "... large and persistent funding short-falls threaten to undermine public housing's recent progress and also have contributed to the loss of thousands of public housing units, forced harmful cuts in security and other services, and delayed needed repairs." Why then does CBPP now seek to deny MTWs the ability to use funds for desperately needed capital improvements to preserve their stock? (Nationally, a 2010 HUD study estimates a cost of \$19,029 per unit to fix as-is. All in, the estimate is \$26 billion). Does the Center's position truly protect the interests of the low-income public housing families it purports to represent when it advocates **against** options to address this deep capital need?

- The Center ignores outcomes that saved public housing in communities where the portfolio teetered on the brink of collapse. MTW has helped preserve public housing in major U.S. cities including Philadelphia, Chicago, and Atlanta, among others. CBPP should consult public housing residents in these communities, many of whom would be without housing absent the MTW program and other tools such as HOPE VI.
- The Center has supported the Rental Assistance Demonstration (RAD) and so has PHADA. But RAD is finicky and in some communities, like my own, Cambridge, MA, RAD only works *because* of MTW. RAD with MTW allows HAs to use voucher funding to preserve their public housing. Why does CBPP oppose more MTW HAs having that same ability under an expanded program?
- CBPP objects that some MTW HAs have amassed millions of HCV dollars that are not yet spent. The implication is that the money is being wasted or frittered away. But MTWs are engaged in complex mixed finance real estate transactions that often require significant sums to cover reserves, lender guarantees, and other investor-related requirements. These investments also take years to unfold and require multi-year funding commitments. The Center's criticisms ignore these very real capital financing demands.
- The Center objects that some MTWs legitimately negotiated favorable funding agreements with HUD. These formulas were not just "giveaways." For example, one practice in some MTW agreements was to freeze the utility consumption so that the agency is held harmless from pricing changes but "... takes the risk/reward for any change in consumption." The Center does not understand that the MTW agency only benefits *because* of the risk-taking and the Agency must manage the risk to reap any reward. If savings are earned the funds are put back into the property or to other MTW uses in the community. Is it prudent for CBPP to advocate so strongly to eliminate an energy-saving behavior that should be incentivized across the entire public housing portfolio?
- 11 MTW agencies have used their flexibility to fulfill another objective of the Center: support for vulnerable homeless and disadvantaged populations like victims of domestic violence or youth aging out of foster care. The Abt Innovations Report shows MTW agencies using unit set-asides, project-based vouchers, and sponsor-based vouchers to assist well over 5,000 families in populations that HAs are traditionally unable to serve. One MTW agency has added over 500 accessible units to its portfolio thereby increasing housing choice for disabled residents. The various types of innovations may be found Exhibits 5-1 and 5-2 of the Aforementioned Abt Report.
- One last item, mobility. The Center continues to stress voucher mobility as a lynchpin of housing policy and represents the attractiveness of the voucher over a hard unit, where subsidy is tied to the unit and not the family. But the real world results of the Moving To Opportunity Study (a rigorous evaluation commissioned by HUD in late 2011) paint a very different picture. Here is an extract from the study's final report: "Families in the experimental group did not experience better employment or income outcomes than the other families. The children in the Section 8 and experimental groups did not have better educational achievements than those in the control group... A more comprehensive approach is needed to reverse the negative consequences of living in neighborhoods with heavily concentrated poverty. Housing is a platform for positive outcomes, but it is not sufficient alone for achieving these additional benefits." **We suggest that MTW is the platform where housing can be easily coupled with services in a "comprehensive approach" to increase family economic opportunities.** It is MTW, not mobility on its own, that is implementing the policy findings from MTO study. (The MTO final report and outcomes can be found on the HUD [website](#).)

## Conclusion

As noted above, some of the MTW innovations have been so successful that HUD has proposed they be expanded to other HAs. Congress has enacted several into law, and they can be found on PHADA's website at [www.phada.org/pdf/MTWInnovationsBecomeNationalPolicy.pdf](http://www.phada.org/pdf/MTWInnovationsBecomeNationalPolicy.pdf).

PHADA continues to support a major expansion of the Moving to Work program and strongly encourages the White House and Capitol Hill to enact legislation in this session of Congress.

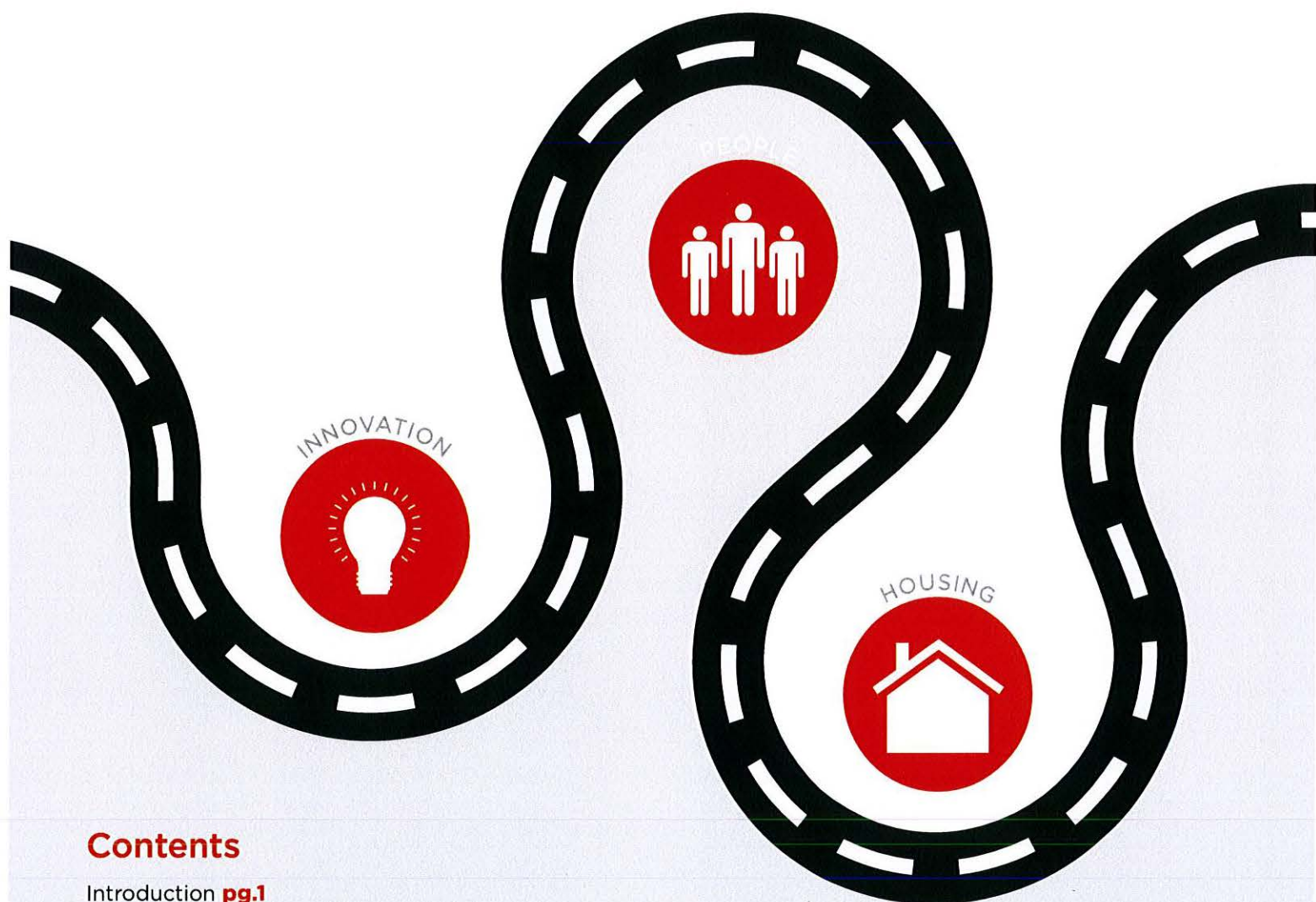
*PHADA would like to take this opportunity to ask that you consider becoming a member. With more member support, PHADA can have an even greater impact representing our industry's concerns on critical issues in Washington. An online membership application is available [here](#) or you may print a [PDF form](#) and return by mail. Thank you.*

---

Click [here](#) to unsubscribe to further emails from PHADA.



# INNOVATIONS IN THE **MOVING TO WORK** DEMONSTRATION



## Contents

- Introduction **pg.1**
- Increasing Cost-Effectiveness **pg.2**
- Increasing the Quality and Quantity of Affordable Housing **pg.2**
- Increasing Self-Sufficiency **pg.3**
- Expanding the Geographic Scope of Assisted Housing **pg.3**
- Promoting Residential Stability for Targeted Households **pg.4**
- Case Studies of Five MTW Agencies **pg.4**

## Authored by

Jill Khadduri, Melissa Vandawalker, Rebecca Cohen, Jeffrey Lubell  
Larry Buron, Lesley Freiman, Eliza Kean, **Abt Associates**



**BOLD  
THINKERS  
DRIVING  
REAL-WORLD  
IMPACT**



# Moving to Work Demonstration

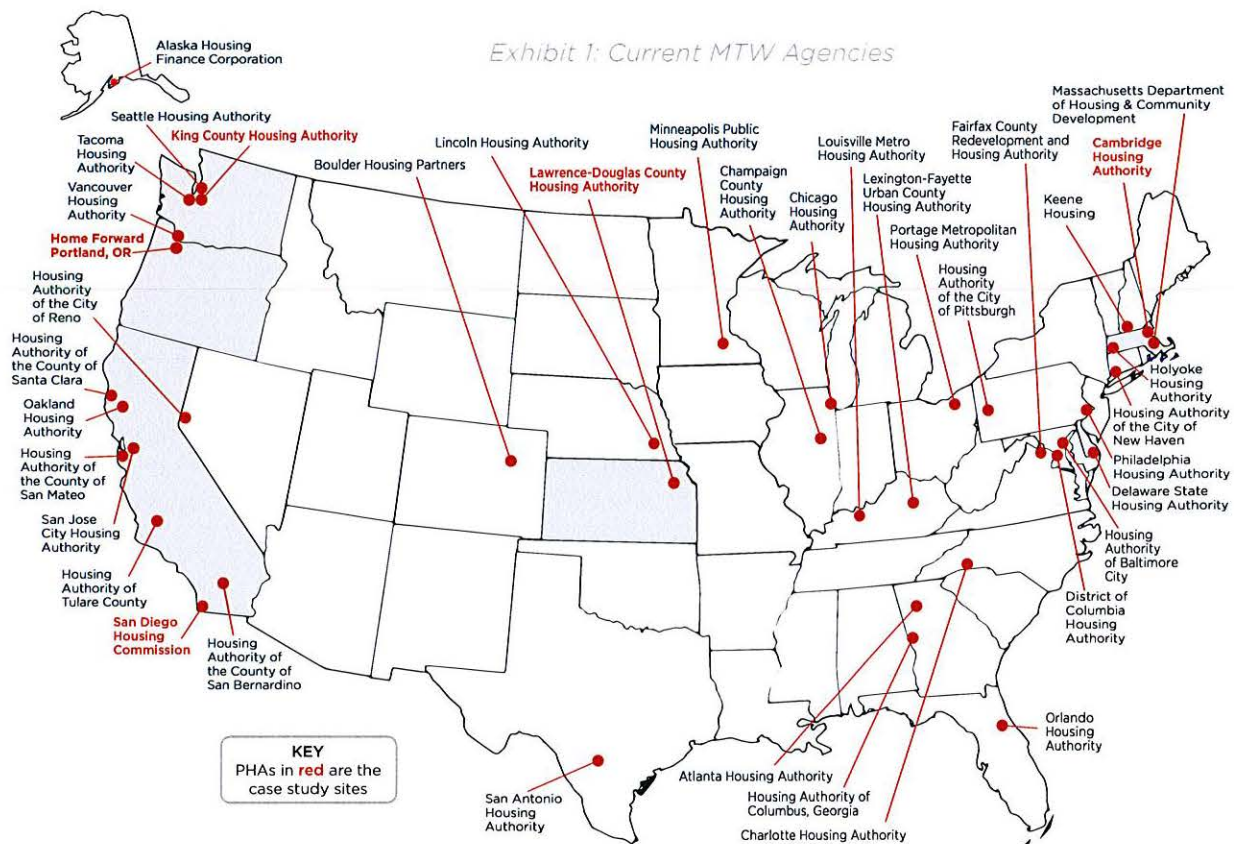
Moving to Work is a demonstration program, enacted by Congress in 1996, under which a limited number of public housing authorities test ways to increase the cost effectiveness of federal housing programs, to increase housing choices for low-income families, and to encourage greater economic self-sufficiency of assisted housing residents. To advance these goals, the legislation authorizes MTW agencies to obtain exemptions from many of the regulations and statutory provisions that apply to the public housing and Housing Choice Voucher (HCV) programs and to combine the federal funding streams for these programs.

More than fifteen years have passed since Congress first authorized the MTW Demonstration. In this time period, the participating public housing agencies (PHAs) have adopted a wide range of modifications to the public housing and HCV programs to advance the statutory goals of the demonstration and other local goals. While annual reports are available from each participating PHA, no compilation exists to describe in one place the breadth and depth of the innovations these agencies have adopted. To remedy this gap, Housing Authority Insurance, Inc. commissioned Abt Associates to prepare a report describing the innovations adopted by 34 participating PHAs.

**Innovations in the Moving to Work Demonstration** highlights practices adopted by MTW agencies that represent interesting and potentially impactful changes that could help achieve the demonstration's goals. The report also includes in-depth case studies of five MTW PHAs (identified in Exhibit 1 below) that have been particularly comprehensive in their use of MTW authority. The report is largely descriptive and does not attempt to measure the results of the innovations undertaken by MTW PHAs. However, it does classify the innovations, discuss their potential significance, and explain how they make use of the flexibility afforded by MTW. The next phase of Abt's research will focus on collecting and analyzing performance data for MTW agencies based on a common set of indicators.

## The Report Sorts MTW Innovations into Five Categories:

-  Increasing Cost-Effectiveness
-  Increasing the Quality and Quantity of Affordable Housing
-  Increasing Self-Sufficiency
-  Expanding the Geographic Scope of Assisted Housing
-  Promoting Residential Stability for Targeted Households





This executive summary provides a high-level overview of the innovations adopted by participating PHAs and summaries of the five in-depth case studies. One overall conclusion that emerges from the sheer breadth of the policies covered by this report is that MTW agencies have adopted a wide range of innovative practices to meet the statutory purposes of MTW (reducing costs, promoting economic self-sufficiency, and promoting housing choice) and to achieve other key goals such as reducing homelessness and meeting the needs of people with disabilities and other targeted populations. This suggests that MTW has succeeded in its goal of providing a vehicle for local agencies to experiment with new approaches.

## Increasing Cost-Effectiveness

The most common way MTW agencies have used MTW flexibility to increase the cost-effectiveness of assisted housing programs is by streamlining administrative procedures. Through these changes, participating PHAs seek to reduce the number of staff hours needed to perform common functions; in many cases, these practices also reduce reporting burden on assisted households.

To further streamline the administration of the public housing and HCV programs, many MTW agencies have also simplified the procedures for calculating income and rent; examples include changes in how agencies treat assets in calculating income and the modification or elimination of deductions from income. Many MTW agencies have also changed the protocols for inspecting HCV units to reduce the frequency and cost of these inspections.

*Exhibit 2: Most Common MTW Innovations to Increase Cost Effectiveness (34 PHAs)*



As shown in Exhibit 2, 32 of the 34 MTW agencies have changed the timing of certifications of income from annually to once every two or three years for elderly and disabled households in the HCV and public housing programs, and 14 agencies have shifted to less frequent recertifications for all households. Twenty-five MTW agencies have adopted changes to income deductions and exemptions including 15 that have simplified the process for calculating the adjusted income on which rent is based, and nine that have eliminated the complicated “earned income disregard” that applies to some earnings of some households in public housing.

Another common change that 27 MTW agencies have adopted to generate administrative savings is simplifying the inspection process for the HCV program, including inspecting units every other year instead of annually, conducting inspections based on risk or previous inspection results, or permitting landlords to self-certify the correction of minor violations of Housing Quality Standards.

With a few exceptions, changes to the policies for determining income and calculating rent contributions are designed to be budget-neutral from the standpoint of voucher housing assistance (HAP) payments or operating revenue for public housing, neither substantially increasing nor decreasing the average rent payment by the households. Although a few PHAs have reduced their staffing levels as a result of MTW innovations, most report that instead they have used the savings to repurpose existing staff time to provide additional services to residents, cover the front-end costs of taking on new programs, or improve the agency’s monitoring of the quality of its work.

## Increasing the Quality and Quantity of Affordable Housing

The authorizing statute requires MTW agencies to continue to assist “substantially the same number of low-income families” and to assure that assisted housing meet housing quality standards. Many MTW housing authorities have striven to go beyond these minimum requirements, however, using their MTW flexibility to serve more households and make sizable investments to improve the quality of their public housing stock. MTW agencies have adopted a wide range of strategies to increase the number of households served. These include changes to rent policy (such as substantial increases in minimum rents) that reduce the costs of serving assisted households and changes to voucher payment standards that lead to lower housing assistance payments to owners. Some PHAs have also used their flexibility to fund alternative approaches to provide housing assistance, such as short-term rental subsidies, which carry lower per-unit costs.

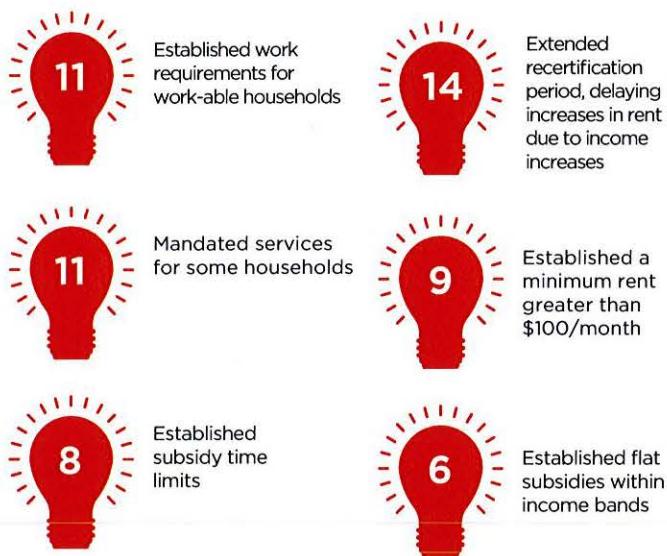


MTW agencies have also used MTW funding flexibility to invest in the modernization of older public housing developments and to preserve the affordability of privately-owned subsidized properties that are at risk of being lost because of decisions by owners to pre-pay their subsidized mortgages or to elect not to renew their rental assistance contracts. Many MTW agencies have also liberalized the rules related to project-based vouchers to make it easier to use this tool to advance such goals as access to low-poverty areas or areas close to transit, or the linking of housing and intensive services for people in need of supportive housing.

## Increasing Self-Sufficiency

The very name of the Moving to Work demonstration suggests that increasing economic self-sufficiency through employment is a major reason for permitting PHAs to operate outside of the regular rules of housing assistance programs. MTW agencies have adopted a range of different approaches for advancing this goal. Exhibit 3 lists a number of common ways MTW agencies are encouraging more assisted households to increase their income and move toward economic self-sufficiency.

*Exhibit 3: Summary of MTW Innovations to Increase Self-Sufficiency (34 PHAs)*



As shown in Exhibit 3, 11 MTW agencies require some level of employment for their work-able assisted households as a condition of receiving assistance, typically at least 20 hours per week, and 11 MTW agencies require some level of participation in employment-related services like case management to address barriers to employment and job placement (7 PHAs both require work and provide support services). Explicit time limits for certain households, ranging between five and seven years, are another approach to promoting self-sufficiency that have been implemented by eight MTW PHAs.

Many PHAs have sought to promote work through changes in their rent policies. Fourteen PHAs have delayed rent increases due to increased income by extending the period between required recertifications of income for all households. Nine PHAs have adopted minimum rents greater than \$100 a month, which function as an incentive for households with no earnings to seek work. Six PHAs have established flat rent levels within “income bands” that keep families’ rent the same even if their income increases modestly, until their income reaches the next band; three other PHAs have adopted flat rents that are entirely disconnected from families’ incomes.

Most housing authorities that require work, change the rent rules in ways intended to encourage work, or create time limits for assistance have hardship policies that are applied case by case to assisted household members who claim that special circumstances prevent them from complying with the policy.

## Expanding the Geographic Scope of Assisted Housing

Increasing housing choices is one of the statutory goals of the MTW program and is usually interpreted as facilitating moves to areas of “opportunity,” either by helping voucher holders access such areas or by increasing or preserving the supply of project-based housing in such neighborhoods.

As shown in Exhibit 4, MTW agencies have taken a variety of approaches to expand the geographic scope of assisted housing. In order to make it possible for voucher holders to afford units in opportunity areas, 10 PHAs have raised or removed the 40 percent cap on the percentage of income a household may pay when first using a voucher. Ten PHAs have made changes to their payment standards to advance this goal: six agencies have created voucher payment standards that authorize higher or lower subsidy levels than permitted under the standard voucher program in order to better reflect the value of housing in different parts of their jurisdiction, and four allow for exceptions to the normal payment standards in certain specific geographic areas. In addition, four MTW agencies have used MTW funding flexibility to create landlord recruitment and retention incentives.

*Exhibit 4: Common MTW Innovations to Expand the Geographic Scope of Assisted Housing (34 PHAs)*





## Promoting Residential Stability for Targeted Households

In addition to promoting the statutory goals, MTW flexibility has allowed PHAs to provide housing to specific high-needs populations identified by communities as not well served through traditional public housing and HCV programs. These small programs are often designed to fill perceived gaps in the community's existing housing programs—for example, aiding the unsheltered homeless, victims of domestic violence, young adults transitioning out of foster care, or ex-offenders reentering society. To meet the needs of these households, MTW agencies typically partner with service-provider organizations that identify the people to be served and may carry out some administrative functions, such as determining household eligibility or inspecting units.

As shown in [Exhibit 5](#), MTW agencies are serving more than 8,000 households through special initiatives aimed at high-needs populations. The study team identified 11 PHAs that set aside allotments of vouchers or public housing units for this purpose; four of these agencies pair the subsidy with mandatory services and seven apply time limits to the subsidy. Additionally, seven MTW agencies partner with nonprofit sponsors who identify and serve qualifying households, five PHAs use project-based vouchers to serve targeted populations, and five PHAs use alternative forms of housing subsidy such as short-term rental assistance.

*Exhibit 5: Summary of Innovative Uses of Housing Subsidies for Targeted Households (34 PHAs)*

MTW Innovation	# of PHAs	# of Program Slots	# of Programs with Mandatory Services	# of Programs with Time Limits
Set-asides of vouchers or public housing	11	1,869+	4	7
Sponsor-based assistance	7	1,053	6	5
Project-based vouchers	5	4,060+	4	2
Alternative forms of subsidy	5	1,157	5	5

### Case Studies of Five MTW Agencies

The *Innovations in the Moving to Work Demonstration* report includes case studies that take a close look at the way in which five PHAs have used MTW authority. The case studies examine in depth the innovations the five PHAs have undertaken and explore whether being part of the MTW demonstration appears to have changed the way in which these PHAs operate as organizations and relate to their communities. These five agencies were selected because they have taken a comprehensive approach to MTW, adopting a broad range of MTW innovations while also tailoring their MTW program to meet the specific housing needs of their local communities. These agencies were not selected to be representative of the MTW demonstration as a whole. An overview of the MTW programs of each profiled agency is provided in the next section.





# Cambridge Housing Authority (MA)

The Cambridge Housing Authority is one of the original Moving to Work agencies, and 2014 marks its 15th year in the demonstration. CHA has used MTW flexibility to adopt numerous regulatory reforms and has used the program's single fund flexibility to preserve affordable housing units in Cambridge that would have otherwise been lost and to create additional units of affordable housing in the city.

## Community and Housing Inventory

CHA's jurisdiction is the City of Cambridge, Massachusetts, which has a cost of living that is 474 percent greater than the national average and significant demand for affordable housing.

As shown in Exhibit 6, the overall number of affordable hard units and vouchers administered by CHA has increased from its adjusted 1999 baseline of 6,005 to 6,342 in 2014, and now includes 2,467 public housing units, 2,398 Housing Choice Vouchers, 1,460 non-MTW assisted housing units and vouchers, and 17 unassisted housing units. As of the end of the 2014 fiscal year, CHA was serving a total of 5,609 households, not counting vacant units or unused subsidies. As of July 2014, the average income for CHA public housing residents was \$17,418 and the average income for all CHA voucher-assisted households was \$17,377.

## Goals and Evolution of MTW

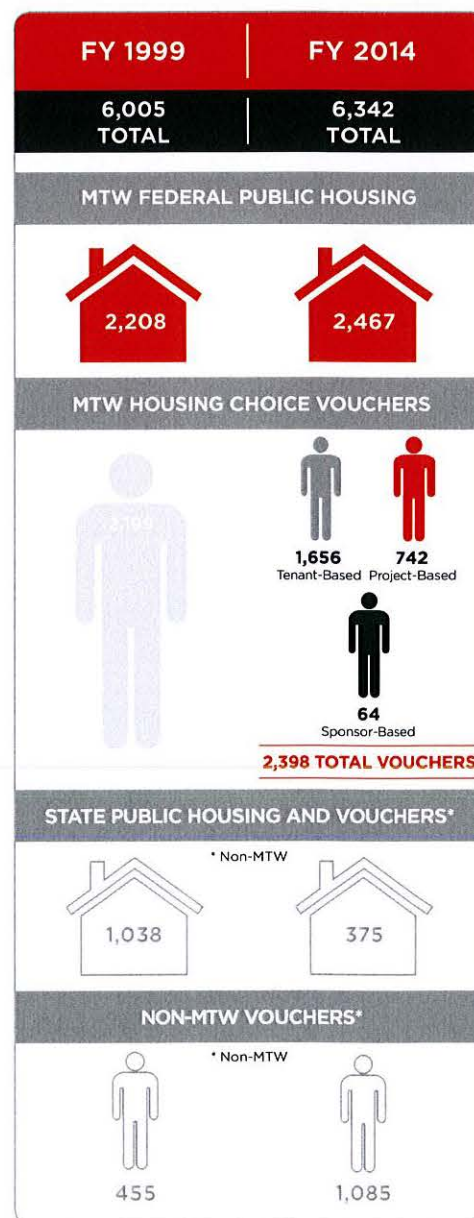
CHA's central goal for the MTW demonstration has been to develop an affordable housing program that targets local needs while addressing the realities of the Cambridge housing market. CHA has also sought to make the most out of limited financial resources. The MTW initiatives adopted by CHA in the early years of the program largely focused on the preservation and expansion of affordable housing, while in later years CHA aimed at increasing cost effectiveness, including through rent simplification and a shift to biennial inspections. In its 2011 MTW Annual Plan, CHA laid out a long-term vision that focused on accessing capital funding for modernization needs, simplifying procedures to reduce administrative burdens and increase efficiency, and leveraging partnerships with local service providers.

## Focus on Residents

The goal of moving residents toward self-sufficiency has remained a focus throughout CHA's tenure as an MTW agency. While relying heavily on local partners to provide many direct services, CHA uses MTW block grant funding to support its resident services initiatives such as adult education and *The Work Force*, an award-winning program to help address high school dropout rates.

CHA also has implemented a new model of the Family Self-Sufficiency Program called FSS+ (*Financial Stability and Savings Program*) in the HCV program. FSS+ is a voluntary five-year program that provides financial education and coaching through a nonprofit partner, Compass Working Capital, and an escrow savings account in which contributions are automatically made into the account based on a share of increases in tenants' portion of rent payments.

Exhibit 6: CHA Inventory, MTW and Non-MTW Units & Vouchers

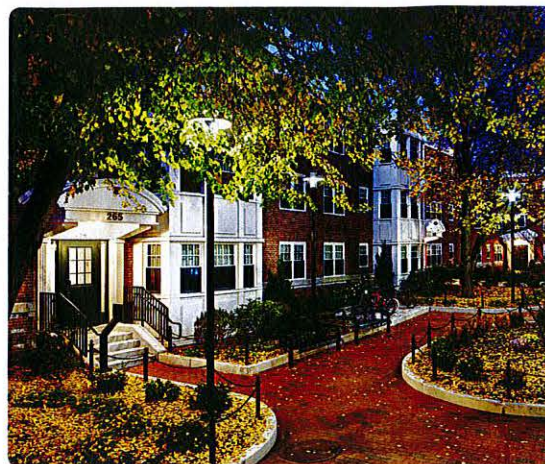




Unlike the traditional FSS Program in which all increases in rent due to increases in income would be placed in an escrow account, under FSS+, CHA receives half of the increase, which allows it to scale the program to serve more residents.

## Culture of Innovation

While CHA has long had a culture of innovation, staff report that MTW has allowed them to think more freely about what changes need to be made to advance the agency's goals. Senior staff report that they have realized as an agency that they can be bold and push their initiatives further than they would have thought possible 15 years ago. The leadership at CHA (CHA has had only two Executive Directors in the last 40 years) has profoundly shaped CHA's culture of creativity and innovation, using MTW as a mechanism to foster that culture. One example of CHA's commitment to innovation is the *Policy and Technology Lab*, which was established in 2012 to house college- and graduate-level research projects to improve CHA procedures and programs and to contribute to the national discussion on affordable housing.



*Jackson Gardens, CHA family public housing development*

## MTW Innovations

Since 1999, CHA has used MTW block grant funding for the development and acquisition of affordable housing units, capital improvement projects at its public housing developments, resident services, and special programs. The majority of the MTW funding for these initiatives comes from unspent Housing Assistance Payments in the HCV Program achieved through cost savings from CHA vouchers used in other, less expensive communities and through a slightly lower HCV utilization rate.

### Increasing Affordable Housing in Cambridge

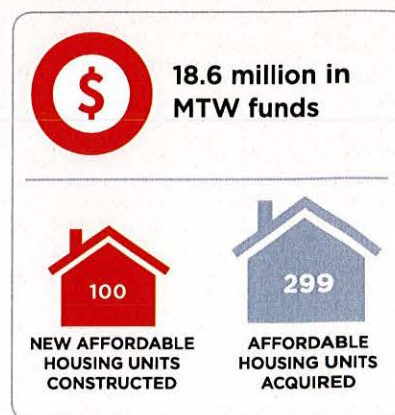
Since 1999 CHA, through its nonprofit affiliate, has invested \$18.6 million in MTW block grant funding toward the construction of 100 new affordable housing units and the acquisition of 299 units of affordable housing (see Exhibit 7). In its 2015 fiscal year, CHA plans to add 40 more units of affordable housing in Cambridge.

To preserve vitally needed affordable rental units in privately owned subsidized developments with expiring use restrictions, CHA also works with the owners to convert enhanced tenant protection vouchers to project-based vouchers to ensure that the property can remain affordable for at least forty years. To date, CHA has preserved 468 expiring-use units in the city.

### Preservation of Public Housing Stock

CHA has used MTW funds to maintain and rehabilitate its state and federal public housing developments. Between 1999 and 2005, CHA spent \$9 million in MTW block grant funding for modernization and extraordinary maintenance in public housing. CHA attributes its success in obtaining \$36 million in American Recovery and Reinvestment Act (ARRA) funding and a successful portfolio-wide Rental Assistance Demonstration (RAD) conversion application to its capital planning efforts and creation of working capital under MTW. The ARRA funding was used for the comprehensive redevelopment of three obsolete public housing developments. Under RAD, CHA will convert all 2,130 units of its federal public housing stock to project-based voucher funding.

*Exhibit 7: CHA Use of MTW Block Grant Funding to Increase Affordable Housing, 1999-2014*





# Home Forward (Portland,OR)

Throughout its participation in the Moving to Work demonstration, Home Forward has emphasized aligning housing subsidies with other community resources to serve special populations through a combination of set-asides, project-based vouchers, and non-traditional, short-term housing subsidies. Home Forward also used the flexibility of the MTW program to implement a rent reform policy for its public housing and voucher programs which includes a minimum rent that increases over time for work-able households.

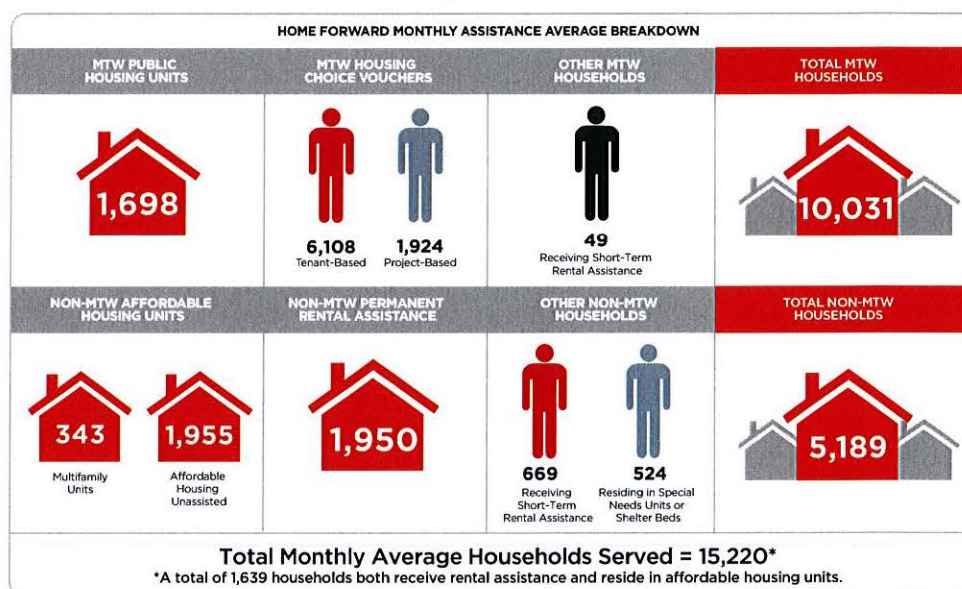
## Community and Housing Portfolio

Home Forward's jurisdiction covers all of Multnomah County, Oregon, including the Cities of Portland, Gresham, Fairview and the balance of the county. As of 2013, Multnomah County was home to 766,135 people. Portland has a fairly robust economy; however, Portland has also long had a high rate of homelessness. As shown in Exhibit 8, as of May 2014, Home Forward served 15,220 households, including 6,108 using tenant-based vouchers, 1,924 using project-based vouchers, 1,950 residing in public housing units, and 5,189 served with non-MTW funding sources.

## Goals and Evolution of MTW

Home Forward was one of the original Moving to Work PHAs and signed its first MTW contract with HUD in 1999. The agency made modest use of MTW exemptions from standard program rules during the early years. Aggressive use of MTW authority to make more substantial changes to program rules and the way the agency does business started around 2008, after HUD had agreed to a contract that would extend MTW authority until 2018. Some of the initiatives—in particular, rent reform—went through long development periods.

Exhibit 8: Home Forward Inventory of Assisted and Affordable Housing



Source: Home Forward Dashboard Report, Monthly Average as of May 2014

## Culture and Systems Changes

As a direct or indirect result of participating in MTW, the agency has fundamentally changed its culture and systems in many ways. In 2012, the agency underwent a reorganization designed to make it operate more like a large non-profit housing provider rather than a HUD-centric housing authority focused solely on following the rules of federal programs. A name change—from the Housing Authority of Portland to Home Forward—reflects this broadening of its mission.

The agency now has a development department that competes successfully for state and local resources and has been selected as the developer of new city and county projects and a property Management Department that competes successfully with private real estate management companies.



## Focus on Residents

MTW has also enabled Home Forward to partner with its residents in new ways. Home Forward is attempting to establish a new relationship with residents based on mutual responsibility and respect by creating incentives for work-focused households. Resident services are now integrated into the operating departments, and services staff focus on housing retention issues and identifying problems that show the need to link residents to services provided by other systems. PHA staff emphasize problem solving rather than punitive enforcement of rules.



Playground at Stevens Creek Crossing, Home Forward's affordable housing development

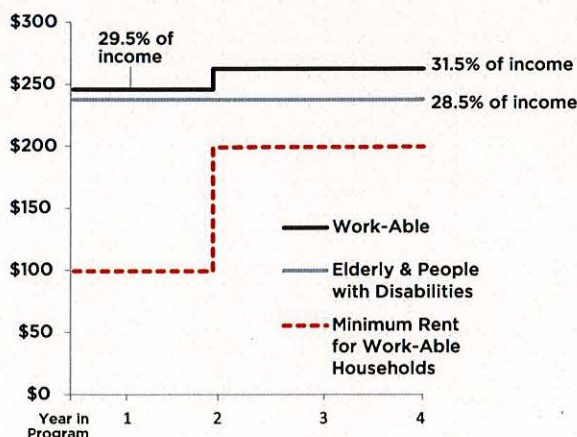
## MTW Innovations

Home Forward's original motivation for applying for the MTW application was the ability to combine its federal public housing and HCV funds. Later, Home Forward focused on aligning rental assistance with other systems and services to address Portland's homeless population and on rent reform initiatives to increase resident self-sufficiency.

### Rent Reform

Home Forward has used MTW flexibility to implement a rent reform policy for its public housing and voucher programs to both simplify rent calculation and encourage employment. Rents for all residents are based on a straight percentage of income with no deductions, and incomes are recertified every three years rather than annually. Workable households pay 29.5 percent of their income toward rent with a minimum rent of \$100 their first two years in the program and 31.5 percent of income with a minimum rent of \$200 thereafter. Households headed by residents age 55 and older or people with disabilities pay 28.5 percent of their income toward rent. See Exhibit 9 for an illustration of rent reform based on \$10,000 gross income.

Exhibit 9: Monthly MTW Rent, Based on \$10,000 Gross Annual Income



### GOALS Program (Modified Family Self-Sufficiency)

Home Forward has implemented a modified version of Family Self-Sufficiency (FSS) known as **GOALS (Greater Opportunities to Advance, Learn, and Succeed)**. Instead of the escrow contribution calculation used in the standard FSS programs, each participating household's escrow account receives an amount equivalent to any rent paid over \$350--the "strike point"--each month. Home Forward believes this approach is more equitable than the standard FSS calculation since families who are working when entering the program receive the same benefit as those who are unemployed at the outset; this change also allows Portland to scale the program to serve more families. Escrow payments are provided to FSS participants when they achieve their goals and graduate from the program. Participation in GOALS was made mandatory for workable households in three public housing developments.

### Housing Subsidies Aligned with Other Systems

Home Forward has long been part of Portland's efforts to address the needs of its significant homeless population. Home Forward now follows a "systems alignment" model, reserving a specified number of slots for homeless people in many of the buildings that use project-based vouchers and at some public housing developments if partners can guarantee the provision of services to these individuals or families. MTW flexibility has permitted Home Forward to allocate project-based vouchers in collaboration with the City and County.



# King County Housing Authority (WA)

Launched in 2003, the King County Housing Authority (KCHA)'s MTW program has evolved over time to cover an ever-expanding number of policy changes and initiatives across a broad array of programmatic areas. Rather than orienting its MTW plan around one or two signature initiatives, KCHA has integrated MTW authority into the fabric of its day-to-day operations and uses the MTW program to achieve KCHA's broader policy goals, which include reducing homelessness and improving residents' educational opportunities.

## Community and Housing Inventory

KCHA operates in a suburban county adjacent to Seattle, Washington. As of the end of fiscal year 2012, KCHA was serving 13,803 subsidized households through 11,347 vouchers (including 2,393 port-ins from other housing authorities), 1,937 public housing units, 386 units of other forms of housing assistance, and 133 households receiving sponsor-based assistance. The vast majority of households – 86 percent of HCV households and 90 percent of public housing households – have incomes at or below 30 percent of Area Median Income.

As shown in Exhibit 10, KCHA's assisted housing portfolio has shifted through its participation in MTW. The number of public housing subsidies administered by KCHA has declined by about 40 percent through conversion of public housing to project-based vouchers and changes in the unit mix of HOPE VI developments. At the same time, KCHA's overall assisted inventory has increased by about 1,138 units. Slightly more than half are new non-MTW federal vouchers like VASH, with the balance representing additional households the agency says it is able to house due to the flexibility of MTW.



Pacific Court Community Center









KCHA also maintains 5,370 "workforce" units through its bond-financed and LIHTC portfolios. Some of these units have project-based vouchers or residents who have HCVs; the balance of the units do not have ongoing federal rental assistance.

## Culture and Systems Changes

MTW has empowered the agency to think creatively about how to maximize the utility of its resources and focus on long-term outcomes rather than short-term outputs. Over time, KCHA leadership has moved away from an approach that reacts to HUD's existing regulations to a more proactive approach.

KCHA staff report that MTW has led to a breakdown in programmatic silos as staff across the different departments have focused on aligning resources to achieve common goals.

Exhibit 10: KCHA's Inventory of Rental Subsidies, 2003 and 2012

	MTW PUBLIC HOUSING	MTW VOUCHERS	NON MTW VOUCHERS	OTHER NON MTW SUBSIDIES	TOTAL
FY 2003	 3,292	 6,024	 350	 748	10,414
FY 2012	 1,966	 7,536	 1,522	 386	11,552 Including 142 units of sponsor-based assistance

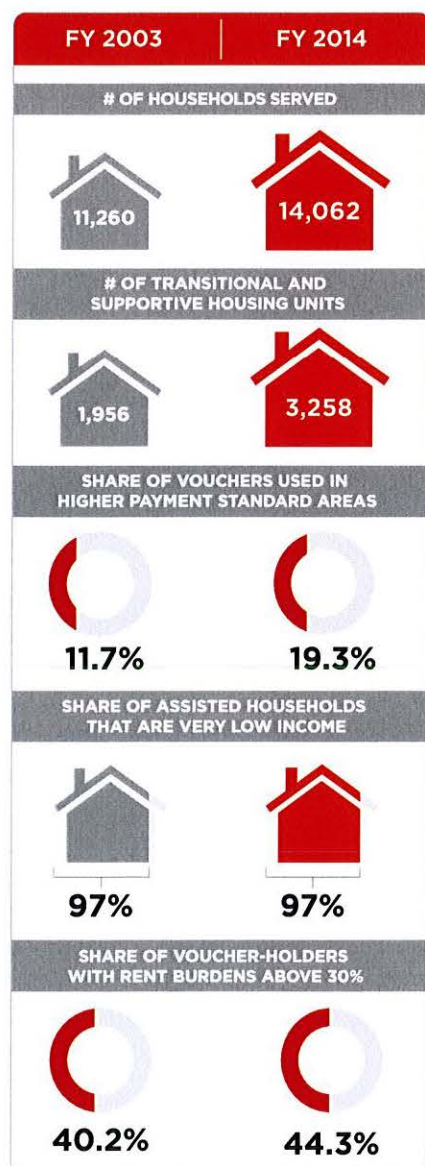


Staff also report that they now invest more energy in solving problems that they previously may have assumed were unsolvable. As one staff member put it, MTW provides an “ability to solve problems in the way that makes the most sense, rather than doing things the way they have always been done.”

## Performance Measurement

KCHA values data and uses it to improve its understanding of its programs. KCHA has a number of mechanisms in place to track outcomes of its MTW program including analyses of resident characteristics, resident surveys, and data-sharing agreements with other agencies. While KCHA is still refining its performance measurement approach, current mechanisms include a dashboard focused on key outcomes relative to the FY 2003 pre-MTW baseline. As shown in Exhibit 11, KCHA reports improvement in several key outcomes.

Exhibit 11: KCHA Key Dashboard Outcomes



## MTW Innovations

MTW has allowed KCHA a great deal of flexibility to try new ideas and partner effectively with other organizations, leveraging KCHA's housing resources to achieve the agency's goals of improving the quality and quantity of affordable housing in King County and helping high-needs households to access housing and critical services.

### Improving the Quality and Quantity of Affordable Housing in King County

KCHA has used MTW single-fund flexibility to increase funding for public housing operation and renovation and to increase the number of households served with housing vouchers. KCHA attributes this to programmatic changes that have reduced its per-unit costs, including reducing the payment standard in lower rent submarkets while increasing it in higher rent submarkets, changes in policies for assigning voucher unit sizes, and improved administrative efficiency.

### Targeting Hard-to-House Populations

Consistent with its goal to provide stable housing and services to people who would otherwise be homeless, KCHA has created a division to address homelessness and used its MTW authority to provide sponsor-based assistance to hard-to-serve populations and facilitate the project-basing of vouchers for permanent supportive housing. Under KCHA's sponsor-based housing initiative, partner agencies master lease rental units and then sublease them to individuals who are being discharged from the mental health system, prison, or foster care and would otherwise be homeless or residentially unstable. Partners provide mental health, chemical dependency, and other services to promote residential stability.

### Integration of Assisted and Non-Assisted Housing

A number of the administrative changes included in early KCHA MTW plans were designed to facilitate the integration of KCHA's public housing and voucher portfolio, funded by HUD, and KCHA's workforce housing portfolio funded through Low Income Housing Tax Credits and tax-exempt bonds. For example, KCHA adopted policies allowing it to inspect and conduct rent reasonableness determinations on units owned by KCHA, eliminating the need to work through a third party. KCHA also adopted changes making it easier to project-base units in KCHA's properties – flexibility that KCHA has used to project-base vouchers in KCHA-owned units located in “opportunity areas” that have lower poverty rates, better schools and other amenities.



## Lawrence-Douglas County Housing Authority (KS)

The Lawrence-Douglas County Housing Authority (LDCHA) is one of the original MTW grantees, joining the demonstration in 1999. Using its MTW flexibility, LDCHA realized cost efficiencies by combining its public housing and HCV programs into a single program called General Housing and encouraged self-sufficiency of its residents by instituting a work requirement for work-able adults and changing how the agency calculates tenant rent.

### Community and Housing Inventory

LDCHA's jurisdiction is Douglas County in northeastern Kansas. Almost 80 percent of the Douglas County population of 112,864 lives in the college town of Lawrence. As shown in Exhibit 12, as of April 2014, LDCHA administered 1,229 units of affordable housing, including 759 tenant based vouchers, 5 set-aside vouchers, 363 public housing units, and 102 other affordable housing units funded outside of MTW. Nearly all households have incomes below 50 percent of AMI, and 57 percent have incomes below 30 percent of AMI. About three-fifths of assisted households are headed by a person who is either elderly or disabled.

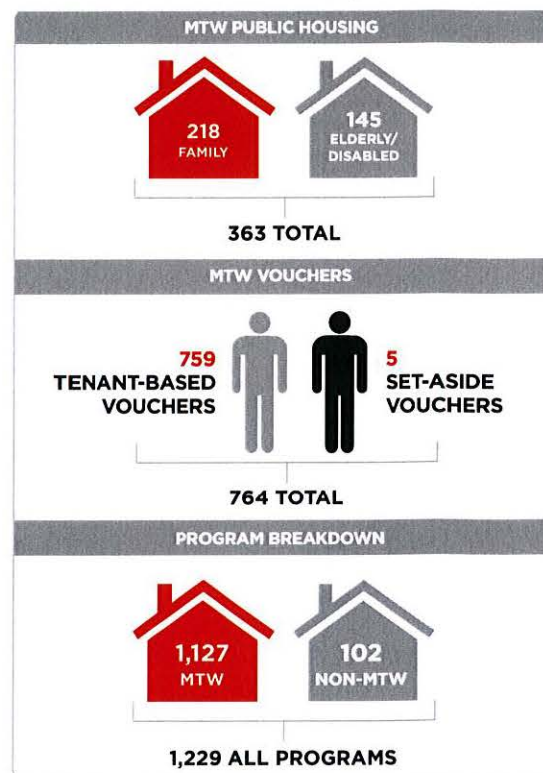
### Goal and Evolution of MTW

As part of its initial MTW planning process, the then Executive Director Barbara Huppee and senior staff members starting meeting on her porch after work hours to discuss how they could make best use of the MTW program. These meetings came to be known as "Barbara's Porch Meetings" and identified two issues they thought were most important: the disincentives to work inherent in housing assistance programs, and the redundancies created by separate public housing and voucher programs. LDCHA took on these problems in its first year as an MTW agency by instituting a mandatory work requirement, changing the calculation of rent, and combining its two largest housing programs. In later years, LDCHA implemented many activities to support work by expanding employment services and providing financial support to help families work.

### Changes in PHA Culture

LDCHA staff report that MTW enables the agency to "pivot away from what isn't working and pivot toward what is working." As part of an MTW PHA, LDCHA staff report that they feel they have the power to make a change to fix a problem rather than feeling it is beyond the agency's control. According to the Director of Housing Assistance, who was part of the porch meetings, MTW has caused a complete paradigm shift at the agency: "Before we were in a rule-driven environment. Now we are in environment that allows employees to have an effect on how things work, to be a participant in the process."

Exhibit 12: LDCHA Inventory



Previous LDCHA resident used the FSS program to become a Registered Nurse and move to market-rate housing

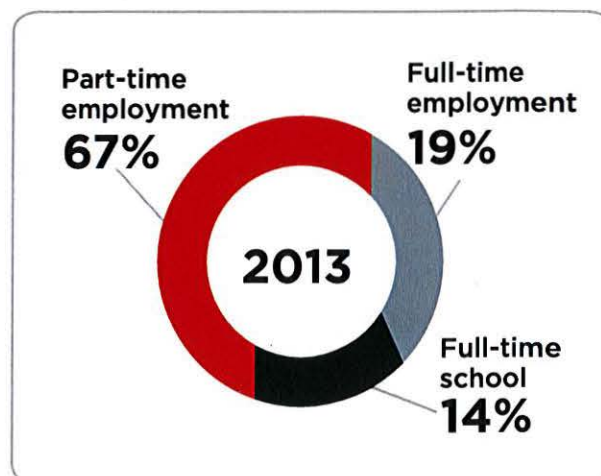


## Performance Measurement and Evaluation

To gauge its progress, LDCHA focuses on two main indicators that match the mission of the LDCHA: if the agency is serving more households and serving them stably, and if resident income and education are rising. LDCHA reports that its voucher utilization rate has ranged from 100 to 105 percent during its MTW participation and its public housing occupancy rate was 98 percent as of its 2012 MTW Annual Report.

LDCHA reported that 100 percent of non-elderly, non-disabled adults were meeting the work requirement in 2013, compared to 70 percent who were working in 1999, prior to MTW. As shown in Exhibit 13, two-thirds of the targeted adults were meeting this requirement through working a part-time job, 19 percent were meeting it through full-time work, and 14 percent were meeting it through full-time enrollment in school. Only four households were evicted for non-payment of rent in 2013, a fact that LDCHA cites as evidence the new rent structure is not causing undue burden.

*Exhibit 13: 100% of Work-Able Adults Met the Work Requirement in 2013*



## MTW Innovations

LDCHA's MTW program has focused on activities to help families become self-sufficient and increase the cost effectiveness of the program.

### Integration of Assisted Housing Programs

LDCHA combined the public housing and the HCV Program into single program, called General Housing, with a single organizational structure, one waiting list, and a single administrative plan. LDCHA maintains a single application and applies the same eligibility requirements to applicants of both programs. The program merger also provided a single point of contact for applicants, participants, and partners. As a result of the merger, LDCHA realized cost efficiencies by organizing staff by function rather than program type and was able to increase the number of vouchers administered from 502 in 1999 to 752 in 2013 without increasing the number of staff other than those working in resident services.

### Work Requirements

LDCHA created an alternative rent structure that incentivizes and rewards work. All work-able adults between ages 18 and 50 must work or be in an education or work training program for at least 15 hours a week, or a combined 35 hours for a two-adult household with children. Elderly and disabled households are subject to HUD's standard income and rent rules.

Failure to meet the work requirement is a major program violation; rental assistance is suspended and, if not corrected within 30 days, terminated. LDCHA considers its robust supportive services as essential to helping residents meet the work requirement and provides case management services (funded through its FSS program) and financial assistance to help residents overcome barriers to employment, help people in crisis, and refer people to community services.

### Alternate Rent Structure

LDHCA created an alternate rent structure that provides incentives for households with no earned income to start working because of a high minimum rent and encourages households with earned income to work more because there is a maximum rent above which earnings do not increase rent. The monthly rent is 30 percent of income after subtracting allowable income deductions that support working households, bounded by the high minimum rent and maximum rent. In FY 2012, the two-bedroom minimum rent was \$215 and the maximum rent was \$475. The rent amount is fixed for the year, unless the assisted household permanently loses income through certain circumstances. LDHCA allows one temporary hardship exemption per household per year for up to three months.



# San Diego Housing Commission (CA)

In a period of five years, the San Diego Housing Commission (SDHC) has applied its MTW flexibility to streamline the use of administrative resources, implement an agency-wide program to support and encourage work among work-able assisted households, and create and support efforts to meet the challenges of homelessness.

## Community and Housing Inventory

SDHC is dedicated to preserving and increasing affordable housing within the City of San Diego. San Diego is the second most expensive real estate market among metropolitan areas in the nation (behind San Francisco), and median rent in the city represents 41.4 percent of median income. Homelessness is also a large challenge in San Diego, which has the 4th highest number of homeless people among major US cities.

SDHC has three primary functional areas: rental assistance, homelessness assistance, and real estate development. As shown in Exhibit 14, the Housing Choice Voucher program is SDHC's largest program and serves over 17,000 low-income households. The agency also administers a small number of public housing units (153) and is in the process of converting 35 units of state developments to public housing. There are approximately 60,000 households on the agency's waiting lists.

## Goals and Evolution of MTW

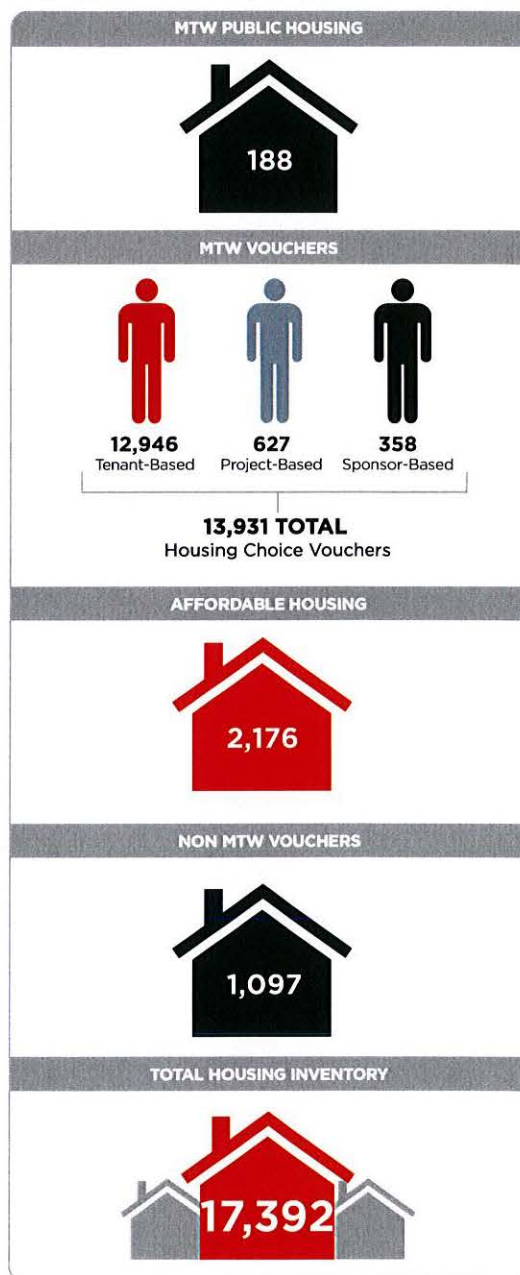
SDHC is a relatively recent entrant into the MTW demonstration, having given up its original 1998 designation in the early 2000s and then reinstating it through negotiations with HUD in 2009. Beginning on a somewhat small scale upon re-entry into the demonstration in 2010, the agency proposed more far-reaching activities and waiver requests between 2012 and 2014.

## Culture of Innovation

In 2007, prior to re-entering the MTW demonstration, the agency brokered a landmark agreement with HUD to purchase its entire inventory of public housing (1,366 units in 137 sites) for \$1 per unit, enabling SDHC to have full ownership of the units and convert the funding to project-based vouchers. In exchange for this arrangement, the agency was required to develop at least 350 additional units of affordable housing. Although the agreement with HUD was made prior to SDHC re-entering the MTW Demonstration, the effort to purchase its public housing inventory demonstrates the innovative and strategic thinking present at the agency as a backdrop for its re-assignment as an MTW agency.

In the five years after the agreement, SDHC was able to take advantage of the financial crisis and the resulting foreclosed properties in the area to develop 810 additional affordable housing units through public-private partnerships, significantly surpassing the number promised in the agreement with HUD.

Exhibit 14: SDHC Portfolio





## MTW Innovations

The centerpiece of SDHC's MTW efforts is the *Path to Success* program, a comprehensive effort toward resident self-sufficiency. SDHC has also used MTW to address homelessness and to streamline various processes and policies within the Rental Assistance department, and to increase the number of households living in low-poverty areas.

### Path to Success and Achievement Academy

SDHC has implemented an agency-wide rent reform strategy called *Path to Success* to incentivize work and encourage program participants to move toward self-sufficiency. Fully implemented in 2013, Path to Success establishes a tiered rent for work-able households that is set at 30 percent of the lower end of \$2,500 income bands. Work-able households must also pay a high minimum rent based on the California minimum hourly wage which increases after two years in the program (see Exhibit 15).

Exhibit 15: Minimum Rent for Path to Success Participants



These new rent requirements are coupled with resources and services available through the agency's *Achievement Academy* to help residents obtain and maintain employment. While work is not mandatory in SDHC's rent reform, staff believe that the incentives built into the tiered and minimum rent schedule, along with the encouragement and support offered through the Achievement Academy, will accomplish the ultimate goal of assisting more families to become and stay employed.

### Addressing Homelessness

SDHC has been a key participant in the city-wide effort to address homelessness in the city of San Diego for many years. Using its MTW authority, SDHC has been able to expand its efforts to create new housing solutions for homeless people in the city. Under MTW, SDHC has created a *Sponsor-Based Subsidy Program for the Homeless* in partnership with nonprofit organizations that provide comprehensive social services while SDHC provides permanent housing resources. Initially SDHC committed to providing 100 vouchers for this program, but has requested HUD approval to increase this number to 1,000 in its FY 2013 Annual MTW Plan.

Sponsors administer the admissions, eligibility, and income recertification procedures for the participants, while SDHC conducts annual inspections of the housing units.

SDHC has also created a *Transitional Project-Based Subsidies for the Homeless* program that provides short-term rental assistance for homeless persons in partnership with selected service providers. SDHC pays a flat, monthly subsidy for each unit that is occupied and participants can access an array of services with the goal of segueing into more permanent housing.

### Mobility Efforts: Choice Communities

SDHC has developed a mobility program, Choice Communities, to encourage voucher holders to move to areas of low poverty. This program uses MTW authority to implement higher payment standards in these areas, to allow households to pay more than 40 percent of their income on rent at the time of initial lease up, and to provide mobility counseling and security deposit funds. Since 2010, SDHC has assisted 244 households to move into areas of lower poverty, connected 730 participants to a mobility counselor, and provided 141 tenants with security deposit loans.



Achievement Academy computer training, January 2014



## About this Report

This report is sponsored by Housing Authority Insurance, Inc. (HAI, Inc.). HAI, Inc. is a nonprofit association incorporated in 1987, and a member of HAI Group, a family of companies dedicated to serving the public and affordable housing industry. Sponsorship of the study supports HAI Group's vision to provide services that facilitate greater effectiveness and independence for its public housing authority stakeholders.

The study was conducted by Abt Associates, a mission-driven, global leader in research and program implementation. The authors appreciate the helpful input and guidance provided by the Public and Affordable Housing Research Corporation (PAHRC), a HAI Group company, in collaboration with the Council of Large Public Housing Authorities (CLPHA), National Association of Housing and Redevelopment Officials (NAHRO), the Public Housing Authorities Directors Association (PHADA), and the MTW Steering Committee.

The Innovations in the Moving to Work Demonstration report and this executive summary focus on the activities of 34 MTW agencies that received MTW authorization prior to 2013. In developing this report, the study team reviewed the Annual MTW Reports and Plans and fielded a web survey of the 34 current MTW agencies. The team also conducted telephone interviews with agency staff on 48 separate MTW initiatives and conducted site visits to the five case study agencies. The next phase of Abt's research will focus on collecting and analyzing performance data for MTW agencies based on a common set of indicators.

The full report may be found at <http://www.pahrc.org/studies/InnovationsInTheMovingToWorkDemonstration.pdf>.



FINANCE



# TACOMA HOUSING AUTHORITY

## Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,082,837 for the month of January, 2015.

Approved: February 25, 2015

---

Stanley Rumbaugh, Chair



**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of January, 2015**

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,795	- 2,797	429	
Accounts Payable Checks	Check #'s	84,024	- 84,273		
Business Support Center				312,915	Program Support
Moving To Work Support Center				121,737	
Tax Credit Program Support Center				7,376	
Section 8 Programs				106,755	Section 8 Operations
SF Non-Assisted Housing - N. Shirley				685	Local Funds
SF Non-Assist Housing - 9SF Homes				5,783	
Wedgewood				47	
Salishan 7				17,022	
Tacoma Housing Development Group				74,058	Development
Salishan Developer Fee				4,675	
AG Hsg Recovery Grant				49,172	
Development Activity				16,736	
Salishan Area 2B-Dev				7,036	
Hillside Terrace 2500 Court G Development				2,493	Community Service
Prairie Oaks (LASA)				375,893	
CS General Business Activities				80	
SAFE				25	
Community Services MTW Fund				5,374	
Gates Ed Proj Grant				288	
WA Families Fund				1,047	
COT-CDBG-FSS Grant				30	Public Housing
Pierce Co. 2163 Funds				43	
COT-McCarver Grant				94	
AMP 1 - No K, So M, No G				116,722	
AMP 2 - Fawcett, Wright, 6th Ave				65,026	
AMP 3 - Lawrence, Orchard, Stevens				76,475	
AMP 4 - Hillside Terr - 1800/2500				96	
AMP 6 - Scattered Sites				8,521	
AMP 7 - HT 1 - Subsidy				10,243	
AMP 8 - HT 2 - Subsidy				5,131	
AMP 9 - HT 1500 - Subsidy				1,280	
AMP 10 - SAL 1 - Subsidy				11,040	
AMP 11 - SAL 2 - Subsidy				10,539	
AMP 12 - SAL 3 - Subsidy				8,162	
AMP 13 - SAL 4 - Subsidy				11,709	
AMP 14 - SAL 5 - Subsidy				13,408	
AMP 15 - SAL 6 - Subsidy				12,373	
AMP 16 - Bay Terrace - Subsidy				-	
Allocation Fund				101,021	Allocations-All Programs
THA SUBTOTAL				1,561,537	
Hillside Terrace 1 through 1500				1,932	Tax Credit Projects - billable
Bay Terrace				1,120	
Salishan I - through Salishan 6				929	
Salishan Association - Operations				569	
TAX CREDIT SUBTOTAL (Operations - billable)				4,550	1,566,087
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,474	- 481,500	16,707	
	ACH	71,722	- 73,135	2,431,811	\$ 2,448,518
Payroll & Payroll Fees - ADP					\$ 535,628
Other Wire Transfers					
Fund Bay Terrace ACC Reserve				532,604	
					\$ 532,604
TOTAL DISBURSEMENTS					\$ 5,082,837



# TACOMA HOUSING AUTHORITY

**Date:** February 25, 2015

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Director of Finance

**Re:** Finance Department Monthly Board Report

---

## 1. FINANCIAL STATEMENT COMMENTS

I present the January, 2015 disbursement report for your approval.

I also am providing the agency's year-end financial report for the period ending December 31. THA ended up the year with a slight surplus, and remains in good financial position. There are two events that do not show up in the financial information provided, as this financial report is based primarily on operations, and not special situations such as sale of property. In December, we sold both the Wedgewood property, and the remaining Area 2B lots at Salishan. The Wedgewood property netted THA the agency approximately \$2.2 million dollars in Unrestricted (Non MTW) cash after paying off the bond for the remaining debt for all of our Single Family Home property (including the Alaska 10 homes), and releasing the restriction on approximately \$900K set aside for project reserves. The sale of the Salishan lots netted THA approximately \$3.2 million in funds. These proceeds are restricted to the level that they can be used for our RAD conversion, or development of Affordable Housing properties.

The financial report for the period ending December 31<sup>st</sup> leaves THA with an operating surplus of \$961,136 (line 68), and an overall surplus of \$11,136 (line 72).

Below I will provide a bit more context to the numbers, and also explain some of the larger discrepancies between the budgeted and actual numbers.

- *Line 2 – Tenant revenue – Other* – This category includes the tenants that would be charged for Meth remediation and repairs. As the majority of these funds will not be recaptured, they are written off, and you will see that *line 55 – Collection loss* – is reflective of the high dollar amount in this category.
- *Line 3 – HUD grant – Section 8 funding* – The amount the agency was authorized for from HUD was the budgeted amount. As we are dealing with Cash Management, THA received approximately \$1.5 million less than we were authorized for. Those funds remain at HUD and eligible for THA to use in 2015. These funds are actually identified for use in our 2015 budget. Additionally, approximately \$950K of the funds were used to pay down the Bay

## FINANCE DEPARTMENT MONTHLY REPORT

February 2015

Page 2

---

Terrace Construction loan. As stated earlier, the Operating surplus is \$961,136, while the agency wide reserve is only \$11,136. The expenditure of the loan pay down is identified in the Capital section of the financial report.

- *Line 9 – Other government grants* – The blight abatement program in the Development department never materialized, and funds for utility reimbursements for Salishan lots that had been developed were not received in 2014.
- *Line 15 -34 – Administrative Expenses* –We came in under budget in almost every category. We will be looking at these line items in greater detail for the 2016 budget.
- *Lines 36 – 40 – Tenant Services* – This area is not significantly under, but the department did retool itself during somewhat during 2014, and accounts for being under budget in the expense line items.
- *Lines 46 – 50 – Maintenance* – The overall category was under budget. Even though salaries were under budget, the budget included a pilot remediation team. The materials line item was over, but the contract cost category was under budget. In 2014, THA focused on attempting to utilizing more of its staff and relying less on contractors.
- *Line 59 – Extraordinary Maintenance* – This includes the cost of Meth remediation and put back of the units. This came in higher than budgeted due to finishing up work related to 2013 Meth vacancies and included in 2014 financials.
- *Line 61 – HAP expenses* - This came in under budget, as we were ramping up our special program vouchers, plus we had a late start in leasing HOP vouchers due to the uncertainty of 2015 funding until April of last year.
- *Line 69 – 71 – Capital Items* – The amounts are less in this category as the original budget included the LASA development being completed in 2014. Due to the late start, the project was less than 50% completed at the end of the year. Additionally, both the remodel of the THA Administration spaces, and costs associated with the software conversion was delayed until 2015. The reduction in surplus has to do with expenses for the Bay Terrace development that was funded through HAP.

## 2. INVESTMENTS

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

## 3. AUDIT

There is nothing to report at this time.

#### **4. BUDGETS**

The 2015 budget has yet to be entered into the IT system pending finalization of the reorganization. We will adjust the budget to reflect the new department structure, but will not change the dollar amounts approved by the board in December. Any adjustments required will occur during the mid year budget review.

#### **5. YEAR END CLOSING UPDATE**

The fiscal year closed on December 31<sup>st</sup>. The finance staff has completed the closing of the books for the fiscal year, and Duane is working to complete the REAC submission due into HUD by February 28<sup>th</sup>.



**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

		December, 2014				Thru 12/31/2014		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>OPERATING RECEIPTS</b>								
1	Tenant Revenue - Dwelling rent	311,149	3,275,816	3,238,919	1.14%	3,275,816	3,238,919	1.14%
2	Tenant Revenue - Other	9,585	234,243	94,241	148.56%	234,243	94,241	148.56%
3	HUD grant - Section 8 HAP funding	4,190,304	33,207,284	34,935,406	-4.95%	33,207,284	34,935,406	-4.95%
4	HUD grant - Section 8 Admin fee earned	239,773	2,898,748	2,713,662	6.82%	2,898,748	2,713,662	6.82%
5	HUD grant - Public Housing subsidy	201,615	2,436,317	2,232,970	9.11%	2,436,317	2,232,970	9.11%
6	HUD grant - Community Services	26,066	123,769	143,818	-13.94%	123,769	143,818	-13.94%
7	HUD grant - Capital Fund Operating Reve	136,187	1,269,124	1,588,430	-20.10%	1,269,124	1,588,430	-20.10%
8	Management Fee Income	480,181	3,652,087	3,631,116	0.58%	3,652,087	3,631,116	0.58%
9	Other Government grants	43,270	183,947	402,962	-54.35%	183,947	402,962	-54.35%
10	Investment income	2,208	63,852	59,525	7.27%	63,852	59,525	7.27%
11	Fraud Recovery Income - Sec 8	2,347	25,575	40,000	-36.06%	25,575	40,000	-36.06%
12	Other Revenue- Developer Fee Income	0	568,564	566,743	0.32%	568,564	566,743	0.32%
13	Other Revenue	45,777	1,692,852	1,455,322	16.32%	1,692,852	1,455,322	16.32%
14	<b>TOTAL OPERATING RECEIPTS</b>	<b>5,688,462</b>	<b>49,632,178</b>	<b>51,103,113</b>	<b>-2.88%</b>	<b>49,632,178</b>	<b>51,103,113</b>	<b>-2.88%</b>
<b>OPERATING EXPENDITURES</b>								
<b>Administrative Expenses</b>								
15	Administrative Salaries	524,792	4,704,362	4,784,805	-1.68%	4,704,362	4,784,805	-1.68%
16	Administrative Personnel - Benefits	224,136	1,739,696	1,911,419	-8.98%	1,739,696	1,911,419	-8.98%
17	Audit Fees	2,007	64,754	87,711	-26.17%	64,754	87,711	-26.17%
18	Management Fees	362,721	2,902,859	2,906,903	-0.14%	2,902,859	2,906,903	-0.14%
19	Rent	25,204	302,448	298,446	1.34%	302,448	298,446	1.34%
20	Advertising	0	7,641	13,450	-43.19%	7,641	13,450	-43.19%
21	Information Technology Expenses	17,841	192,932	229,845	-16.06%	192,932	229,845	-16.06%
22	Office Supplies	9,879	53,814	76,183	-29.36%	53,814	76,183	-29.36%
23	Publications & Memberships	329	35,468	46,634	-23.94%	35,468	46,634	-23.94%
24	Telephone	9,175	101,878	111,975	-9.02%	101,878	111,975	-9.02%
25	Postage	2,488	33,444	41,092	-18.61%	33,444	41,092	-18.61%
26	Leased Equipment & Repairs	6,924	101,607	93,988	8.11%	101,607	93,988	8.11%
27	Office Equipment Expensed	1,275	50,644	98,713	-48.70%	50,644	98,713	-48.70%
28	Legal	9,140	145,792	225,920	-35.47%	145,792	225,920	-35.47%
29	Local Milage	512	6,459	13,236	-51.20%	6,459	13,236	-51.20%
30	Staff Training/Out of Town travel	4,660	148,163	281,623	-47.39%	148,163	281,623	-47.39%
31	Administrative Contracts	62,701	452,163	635,200	-28.82%	452,163	635,200	-28.82%
32	Other administrative expenses	12,221	124,853	83,370	49.76%	124,853	83,370	49.76%
33	Due diligence - Perspective Development	39,251	87,316	640,500	-86.37%	87,316	640,500	-86.37%
34	Contingency	0	0	103,450	-100.00%	0	103,450	-100.00%
35	<b>Total Administrative Expenses</b>	<b>1,315,256</b>	<b>11,256,293</b>	<b>12,684,464</b>	<b>-11.26%</b>	<b>11,256,293</b>	<b>12,684,464</b>	<b>-11.26%</b>

		December, 2014				Thru 12/31/2014		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>Tenant Service</b>								
36	Tenant Service - Salaries	104,042	852,575	933,505	-8.67%	852,575	933,505	-8.67%
37	Tenant Service Personnel - Benefits	48,674	344,312	374,232	-7.99%	344,312	374,232	-7.99%
38	Relocation Costs	906	61,755	92,670	-33.36%	61,755	92,670	-33.36%
39	Tenant Service - Other	15,353	89,773	199,118	-54.91%	89,773	199,118	-54.91%
40	<b>Total Tenant Services</b>	<b>168,975</b>	<b>1,348,415</b>	<b>1,599,524</b>	<b>-15.70%</b>	<b>1,348,415</b>	<b>1,599,524</b>	<b>-15.70%</b>
<b>Project Utilities</b>								
41	Water	12,958	125,387	118,425	5.88%	125,387	118,425	5.88%
42	Electricity	22,724	217,009	199,240	8.92%	217,009	199,240	8.92%
43	Gas	5,975	52,766	59,860	-11.85%	52,766	59,860	-11.85%
44	Sewer	31,484	338,072	319,270	5.89%	338,072	319,270	5.89%
45	<b>Total Project Utilities</b>	<b>73,141</b>	<b>733,234</b>	<b>696,795</b>	<b>5.23%</b>	<b>733,234</b>	<b>696,795</b>	<b>5.23%</b>
<b>Ordinary Maintenance &amp; Operations</b>								
46	Maintenance Salaries	66,798	617,906	659,870	-6.36%	617,906	659,870	-6.36%
47	Maintenance Personnel - Benefits	22,490	196,033	203,319	-3.58%	196,033	203,319	-3.58%
48	Maintenance Materials	22,509	248,114	213,670	16.12%	248,114	213,670	16.12%
49	Contract Maintenance	90,227	771,046	1,084,565	-28.91%	771,046	1,084,565	-28.91%
50	<b>Total Routine Maintenance</b>	<b>202,024</b>	<b>1,833,099</b>	<b>2,161,424</b>	<b>-15.19%</b>	<b>1,833,099</b>	<b>2,161,424</b>	<b>-15.19%</b>
<b>General Expenses</b>								
51	Protective Services	5,242	131,814	150,350	-12.33%	131,814	150,350	-12.33%
52	Insurance	19,387	200,559	215,877	-7.10%	200,559	215,877	-7.10%
53	Other General Expense	176,031	1,819,175	1,741,731	4.45%	1,819,175	1,741,731	4.45%
54	Payment in Lieu of Taxes	1,199	14,385	15,503	-7.21%	14,385	15,503	-7.21%
55	Collection Loss	13,716	205,024	112,982	81.47%	205,024	112,982	81.47%
56	Interest Expense	64,342	273,155	276,096	-1.07%	273,155	276,096	-1.07%
57	<b>Total General Expenses</b>	<b>279,917</b>	<b>2,644,112</b>	<b>2,512,540</b>	<b>5.24%</b>	<b>2,644,112</b>	<b>2,512,540</b>	<b>5.24%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,039,313</b>	<b>\$ 17,815,153</b>	<b>\$ 19,654,748</b>		<b>\$ 17,815,153</b>	<b>\$ 19,654,748</b>	
<b>Nonroutine Expenditures</b>								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	20,537	690,974	566,000	22.08%	690,974	566,000	22.08%
60	Casualty Losses	12,345	13,798	75,507	-81.73%	13,798	75,507	-81.73%
61	Sec 8 HAP Payments	2,583,998	29,734,913	30,260,802	-1.74%	29,734,913	30,260,802	-1.74%
62	<b>Total Nonroutine Expenditures</b>	<b>2,616,880</b>	<b>30,439,685</b>	<b>30,902,309</b>	<b>-1.50%</b>	<b>30,439,685</b>	<b>30,902,309</b>	<b>-1.50%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>4,656,193</b>	<b>48,254,838</b>	<b>50,557,057</b>	<b>-4.55%</b>	<b>48,254,838</b>	<b>50,557,057</b>	<b>-4.55%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>1,032,269</b>	<b>1,377,340</b>	<b>546,056</b>	<b>152.23%</b>	<b>1,377,340</b>	<b>546,056</b>	<b>152.23%</b>
65	Debt Service Principal Payments	(205,507)	(485,353)	(371,380)	30.69%	(485,353)	(371,380)	30.69%
<b>Surplus/Deficit Before Reserve</b>								
66	Appropriations	826,762	891,987	174,676	410.65%	891,987	174,676	
67	Reserve Appropriations - Operations	9,231	69,149	80,830	-14.45%	69,149	80,830	-14.45%
68	<b>Surplus/Deficit Before Capital Expenditures</b>	<b>835,993</b>	<b>961,136</b>	<b>255,506</b>		<b>961,136</b>	<b>255,506</b>	
69	Revenue - Capital Grants	927,590	2,247,092	(7,641,750)	-129.41%	2,247,092	(7,641,750)	-129.41%
70	Capitalized Items/Development Projects	(1,983,290)	(3,474,513)	4,968,750	-169.93%	(3,474,513)	4,968,750	-169.93%
71	Reserve Appropriations - Capital	105,700	277,421	2,673,000	-89.62%	277,421	2,673,000	-89.62%
72	<b>THA SURPLUS/(DEFICIT)</b>	<b>(114,007)</b>	<b>11,136</b>	<b>255,506</b>		<b>11,136</b>	<b>255,506</b>	

# TACOMA HOUSING AUTHORITY

## CASH POSITION - January 2015

Account Name	Current Balance	Interest
<b>HERITAGE BANK</b>		
Accounts Payable	\$ 1,828,574	0.40%
Section 8 Checking	7,598,903	0.40%
THA Affordable Housing Proceeds	3,103,881	0.40%
Note Fund Account	100	0.40%
Credit Card Receipts	100	0.40%
THA Investment Pool	288	0.40%
THA LIPH Security Deposits	91,256	0.40%
THDG - Tacoma Housing Development Group	157,788	0.40%
LF - SF 9Homes Alaska	27,972	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	2,751	0.40%
LF - SFH No. Shirley	24,061	0.40%
LF - SFH N Shirley Security Deposit Acct	1,000	0.40%
LF - Wedgewood Homes	510	0.40%
Salishan 7	971,772	0.40%
Salishan 7 Security Deposit	26,884	0.40%
Salishan 7 Replacement Reserve	124,713	0.40%
Salishan 7 Operating Reserve	198,456	0.40%
Payroll Account	7,802	0.40%
General Fund Money Market	536,820	0.40%
IDA Account	13,770	0.40%
<b>WASHINGTON STATE</b>		
Investment Pool	\$ 1,627,682	0.10%
<b>1. TOTAL THA CASH BALANCE</b>	<b>\$ 16,345,084</b>	
<b>Less:</b>		
<b>2. Total MTW Cash Balance</b>	<b>\$ 6,182,811</b>	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)	1,140,000	
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.10 Total Minimum Operating Reserves	\$ 1,866,000	
<b>3. MTW Cash Available (Lines 2-2.10)</b>	<b>\$ 4,316,811</b>	
<i>MTW Reserve Commitments</i>		
3.01 2nd Phase Hillside Terrace Redevelopment	\$ 2,420,000	
3.02 Renovation/Remodel of 2nd Floor of Admin Building	1,492,925	
3.03 Renovation/Remodel of Salishan FIC Building	579,500	
3.04 Renovation of Salishan Maintenance Shop	286,500	
3.05 RAD Conversion Costs - Capital Contributions to Projects	1,500,000	
3.06 Software Conversion for Operational Platform (VH)	600,000	
3.07 Education Projects - McCarver & Others	310,000	
3.08 Exigent Health & Safety Issues (Meth Remediation)	247,160	
3.10 Total Reserve Commitments (Lines 3.01 through 3.08)	\$ 7,736,085	



# TACOMA HOUSING AUTHORITY

## CASH POSITION - January 2015

### 4. Non MTW Cash

#### Other Restrictions:

4.01 FSS Escrows	\$	119,658	
4.02 VASH, FUP & NED HAP Reserves		118,744	
4.03 Mod Rehab Operating Reserves		150,482	
4.04 Security Deposit Accounts		122,234	
4.05 Salishan Sound Families - 608		69,275	
4.06 IDA Accounts - 604		13,770	
4.07 Gates Foundation - 612, 614 & 615		195,727	
4.08 WA Families Fund - 675, 713		35,801	
4.09 Bond Financed Single Family Homes Reserve		90,000	
4.10 Salishan 7 Reserves		748,169	
4.11 THDG - 048		157,788	
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,103,881	
4.20 Total - Other Restrictions	\$		5,136,927
Agency Liabilities:			
4.30 Windstar Loan - 042		274,868	
4.40 Total - Agency Liabilities	\$		274,868
4.45 Development Draw Receipts for Pending Vendor Payments	\$		-
4.50 Development Advances/Due Diligence Commitments <sup>1</sup>	\$		70,000

**5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.45+4.50)** \$ 5,481,795

**6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)** \$ 4,680,477

### 7. Agency Current Commitments:

	Board Approval	Expended	Obligation Balance
Salishan Campus (PY exp plus 2014 budget)	\$ 196,174	\$ 126,174	\$ 70,000
<b><sup>1</sup> Total Current Commitments outstanding</b>			<b>\$ 70,000</b>

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

Hillside Terrace Redevlpmnt - Chase Loan, LP Equity Funds	\$	38,043	
Prairie Oaks - Pierce Co CDBG, Lakewood CDBG, HTF	\$	279,992	
<b>Total Agency Advances</b>	\$	<b>318,035</b>	

REAL ESTATE MANAGEMENT  
AND  
HOUSING SERVICES



# TACOMA HOUSING AUTHORITY

Date: February 25, 2015

To: THA Board of Commissioners

From: April Black

Deputy Executive Director

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 January. The high vacancy rate in the family properties is attributable to THA's meth strategy, units being offline for rehabilitation and the sale of our Market Rate homes.

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% Month OCCUPIED
All Hillside/Bay Terrace	132	2	0	130	98.5%
Family Properties	147	27	13	120	81.6%
Salishan	631	11	0	620	98.3%
Senior/Disabled	353	11	0	342	96.9%
All Total	1,263	51	13	1,212	96.0%

- *Vacant Unit Turn:*

On page four (4) there is a table with all of the units turned in fiscal year 2015. Eleven (11) units were turned and rented in the month of January. The average unit turn time for the month of January was **43 days for eleven (11) clean units**.

Zero (0) of the units that were turned in January tested positive for meth. All contaminated units have gone out to bid and are scheduled to be rent ready in the month of January 2015. You will see their average turn times in future reports.

As of February 2, 2015, 142 of the 419 units that have been tested for contamination have tested positive for methamphetamine. Since, January 1, 2015, 1 unit has tested positive for methamphetamine.



### 1.1 Vacant clean unit turn status

For clean units, the average turn days for the month of January were 43 days (11 units). Weekend and holiday days (e.g. two weekends in a 20 day period would account for 4 days in the average, though they were not work days) and attendance issues within the maintenance team still remain a challenge as we strive to reduce our unit turn days. Maintenance staff during the month of January had an 8% absentee rate. This is 4% over our average.

Below is a list of units that exceeded our 20 day expectation. All of these units are a result of the above mentioned issues.

- AMP 1, 1202 S M Street #403 (29 days). Maintenance work was completed in (14) days. (12) days were contributed to leasing efforts.
- AMP1 1202 S M Street #504 (23 days). Maintenance work was completed in (13) days. (8) days were contributing to leasing efforts.
- AMP 3 5303 S Orchard Street #18 (93 days). This unit is one of our aged units from 2014. This unit became vacant when we were delayed in testing because of the back order of our meth testing kits. Once the unit tested clean, a decision was made to re direct staff to turn our other aged vacant units in our Tax credit portfolio to meet a year end goal to have them all leased up.
- AMP 3 5307 S Orchard St #33 (92 days). This unit is one of our aged units from 2014. This unit became vacant when we were delayed in testing because of the back order of our meth testing kits. Once the unit tested clean, a decision was made to re direct staff to turn our other aged vacant units in our Tax credit portfolio to meet a year end goal to have them all leased up.
- AMP 8 2350 South G Street #213 (73 days). There was a reporting error on this unit. Keys were turned in without giving proper notice. Tenant was responsible for the unit for the month of November 2014 but was moved out of our system by error on 10/31/2014. Maintenance work started on 12/5/2014 due to staff availability and was completed on 12/19/2014 (14 days). (24) days were contributed to leasing efforts.
- AMP 14 4111 Everett Ave (26 Days). Maintenance work was completed in (16) days. (4) days were contributed to leasing. The reaming delays were due to lost work days due to the holidays.
- AMP 14 2006 E 41<sup>st</sup> St (21 Days). Maintenance work was completed in (19) days. (2) days were contributed to leasing efforts.

- AMP 15 2016 E 43<sup>rd</sup> St (51 Days). This unit was vacated on 12/1. Once the unit tested clean it was placed into the rotation to be turned. Maintenance work was started on 12/22/2014. Maintenance work was completed in 29 days. (4) days were non work days due to the holidays. This unit had heavy damage from the previous tenant and needed extensive repairs.
- AMP 16 4878 Court Q (27 Days). Maintenance work was completed in (19) days. (6) days were contributed to leasing efforts.

#### 1.2 Contaminated unit turns

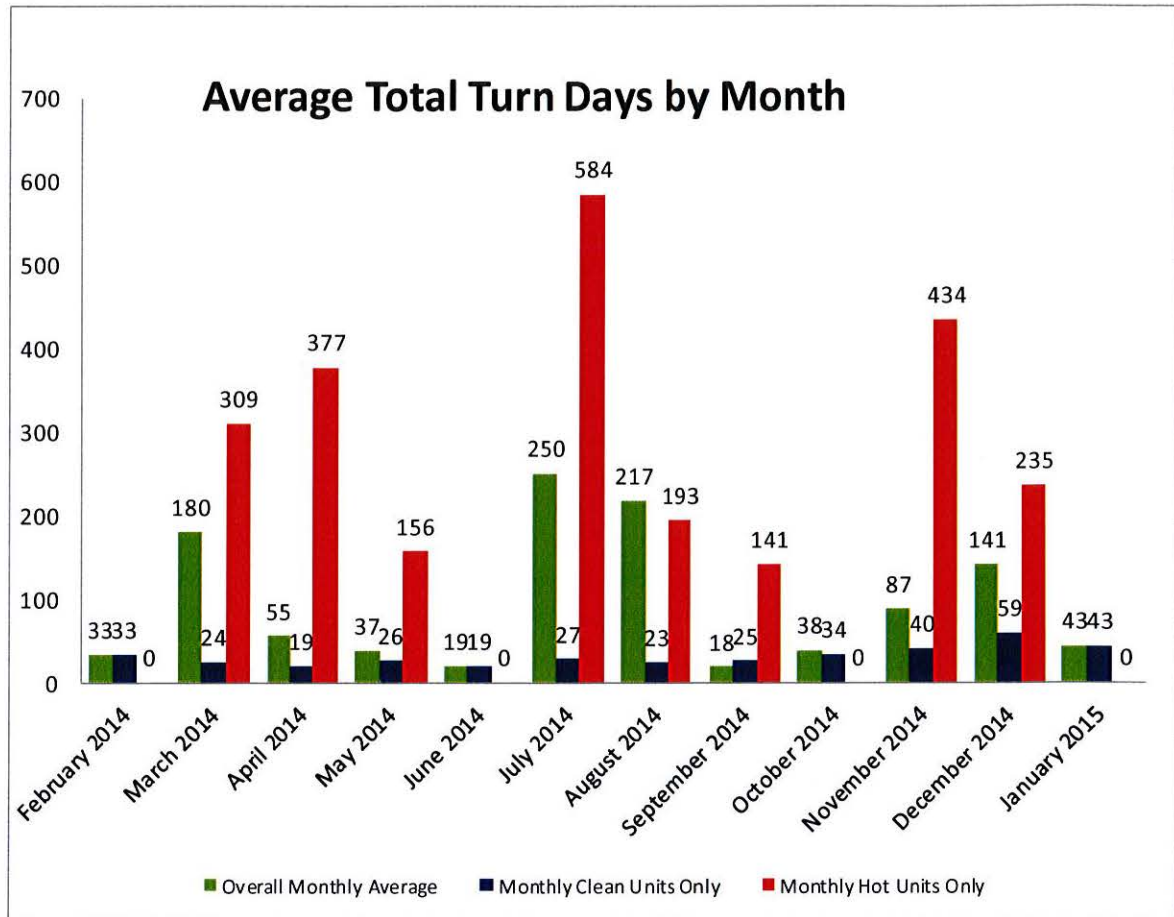
As of February 2, 2015 there were 54 vacant units in THA's portfolio. Of these units:

- 38 are not contaminated
- 6 are awaiting testing
- 9 are in remediation/reconstruction
- 10 units are on hold for rehab/water intrusion
- 11 units were completed by contractor and returned to sites

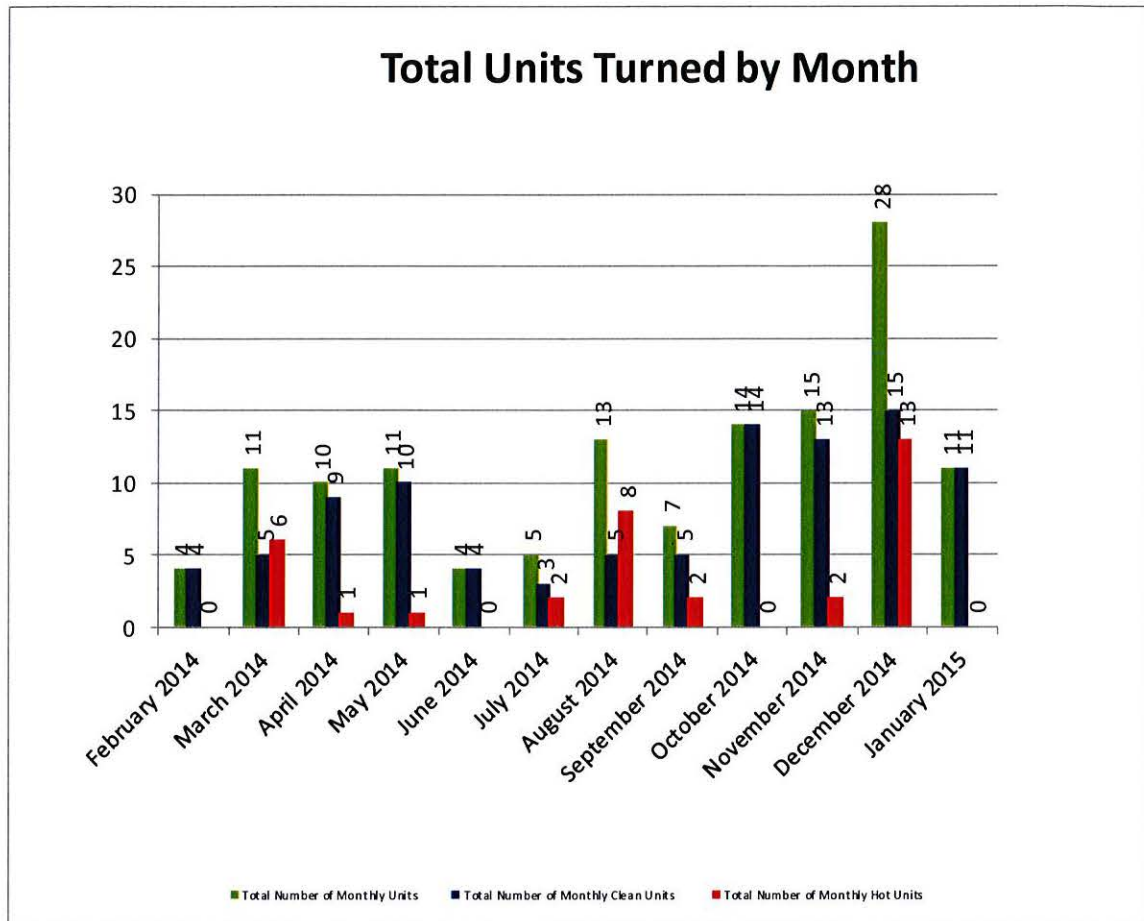
February 25, 2015 Board of Commissioners Meeting  
 REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY  
 REPORT

Page 4

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







*Work Orders:* In the month of January, all emergency work orders were completed within 24 hours. In January, maintenance staff completed 83 non-emergency work orders and a total of 83 for the calendar year. The annual average number of days to complete a non-emergency work order is 16.70.

In the table on page 7, you may note a spike in aged work orders. This spike is attributed to a new process for work order entry. Staff have been entering each individual work item, rather than a single work order for each unit. We have hired a temporary Property Management Assistant to help us close the work items that have been completed but not yet entered and to “line up” the oldest work orders for immediate completion. The Asset Management Committee has made the decision to stop creating single item work orders. Although this process was suggested by our 3<sup>rd</sup> party consultants, we found that the increased efforts to close these work orders became unmanageable. We will now create a single work order that will have multiple tasks attached that will allow us to close out our work orders in a timely manner.

During last month's board meeting it was mentioned that there was a concern that we are not addressing work orders in a timely manner as well as the permission to enter (PTE) have expired which has forced us to reissue these work orders and get new PTE entry days. The plan to get to all of our aged work orders completed is as follows:

- Staff will be pairing up all single item work orders and combining them into (1) work order for the unit
  - This will allow us to have an accurate count of outstanding work orders for each unit.
- A work order team will be created to focus on just work orders.
  - This will allow us to focus on only work orders to get aged work orders addressed and closed out while still focusing on all emergency and urgent work orders.

## Open Work Order Summary by Portfolio For the Month of January, 2015

Portfolio	Emergency		Non Emergency		
	Opened Emergency WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
<b>All Hillside</b>					
BT BAY TERRACE (PH)	0	0	7	4	3
HT150C HILLSIDE TERRACE 1500 Block	0	0	3	2	1
HT2 HILLSIDE TERRACE PH II	0	0	5	2	3
	0	0	15	8	7
<b>Family Properties</b>					
020 BERGERSON TERRACE	3	0	9	4	5
022 LOW RENT SCATTERED SITES (19)	1	0	12	6	6
023 DIXON VILLAGE	1	0	6	4	2
044 ALASKA 9 HOMES	0	0	3	1	2
	5	0	30	15	15
<b>Salishan</b>					
SAL1 SALISHAN ONE LLC (PH)	0	0	63	15	48
SAL2 SALISHAN TWO LLC (PH)	1	0	48	15	33
SAL3 SALISHAN THREE LLC (PH)	0	0	63	9	54
SAL4 SALISHAN FOUR LLC (S8)	2	0	55	13	42
SAL5 SALISHAN V LLC (S8)	0	0	109	13	96
SAL6 SALISHAN SIX LLC (PH)	1	0	108	17	91
SAL7 SALISHAN SEVEN	2	0	75	19	56
	6	0	521	101	420
<b>Senior / Disabled Properties</b>					
006 NORTH K ST	0	0	62	7	55
008 E.B. WILSON	6	0	47	26	21
009 FAWCETT APARTMENTS	0	0	23	6	17
010 WRIGHT AVE	3	0	16	13	3
012 LUDWIG APARTMENTS	1	0	21	5	16
013 NORTH G ST	0	0	4	4	0
014 6TH AVE #2	2	1	54	2	52
	12	1	227	63	164
<b>Agency Totals:</b>	<b>23</b>	<b>1</b>	<b>793</b>	<b>187</b>	<b>606</b>



February 25, 2015 Board of Commissioners Meeting  
 REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY  
 REPORT

Page 8

**Work Order Summary by Portfolio**  
**For the Month of January, 2015**

Completed Work Orders								
Portfolio	Emergency				Non-Emergency			
	Month		YTD		Month		YTD	
	# Completed	% Completed In 24 Hrs	# Completed	% Completed In 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
<b>All Hillside</b>								
BAY TERRACE	0	0.0%	0	0.0%	3	17.33	3	17.33
HILLSIDE TERRACE 1500 Block	0	0.0%	0	0.0%				
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	1	42.00	1	42.00
HILLSIDE TERRACE PH II	0	0.0%	0	0.0%	4	17.25	4	17.25
	0	0.0%	0	100.0%	8	20.38	8	20.38
<b>Family Properties</b>								
BERGERSON TERRACE	2	100.0%	2	100.0%	5	13.40	5	13.40
DIXON VILLAGE	1	100.0%	1	100.0%	7	7.43	7	7.43
MARKET RATE SFR	0	0.0%	0	0.0%	1	45.00	1	45.00
SCATTERED SITES	1	100.0%	1	100.0%	0		0	
	4	100.0%	4	100.0%	13	12.62	13	12.62
<b>Salishan</b>								
SALISHAN I	0	0.0%	0	0.0%	6	59.67	6	59.67
SALISHAN II	1	100.0%	1	100.0%	2	1.00	2	1.00
SALISHAN III	0	0.0%	0	0.0%	1	1.00	1	1.00
SALISHAN IV	0	0.0%	0	0.0%	0		0	
SALISHAN V	0	0.0%	0	0.0%	4	27.75	4	27.75
SALISHAN VI	0	0.0%	0	0.0%	2	46.00	2	46.00
SALISHAN VII	2	100.0%	2	100.0%	0		0	
	3	100.0%	3	100.0%	15	37.60	15	37.60
<b>Senior / Disabled Properties</b>								
6TH AVE	1	100.0%	1	100.0%	3	23.33	3	23.33
E.B. WILSON	6	100.0%	6	100.0%	30	2.67	30	2.67
FAWCETT APARTMENTS	0	0.0%	0	0.0%	3	5.67	3	5.67
LUDWIG APARTMENTS	1	100.0%	1	100.0%	3	67.33	3	67.33
NORTH G ST	0	0.0%	0	0.0%	2	2.00	2	2.00
NORTH K ST	0	0.0%	0	0.0%	1	120.00	1	120.00
WRIGHT AVE	2	100.0%	2	100.0%	5	0.40	5	0.40
	10	100.0%	10	100.0%	47	10.53	47	10.53
<b>Agency Totals:</b>	<b>17</b>	<b>100.0%</b>	<b>17</b>	<b>100.0%</b>	<b>83</b>	<b>16.70</b>	<b>83</b>	<b>16.70</b>

## 2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 99.1% for the month of January 2015. We are continuing to issue HOP subsidies to bring this average up to meet MTW requirements.

The DSHS/HOP (family unification) vouchers, College Assistance Program vouchers and Nativity House vouchers have been added to the monthly count.

We have met with DSHS to help them with their process to lease up the DSHS/HOP vouchers. They have a good plan in place and we expect the vouchers to be utilized soon. We will meet monthly to oversee their progress.

The College Housing Assistance Program is moving forward. In order to fill the remaining 10 vouchers, they Tacoma Community College has reopened their waiting list.

Nativity House is open and leasing. So far 3 units have been housed with 24 units in various levels of approval. The goal for Nativity House is to lease up all 50 units by the end of February. THA staff is ready to move on these referrals in order to meet their deadline.

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

Program Name	Units Allocated	Units Leased	Number of shoppers*
Veterans Administration Supportive Housing (VASH)	158	134	15 shoppers 9 referrals needed
Non-Elderly Disabled Vouchers (NED)	100	84 ( including 11 port outs)	14 shoppers 2 referrals needed
Family Unification Program (FUP)	50	46	2 shoppers 2 referrals needed
DSHS/HOP	20	0	3 shoppers 17 referrals needed
McCarver Program	50	36	8 shoppers 10 referrals needed 24 pending final lease up info 24 referrals needed
College Housing Assistance Program (CHAP)	25	7	
Nativity House	50	4	

REAL ESTATE  
DEVELOPMENT





# TACOMA HOUSING AUTHORITY

DATE: February 25, 2015

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. Potential uses of the site will be coordinated with Metro Parks and the city to ensure complementary community uses for the Eastside neighborhood and Salishan.

#### 1.1.2 *Area 3 Lot Sales*

DR Horton has four models open. DR Horton is pleased with the level of interest. To date, 16 low income households have been approved to purchase homes at Salishan. During the 2<sup>nd</sup> quarter, DR Horton closed on 25 houses, 4 of which were sold to low income buyers. During the third quarter, DR Horton closed on thirty (30) houses, five (5) of which were sold to income eligible households. During the 4<sup>th</sup> quarter DR Horton closed on thirty one (31) homes, 5 of which were sold to income eligible households.

#### 1.1.3 *Area 2B*

D.R. Horton plans to start construction activities the third week in January.

#### *Area 2B Property Sale to Metro Parks*

THA is working with Metro Parks of Tacoma on the sale of two home ownership parcels and one parcel of open space located in Salishan's Area 2B. This sale is consistent with the community goals and will allow park visitors to enter off of Portland Avenue and travel East on 51<sup>st</sup> street to enter Swan Creek. Staff and Metro Parks are currently negotiating the deal points of the PSA and hope to bring a resolution to the BOC in 2015.

#### 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 continues to negotiate with the

prospective purchaser as outlined in the resolution approved by the board in April, 2014. Pursuant to that letter we signed a non-binding letter of interest for the sale. THA is negotiating a Purchase and Sale Agreement with the buyer. Final terms will be brought to the Board for its approval before it is executed. Summit Housing is moving slowly on closing this agreement as they want to be reasonable sure of receiving tax credits for this and other projects they are pursuing in Pierce County.

## **2. PUBLIC HOUSING PROJECTS**

### **2.1 Bay Terrace Phase I**

*Summary of Project Activities.* Phase I Restructuring - All of the documents required to meet the obligations of the CFCF grant award have been completed.

2.1.1 *Construction.*  
None to report.

2.1.2 *Lease-Up and Operations.*  
All Phase I units are leased and the project has entered the lease up stabilization period. A conversion to permanent financing is scheduled for the end of March 2015.

2.1.3 *Community Meetings.*  
Staff will organize an additional community meeting within the next couple of months to display the design concept and programming for Phase II.

### **2.2 Bay Terrace – Phase II**

Phase II Proposal: Staff has developed and reviewed several Phase II programs in preparation for a 9% tax credit application to be submitted in January 2015. A program incorporating the following unit mix is the focus of an architectural concept study and contractor pricing. The current development budget for this project is projected to be \$21 Million, which will provide 74 units in a mix of one, two and three bedrooms. This will also include community spaces that are complementary to Phase I. At this time, staff is talking with the contractor about their proposed construction cost, as it is higher than projected.

2.2.1 *Financing.*  
HOME Funds. On January 21, 2015, staff received official notification of the award of \$1 million in HOME funds from the Tacoma Community Redevelopment Authority.

On January 23, 2015 staff submitted a 9% tax credit application to the Washington State Housing Finance Commission. On February 4, 2015 the Finance Commission issued the list of accepted projects of which Bay Terrace Phase II

was one! This award will generate approximately \$15 million in private equity for the project.

#### *2.2.2 Procurement*

##### Architecture

In January 2015 the Board approved Resolution 2015-1-28(4) authorizing the Executive Director to negotiate and enter into an agreement for A7E Services with GGLO, LLC for an amount not-to-exceed \$1.4 million. Staff has completed negotiations with GGLO, LLC for A&E Services for the amount indicated in the below table.

Task	Cost
Basic Design Services	\$1,173,628.00
Additional Design Services	\$148,640.00
Reimbursable Items	\$55,564.00
Total	\$1,377,832.00

##### Contractor Pre-construction Services

In January 2015 the Board approved Resolution 2015-1-28(5) authorizing the Executive Director to negotiate and enter into an agreement with Absher Construction for Pre-Construction Services in an amount not-to-exceed \$133,000.00. Staff has completed the negotiations and an agreement has been executed in the amount of \$133,000.00

##### Financing

Staff will prepare and publicize a Request for Proposals for lenders and investors in March 2015. Jim Brawner is the Financial Advisor for this transaction.

### **3. Bergerson Terrace**

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

The First Phase of work is underway. Casey Dechant Architects published the Bid Documents, bids were opened on December 10, 2014 and Stetz Construction was the successful bidder. Demolition work started January 19, 2015 and has been completed in 5 units. Asbestos abatement is ongoing as units are readied. Plumbing and Electrical rough-in is underway in the units where abatement is finished and clearance is approved.

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



#### **4. OTHER PROJECTS**

##### **4.1 AG Program**

Good News Group has substantially completed 1910 E 59<sup>th</sup> St. and final punch work. Project closeout is scheduled for the end of February.

Libby Builders is the responsible and responsive bidder for 6615 S Puget Sound. The Interior Scope of Work includes; drywall replacement, painting, new doors, frames and casement, new kitchen cabinets and bathroom vanities, plumbing & lighting upgrades and fixtures, new flooring and appliances. The exterior scope of work includes; Removal and replacement of the roof, main sewer line replacement, siding repairs and landscape improvements. Construction is scheduled to begin February 23<sup>rd</sup>.

##### **4.2 LASA Supportive Housing Project**

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

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

###### **4.2.1 Construction**

Siding installation will be completed by mid-February. Gypsum wall board hanging is complete on the second level and underway on the first floor. Taping and texturing are underway on the second level. Interior painting, mill work and doors will begin in mid-February.

Substantial completion is scheduled for March 16, 2015.

###### **4.2.2 Property Management**

REIS property management company responded to the RFP to provide services for Prairie Oaks; staff will recommend executing an agreement with them to provide these services. On a parallel track, staff is coordinating with LASA, Pierce County Housing Authority, REIS and THA Compliance and Asset Management to clarify everyone's roles.

Management Project schedule:

RFP Issued	November 24, 2014
Deadline for Written Questions	December 5, 2014

Responses to Written Question	December 12, 2014
Deadline for Proposals	January 15, 2015
Proposals Reviewed	January 15-18, 2015
Interviews	February 6, 2015
Property Management Firm	February 20th, 2015

**4.3 Construction Management Services for the City of Tacoma**

The contract with the City is in effect. Staff continues to make site visits and complete reports for the projects.

**4.4 THA 902 Administration Building Tenant Improvement Project**

The plans and specifications are complete and the project went out to bid on January 27, 2015. The bid opening was February 17, 2015. A resolution is before the board to award the contract to the lowest responsive and responsible bidder.

**4.5 Consulting and Community Engagement**

Trinity Presbyterian Church, Life Changing Ministries and the Salvation Army are participating in the design studio being conducted through UWT. In addition, students from UW Real Estate and Business School are preparing a business plan for the Salvation Army portion of the site. The combination of the business plan and design will be submitted as a student project to the Bank of America Affordable Housing Competition. This annual competition is designed encourage students to consider affordable housing careers.

**5. DEVELOPMENT PIPELINE PROJECTS**

**5.1 Intergenerational Housing at Hillsdale Heights**

The Many Lights Foundation (MLF) continues work on this project and was approved for a predevelopment loan with IMPACT capital. THA staff assisted with the predevelopment budget for this project and will continue the discussions with MLF about a joint development, where THA would own the units and master lease to the MLF. They are open to this concept.

On February 21, 2015, staff will meet with the Many Lights Foundation Board of Directors to discuss options and a foundation to establish a joint development.

**5.2 Hilltop Lofts**

The Schematic Design phase of the project was completed in early December. Staff and the A&E team are working on scope changes to keep the project within a financeable budget. It is anticipated a follow-up public meeting will be scheduled early 2015. Staff submitted a Stage 1 funding application to the Department of Commerce on December 15, 2014 requesting \$3 Million from the Housing Trust Fund.

### 5.3 New Look Apartments/Alberta Canada Building Acquisition

Staff presented a proposal to MLKHDA to transfer the managing member interest of New Look Apartments from MLKHDA to THA. The proposal is essentially the same transaction as was agreed to previously with MLKHDA. In addition to updating the prior due diligence work, THA is requiring a status report and/or confirmation on the improvements that were to have been made to the property following THA's last set of inspections. THA requested a decision by MLKHDA's Board of Directors by March 4, 2015.

### 5.4 Acquisition

5.4.1 A proposal to acquire Lakeside Landing will be presented to the board during the February meeting.

5.4.2 An offer was made to purchase a property at 1011 S. L Street. The sellers accepted another offer.

## 6. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of February 2, 2015 for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

<u>Grant</u>	<u>Total Grant</u>	<u>Obligation Start Date</u>	<u>Obligated</u>	<u>% Obligated</u>	<u>Obligation Deadline</u>	<u>Expended</u>	<u>% Expended</u>	<u>Expended Deadline</u>
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$2,345,627	100%	7/14/14
2010 CFP (1 <sup>st</sup> 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	\$393,521	22%	8/2/15
2011 CFP (1 <sup>st</sup> R)	\$736,455	8/3/11	\$736,455	100%	8/2/13	\$736,455	100%	8/2/15
2011 CFP (2 <sup>nd</sup> R)	\$549,895	8/3/11	\$549,895	100%	8/2/13	\$549,895	100%	8/2/15
CFCF	\$1,881,652	8/3/11	\$1,881,652	100%	8/2/13	\$1,841,456	97%	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 <sup>st</sup> R)	\$1,026,290	3/12/12	\$1,026,290	100%	3/11/14	\$1,026,920	100%	3/11/16
2012 CFP (2 <sup>nd</sup> R)	\$128,701	3/12/12	\$128,701	100%	3/11/14	\$128,701	100%	3/11/16
2013 CFP	\$1,319,864	9/9/13	\$0	0%	9/8/15	\$0	0%	9/8/17
2013 CFP (1 <sup>st</sup> R)	\$322,158	9/9/13	\$322,158	100%	9/18/15	\$322,158	100%	9/8/17
2013 CFP (2 <sup>nd</sup> R)	\$1,015,495	9/9/13	\$1,015,495	100%	9/18/15	\$942,384	92%	9/8/17



February 2015 Board of Commissioners Meeting  
REAL ESTATE DEVELOPMENT DEPARTMENT MONTHLY REPORT  
Page 7

---

2014 CFP	\$1,590,067	5/13/14	\$0	0%	5/12/16	\$0	0%	5/12/18
2014 CFP (1 <sup>st</sup> R)	\$277,032	5/13/14	\$0	0%	5/12/16	\$0	0%	5/12/18
2014 CFP (2 <sup>nd</sup> R)	\$873,158	5/13/14	\$290,178	33%	5/12/16	\$0	0%	5/12/18

# COMMUNITY SERVICES



# TACOMA HOUSING AUTHORITY

DATE: February 25, 2015  
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. 2015 GOALS

**Director's Comment:** We have completed a new, much improved Draft Board Report for Community Services. The Draft is now with Michael Mirra for review. The new format provides a much more rigorous report of the costs, cost savings and measurable outcomes for CS' work, in a more varied and visually engaging series of figures and graphs. While some data will continue to be reported on a monthly basis, many outcomes will be tracked on a quarterly and annual basis. The outcome measures will relate directly to targets identified in the Housing and Support Services Section of the THA Strategic Plan.

Pending approval by the ED, we hope to present February's data in the new format, and receive Board feedback about the new format at the March meeting.

In reporting January data, we have not identified 2015 goals. This is because so much of the current format will not be retained. 2015 goals will be identified in the March report.

#### 1.1 Employment

**Manager's Comment - Mary Syslo:** Employment readiness soft skills workshops are held approximately quarterly. There was no workshop held in January.



Activities	Jan. 2015	YTD 2015	Annual Goal	% of Goal
Clients referred for employment services	82	82	TBD	
Clients who received employment services	61	61	TBD	
Clients enrolled in employment readiness soft skills workshops	8	8	TBD	
Clients completed employment readiness soft skills workshops	0	0	TBD	
Enrolled in job readiness training	9	9	TBD	
Job placement	2	2	TBD	
WorkSource Participants Assisted	6	6	TBD	
Entered Apprenticeship	1	1	TBD	
Work Study/Community Jobs/Internships	5	5	TBD	
Earned Income Increased	11	11	TBD	

## 1.2 Education

### 1.2.1 Adult Education Programs

**Manager's Comment – Mary Syslo:** These numbers will go up as the year progresses.

Activities	Jan. 2015	YTD 2015	Annual Goal	% of Goal
Participating in ESL classes	0	0	TBD	
Completes one or more ESL levels	0	0	TBD	
Adults enrolled in education program	5	5	TBD	
Adults complete education program	0	0	TBD	
Participants attending GED classes	1	1	TBD	
Completes one or more GED tests	0	0	TBD	
Attains GED	0	0	TBD	
FAFSA applications completed	0	0	TBD	

### 1.2.2 McCarver Special Housing Program

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

**Manager's Comment---Jean Brownell:**

Given the data in the year three McCarver Evaluation, we have offered a proposal to the School District for the expansion of the program to an additional school. The School District is working on determining what financial support they can offer. The expansion marks our transition from pilot to permanent program, and will entail changes to the model based upon data gathered and learnings to date. We are now working on planning, including selecting a new school and researching casework models. In addition we are developing a new model for the rent structure and for the hardship payments. Currently, only 25% of the families are able to pay the expected 60% of their rent.

**Director's Comment:** A Memorandum is attached in this month's Board package outlining the Special Housing Program's positive impact on student mobility, student performance and household stabilization.

Activities	Baseline 2010-2011	2011- 2012	2012- 2013	2013- 2014
Turnover rate at McCarver Elementary	107%	96.6%	75.2%	74.3%
Turnover among Program Students	n/a	4.5%	13.3%	2.7%
Turnover among other McCarver students	n/a	114.2%	89%	90%

Activities	Jan. 2015	YTD 2015	Annual Goal	% of Goal
Families participating	36	36	TBD	
Clients paying 60% of rent	9	9	TBD	
Families on hardship	25	25	TBD	
Average school attendance rate*	n/a	n/a	TBD	
Referrals for discipline (school avg. 27.2%)	n/a	n/a	TBD	
% students increase scores on district reading test (K-5)	n/a	n/a	TBD	
% students increase scores on district math test (K-5)	n/a	n/a	TBD	
Average increase in state reading test (Gr. 3-5)	n/a	n/a	TBD	

- In this table, “n/a” denotes “not available.” Data on these items are gathered by the school district on a quarterly or annual basis. .

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

McCarver continues to receive considerable national attention. An article in US News and World Report came out this month.

### 1.3 Housing Opportunities Program (HOP)

**Manager’s Comment– Mary Syslo:** There were no HOP orientations in January. We expect this to pick up in February and March. Caseworkers continue to work diligently to engage HOP clients in community services, and engagement remains a challenge.



Activities	Jan. 2015	YTD 2015	Annual Goal	% of Goal
HOP orientations	0	0	TBD	
Work-able attendees	0	0	TBD	
Attendees requesting CS	0	0	TBD	
Work-able HOP Clients housed	9	9	TBD	
HOP intakes	11	11	TBD	
HOP clients referred to FSS	3	3	TBD	
HOP clients referred to general services	8	8	TBD	

#### 1.4 Families in Transition (FIT)

**Manager's Comment – Mary Syslo:** Community Services and Property Management staff continue to meet regularly to ensure that we are in compliance with our tax credit set aside requirements.

	Salishan 1 & 2		Salishan 3-7		Hillside Terrace	
<b>Total Current Caseload</b>	16		8		3	
	Jan 2015	YTD 2015	Jan. 2015	YTD 2015	Jan. 2015	YTD 2015
Entrances	0	0	0	0	0	0
Graduations	0	0	2	2	0	0
Exits	0	0	0	0	0	0
Terminations	1	1	0	0	0	0

#### 1.5 Case Staffing

**Manager's Comment – Mary Syslo:** Recent inspections of units in Sals 1 & 2 uncovered a number of residents who are in need of assistance with housekeeping. These residents will be referred to Community Services for casework services. We anticipate the number of households referred for services to be high in February.

Activities	Jan. 2015	YTD 2015	Annual Goal
Number of households referred for services	0	0	TBD
N. of successful completions (eviction averted)	1	1	TBD
Number terminated	2	2	TBD
Number withdrawn	4	4	TBD

#### 1.6 MTW Hardship Exemption Casework

Activities	Jan. 2015	YTD 2015	Annual Goal
Number of households referred for services	2	0	n/a
Number of successful completions	0	0	n/a
Number terminated	0	0	n/a

#### 1.7 Family Self-Sufficiency Program

**Manager's Comment - Mary Syslo:** We are actively recruiting households for the FSS program. There were 11 residents at our January orientation. Two attendees signed a Contract of Participation.

Status	Jan. 2015	YTD 2015	Annual Goal	% of Goal
Current Participants	117	117	TBD	
Graduates	1	1	TBD	
Removed/Voluntarily Withdrawn	0	0	TBD	
New Contracts Signed	2	2	TBD	
Escrow Balance	\$128,087.93			

## 1.8 Parenting Classes

Activities	Jan. 2015	YTD 2015	Annual Goal	% of Goal
Parenting Enrollment	0	0	75	0%
Parenting Completion	0	0	65	0%

**Manager's Comment – Mary Syslo:** We will be entering into a new contract with Bates Technical College shortly for parenting class.

## 1.9 Senior and Disabled Services

**Manager's Comment – Mary Syslo:** Our Senior & Disabled Specialist Caroline Cabellon is on medical leave. We are in the process of hiring a full time temporary Specialist to cover her position until she is able to return to work in this capacity full-time. Until the temporary position is filled, other CS Case Workers are working with established high needs clients and receiving new referrals from Property Management on a limited basis.

## 1.10 Asset Building

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

For youth, our main program will be the New Salishan Children's' Savings Account. Our Project Manager, Andrea Cobb, is hard at work planning for the launch of the program this fall.

We are making substantial progress on the design and plan to implement the New Salishan CSA in the Fall. We are excited by the extent to which the CSA is likely to provide a platform that supports the work of community partners who are already working to mentor students and support families in furthering their children's educational goals.

We are also in discussion with regional and national funders who may provide long-term support to the CSA.



### 1.11 Computer Labs

**Program Description:** THA has a community computer lab at Bergeson Terrace. A part-time temporary After School Program Coordinator provides afterschool tutoring, youth leadership, and adult access to the computers. In response to community request, the community computer lab at Bay Terrace will be opening in late February temporarily to allow residents to prepare their taxes online.

Activities	Jan. 2015	YTD 2015	Annual Goal	% of Goal
Computer Lab Participation (cumulative visits)	195	195	TBD	

**Project Manager's Comment – Jean Brownell:** As reported previously, the goal and the data collected are duplicated numbers. The average *unduplicated* number of people accessing the Bergeson computer lab in January was 36. Most are regular users throughout the month. This month saw an increase in adult users, doing taxes or employment search. School age attendance is down because students are participating in after school activities such as sports at their schools.

### 1.12 Youth Activities

**Manager's Comment – Jean Brownell:** Ongoing partnerships continue with KBTC Public Television, Reach out and Read, and Peace Community Center. We are beginning to plan for Spring Break Camp, in partnership with KBTC. We look forward to creating a fun-filled and academic session for our kids.

# NEW BUSINESS

## RESOLUTION #1





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-2-25 (1)

**Date:** February 25, 2015

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** 902 South L Street Administration Building Tenant Improvement - Contractor

---

### **Background**

This resolution would authorize the Executive Director to negotiate a contract, and if those negotiations are successful, to execute the contract with a contractor for the remaining fix up of the 902 South L Street Building. On January 27, 2015 THA staff advertised an Invitation to Bid (ITB) from interested General Contractors to provide THA with competitive bids to perform the work.

The ITB was posted on Washington Electronic Business Solutions, (WEBS), THA's website and twelve (12) Plan Centers on January 27, 2015. Five (5) firms responded to the ITB by the due date of February 17, 2015. THA RED staff reviewed the proposals.

The results are as follows:

<b>Contractor</b>	<b>Base Bid</b>	<b>Deductive Alt 1</b>	<b>Deductive Alt 2</b>	<b>Deductive Alt 3</b>	<b>Deductive Alt 4</b>
Stetz Const.	\$1,196,115	-\$12,600	-\$9,000	-\$6,671	-\$13,750
Besley, Inc.	\$1,293,000	-\$5,926	-\$2,455	-\$1,630	-\$12,927
D. P. Wain	\$1,415,525	-\$5,200	-\$2,500	-\$3,900	-\$12,000
Shinstine Const.	\$1,425,000	-\$2,800	-\$7,800	-\$4,200	-\$17,000
Pease Const.	\$1,433,450	-\$4,520	-\$320	-\$1,830	-\$14,980

The budget for the construction activities is \$1,181,196, plus contingency of \$59,059, for a total of \$1,240,255. The base bid is \$14,919 over the budgeted amount, before contingency. As part of the bid process, staff identified four parts of the construction work that would be nice to have completed, but not necessary. These are called deductive alternates. In order to maintain a healthy contingency for the project, staff is recommending using Deductive Alternates 1 and 2 resulting in a revised lower cost of \$1,174,515. This will provide a contingency of \$65,740. The construction budget total remains at \$1,240,255.

The total budget for the project approved by the Board of Commissioners in the 2015 Agency Budget is \$1,550,000. The construction portion of the project budget is \$1,240,255 and covers the 2<sup>nd</sup> floor construction work, the new HVAC for the entire building as well as work in the

lobby on the first floor. The remaining budget (\$309,745.00) covers Architectural and Engineering costs, testing services, moving services and furniture. These services are paid for from different contracts with different vendors.

It is important to note that the approved total project budget does not include funding for the work to be done in the Administration side of the first floor (the north side), other than the HVAC upgrades. The bid documents did include costs for the server room relocation construction, adding a clear glass door to convert a storage room into an office and the relocation of a bookcase. This amount was estimated at \$28,322. The budget is not impacted since the contingency will cover this cost; however, should we run into unexpected items that need to be addressed during the remodel, additional funding will be required.

### **Recommendation**

Approve Resolution 2015-2-25 (1) authorizing the Executive Director to negotiate, and if those negotiations are successful, to award the contract to Stetz Construction in the amount of \$1,174,515.00 plus contingency of \$65,740.00, as needed. The total amount of the contract is not to exceed \$1,240,255.00 including contingency.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-2-25 (1)

### 902 South L Street Administration Building Tenant Improvement - Contractor

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

**Whereas,** On January 27, 2015 Tacoma Housing Authority (THA) staff advertised an Invitation to Bid (ITB) proposals from interested General Contractors to provide THA with competitive bids to perform the construction for the 902 South L Street Tenant Improvement project;

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

**Whereas,** five firms submitted proposals by the deadline of February 17, 2015;

**Whereas,** the lowest responsive and responsible bidder was Stetz Construction in the amount of \$1,196,115;

**Whereas,** in order to keep a healthy contingency and stay within the budget, Deductive Alternates 1 and 2 were accepted;

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to execute a contract with Stetz Construction in the amount of \$1,174,515 plus contingency of \$65,740, as needed. The total amount of the contract is not to exceed \$1,240,255.00 including contingency for the construction for the 902 South L Street Tenant Improvement project.

**Approved: February 25, 2015**

---

Stanley Rumbaugh, Chair