



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**May 27, 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, May 27, 2015**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, May 27, 2015 at 4:45 PM**

The meeting will be held at:

**Dixon Village  
5420 South Stevens  
Tacoma, WA**

The site is accessible to persons with disabilities. Persons requiring special accommodations should contact Sha Peterson at (253) 207-4450, before 4:00 p.m. the day before the scheduled meeting.

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I, Sha Peterson, certify that on or before May 22, 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*

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Sha Petesron  
Executive Assistant



# TACOMA HOUSING AUTHORITY

**AGENDA  
REGULAR MEETING  
BOARD OF COMMISSIONERS  
May 27, 2015 4:45 PM  
Dixon Village**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
  - 3.1 Minutes of April 22, 2015 – Regular Session
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Client Services
  - 7.3 Property Management
  - 7.4 Real Estate Development
- 8. NEW BUSINESS**
  - 8.1 2015-5-27 (1) Reconstruction of Market Rate Scattered Sites Units to be Disposed
  - 8.2 2015-5-27 (2) Redwood/Juniper, Pine Tree Harbor and Conifer South Defeasance of Revenue Bonds
  - 8.3 2015-5-27 (3) Project Based Voucher extension: Pacific Courtyard
  - 8.4 2015-5-27 (4) Project Based Voucher extension: Hillside Terrace 1500 Block
  - 8.5 2015-5-27 (5) Project Based Voucher extension: Tyler Square
  - 8.6 2015-5-27 (6) PSA Salishan Area 2B Metro Parks
  - 8.7 2015-5-27 (7) THA Resolution Brawner & Company, Financial Advisor Services
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**
- 11. ADJOURNMENT**

# MEETING MINUTES





# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, April 22, 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 401 North G Street, Tacoma, WA at 4:45 PM on Wednesday, April 22, 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 4:50 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 Janis Flauding, Commissioner  Minh-Anh Hodge, Commissioner	     Rose Lincoln Hamilton, Commissioner
<b>Staff</b> Michael Mirra, Executive Director Christine Wilson, Executive Administrator Ken Shalik, Finance and Director April Black, Deputy Executive Director Barbara Tanbara, Human Resources Director Greg Claycamp, Client Services Director Kathy McCormick, RED Director Todd Craven, Administration and Asset Management Director Pat Patterson, Property Management Director	

Chair Rumbaugh declared there was a quorum present @ 4:51 PM and proceeded.

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

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, March 25, 2015. Commissioner Flauding moved to adopt the minutes, Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

### **4. GUEST COMMENTS**

Edna Garrett resident of the G Street apartments, addressed the board. She reported being locked out of the building for one week. Her THA keyless ID card was not working. She also reported that building residents would not open the door for her stating she needed a working keyless card in order to gain entry into the building.

Ronnie Slimmer, a next door neighbor, also addressed the board. He came to thank the board for listening to concerns raised at the last board meeting and for cleaning up the building. He also thanked the G Street residents for their collective work to advocate for their needs. He urged the board and THA staff to continue monitoring the building. Chair Rumbaugh stated the board agrees with his statement and encouraged residents and neighbors to continue communicating their concerns with THA staff, the board, Tacoma Police Department (TPD), and security. ED Mirra reported that after the last board meeting he visited with the Chief of the TPD. The Chief and his staff were swift in responding to ED Mirra's request for police assistance.

### **5. COMMITTEE REPORTS**

Real Estate Development Committee -- Chair Rumbaugh reported there will be an Executive Session this evening to review potential real estate acquisitions.

Finance Committee -- None

Citizen Oversight Committee -- None

### **Client Services**

Director Claycamp directed the board to his report. The McCarver Elementary School Principal and THA's Education Program Manager have made two recommendations concernign the McCarver Elementary School Housing Assistance Pilot Program: starting in September 2015 to turn the program from a pilot to a regular offering of the school; starting in September 2016 to start expanding it to the other elementary schools in Tacoma with ruinous mobility rates due to homelessness. The Gates Foundation agrees with the recommendation. Those changes may include revamping the rent structure for the program, especially for those families who struggle to increase their earned income due to disability, trauma or drug and alcohol affliction. A Nativity House or Guadalupe supportive housing model may be a more relevant model for these families. He also reported the Rental Assistance Department is gearing up for the re-opening of the HOP waitlist. All applications will be available online beginning in mid-July.

### **Property Management**

Director Patterson directed the board to his report. The HUD REAC inspections are underway throughout the portfolio. THA has received 80% and 81% scores on two of the properties. The inspectors will inspect three others properties during May. RAD inspections are also underway. Director Patterson thanked the G Street residents for their patience with issues in the building. Director Patterson acknowledged G Street Property Manager Nadine Silvestre and Heather McCathy for their work in the building. He apologized to Ms. Garrett who was locked out of the building for one week. Discussion ensued about reducing the unit turn rate. Director Patterson stated that reducing the turn rate will require getting into the unit immediately upon vacating, finding efficiencies within the lease up process for unit offers and turn downs by applicants and clients, and better managing the complexities of the Tax Credit process that adds days to the unit turn process. Extraordinary maintenance issues such as flooded units at Bergerson Terrace also add to the average number of unit turn days. Chair Rumbaugh requested director Patterson to add annual trends to his board reports.

### **Real Estate Development**

Director McCormick directed the board to her report. RED staff recently provided a brief presentation to Washington State Housing Finance Commisison on the 9% tax credit application for Bay Terrace Phase II. It was a good exchange with the Commission. RED should have the Bay Terrace Phase II design schematic wrapped up by mid-May. Estimated groundbreaking is March, 2016. ED Mirra reported on the effort to seek housing capital dollars for Bay Terrace from the state. Director McCormick also reported on the LASA project that is due to be completed the middle of May. Chair Rumbaugh asked about the Metro Parks purchase and sale agreement tabled at the March board meeting, Director McCormick stated there should be a resolution coming forward at the May board meeting.

## **Human Resource**

Director Tanbara directed the board to her report. Toby Kaheiki is THA's new HR Manager and is off to a strong start. She reported that HR is focusing on recruitment, retention, and staff development. THA will review the employee benefit package again this year. The OPEIU contract has been extended to September, 2015. The negotiation team has already met and will begin meeting regularly in June. There is one active OPEIU grievance and one active EEOC complaint. Staff turnover is trending at 11.67% which is above our agency goal of 10%. THA remains committed to the continued development of key employees and takes this challenge seriously. It is a very competitive market, and we need to retain our employees. The agency reorganization has gone very well. She credits both ED Mirra and DED Black for their leadership roles. The COO position is currently being reviewed. She reported on the Maintenance Voluntary Separation Incentive Program. This program is being offered to aid efforts to redeploy, reorganize, and make more effective use of THA's maintenance workforce. Chair Rumbaugh inquired about the use of the tablets for the maintenance staff. Ms. Frankie Johnson, Senior Property Manager for Salishan stated that 85-90% of staff have acclimated to use of the tablet. There are standardized reports that are being accessed from the tablets by staff in the field. This technology is assisting in an increase in staff productivity.

### **7. OLD BUSINESS**

None.

### **8. NEW BUSINESS**

#### **8.1 RESOLUTION 2015-04-22 (1) Ratification of Carahsoft as Salesforce Reseller**

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

Whereas, Resolution 2015-1-28(5) authorized the Executive Director to negotiate and execute a contract with eightCloud/Salesforce to be its Enterprise Software Solution;

Whereas, that resolution contemplated the purchase a Salesforce license.

Whereas, THA later learned that it needed to contract for the purchase of the Salesforce license not from Salesforce directly but from a license reseller called Carahsoft. THA has done that by contract of March 19, 2015. The amount is for \$144,710 for one year of salesforce licensing. THA has made this payment on April 2, 2015.

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

The Board ratifies the following actions:

1. Carahsoft contract dated March 19, 2015
2. Payment made to Carahsoft on April 2, 2015 in the amount of \$144,710.

**Approved:** April 22, 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:** April 22, 2015

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

**8.2 RESOLUTION 2015-4-22 (2), Brawner & Company Financial Advisor Services**

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

Whereas, On December 17, 2014, the Board of Commissioners passed Resolution 2014-12-17 (1), authorizing a contract with Brawner & Company not-to-exceed \$200,000;

Whereas, On February 27, 2015, HUD accepted THA's Portfolio RAD application, and THA entered into a "Commitment to enter into a Housing Assistance Payment (CHAP) contract with HUD;

Whereas, THA is prepared to begin the Pre-Development/Pre-Construction phase of the RAD conversion;

Whereas, Brawner & Company has provided exemplary financial consulting, providing creative and tailored insight into THA's RAD transactions;

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



The Executive Director or his designee is authorized to negotiate and execute contracts for the Financial Advising Services of Brawner & Company up to amounts not-to-exceed to \$400,000.

**Approved:** April 22, 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:** April 22, 2015

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

**9. COMMENTS FROM COMMISSIONERS**

None.

**10. EXECUTIVE SESSION**

The board moved into Executive Session (ES) at 6:15 PM for 20 minutes to discuss two possible real estate transactions with action to follow. At 6:35 PM the ES was extended for 10 minutes. The board came back into regular session at 6:45 PM. The board considered the two following resolutions after the respective ES discussions:

**10.1 RESOLUTION 2015-4-22 (3), 6<sup>th</sup> Avenue Property Purchase Agreement**

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

Whereas, THA owns and manages affordable rental housing in Tacoma;

Whereas, THA is interested in acquiring existing rental housing to meet its short and long term financial and community goals;

Whereas, THA does not own rental housing in West Tacoma and believes that rental rates in this area will increase and effect affordably priced rental housing in the area; and

Whereas, THA wants to acquire property that is close to shopping, public transit, employment, recreational services and other community amenities.

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

authorizing the Executive Director to negotiate and execute an agreement to purchase the property on 6<sup>th</sup> Avenue on terms consistent with those discussed in executive session.

**Approved: April 22, 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: x	4
NAYS:	None
Abstain:	None
Absent:	1

**Motion Approved: April 22, 2015**

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

## **10.2 RESOLUTION 2015-4-22 (4), Key Bank Purchase and Sale Agreement**

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

Whereas, Key Bank is closing its branch bank at 1120 South 11th Street, on Tacoma's Hilltop.

Whereas, Key Bank has asked whether THA is interested in purchasing the property.

Whereas, THA's acquisition of the Key Bank Property would further THA's ability to spur the development of the Hilltop and improve the development potential and financial performance of THA's proposed Hilltop Lofts project nearby.

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 an agreement to purchase the Key Bank property at 1120 S. 11th Street in Tacoma's Hilltop on terms and conditions consistent with those discussed during executive session.

**Approved:** April 22, 2015

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

Commissioner Banks 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:** April 22, 2015

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

## **11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:49 PM.

**APPROVED AS CORRECT**

**Adopted:** June 24, 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:** May 19, 2015  
**Re:** Executive Director's Report

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

## 1. MTW NEGOTIATIONS WITH HUD

I reported last month on the worrisome direction of the negotiations with HUD over the terms HUD proposes to impose on the extension of the MTW contracts. Since then we have participated in additional conferences calls that HUD hosted with all 39 MTW agencies. In those calls, HUD's representatives indicated that they are about to submit the new contract to the agencies for our signatures as a "take it or leave it" offer. What is worrisome about this posture is that HUD has not yet revealed important elements of their proposal.

Afterward, the negotiating team on behalf of the MTW agencies sent HUD a counterproposal. I attach a copy. It is a May 5<sup>th</sup> email and accompanying sheet that Andrew Lofton of the Seattle Housing Authority sent to HUD on behalf of our negotiating committee. It conveys a "middle ground" proposal to govern the extent of our MTW flexibility.

There is one bright spot in the discussions with HUD. HUD's representatives made clear that we will not have to sign the contract until 2018, when our present contract expires.

Since my last report, HUD Secretary Julian Castro visited Seattle on April 20th. He requested to meet with Superintendent of Tacoma Public Schools Carla Santorno and me and our counterparts in Seattle and King County. He wished to discuss our educational-housing partnerships. Superintendent Santorno and I traveled to Seattle for that purpose. Secretary Castro received a full report from the three public housing-school district partnerships. He seemed impressed by the innovation. He acknowledged that the innovation relied on MTW flexibility. We told him that the negotiations were worrisome. We suggested that if he was indeed interested in these partnerships he needed to get involve in the negotiations. He stated that he intended to do that.

At the board meeting I will be able to update the board further on the discussions with HUD and with our congressional delegation.

**2. STRATEGIC PLANNING**

I reported last time that the cabinet continues to draft performance measures for the board's strategic objectives. We are about done with the performance measures for the following strategic objectives:

Administration  
Financially Sustainable Operations  
Advocacy and Public Education  
Real Estate Development.

We have made further progress on Property Management and Housing and Supportive Services and Environmental Responsibility. This Friday, we will discuss Environmental Responsibility.

As I reported, we indeed need more time to get data that our RAD planning will provide. We expect to get that by the end of June. We remain on the timeline I distributed last month. That would have us get the board a draft by the end of July. If the Board is satisfied with the draft, we propose then to canvas important community voices about that draft. We then hope to have a final version of the performance measures for the Board to review and approve by the end of the year. This is a delay but I think it will serve us well.

During the delay, staff will also devise the strategies we will use to meet the performance measures. Thank you for your patience.

**3. THA's INVESTMENT IN THE HILLTOP**

The Hilltop has long been interesting to THA and its real estate development activities. We have invested a lot in the Hilltop. We are primed to invest more in ways that bear some thought so we do it intentionally.

The Hilltop is one of the city's neighborhoods most in of investment. This alone invites our focus. THA's job is to invest in neighborhoods that need the investment. In doing so, we seek to do a good job with our projects to embolden other people to invest. This helps the neighborhood to prosper. Moreover, by our investment, we seek to insure that when the neighborhood does develop, it has room in it for all incomes.

Over the years we have invested for this purpose in many Hilltop properties.

<b>THA Investments in the Hilltop: Completed</b>	
<b>THA Properties</b>	<b>THA Financed or Developed Properties Owned by Others</b>
Hillside Terrace 1500 block	Eliza McCabe Apartments (Mercy Housing)
Hillside Terrace 2300 – 2500 block	Hillside Gardens (Mercy Housing)
Bay Terrace Phase 1	New Tacoma Apartments Phase 1 (Mercy Housing)
E.B. Wilson Building	Guadeloupe Vista Apartments (Catholic Community Services)
902 South L Street Administration Building	New Look Apartments (MLKHDA)
	New Nativity House (Catholic Community Services)

We also count our Education Project as part of THA's investment in the Hilltop. That neighborhood will not succeed as we hope unless we also see success at McCarver, Stanley and Bryant Elementary Schools and Jason Lee Middle School.

THA is considering still more investments in the Hilltop.

<b>THA Investments in the Hilltop: Pending</b>	
<b>THA Projects/Purchases</b>	<b>THA Financed or Developed Properties Owned by Others</b>
Bay Terrace Phase 2	New Tacoma Apartments Phase 2 (Mercy Housing)
Hilltop Lofts	Valhalla Hall (City of Tacoma)
New Look Apartments	
Key Bank property	

This additional investment is timely. The Hilltop has plausible reasons to expect its own accelerating development. It is about to get the light rail extension down MLK Avenue to South 19<sup>th</sup>. The new Hilltop Community Health Clinic has opened. The three main hospitals seem to be ever growing. It is seeing the general tightening of the housing market. If the Hilltop is on the trajectory that the city hopes for it, the challenge will be to so influence its growth that it is equitable. If the Hilltop is on that path, the only housing in it within ten years may be what we now succeed in building or buying.

THA long considered how it can influence the Hilltop's development. Two roles seem possible. One is familiar. We will develop real estate, perhaps on strategic parcels. We will do a good job and in that way spur other investment and create housing that would be affordable for a range of incomes for a long time. That is what we have been doing thus far.

Another role would be less familiar. We could serve as a master planner. This is not quite the right term for such a role since we do not own or control the neighborhood, like we did when we master planned Salishan. But the term will do for now. Master planner denotes the following responsibilities:

- Convene the community voices to envision the Hilltop's redevelopment. (The City has actually done a good job doing this. In the last 12 years it has convened four visioning exercises. THA has participated them all. All of them produced a common vision for the Hilltop.)
- Keep the vision fresh with continual community engagement.
- Seek out investments and developments that fit the vision and offer them a warm welcome.
- Discourage investments of the wrong sort.
- Develop pivotal parcels to encourage others to invest.

The following attributes would be necessary or useful in such a master planner:

- enjoy the confidence of the community
- have a development capacity
- have bonding capacity
- have powers of eminent domain

THA certainly has some of these attributes. It is also a public development authority.

Whether THA should seek out this role remains unclear. I append my July 25, 2012, memo to the Board on this topic. We still need that discussion with the City, the community and with ourselves. Our pending investments in the Hilltop may help to clarify our role further.



**4. CHIEF OPERATING OFFICER**

The board may recall that its 2015 budget provided for a Chief Operating Officer (C.O.O.). This was part of our re-organization. Other parts of that re-organization are done. We have new departments of property management, client services and policy, innovation and evaluation. All these new departments are in business, having assumed the responsibilities of their predecessor departments. We also have a deputy executive director. These changes are doing well.

The C.O.O. is to be that part of the plan to relieve me of my present need to spend so much time on operational matters. Doing that deflects me from important responsibilities that need my attention such as strategic planning, finding the community partners we need to do our work, and finding the money.

Yet, I am now considering a proposal from the cabinet to delay or forego hiring a C.O.O. at least until our short term and mid-term finances clarify. We do not yet know what Congress will budget for us in 2016. We do not yet know what changes HUD will impose on our MTW financial flexibility.

I have told the cabinet what I would need to allow me to delay or forego a C.O.O. In general, I would need assurance that operations would not require my attention as it does now. I would need to feel confident that I can turn my back on details of project management, program implementation and written work product and leave them to the departments. (I note that a C.O.O. would need this assurance for him or herself as well.) If I can get this assurance and feel this confidence, I am willing to consider doing without a C.O.O. I hope to decide this sometime this Spring or Summer.

## Michael Mirra

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**From:** Lofton, Andrew J. <AJLofton@seattlehousing.org>  
**Sent:** Tuesday, May 05, 2015 1:57 PM  
**To:** Blom, Dominique G (Dominique.G.Blom@hud.gov)  
**Cc:** lourdes.m.castro-ramirez@hud.gov; Adrienne Todman ; Alex Sanchez ; Amy Jones; Anas Ben Addi ; Austin J. Simms ; Betsey Martens ; Caster Binion; Catherine Stone; Cora McCorvey; Dan Nackerman ; David Nisivoccia, ; Edward Bland; Eric Johnson ; Fred Zawilinski; Fulton Meachem; Greg Russ; J. Len Williams; Joanne McKenna; Joshua Meehan; Joy Fitzgerald; Karen Du-Bois-Walton; Kelvin Jeremiah; Ken Kugler; Kurt Creager; Larry Potratz ; Lofton, Andrew J.; Matthew Mainville (mmainville@holyokeyhousing.org); Michael Buonocore; Michael Merchant; Michael Mirra; Paul Graziano; Rick Gentry; Roy Johnson ; Shannon Oury; Stephen Norman; Thomas Graham ; Tim Barry ; Vivian Bryant; William Lowell; abuzby@kha.org; alelis@hacsc.org; Annie.Cheng@pha.phila.gov; bboyd@mplspha.org; blamee@columbushousing.org; ChrisW@destatehousing.com; cweiser@ahfc.us; david.weber@hacp.org; dhenderson@oakha.org; Doug@l-housing.com; doverbay@vhausa.com; Ed Hinojosa (ed\_hinojosa@saha.org); gisley@cha-nc.org; Jim Koczela; Joyce.Stewart@habc.org; jrainwater@smchousing.org; kcole@dchousing.org; Ken Sadeeckas ; Kimberly Anhalt; kreutzbergk@boulderhousingpartners.org; LBroussard@thecha.org; lcampbell@ahfc.us; Lindboe, Ann-Marie; MeganH@kcha.org; Melissa.Sonsalla@homeforward.org; mgrazo@hacsb.com; Mishon Hurst; mtai@cambridge-housing.org; pattys@hacc.net; richard\_milk@saha.org; rmaccini@holyokeyhousing.org; Sheryl Stansell; Stephanie.Stone@orl-oha.org; suketd@sdhc.org; tracey.scott@atlantahousing.org; Vincent.Rogers@fairfaxcounty.gov; wilsona@lexha.org  
**Subject:** MTW Steering Committee Utilization Response  
**Attachments:** Use of HCV Funds Definition.docx

Dear Dominique,

I am writing on behalf of the Steering Committee to clarify the response of the Moving to Work Housing Authorities to the two options HUD has presented regarding the establishment of a utilization threshold for the Section 8 budget authority received by MTW agencies under the redrafted MTW contract.

As requested, the Steering Committee polled the MTW agencies regarding the two HUD options. The consensus of the group was that neither option was acceptable – that both options significantly reduced the flexibility clearly provided to participating agencies in the underlying MTW statute. While there is a general acceptance of the rationale underlying HUD's interest in assuring that substantially the same numbers of households are being served, we remain unclear as to why HUD would seek to significantly limit approaches to expanding or preserving the affordable housing stock once that threshold has been achieved.

Accordingly we have been directed to request further explanation by HUD as to why the preferred option of the group, which utilizes HUD's April 27<sup>th</sup> approach with an expanded definition of eligible housing activities that includes preservation and development, is not an acceptable alternative. A copy of this option, including a rolling three year base for assuring compliance, is appended.

As was noted in our most recent conference call, housing market conditions and accordingly, strategies for the expansion of housing supply and housing choice, vary from location to location. The strength of the MTW program is that it is allowing local agencies, with remarkable success, to develop the appropriate market driven strategies for their particular locale. These strategies, in addition to tenant-based voucher programs that require active private market acceptance and affordability, involve the preservation and rehabilitation of existing housing as well as the development of new inventory.

MTW Housing Authorities are increasingly using the development or acquisition of additional housing to expand housing choice. Participating agencies are building new housing that accommodates physically disabled populations, an increasing need as the population ages that can not necessarily be met through the retrofitting of existing housing; they are developing housing in high opportunity areas where tenant-based voucher approaches have not necessarily proven to be an effective tool in providing housing access; they are partnering with service systems to develop supportive housing for chronically homeless and disabled populations; and they are preserving or creating transit oriented affordable housing opportunities along mass transit corridors. All of these are important policy priorities for HUD and reflect the statutory goal of “increasing housing choice” contained in the legislation. Indeed, promulgation of a policy by HUD that eliminates the participating agencies’ ability, as provided in the MTW statute, to flexibly utilize MTW funds for this purpose runs the risk of disparately impacting a number of protected classes.

In other jurisdictions, preservation of existing housing is an important element in assuring the revitalization of existing poor neighborhoods that is an important complementary strategy to housing mobility. It is a critical element of “the two-pronged approach” HUD has espoused. In an era of declining federal funding, when Congress is providing public housing capital fund appropriations at less than fifty percent of the annual accrual rate, the ability to utilize available resources to repair existing inventory is about more than policy objectives – it is about assuring the basic health and safety of the families we house. These funds are also about assuring choice within our housing – about retrofitting units to accommodate physically handicapped residents and program applicants – and about keeping the elevators running in our senior buildings. And while use of MTW funds for capital repairs will of necessity be limited, these funds are also a key element in leveraging additional funding under the RAD program – complementing the limited amount of debt these buildings can carry.

It is important to note that the use of MTW funds for these purposes would not lower the housing utilization requirement that MTW agencies have agreed to – and that to receive five percent in additional budgetary flexibility, an MTW Authority would still be required utilize 90% or more of its unit months. No decrease in the number of households served result from the inclusion of preservation and development activities in the definition of allowable uses.

We also note that HUD and the Steering Committee are still discussing the “substantially the same” standard that HUD intends to insert in the contract, and that the relationship between the utilization and “substantially the same” requirements is not currently clear. The proposed overlay of these two seemingly redundant requirements will need to be clarified before this issue can be finalized.

We would note that the “stakeholder agreement”, which both HUD and the advocacy community supported, allowed the number of households served to drop to 85% of baseline “in order to make funding available for capital development”. We are not proposing a drop to 85% of household baseline, merely some flexibility on the use of budget authority once the 90% households served threshold is reached. Uses of budgetary authority, once the households served threshold was met, was not restricted at all in the Stakeholder Agreement.

The MTW Authorities are appreciative of HUD’s desire to maximize the number of households served. It is a goal that we all share. The strength of the MTW program is that it allows local housing authorities to adjust their approaches to accommodate local market conditions, to both overcome housing barriers and to take advantage of opportunities. We would appreciate your consideration of the attached approach. If flexibility in developing local housing strategies is no longer to be allowed in a meaningful way under the MTW program we respectfully request a written explanation of the underlying HUD policy that is driving this decision and of how this policy is reconciled with the clear legislative intent of the statute.

Sincerely,

MTW Steering Committee

## Use of HCV Funds Definition

### **Proposal 5/5/2015:**

The Agency must utilize 90% or more of its HCV program funds OR the Agency must utilize 90% or more of its unit months available AND 85% or more of its HCV program funds for the following purposes:

- HCV Housing Assistance Payments;
- Local, non-traditional rental subsidy programs (e.g. sponsor-based or supportive housing, local voucher-like programs);
- Development of new public housing or project-based voucher (PBV) units to be counted in the year the funds are expended; and
- Local, non-traditional (LNT) housing development programs resulting in additional low income families being served through the creation of new affordable units to be counted in the year expended.
- Capital expenditures for the repair, alteration or rehabilitation of existing affordable housing.

With respect to compliance, the Steering Committee has suggested that we consider a three-year look and a 1-year cure period; an agency that is out of compliance for a year with the requirements we settle upon would have the next year to cure the non-compliance considered over a three-year period, including the non-compliant year and the years before and after that year. If the agency were non-compliant based on the entire period, HUD could invoke remedies still to be finalized.



# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

Date: July 17, 2012  
To: THA Board of Commissioners  
From: Michael Mirra, Executive Director  
Re: Executive Director's Report:

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This is my monthly report for July 2012. The Departments' reports supplement it.

## 1. HILLTOP REVITALIZATION AND THA'S ROLE

At the June board meeting, we had a good discussion of THA's possible role in the revitalization of the Hilltop. This has been a recurrent topic for the board, and staff, over several years. In June, it arose as part of the board's discussion of our plans for the Salishan campus core. We asked ourselves whether THA could take on both projects. It is a very good question. To answer it we need a clearer notion of what our role on the Hilltop would be.

I think THA's possible roles in the Hilltop revitalization are clarifying as we consult throughout the community, and continue to discuss the topic amongst ourselves. Recently, Walter and I have discussed this question with the notable Hilltop organizations:

- New Tacoma Neighborhood Council
- Central Area Neighborhood Council
- Hilltop Action Coalition
- Tacoma-Pierce County Black Collective
- MLK Subarea Planning Group

We have also conferred with various individual community and city leaders. This consultation has been very helpful.

Based upon those consultations, and some helpful readings, I write now to summarize my present view of THA's possible roles in the Hilltop revitalization, and what we would need to take them on.

We start this discussion with the advantage of some good community planning and "visioning" exercises. The City hosted or convened three of these exercises over the past 7 or 8 years. It is doing another one presently. THA has participated in all of them. All of them



offer the same general vision for the Hilltop. It is a very appealing vision. While it has various elements, the ones pertinent to THA's role include the following:

- high quality housing and public and commercial services and amenities that would entice more of the 10,000 people who presently work on the Hilltop to also live, walk, eat, shop and play on the Hilltop;
- higher housing density on MLK for a wide range of incomes to support more retail and public services;
- stronger public schools that would attract parents or people who expect to be parents (McCarver, Stanley and Bryant Elementary Schools and Jason Lee Middle School have to succeed.);
- improved and more attractive public infrastructure on MLK;
- attractive and well-done affordable housing for low-income households so that when the Hilltop develops it will have room for all incomes, races and family compositions.

This vision nicely coincides with THA's building communities strategic objective:

“THA, by what it builds and how it builds, will create and strengthen communities and help them be safe, vibrant, prosperous, attractive and just.”

I think THA has one and possibly two roles in helping the Hilltop fulfill this vision.

#### **First Role: THA as Developer of Catalytic Projects on the Hilltop**

THA's first role is to develop individual “catalytic” projects on signature corners in the Hilltop that would serve the following purposes:

- provide needed housing for a wide range of incomes
- bring bustle to the street
- provide a high quality and distinctive design to set a high design bar
- encourage other peoples' investment

This role would be familiar to THA. It is what we do as part of our main line of work. THA's first Hillside Terrace redevelopment in 2000 had these effects. It was the first new money invested on the Hilltop in decades. It seemed to encourage other investments. Shortly after THA started its construction, Mercy Housing began Eliza McCabe and Hillside Gardens. Within the following year or two, that same stretch of South G and South Yakima blossomed with high-end condo and apartment projects. THA also set a high design bar. That is important because both ugly and lovely are contagious. Indeed, most of what followed us on the Hilltop is quite attractive, or at least shows thought.

Pursuant to this first role, THA would seek to do more of this activity. We have five projects underway, in the works or under consideration that would do this:

- Hillside Terrace 1800, 1500-2700 block:
- New Look Apartments
- Brown Star Grill Properties
- MLKHDA vacant land on 11th and MLK Avenue
- THA's Education Project, especially its McCarver Elementary School Project

### **Second Possible Role: THA as Master Planner**

A second role would have THA serve as a "master planner" for the MLK corridor.. Master planning is something we did at Salishan. Yet, that was easy to understand because we owned the place. We do not own the MLK corridor. Indeed, there is no one dominant owner. Master planning in such a situation requires a different, more consultative and collaborative responsibility. I think it is likely to entail the following responsibilities:

- to be the "keeper" and "cheerleader" of the community's vision for the Hilltop's revitalization;
- to keep the important community voices convened to ensure that the vision remains continually refreshed;
- to seek out the partners, developers, investors and sources of financing the vision will require;
- to keep out developments that would impair the vision;
- to be a developer of catalytic projects on the corridor that further the vision and encourage the investment of others;

I think the "master planner" should have the following attributes:

- strong community support;
- an ability to elicit, convene and use community voices to good effect;
- a stable and permanent organizational existence (because the redevelopment of the Hilltop will take more than 10 years, possibly a lot more than 10 years);
- eminent domain powers;
- its own development capacity and access to financing.

I have told the various community groups that for THA to consider such a role would require at least two conditions:

- The important community voices and the City would have to ask THA to assume the master planning role. These requests would help assure THA that it had the community support such a role would require. I told the community groups that THA has no appetite to impose itself on them.
- The important community groups and the City would have to commit to supporting THA. This would include helping THA pay for the staffing the effort will require.

In general, the groups we have addressed on this topic expressed strong support for THA in both roles. I look forward to our continuing, evolving, and ever interesting discussion inside THA.

## **2. BOARD VACANCY**

As you know, Ken Miller has resigned from the board. I will miss him. He matched a strong support for THA's mission with lively, critical thinking that challenged staff to think carefully and differently.

Under state law, the Mayor will appoint Ken's successor. I will be conferring with her within the next two weeks or so. I have found that she appreciates my suggestions, although of course the choice is hers to make.

I welcome suggestions from commissioners of people you would like me to include on the list for the Mayor's consideration. I list here the qualities or backgrounds that I think our Board generally needs in the aggregate. No board will ever cover all these points at the same time:

- a clear and strong support for THA's mission and values (this is essential)
- business background, preferably from commercial banking or finance
- real estate development background
- legal background
- strong acquaintance with elected officials at the city, state and national levels
- strong community connections (labor, neighborhoods, residents, racial and ethnic communities, faith communities)
- strong connection with the philanthropic community
- persons who give the board a gender, racial and ethnic diversity'
- someone who would be a congenial fit for the board.

THA has been blessed with a strong board. We look forward to an appointment that keeps it strong.



# TACOMA HOUSING AUTHORITY

## Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,266,810 for the month of April, 2015.

Approved: May 27, 2015

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Stanley Rumbaugh, Chair



**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of April 2015**

		Check Numbers				
		From	To	Amount		Totals
<b>A/P Checking Account</b>						
Low Rent Module Checks	Check #'s	2,803	- 2,806	516		
Accounts Payable Checks	Check #'s	84,679	- 84,898			
Business Support Center				342,763		
Moving To Work Support Center				312,909		Program Support
Tax Credit Program Support Center				11,131		
Section 8 Programs				78,618		Section 8 Operations
Local				-		
Windstar				-		
SF Non-Assisted Housing - N. Shirley				980		
SF Non-Assist Housing - 9SF Homes				126		Local Funds
Wedgewood				-		
Salishan 7				55,470		
Tacoma Housing Development Group				145		
Hillsdale Heights				1,290		
AG Hsg Recovery Grant				18,094		
Development Activity				5,556		Development
Salishan Area 2B-Dev				670		
Hillside Terrace 2500 Court G Development				63,459		
Prairie Oaks (LASA)				518,016		
CS General Business Activities				80		
SAFE				245		
Community Services MTW Fund				2,477		
Gates Ed Proj Grant				288		
ROSS Svc Coord				5,295		Community Service
WA Families Fund				83		
COT-CDBG-FSS Grant				30		
Pierce Co. 2163 Funds				43		
WA Families Fund - Systems Innovation				375		
COT-McCarver Grant				94		
AMP 1 - No K, So M, No G				26,561		
AMP 2 - Fawcett, Wright, 6th Ave				37,210		
AMP 3 - Lawrence, Orchard, Stevens				92,287		
AMP 4 - Hillside Terr - 1800/2500				25		
AMP 6 - Scattered Sites				47,429		
AMP 7 - HT 1 - Subsidy				5,047		
AMP 8 - HT 2 - Subsidy				2,525		
AMP 9 - HT 1500 - Subsidy				1,939		Public Housing
AMP 10 - SAL 1 - Subsidy				125		
AMP 11 - SAL 2 - Subsidy				125		
AMP 12 - SAL 3 - Subsidy				102		
AMP 13 - SAL 4 - Subsidy				102		
AMP 14 - SAL 5 - Subsidy				102		
AMP 15 - SAL 6 - Subsidy				102		
AMP 16 - Bay Terrace - Subsidy				59		
Allocation Fund				98,399		Allocations-All Programs
THA SUBTOTAL				1,730,895		
Hillside Terrace 1 through 1500				35		
Bay Terrace				49		
Salishan I - through Salishan 6				514		Tax Credit Projects - billable
Salishan Association - Operations				-		
TAX CREDIT SUBTOTAL (Operations - billable)				598		1,731,493
<b>Section 8 Checking Account (HAP Payments)</b>						
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,540	- 481,561	34,610		
	ACH	75,914	- 77,309	2,454,108	\$	2,488,719
<b>Payroll &amp; Payroll Fees - ADP</b>					\$	799,934
<b>Other Wire Transfers</b>						
Bay Terrace Loan @ Perm Loan Closing				246,664		
					\$	246,664
<b>TOTAL DISBURSEMENTS</b>					\$	5,266,810



# TACOMA HOUSING AUTHORITY

## CASH POSITION - April 2015

Account Name	Current Balance	Interest
<b>HERITAGE BANK</b>		
Accounts Payable	\$ 1,815,494	0.40%
Section 8 Checking	5,796,378	0.40%
THA Affordable Housing Proceeds	3,106,909	0.40%
Note Fund Account	100	0.40%
Credit Card Receipts	100	0.40%
THA Investment Pool	289	0.40%
THA LIPH Security Deposits	91,345	0.40%
THDG - Tacoma Housing Development Group	72,680	0.40%
LF - SF 9Homes Alaska	24,468	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	2,754	0.40%
LF - SFH No. Shirley	26,656	0.40%
LF - SFH N Shirley Security Deposit Acct	1,001	0.40%
Salishan 7	1,080,494	0.40%
Salishan 7 Security Deposit	26,910	0.40%
Salishan 7 Replacement Reserve	133,704	0.40%
Salishan 7 Operating Reserve	198,649	0.40%
Payroll Account	7,835	0.40%
General Fund Money Market	537,344	0.40%
<b>WASHINGTON STATE</b>		
Investment Pool	\$ 1,628,259	0.10%
<b>1. TOTAL THA CASH BALANCE</b>	<b>\$ 14,551,369</b>	
<b>Less:</b>		
<b>2. Total MTW Cash Balance</b>	<b>\$ 5,341,373</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>\$ 3,475,373</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	1,434,333	
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)	573,104	
3.07 Education Projects - McCarver & Others	310,000	
3.08 Exigent Health & Safety Issues (Meth Remediation)	143,873	
3.10 Total Reserve Commitments (Lines 3.01 through 3.08)	\$ 7,547,310	
<i>MTW Cash Held By HUD</i>		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 3,677,842	
3.20 Total MTW Cash Held By HUD	\$ 3,677,842	

# TACOMA HOUSING AUTHORITY

## CASH POSITION - April 2015

### 4. Non MTW Cash Restrictions

<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	117,986	
4.02 VASH, FUP & NED HAP Reserves		125,856	
4.03 Mod Rehab Operating Reserves		83,133	
4.04 Security Deposit Accounts		122,234	
4.05 Salishan Sound Families - 608		63,857	
4.06 Gates Foundation - 612, 614 & 615		142,221	
4.07 WA Families Fund - 675, 713		26,457	
4.08 Bond Financed Single Family Homes Reserve		90,000	
4.09 Salishan 7 Reserves		757,354	
4.10 THDG - 048		72,680	
4.11 Area 2B Sales Proceeds (Afford Hsg)		3,106,909	
4.20 Total - Other Restrictions			\$ 4,920,086
<i>Agency Liabilities:</i>			
4.30 Windstar Loan - 042		275,546	
4.40 Total - Agency Liabilities			\$ 275,546
4.45 Development Draw Receipts for Pending Vendor Payments			\$ -
4.50 Development Advances/Due Diligence Commitments <sup>1</sup>			\$ 70,000
<b>5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.45+4.50)</b>			<b>\$ 5,265,632</b>

### 6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5) \$ 3,944,364

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	\$	-	
Prairie Oaks - Pierce Co CDBG, Lakewood CDBG, HTF	\$	333,644	
<b>Total Agency Advances</b>	<b>\$</b>	<b>333,644</b>	

**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

		March, 2015				Thru 12/31/2015		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>OPERATING RECEIPTS</b>								
1	Tenant Revenue - Dwelling rent	222,137	647,088	653,466	-0.98%	2,588,352	2,613,865	-0.98%
2	Tenant Revenue - Other	33,736	180,024	5,043	3469.78%	200,024	60,500	230.62%
3	HUD grant - Section 8 HAP reimbursemen	2,480,718	7,450,281	9,082,990	-17.98%	35,181,959	36,331,959	-3.17%
4	HUD grant - Section 8 Admin fee earned	214,221	671,425	683,021	-1.70%	2,685,700	2,732,084	-1.70%
5	HUD grant - Public Housing subsidy	184,904	554,435	546,803	1.40%	2,217,740	2,187,210	1.40%
6	HUD grant - Community Services	25,322	85,320	88,373	-3.45%	341,280	353,493	-3.45%
7	HUD grant - Capital Fund Operating Reve	65,593	83,063	263,456	-68.47%	1,057,294	1,053,824	0.33%
8	Management Fee Income	261,664	774,761	782,679	-1.01%	3,099,044	3,130,714	-1.01%
9	Other Government grants	90,687	113,987	102,277	11.45%	364,948	409,108	-10.79%
10	Investment income	2,901	13,013	9,694	34.24%	52,052	38,775	34.24%
11	Fraud Recovery Income - Sec 8	360	2,845	10,000	-71.55%	11,380	40,000	-71.55%
12	Other Revenue- Developer Fee Income	0	0	298,377	-100.00%	919,485	1,193,509	-22.96%
13	Other Revenue	50,557	162,583	168,017	-3.23%	650,332	672,068	-3.23%
14	<b>TOTAL OPERATING RECEIPTS</b>	<b>3,632,800</b>	<b>10,738,825</b>	<b>12,694,195</b>	<b>-15.40%</b>	<b>49,369,590</b>	<b>50,817,109</b>	<b>-2.85%</b>
<b>OPERATING EXPENDITURES</b>								
<i>Administrative Expenses</i>								
15	Administrative Salaries	383,230	1,143,701	1,367,192	-16.35%	5,024,804	5,468,766	-8.12%
16	Administrative Personnel - Benefits	143,711	374,644	540,481	-30.68%	1,848,576	2,161,925	-14.49%
17	Audit Fees	9,525	13,575	20,428	-33.55%	81,713	81,713	0.00%
18	Management Fees	204,198	612,676	636,683	-3.77%	2,450,704	2,546,731	-3.77%
19	Rent	2,671	32,050	32,050	0.00%	128,200	128,200	0.00%
20	Advertising	0	790	7,821	-89.90%	28,160	31,282	-9.98%
21	Information Technology Expenses	18,137	49,496	55,434	-10.71%	282,984	221,734	27.62%
22	Office Supplies	3,587	8,898	14,842	-40.05%	45,592	59,367	-23.20%
23	Publications & Memberships	14,788	28,744	10,820	165.66%	43,280	43,280	0.00%
24	Telephone	12,067	29,249	27,390	6.79%	116,996	109,560	6.79%
25	Postage	2,151	7,243	14,704	-50.74%	28,972	58,815	-50.74%
26	Leased Equipment & Repairs	15,589	28,634	29,197	-1.93%	114,536	116,788	-1.93%
27	Office Equipment Expensed	3,692	11,155	17,209	-35.18%	64,620	68,835	-6.12%
28	Legal	8,969	24,501	53,897	-54.54%	213,004	215,588	-1.20%
29	Local Milage	368	2,416	2,781	-13.12%	9,664	11,123	-13.12%
30	Staff Training/Out of Town travel	17,325	47,648	76,572	-37.77%	275,592	306,289	-10.02%
31	Administrative Contracts	13,458	83,249	178,182	-53.28%	782,996	712,727	9.86%
32	Other administrative expenses	13,846	22,490	23,637	-4.85%	89,960	94,547	-4.85%
33	Due diligence - Perspective Development	67,458	73,954	185,125	-60.05%	695,816	740,500	-6.03%
34	Contingency	0		18,250	-100.00%	0	73,000	-100.00%
35	<b>Total Administrative Expenses</b>	<b>934,770</b>	<b>2,595,113</b>	<b>3,312,693</b>	<b>-21.66%</b>	<b>12,326,169</b>	<b>13,250,770</b>	<b>-6.98%</b>



		March, 2015				Thru 12/31/2015		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>Tenant Service</b>								
36	Tenant Service - Salaries	70,911	222,547	250,018	-10.99%	890,188	1,000,072	-10.99%
37	Tenant Service Personnel - Benefits	26,643	70,424	102,904	-31.56%	336,696	411,616	-18.20%
38	Relocation Costs	7,157	24,293	4,418	449.93%	62,172	17,670	251.85%
39	Tenant Service - Other	0	6,327	34,144	-81.47%	125,308	136,574	-8.25%
40	<b>Total Tenant Services</b>	<b>104,711</b>	<b>323,591</b>	<b>391,483</b>	<b>-17.34%</b>	<b>1,414,364</b>	<b>1,565,932</b>	<b>-9.68%</b>
<b>Project Utilities</b>								
41	Water	6,744	24,520	29,188	-15.99%	98,080	116,750	-15.99%
42	Electricity	23,887	59,926	49,950	19.97%	239,704	199,800	19.97%
43	Gas	7,141	16,252	13,888	17.03%	65,008	55,550	17.03%
44	Sewer	21,098	57,585	75,723	-23.95%	230,340	302,890	-23.95%
45	<b>Total Project Utilities</b>	<b>58,870</b>	<b>158,283</b>	<b>168,748</b>	<b>-6.20%</b>	<b>633,132</b>	<b>674,990</b>	<b>-6.20%</b>
<b>Ordinary Maintenance &amp; Operations</b>								
46	Maintenance Salaries	49,015	147,089	175,807	-16.33%	663,356	703,227	-5.67%
47	Maintenance Personnel - Benefits	18,128	46,416	62,570	-25.82%	210,664	250,279	-15.83%
48	Maintenance Materials	27,280	55,682	52,468	6.13%	222,728	209,871	6.13%
49	Contract Maintenance	90,215	192,936	155,772	23.86%	771,744	623,089	23.86%
50	<b>Total Routine Maintenance</b>	<b>184,638</b>	<b>442,123</b>	<b>446,617</b>	<b>-1.01%</b>	<b>1,868,492</b>	<b>1,786,466</b>	<b>4.59%</b>
<b>General Expenses</b>								
51	Protective Services	9,928	24,168	24,588	-1.71%	96,672	98,350	-1.71%
52	Insurance	17,047	45,599	52,595	-13.30%	182,396	210,380	-13.30%
53	Other General Expense	97,779	278,609	335,079	-16.85%	1,314,436	1,340,317	-1.93%
54	Payment in Lieu of Taxes	1,199	3,596	3,451	4.21%	14,384	13,803	4.21%
55	Collection Loss	0	0	19,319	-100.00%	220,000	77,277	184.69%
56	Interest Expense	252	756	28,844	-97.38%	115,376	115,376	0.00%
57	<b>Total General Expenses</b>	<b>126,205</b>	<b>352,728</b>	<b>463,876</b>	<b>-23.96%</b>	<b>1,943,264</b>	<b>1,855,503</b>	<b>4.73%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,409,194</b>	<b>\$ 3,871,838</b>	<b>\$ 4,783,415</b>		<b>\$ 18,185,421</b>	<b>\$ 19,133,661</b>	
<b>Nonroutine Expenditures</b>								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	29,969	91,548	83,750	9.31%	366,192	335,000	9.31%
60	Casualty Losses	0	23,567	4,500	423.71%	23,567	18,000	30.93%
61	Sec 8 HAP Payments	2,480,896	7,350,216	7,731,867	-4.94%	30,400,864	30,927,469	-1.70%
62	<b>Total Nonroutine Expenditures</b>	<b>2,510,865</b>	<b>7,465,331</b>	<b>7,820,117</b>	<b>-4.54%</b>	<b>30,790,623</b>	<b>31,280,469</b>	<b>-1.57%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>3,920,059</b>	<b>11,337,169</b>	<b>12,603,533</b>	<b>-10.05%</b>	<b>48,976,044</b>	<b>50,414,130</b>	<b>-2.85%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(287,259)</b>	<b>(598,344)</b>	<b>90,663</b>	<b>-759.97%</b>	<b>393,546</b>	<b>402,979</b>	<b>-2.34%</b>
65	Debt Service Principal Payments	(226)	(678)	(48,810)	-98.61%	(195,240)	(195,240)	0.00%
<b>Surplus/Deficit Before Reserve Appropriations</b>		<b>(287,485)</b>	<b>(599,022)</b>	<b>41,853</b>	<b>-1531.26%</b>	<b>198,306</b>	<b>207,739</b>	
67	Reserve Appropriations - Operations	1,872	9,751	6,178	57.85%	39,004	24,710	57.85%
68	<b>Surplus/Deficit Before Capital Expenditures</b>	<b>(285,613)</b>	<b>(589,271)</b>	<b>48,030</b>		<b>237,310</b>	<b>232,449</b>	
69	Capitalized Items/Development Projects	(496,497)	(1,115,340)	(2,391,275)	-53.36%	(5,440,095)	(9,565,100)	-43.13%
70	Revenue - Capital Grants	464,089	1,013,510	1,180,250	-14.13%	2,896,000	4,721,000	-38.66%
71	Reserve Appropriations - Capital	32,408	101,830	1,211,025	-91.59%	2,544,095	4,844,100	-47.48%
72	<b>THA SURPLUS/(DEFICIT)</b>	<b>(285,613)</b>	<b>(589,271)</b>	<b>48,030</b>		<b>237,310</b>	<b>232,449</b>	



# TACOMA HOUSING AUTHORITY

**Date:** May 27, 2015

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Director of Finance

**Re:** Finance Department Monthly Board Report

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## 1. FINANCIAL STATEMENT COMMENTS

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

The Finance Department is submitting the financial statement for the period through March 31, 2015. This is the first financial report for the year. It is still early, yet we can start seeing if there are any trends or areas of concern that need to be addressed. At this point, I am not seeing any areas of real concern. There are certain categories that will need to be addressed at the mid-year budget revision. Our RAD conversion is one example, as authorization for us to proceed did not occur until after the budget was approved. As the conversion is to occur before the end of 2015, there will be costs associated with it in 2015 that have not been budgeted. There will be minimal impact on the agency financials, as funding will come from our Capital Fund program.

For 2015, with cash management more fully in place by HUD, the Year to Date actual amounts will most likely be negative, as we are not able to effectively draw down HUD funds for MTW purposes until after a reconciliation of MTW cash is completed. This reconciliation is not completed until after the months are closed. This is reflected in the March report, as Line 68 (Surplus/deficit before Capital Expenditures) shows a deficit of \$589,271, while the Projected Actual through 12/31 column shows a surplus of \$237,310. Additionally, the Cash Position document that is provided monthly will show how much of our HAP funding remains at HUD to be disbursed to the agency as needed. Currently, the amount of HAP funding at HUD is \$3,677,842.

Even though there do not appear to be any areas of real concern at this time, I will address some of the anomalies between budget and actual below.

- *Line 2 – Tenant revenue* - The budget does not include any amount charged to the tenant for Meth remediation. Through the period through March, approximately \$155K has been charged to tenants. As none of this is expected to be repaid, this amount will also show up on *Line 55 – Collection loss* by the end of the year.

## FINANCE DEPARTMENT MONTHLY REPORT

May, 2015

Page 2

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- *Line 3 – HUD Grant – Section 8 HAP reimbursement* – This is the category that is disbursed based on Cash management. Initial fund disbursement is based solely upon HAP payments (line 61). Additional drawdowns are requested from HUD after MTW cash reconciliations are completed by us. It is anticipated the funding in this area will allow us to end up with a surplus in 2015.
- *Line 15 – Administrative salaries* – This amount is under budget due to vacancies in positions such as the COO, Community resource planner, Legal counsel, results in the salary line being below budget. As *Benefits (line 16)* follow salaries, this line is also under budget.
- *Line 21 – Information technology expenses* – The licensing fee for Carasoft (Salesforce) was not budgeted, yet was needed in 2015. This will be part of our mid-year budget revision.
- *Line 31 – Administrative contracts* - At the current time, we are under budget in this line item. With the consultants needed for our RAD conversion, this line will need to be revised at our mid-year budget process.
- *Line 49 – Contract maintenance* - This category is higher than budget at the moment. This has to do with HVAC and unit turn repairs.
- *Line 61 – Section 8 HAP* - We budgeted at 100% utilization, and are hovering a little over 98%. Additionally, we have not received invoices from our partners on the special populations we are serving.

The following is a synopsis of the Cash Flow Waterfall for our Tax Properties for the Year 2014. At the completion of each year, the agency does an analysis of excess cash (if available), and per the Limited Partnership Agreements, distributes cash per the Waterfall established for each property. Funds that come into THA includes any Developer Fee remaining, the Company Management Fee, and if there is still remaining cash, Accrued Interest Payments, and then principle on the loans that THA has made to develop the projects. Every year we accrue interest for the THA loans to the Tax Credit properties. We do not include them in our budget though, as there is no guarantee funds will be available to pay them. For 2014, THA received \$204,195 of interest on the THA loans. For 2013, we did not receive any.

FINANCE DEPARTMENT MONTHLY REPORT

May, 2015

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**THA Tax Credit Projects  
Summary of Cash Flow Waterfall Distributions  
For the year ending 12/31/14**

	Developer Fee to GP (a)	Company Management Fee to GP (b)	Interest to THA on Sponsor Loan (c)	Operating Expense Loan to THA (d)	Tax Credit Shortfall Pymnt to LP (e)	Comments
Salishan I		N/A	-	-	-	No CF
Salishan 2		N/A	1,308	-	12,293	No CMF
Salishan 3		N/A	33,722	-	12,858	No CMF
Salishan 4		24,169	80,986	-	4,834	
Salishan 5		-	-	-	-	No CF
Salishan 6		28,432	75,061	-	11,794	
Hillside Phase 1		5,000	-	23,760	2,500	
Hillside Phase 2		-	-	-	-	No CF
Hillside 1500	3,280	-	13,118	-	-	No AMF
<b>Total payments</b>	<b>\$ 3,280</b>	<b>\$ 57,601</b>	<b>\$ 204,195</b>	<b>\$ 23,760</b>	<b>\$ 33,115</b>	

**Total Distributions to THA (a+b+c+d)** **\$288,836**

**Distributions to THA in 2013** **0**

**Increase in distributions to THA from 2013** **\$288,836**



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

## FINANCE DEPARTMENT MONTHLY REPORT

May, 2015

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### **2. INVESTMENTS**

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

### **3. AUDIT**

The Washington State auditors have substantially completed the Single Audit portion of our audit. They will start the Financial portion in July, and will have it completed in time for the REAC submission deadline of September 30<sup>th</sup>. This will be followed by the Accountability audit. The May Finance committee meeting will include the entrance conference for the Audit team.

### **4. BUDGETS**

There is no update at this time. We are monitoring expenses and starting to look at what changes the reorganization, the RAD and IT conversions will have on the mid-year budget.

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

There is no update at this time.



# Washington State Auditor's Office Entrance Conference

Integrity • Respect • Independence

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Acting State Auditor

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## Tacoma Housing Authority

### About our Office

The Washington State Auditor's Office's vision is government that works for citizens. Our goal is for government that works better, costs less and earns greater public trust.

The purpose of this meeting is to share our planned audit scope so that we are focused in the most significant areas. We value and appreciate your input.

### Audit Scope

Based on our preliminary planning, we will perform the following audits:

- **Accountability audit** for the fiscal year 2014

We will assess for the management, use and safeguarding of public resources to ensure there is protection from misuse and misappropriation. In addition, we will evaluate whether there is reasonable assurance for adherence to applicable state laws, regulations and policies and procedures.

We plan to evaluate the following areas:

- Cash receipting
- Vacancy checks
- Expenditures
- Bid law compliance

- **Financial statement audit** for the fiscal year 2014

The purpose of our financial statement audit will be to provide an opinion on whether your financial statements are presented fairly, in all material respects, in accordance with the applicable reporting framework. The audit does not attempt to confirm the accuracy of

every amount, but does search for errors large enough to affect the conclusions and decisions of a financial statement user.

- **Federal grant compliance audit for the fiscal year 2014**

An audit is required pursuant to the federal Single Audit Act of 1984 when a local government spends more than a threshold amount in federal financial assistance annually (\$500,000 for 2014, changing to \$750,000 for 2015). Our objective is to determine whether there is compliance with federal requirements that could have a direct and material effect on a major federal program and to report on noncompliance.

We plan to test the following federal programs:

- Moving To Work Demonstration Program, 14.881

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

### **Engagement Letter**

We have provided an engagement letter which documents both of our responsibilities for conducting and performing the audit. Additionally the letter identifies the cost of the audit, estimated timeline for completion and expected communications.

### **Levels of Reporting**

#### **Findings**

Findings formally address issues in an audit report. Findings report significant deficiencies and material weaknesses in internal controls; misappropriation; and material abuse or non-compliance with laws, regulations contracts or grant agreements. You will be given the opportunity to respond to a finding and this response will be published in the audit report.

#### **Management Letters**

Management letters communicate control deficiencies, non-compliance or abuse with a less-than-material effect on the financial statements or other issues with significance to the audit objectives. Management letters are referenced, but not included, in the audit report.

#### **Exit Items**

Exit items address control deficiencies or non-compliance with laws or regulations that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. These issues are informally communicated to management.

### **Other Information**

#### **Confidential Information**

Our Office is committed to protecting your confidential or sensitive information. Please notify us when



you give us any documents, records, files, or data containing information that is covered by confidentiality or privacy laws.

### **Audit Costs**

The cost of the audit is estimated to be approximately \$63,792, plus travel expenses. This is a budget of 720 hours at our current billing rate of \$88.60 per hour.

### **Expected Communications**

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

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

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

### **Customer service survey**

When your report is released you will receive a customer service survey from us. We value your opinion(s) on our audit services and hope you provide us feedback.

### **Loss Reporting**

Local governments are required to immediately notify our Office in the event of a known or suspected loss of public resources or other illegal activity. These notifications can be made on our website at <http://portal.sao.wa.gov/saoportal/public.aspx/LossReport>.

### **Emerging Issues**

Some of the emerging issues affecting local governments are the following:

#### **Change to the Open Public Meetings Act**

During the 2014 legislative session, the Legislature added regular meeting agenda posting requirements to Chapter 42.30 RCW. The new section requires public agencies subject to the OPMA to "make the agenda of each regular meeting available online no later than 24 hours in advance of the published start time of the meeting." Entities that have no web site or those that employ less than 10 full-time equivalent employees are not subject to this new requirement.

The effective date of this new section of RCW 42.30 was June 12, 2014. Meetings that occur on or after June 12, 2014 must comply with this requirement.

#### **Open Government Training Act, Effective July 1, 2014**

- Every member of a governing body of a public agency must complete training requirements on the Open Public Meetings Act.
- Every local elected official and every local government Public Records Officer must receive records training concerning the Public Records Act and Records Management and Retention laws

- Training must be completed within 90 days of assuming office, assuming their duties or taking the oath of office.
- In addition, every member of a governing body and the Public Records Officer must complete “refresher” training at intervals of no more than four years as long as they remain in office.

Training resources are available on our website at  
<http://www.sao.wa.gov/generalinfo/Pages/Open-Government.aspx>

Additional information and on-line training is available at the Office of the Attorney General’s website at <http://www.atg.wa.gov/OpenGovernmentTraining.aspx>

### **New GASB Pension Standards**

#### **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions***

- Effective for the year ended December 31, 2015
- Establishes standards of financial reporting for governments that provide pension benefits including those provided through the State’s plans
- Replaces statement 27
- Net pension liability moves from a note disclosure to being reporting in the financial statements (Schedule 9 for cash basis reporters)
- Department of Retirement Systems is working to provide member employers in the State’s plans with the information they will need
- BARS manual will be updated to include guidance and suggested disclosures

### **Grant Reform**

Significant changes have been made to grant administrative requirements, cost principles and audit requirements. The effective date is December 26, 2014. (audits of 2015 calendar year)

- Single audit threshold increases to \$750,000
- New requirements apply to new awards and additional funding to existing awards made after December 26, 2014 (contact your grantor for additional information)

### **Resources:**

- <https://cfo.gov/COFAR/> 3 free you tube videos and PowerPoint presentations

### **Available Resources**

The Washington State Auditor’s Office also has many resources available throughout the year.

### **Local Government Support Team**

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally this team assists with the online filing of your financial statements.

### **Local Government Performance Center**

The Performance Center is a resource for local governments that need to solve problems, reduce costs, and improve the value of their services to citizens. The Center offers training and tools to help local governments improve performance and effectiveness.

# PROPERTY MANAGEMENT



# TACOMA HOUSING AUTHORITY

Date: May 27, 2015

To: THA Board of Commissioners

From: Pat Patterson  
Director of Property Management

Re: Department of Property Management Monthly Board Report

## 1. OCCUPANCY OVERVIEW

- *Occupancy:*

Unit occupancy is reported for the first day of the month. This data is for the month of April. The high vacancy rate for the month 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	% YTD OCCUPIED
All Hillside/Bay Terrace	132	3	0	129	97.7%	96.8%
Family Properties	147	29	19	118	80.3%	95.0%
Salishan	631	14	0	617	97.8%	99.3%
Senior/Disabled	353	16	0	337	95.5%	92.9%
All Total	1,263	62	19	1,201	95.1%	96.7%

- *Vacant Unit Turn:*

On page six (6) there is a table with all of the units turned in fiscal year 2015. Sixteen (16) units were turned and rented in the month of April. The average unit turn time for the month of April was **30 days for Fifteen (15) clean units**.

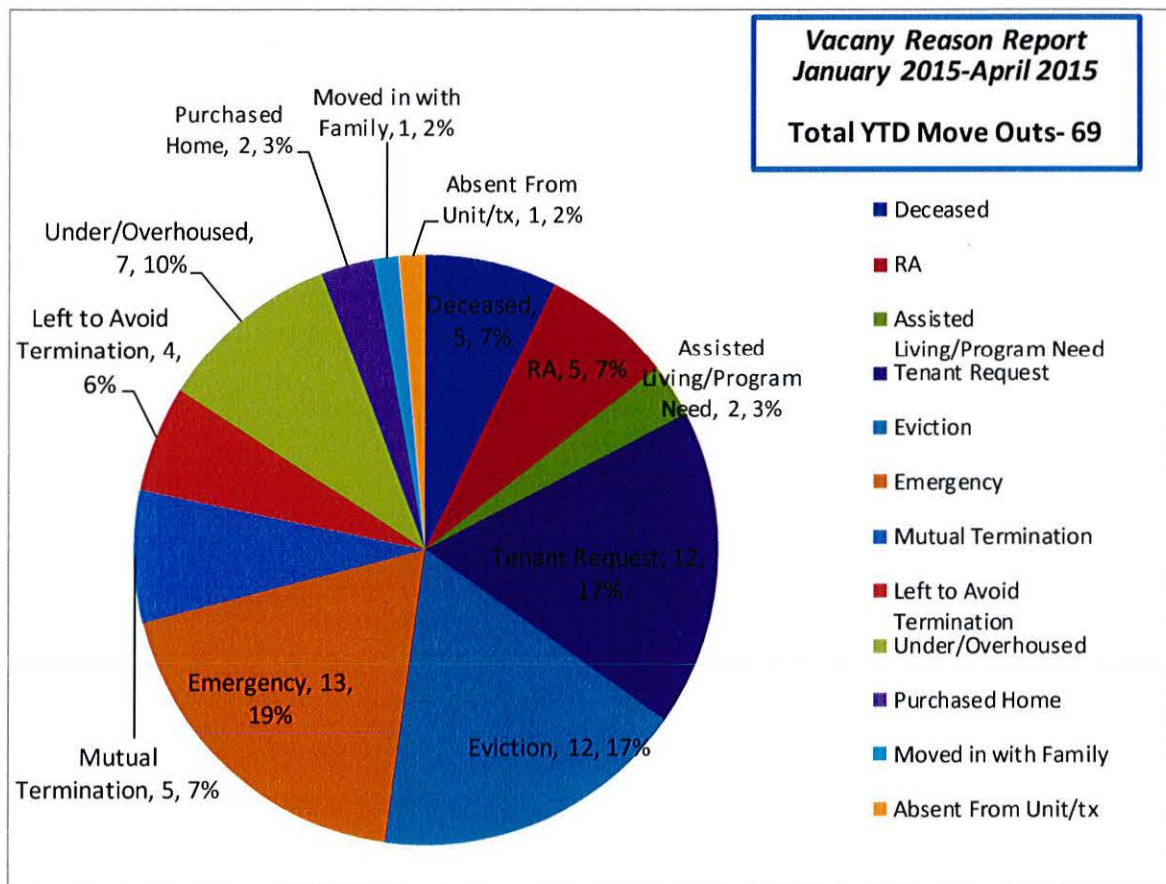
One (1) unit turned in April tested positive for meth. All contaminated units have gone out to bid and are scheduled to be rent ready in the month of May 2015. You will see their average turn times in future reports.

As of April 30, 2015, 150 of the 497 units (30%) that have been tested since we began testing or contamination have tested positive for methamphetamine. As of April 30, 2015, six (6) units have tested positive since January 1, 2015, making the 2015 current hot rate 9%. This time last year, the overall hot rate since we began testing was 41%.

### 1.1 Vacant clean unit turn status

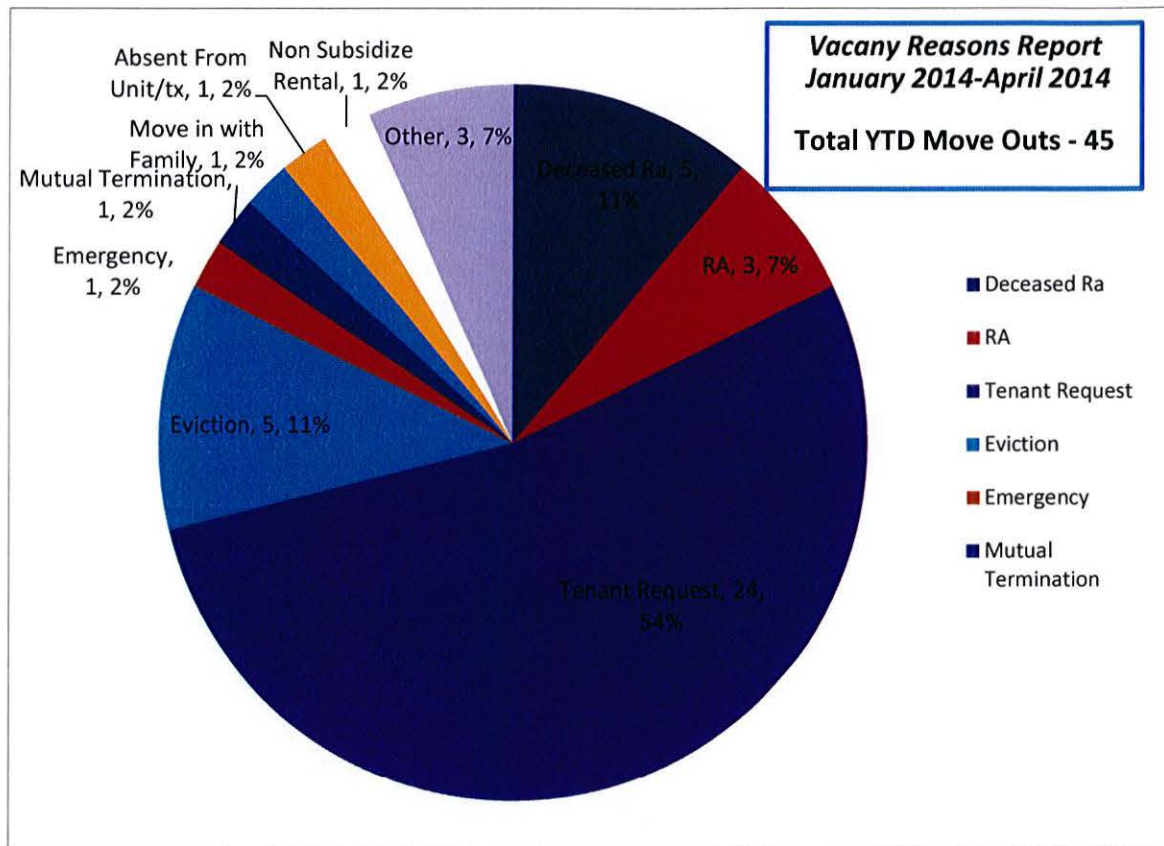
The average turn days for clean units in April was 30 days (15 units). We had five (5) units exceeding 40 days that contributed to the high average that will be explained below. We are averaging 15-20 vacant units per month. We will be looking for trends to reduce these numbers and find reasons for these move outs. 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).

Below is a chart that breaks down the move-out reasons in 2015. We have had **69** move outs through April 2015. The additional chart on the next page (page 3), as requested by the board, displays comparative move out reasons from the same time period in 2014.





### Comparative Move Out/Vacancy Reasons



We are presently trying to turn a unit within 20 days. Below is a list of units that exceeded our expectation. All of these units are a result of the issues mentioned on page 2.

- AMP 1,401 North G St #102 (41 days). The unit was in downtime for fourteen (14) days due to water damage from the above unit. Occupying tenant needed to be relocated before the turn work could start. The maintenance work was completed in twenty-two (22) days. Five (5) days were attributed to leasing efforts.
- AMP 1401 North G #103 (50 days). The unit was in downtime for twenty-five (25) days due to water damage from the above unit. Occupying tenant needed to be relocated before the turn work could start. The maintenance work was completed in fourteen (14) days. Eleven (11) days were attributed to leasing efforts.

- AMP 2 602 S Wright Ave #114 (30 days). Three (3) maintenance days were completed in five (5) days. Twenty two (22) days were attributed to leasing efforts. We had multiple turn downs on this unit that caused the delay in leasing.
- AMP 2 602 S Wright Ave #208 (55 days). The unit was in downtime for two (2) days. This maintenance work was completed in sixteen (16) days. Thirty-nine (39) days were attributed to leasing efforts. Multiple turn downs on this unit caused the delay in leasing.
- AMP 3 5425 S Lawrence #308 (50 days). This unit was in downtime for three (3) days. It took maintenance forty-four (44) days to turn this unit due to the abatement needed because of asbestos flooring. This unit was also occupied by a long time smoker and a special painting treatment was needed. There was also a delay with our flooring contractor due to the back order of our flooring product. Three (3) days were attributed to leasing efforts.
- AMP 10 4204 East Q Street (23 days). This unit was in downtime for five (5) days due to testing. Maintenance work was completed in seventeen (17) days. One (1) day was attributed to leasing efforts.
- AMP 12 1805 East 44<sup>th</sup> Street (24 days). Unit was in downtime for one (1) day. The maintenance work was completed in twenty-two (22) days. One (1) day is attributed to leasing efforts.
- AMP 15 2061 East 44th Street (44 days). The unit was in downtime for three (3) days. ) Twenty-one (21) days were charged to maintenance. Twenty (20) days were attributed to leasing efforts.
- AMP 16 1726 E 46<sup>th</sup> Street (21 days). The unit was in downtime for one (1) day. Maintenance days were eighteen (18), and two (2) days were attributed to leasing efforts.
- AMP 16 1730 E 46<sup>th</sup> Street (22 days). The unit was in downtime for one (1) day. Maintenance days were twenty (20), and one (1) day was attributed to leasing efforts.
- AMP 16 4856 Court Q (32 days). This unit was in downtime for three (3) days. The maintenance was completed in seventeen (17) days. Twelve (12) days were attributed to leasing efforts.

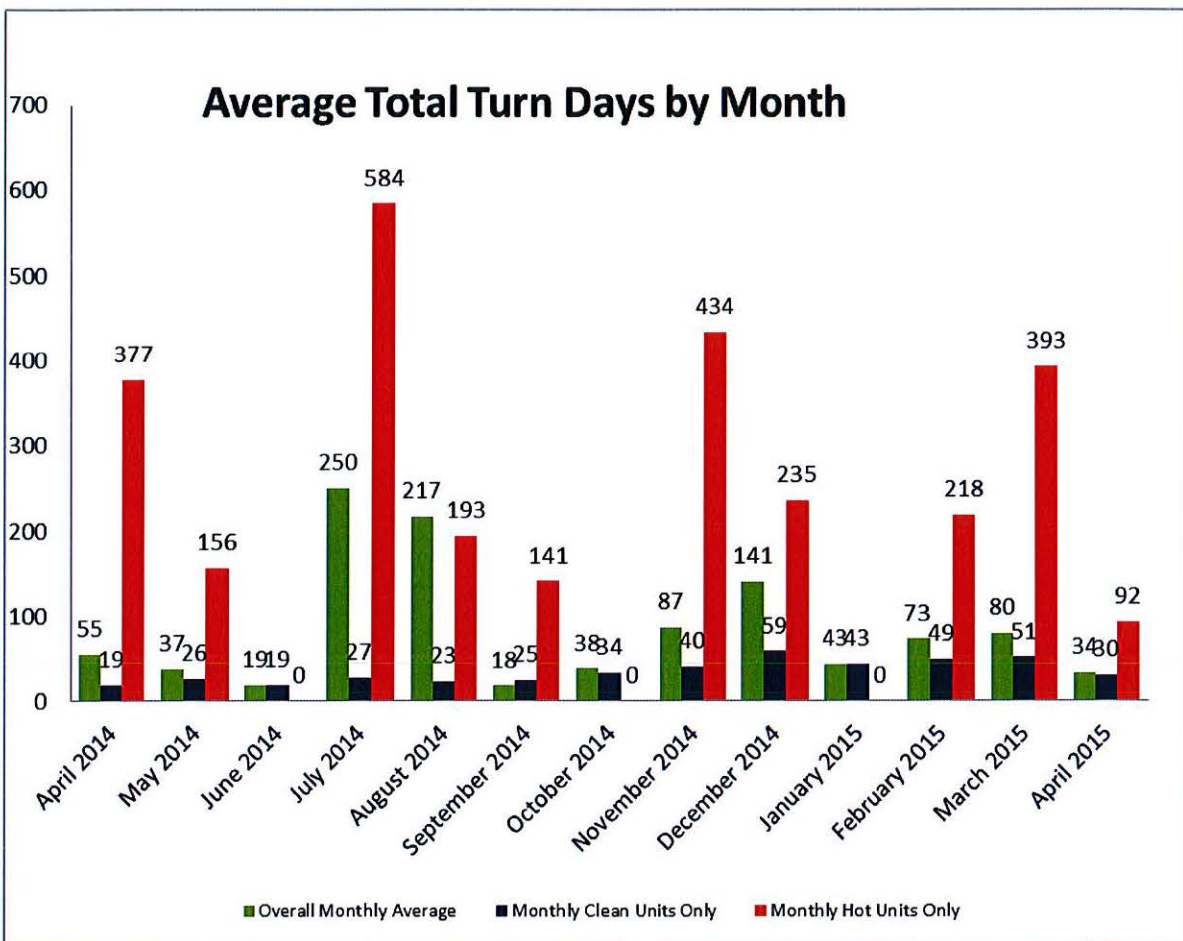


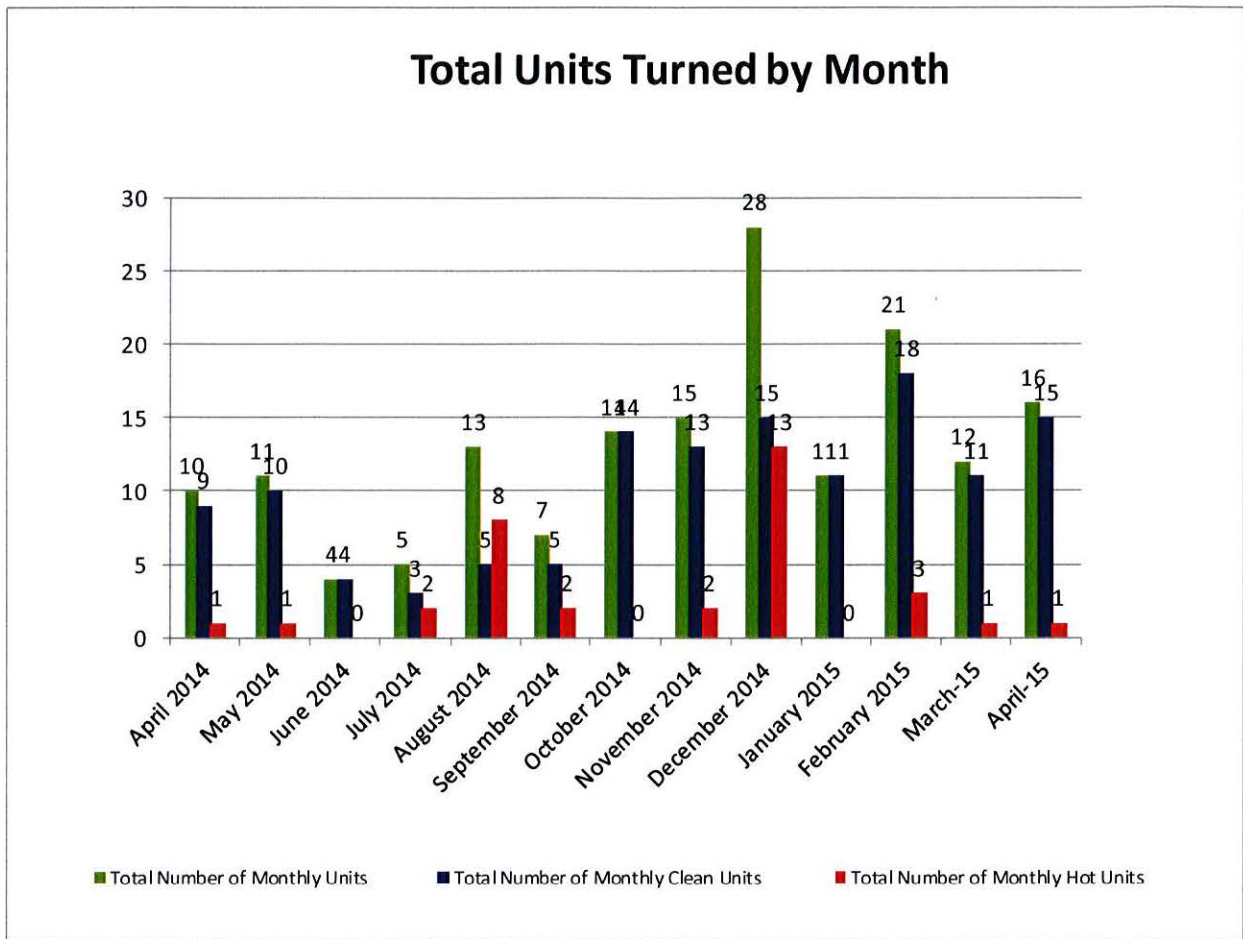
## 1.2 Contaminated unit turns

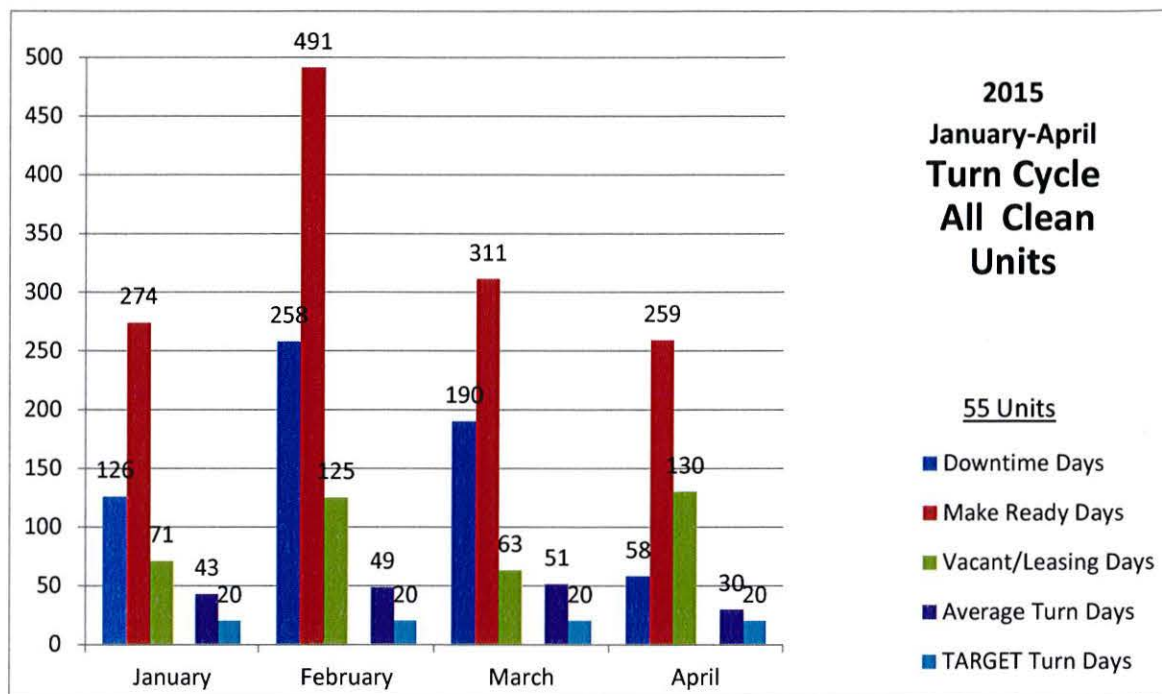
As of May 1, 2015, there were 56 vacant units in THA's portfolio. Of these units:

- 45 are not contaminated
- 3 are awaiting testing
- 8 are in remediation/reconstruction
- 16 units were completed by contractor and returned to sites

The charts on the next two pages (5 and 6) show the calendar year trend in *Average Unit Turn Days* and *Total Units Turned By Month*. The chart on page 7, *Turn Cycle All Clean Units*, shows a year-to-date detail description which includes Actual and Target turn days comparisons.







Our 20 day target turn cycle allows for a certain amount of days to be allocated to each stage in the process. The target goals for these allocations are as follows:

- Two (2) Downtime Days (10% of time)-Meth Testing
- Fifteen (15) Make Ready Days (75% of time)-Maintenance Turn
- Three (3) Vacant/Leasing Days (15% of time)-Site Property Management Team
- 20 Turn Days (100%) to Occupied Unit

In order to accomplish this goal, processes that we are trying to improve are as follows:

- Define areas in need of improvement through tracking
- Establish written processes to increase work flow production in each area
- Develop unit turn team that will only be dedicated to the turn process and avoid pulling staff from the units to service work orders
- Identify qualified applicants and have them ready to lease once units are ready to occupy

### **1.3 Work Orders**

In the month of April, all emergency work orders were completed within 24 hours. In April, maintenance staff completed 151 non-emergency work orders and a total of 973 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 20.12.

In the table on page 10, 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. 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 have been creating a single work order that will have multiple tasks attached that will allow us to close out our work orders in a timely manner.

We continue to bring down the number of outstanding work orders as well as trying to improve our customer service in this area. Processes that we are trying to improve are as follows:

- Make every attempt to address routine work orders within (5) days. When this is not possible, we contact the tenants and give an alternate date that they can expect service.
- Improve our communication with the tenants when service will be delayed and/or when procurement is needed to service the request.
- Lastly, close out the work orders within (48) hours of completion.

## Work Order Summary by Portfolio For the Month of April, 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%	28	3.61	69	4.88
HILLSIDE TERRACE 1500 Block	0	0.0%	0	0.0%	0		10	4.60
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	3	0.33	8	6.13
HILLSIDE TERRACE PH II	0	0.0%	0	0.0%	2	4.00	20	7.15
	0	0.0%	0	100.0%	33	3.33	107	5.37
<b>Family Properties</b>								
BERGERSON TERRACE	1	100.0%	6	100.0%	8	5.13	37	12.95
DIXON VILLAGE	2	100.0%	3	100.0%	4	0.00	30	17.40
MARKET RATE SFR	0	0.0%	0	0.0%	4	13.50	11	25.91
SCATTERED SITES	0	0.0%	1	100.0%	2	61.00	11	15.45
	3	100.0%	10	100.0%	18	12.06	89	16.36
<b>Salishan</b>								
SALISHAN I	0	0.0%	1	100.0%	4	8.00	72	47.93
SALISHAN II	2	100.0%	7	100.0%	4	19.75	60	30.15
SALISHAN III	0	0.0%	0	0.0%	2	2.00	50	50.84
SALISHAN IV	1	100.0%	5	80.0%	2	20.00	54	43.85
SALISHAN V	0	0.0%	2	100.0%	7	7.43	66	47.48
SALISHAN VI	2	100.0%	3	100.0%	3	1.67	79	19.82
SALISHAN VII	0	0.0%	3	100.0%	12	27.67	47	13.70
	5	100.0%	21	95.2%	34	18.00	428	38.26
<b>Senior / Disabled Properties</b>								
6TH AVE	6	100.0%	18	84.4%	12	5.33	51	7.82
E.B. WILSON	3	100.0%	12	100.0%	17	9.00	97	6.27
FAWCETT APARTMENTS	4	100.0%	5	100.0%	6	3.17	27	1.85
LUDWIG APARTMENTS	5	100.0%	9	100.0%	8	20.83	31	17.29
NORTH G ST	1	100.0%	4	100.0%	5	7.20	35	2.43
NORTH K ST	3	100.0%	7	100.0%	11	2.45	48	4.77
WRIGHT AVE	9	100.0%	14	100.0%	7	3.14	60	2.05
	31	100.0%	69	98.6%	66	7.38	349	5.82
<b>Agency Totals:</b>	<b>39</b>	<b>100.0%</b>	<b>100</b>	<b>98.0%</b>	<b>151</b>	<b>8.68</b>	<b>973</b>	<b>20.12</b>

## Open Work Order Summary by Portfolio For the Month of April, 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 (S8)	0	0	9	4	5
HT1500 HILLSIDE TERRACE 1500 Block	0	0	1	0	1
HT2 HILLSIDE TERRACE PH II	0	0	1	0	1
	0	0	11	4	7
<b>Family Properties</b>					
020 BERGERSON TERRACE	1	0	15	5	10
022 LOW RENT SCATTERED SITES (19)	0	0	18	3	15
023 DIXON VILLAGE	2	0	9	1	8
044 ALASKA 9 HOMES	0	0	3	0	3
	3	0	45	9	36
<b>Salishan</b>					
SAL1 SALISHAN ONE LLC (PH)	0	0	76	35	41
SAL2 SALISHAN TWO LLC (PH)	2	0	84	17	67
SAL3 SALISHAN THREE LLC (S8)	0	0	76	30	46
SAL4 SALISHAN FOUR LLC (S8)	1	0	60	38	22
SAL5 SALISHAN V LLC (PH)	0	0	37	14	23
SAL6 SALISHAN SIX LLC (S8)	2	0	47	16	31
SAL7 SALISHAN SEVEN	0	0	37	12	25
	5	0	417	162	255
<b>Senior / Disabled Properties</b>					
008 NORTH K ST	3	0	49	31	18
008 E.B. WILSON	3	0	60	42	18
009 FAWCETT APARTMENTS	4	0	22	2	20
010 WRIGHT AVE	9	0	58	50	8
012 LUDWIG APARTMENTS	5	0	24	10	14
013 NORTH G ST	1	0	12	5	7
014 6TH AVE	6	0	51	17	34
	31	0	276	157	119
<b>Agency Totals:</b>	<b>39</b>	<b>0</b>	<b>749</b>	<b>332</b>	<b>417</b>

**1.4 2015 REAC results**

Property Management has completed the 2015 scheduled REAC inspections. Below is a chart that outlines the results. We received an overall score of **92** which puts us in the high performer classification.

Property	Score
AMP 1- K,G,M	95
AMP 2- 6 <sup>th</sup> , Fawcett, wright	99
AMP 6- Scattered sites	81
AMP 8- Hillside II	97
AMP 11- Salishan 2	80
AMP 12- Salishan 3	81
AMP 13- Salishan 4	97
AMP 14- Salishan 5	100
AMP 15- Salishan 6	96
<b>Average score</b>	<b>92</b>



REAL ESTATE  
DEVELOPMENT



# TACOMA HOUSING AUTHORITY

DATE: May 15, 2015

TO: THA Board of Commissioners

FROM: Kathy McCormick  
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

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## 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, five (5) of which were sold to income-eligible households.

#### 1.1.3 *Area 2B*

DR Horton has commenced with construction activities.

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 sixteen (16) acre parcel of open space located in Salishan's Area 2B on the unbuildable slope of First Creek. 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. A resolution is before the BOC this month for the purchase and sale agreement.

1.1.4 *Arlington Road*

THA received an unsolicited Letter of Interest for the parcel known as Arlington Road. This is approximately a five (5)-acre 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, THA 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.* Staff converted the construction loan to permanent financing on April 3, 2015.

**2.2 Bay Terrace – Phase II**

*Phase II Proposal:* 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. Staff are engaged in the schematic design phase of this project. Schematic design focuses on the key architectural elements and concepts, unit sizes and general layouts and anticipated amenities. A preliminary construction estimate is developed based on this phase of work.

**2.2.1 Financing.**

Staff will prepare and publicize a Request for Proposals (RFP) for lenders and investors in June 2015. J.H. Brawner is the Financial Advisor for this transaction. The RFP timeline for lenders and investors is accelerated to take advantage of a higher tax credit selling environment.

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

On April 23, 2015 staff presented the Phase II project to the Finance Commission Board. The Board of Commissioners approved the Bay terrace Phase II project for the tax credit program. The allocation of 9% tax credits is expected to generate \$15 million in investments.

2.2.2 *Community Meetings.*

A community meeting with current residents of Phase I of Bay Terrace was held on April 27, 2015. Approximately 21 residents participated and provided valuable input about the Phase I facilities. Residents also made suggestions for amenities and finishes for Phase II. A resident survey is being circulated to learn more about the type of amenities residents prefer and use. Staff is seeking specific information about amenities that are suitable for young and teenaged children.

To supplement the Community Meetings, THA will work with The Tacoma Arts Program to develop and implement two separate artist selection processes.

*The first will identify qualified artists or artist teams to:*

- Work directly with youth (K-5 and teens) and capture their input and perspectives related to their needs and opinions on space, place, and living in their community;
- Advise the development team (including designers and other artists) about potential locations for public art. This input will be provided prior to finalizing the design and is not expected to be incorporated into the schematic design phase;
- Create artistic product deliverables (ephemeral and/or permanent) that reflect/include the input of the children; and,
- Plan an event to celebrate the artwork produced by the children who participate in the artist led process.

*The second call to artists will focus on the following:*

- Design a permanent art piece(s) that will be completed as part of the project;
- Incorporate what was learned from working with the children in the first series of artists work;
- Advise the design team on locations for public art as well as features, location and elements of hill climb; and,
- Identify locations for the permanent art.

### **2.3 Bergerson Terrace**

The first phase of work is underway. Demolition and asbestos abatement work has been completed in 10 units. Plumbing and electrical rough-in are finished, drywall repairs are complete and painting is nearing completion in ten of the units. Floor preparation for the concrete floor overlay is finishing up and the floor overlay is scheduled to be installed March 11<sup>th</sup> in ten (10) units. Demolition of the final five (5) units of the first phase is scheduled to begin the first of April.

Fifteen (15) units are to be completed in the first phase and the remaining twenty-one (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 a physical needs assessment of all its public housing properties. The second phase will incorporate items identified in this assessment as well as the remaining twenty-one (21) first floor units.

## **3. OTHER PROJECTS**

### **3.1 AG Program**

Re-construction at 6615 S. Puget Sound is nearing completion. Doors, flooring, plumbing fixtures and cabinets have been installed. Electrical fixtures and landscaping is expected to be completed in the next two weeks. The house is expected to be marketed for sale by the end of May.

This is the last house THA has purchased under the AG Program. The City of Tacoma has yet to confirm the continuation of the program. THA staff is in the process of proposing continuation of the program in an altered form.

### **3.2 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 19, 2015	

**3.2.1 Construction**

Pavilion Construction, the General Contractor, was issued temporary Certificate of Occupancy on May 6, 2015. Final Certificate of Occupancy is anticipated to be received the week of May 11, 2015.

**3.2.2 Property Management**

THA is contracting with REIS property management company to manage Prairie Oaks. Staff is coordinating lease-up with LASA, Pierce County Housing Authority, REIS and THA Compliance and Asset Management.

**3.3 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.

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

Staff held the preconstruction meeting on March 1 with the contractor, Stetz Construction. Stetz is currently working on their submittals and ordering materials. They plan to start construction activities on March 30, 2015.

**3.5 Market Rate Scattered Sites**

Two firms responded to the ITB by the due date of April 15, 2015. THA RED staff reviewed the proposals and determined MAD Construction was the low bidder.

**3.6 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. This plan won the Bank of America Affordable Housing Competition.

**4. FUTURE DEVELOPMENT PROJECTS**

**4.1 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 April 11, 2015, staff met a second time with the Many Lights Foundation Board of Directors to discuss development options and a foundation to establish a joint development. The presentation was well received and staff is outlining terms for a potential Real Estate Development Agreement that will be discussed internally

## **4.2 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.

## **4.3 Acquisition**

**5.3.1 *Outrigger Apartments:*** THA offered to purchase the Outrigger Apartments at 6102 6<sup>th</sup> Avenue on April 30, 2015. The seller responded to THA's offer with a counter-offer. The counter offer was acceptable. The seller and THA will sign a Purchase and Sale Agreement (PSA) by May 15<sup>th</sup>. THA will begin the due diligence work afterward. All due diligence and financing must be in place within 60 days of signing the PSA. Staff will present the proposed business terms at the July Board Meeting. The final purchase is subject to Board approval.

**5.4.1 *Key Bank on the Hilltop:*** THA made an offer to purchase the Key Bank in the Hilltop neighborhood. Key Bank will keep the property on the market for 60 days or more before making a decision about the THA offer.

### **5.3.2 *New Look Apartments/Alberta Canada Building Acquisition***

On February 4, 2015, staff presented a proposal to MLKHDA for THA's purchase of the managing member interest of New Look Apartments. On February 27, 2015, THA was informed that MLKHDA rejected its offer. Staff reengaged with MLKHDA staff and received confirmation that MLKHDA wants to pursue the sale. The MLKHDA Board has now approved the sale and MLKHDA and THA signed a Purchase and Sale Agreement (PSA) on May 8, 2015. The National Equity Fund (NEF) is a party to the PSA and will present it to their internal committee in mid-May. Staff believes they will sign the agreement.

The PSA 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 of any improvements made to the property. Staff will negotiate loan terms with the two entities that have notes on New Look. All updated business terms will be presented to the Board of Commissioners at the June meeting. THA's purchase will require satisfactory agreements with the two lenders (WCRA and the City of Tacoma) on the terms of their loans and with the investor on the terms of getting the investor's interest in the property after the 15 year compliance period expires. THA staff are discussing those terms.



**5. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES**

The following are the schedules as of March 3, 2015, for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

<b>Grant</b>	<b>Total Grant</b>	<b>Obligation Start Date</b>	<b>Obligated</b>	<b>% Obligated</b>	<b>Obligation Deadline</b>	<b>Expended</b>	<b>% Expended</b>	<b>Expended Deadline</b>
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
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

## CLIENT SERVICES



# TACOMA HOUSING AUTHORITY

DATE: May 27, 2015

TO: THA Board of Commissioners

FROM: Greg Claycamp  
Client Services Department

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.

**Director's Comment:** This month, Client Services began preparation for opening the HOP waitlist in July. With this undertaking, our Rental Assistance and Community Services Divisions begin practical integration. We will offer client-centered, proactive services to support self-sufficiency among THA households. Steps toward this goal include:

- *Develop richer profiles of the households applying for subsidy.*

This year's application will include a required section of questions that do not bear directly upon eligibility, but will identify challenges to self-sufficiency and securing housing. THA will ask questions about participation in pre-K education and access to childcare, health insurance status, voter registration, and current rent and utility burdens. THA will inquire regarding current and past experience of homelessness, eviction history and other barriers to renting. THA will ask more detailed questions about the amounts and sources of earned and unearned income.

In total, there will be about ten questions, with yes/no answers and drop-down menus to provide detail.

THA does this to assist all applicants toward self-sufficiency, and provide applicants not chosen by lottery with referral information to non-THA community resources. THA hopes to establish a practice of surveying community partners about current programs prior to opening the waitlist, so that these referrals are meaningful. For example, this year THA can refer qualified households to Goodwill, which is undertaking a new project sponsored by the Kellogg Foundation to provide vocational support to unemployed women of color with pre-school aged children.

- ***Assess self-sufficiency for all new voucher recipients and proactively engage households with challenges to successful tenancy.***

Community Services will conduct a 30-60 minute assessment of all prospective voucher recipients using a self-sufficiency matrix. Households who score in crisis will not be disqualified. THA may ask recipients to commit to or complete some services before receiving a voucher. As examples, THA may refer a household to MDC's Landlord Liaison Project if they have eviction, debt or behavioral histories that create barriers to renting. THA will also refer any member of a household who self-identifies as chemically dependent to outpatient assessment.

- ***Provide direct access or meaningful referral to self-sufficiency resources.***

The new voucher "paper shuffle" will include a voter registration card, referral to Sound Outreach for ACA healthcare enrollment, and releases to share individual information with Tacoma Public Schools for all school-aged children. THA will clearly identify signature or acceptance of these documents as optional but encouraged.

After voucher recipients secure housing, THA's Client Services will follow-up with households assessed as unstable to offer targeted supportive services. While Client Services does this not contemplate mandatory participation at this time, Client Services will consistently reference the time-limited nature of HOP vouchers, and the need to establish adequate income and stability within five years.

THA is excited by this opportunity to begin integrating Community Services and Rental Assistance in robust fashion.

## SECTION ONE: COMMUNITY SERVICES

FROM: Mia Navarro  
 Community Services Division

### 1. NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

#### 1.1. Program Entries, Exits, and Unduplicated Number of Households Served

April 2015	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
<b>General Programs</b>				
Case Staffing	13	10	19	40
Families in Transition (FIT)	1	2	24	32
Family Self Sufficiency (FSS)	3	1	119	120
General Services	3	4	19	39
Hardship	0	1	10	13
Housing Opportunity Program (HOP) Case Management	2	1	10	13
<b>Education Project</b>				
Children's Savings Account (CSA)	N/A	N/A	N/A	N/A
McCarver	0	0	35	39
Scholar Incentive Program (SIP)	N/A	N/A	N/A	N/A
College Housing Assistance Program**	N/A	0	8	8
<b>Elderly &amp; Disabled</b>				
Elderly & Disabled	16	8	21	24
<b>DEPARTMENT TOTAL*</b>	<b>38</b>	<b>33</b>	<b>260</b>	<b>337</b>

*\*Some households may be enrolled in more than one program, so this number will not necessarily be the sum of the program numbers every time.*

*\*\* This is the same data as last month. Client Services receives data from TCC on a quarterly basis, and have had no new data from them since last month. Client Services have a request in to TCC for the next quarter's worth of data, and a request in to technical analyst for an internal report. Client Services hopes to have this data ready for next month.*

## **2. CLIENT STORIES**

### **2.1. Education Project**

McCarver client S. has struggled throughout her time in the program. She entered the program in 2013 having been homeless with her four children. At the time she entered the program, her goals were to leave her husband and begin an independent life, to focus on her mental health needs and eventually to become employed. However, a month after entering the program she realized she was pregnant with her fifth child. She continues to struggle to separate from her husband. Because he is homeless when not living with her, she finds it very difficult to refuse to let him stay with her and the children when he asks.

Her mental health issues have made it difficult for her to pursue employment. Maintaining structure in the home is extremely challenging for S. She gets overwhelmed with her inability to pay her bills and provide the necessities for her family. A major stressor in her life is the utility bills that she cannot afford to pay and that continue to mount up. The home she lives in with her voucher is an old house that is not energy efficient. Her utility bills can be as high as \$600. Trying to address the overdue bills leads to such high levels of stress that S. breaks down and is unable to focus on anything else.

Despite a lack of progress, we remain hopeful that the program is helping S. She is meeting with her case worker on a weekly basis. She comes to the meetings ready to discuss her needs and take action steps. She is open and honest.

This month, with the guidance of her caseworker, she took the step of getting a mental health assessment. We hope that it will lead to appropriate mental health treatment. Simultaneously, her caseworker is working with her on developing a resume. We are encouraging her to pursue part time employment that will not overwhelm her to begin with.

One area where S has made progress is around her children's school attendance. When she entered the program her children weren't going to school on a regular basis. One focus of work with her has been to get her children to school every day and to avoid tardiness. They are now coming to school on time on a regular basis.



Another area of strength is her eldest son. He is in 11th grade and thriving in school while also working at McDonalds. Her caseworker is helping S. focus on pushing her son toward post-secondary education.

## 2.2. General Services

The following is a reflection letter from a Families in Transition Program participant upon graduation.

When I first entered the program, I had a very hard time managing life's many challenges. I found the weekly case managing appointments and the goal sheets very helpful. It encourages me to move forward and holds me accountable for things I want to accomplish. Also, I am able to look back and see where I was, to where I am now, in a very concrete way.

I have learned a lot about myself over the past few years, most importantly being that I can take care of my family as a single mother. My goals are to stay focused on my mental health and continue to make our house a home. I am confident that I have the skills needed to keep going and I will never give up on myself.

Thank you for this program, it has changed our lives. -J



*When I first entered the program, I had a very hard time managing lifes many challenges. I found the weekly case managing appointments and the goal sheets very helpful. It encourages me to move forward and holds me accountable for things I want to accomplish. Also, I am able to look back and see where I was, to where I am now, in a very concrete way.*

*I have learned a lot about myself over the past few years, most importantly being that: I can take care of my family as a single mother. My goals are to stay focused on my mental health and continue to make our house a home. I am confident that I have the skills needed to keep going and I will never give up on myself.*

*Thank you for this program, it has changed our lives.*

## **SECTION TWO: RENTAL ASSISTANCE AND LEASING**

FROM: Julie LaRocque  
Rental Assistance Division

Housing Choice Voucher utilization is reported at 100% for the month of April 2015.

The Rental Assistance Division is currently working on opening the HOP waiting list. The date of the opening is scheduled for July 13, 2015. As with the last opening, all applications will be accepted through our online system. We are working with marketing and also planning on staffing a phone bank and support for clients needing help with the application process.

Below is a breakdown of the utilization of our special programs and project based vouchers:

Program Name	Units Allocated	Units Leased and Shoppers
VASH Veterans Administration Supportive Housing	168	143
NED Non elderly disabled vouchers	100	85
FUP Family Unification Program	50	43
McCarver Program	50	33
CHAP College Housing Assistance Program	25	22
CHOP Child Welfare Housing Opportunity Program	20	10

Project-Based Properties	Units Allocated	Units Leased and Shoppers
Bay Terrace	20	20
Eliza McCabe Townhomes	10	9
Flett Meadows	14	11
Guadalupe Vista	40	38
Harborview Manor	125	120
Hillside Gardens	8	7
Hillside Terrace	9	9
Nativity House	50	50
New Look Apts.	42	41
Pacific Courtyards	20	17
Salishan 1-7	340	331
Tyler Square	15	11
Total	693	664

## NEW BUSINESS

## RESOLUTION #1



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-05-27(1)

**Date:** May 27, 2015  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Renovation and Sale of Market Rate Scattered Sites Units

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### Background

On Jan 28, 2015 the BOC approved resolution number 2015-1-28 for the repair and sale of THA's ten (10) Market Rate scattered site homes. This Resolution would authorize the Executive Director to negotiate a contract with MAD Construction to renovate five (5) of the ten (10) market rate homes and, if those negotiations are successful, to execute it. If those negotiations are not successful this resolution would also authorize him to negotiate and execute a contract with Rainbow International.

THA staff advertised an Invitation to Bid (ITB) for interested General Contractors to provide THA with competitive bids to perform the work on five (5) of THA's Market Rate Scattered Site Homes.

THA posted the ITB on Washington Electronic Business Solutions, (WEBS), THA's website and twelve (12) plan Centers on March 27, 2015. Two (2) firms responded to the ITB by the due date of April 15, 2015. THA's RED staff reviewed the proposals and found both bids to be responsive and responsible. Staff is recommending entering into an agreement with MAD Construction to provide services, as they are the least expensive.

The results are as follows:

MAD Construction	\$362,200.00
Rainbow International	\$384,100.00

Due to timing of the bid openings and allowing adequate time to complete due diligence on the low bidder, staff was not able to present a resolution before the BOC in April for this project. To move forward in a timely manner, staff issued a contract for 1211 Trafton for \$23,600, plus contingency of \$4,720. This home has the least repairs and can be ready for marketing quickly.

The second contract will be for the remaining amount of the original \$362,200 bid. This contract will be for \$338,600 plus contingency of \$67,720.00 for a total of \$406,320.00.

THA estimates that selling the five homes will bring in \$673,500, net of renovation and sales costs.

**Recommendation**

Approve Resolution 2015-05-27(1) authorizing the Executive Director to negotiate a contract with MAD Construction in the amount of \$338,600 plus a contingency amount of \$67,720 and if those negotiations are successful, to execute the contract.. The total amount of the contract is not to exceed \$406,320. If those negotiations are not successful, he is authorized to negotiate and execute a contract with Rainbow International.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-05-27 (1)

### Market Rate Scattered Site Reconstruction Award

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

**Whereas,** On March 27, 2015 Tacoma Housing Authority (THA) Staff advertised an Invitation to Bid (ITB) for proposals from interested General Contractors to provide THA with competitive bids to perform the renovation needed for the Market Rate Scattered Sites;

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

**Whereas,** two firms submitted proposals by the deadline of April 15, 2015;

**Whereas,** the lowest and responsive and responsible bidder was M.A.D. Construction in the amount of \$362,200;

**Whereas,** this resolution will authorize the Executive Director to sign a contract procuring M.A.D. Construction, LLC as the contractor to provide renovation services.

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

1. The Executive Director is authorized to negotiate, and if negotiations are successful, to execute a contract with M.A.D. Construction, in the amount of \$338,600 plus a contingency amount of \$67,720. The total amount of the contract is not to exceed \$406,320 including contingency, to rehabilitate five Market Rate Scattered Site Units.
2. If the negotiations with MAD Construction are not successful, he is authorized to negotiate and execute a contract with Rainbow International.

**Approved: May 27, 2015**

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Stanley Rumbaugh, Chair



## RESOLUTION #2



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27(2)

DATE: May 27, 2015

TO: Board of Commissioners

FROM: Michael Mirra, Executive Director

RE: Redwood/Juniper, Pine Tree Harbor and Conifer South Defeasance

### **Background**

In 2005 THA issued its \$12,175,000 original principal amount Multifamily Housing Revenue Bonds, 2005 (GNMA Collateralized Mortgage Loans – Redwood/Juniper, Pine Tree Harbor and Conifer South Projects) (the “Bonds”). In addition to being the issuer of the Bonds, THA is a member of each of the limited liability companies that own the Redwood/Juniper, Pine Tree Harbor and Conifer South projects. The LLCs wish to refinance the projects to reduce the interest rate on the loans underlying the Bonds. In connection with the loan modification, the Bonds will be defeased (funds set aside in an escrow account sufficient enough to pay off the debt) until the earliest practicable date they can be paid in full.

This defeasance poses no risk to THA, and does not affect the right of first refusal.

As issuer of the Bonds, THA must enter into a defeasance trust agreement to effect the defeasance of the Bonds. THA will also be required to execute certain documents in connection with the modification of the underlying loans, in its capacity as a member of the LLCs.

### **Recommendation**

Approve Resolution 2015-5-27(2) approving the defeasance of the Bonds and authorizing and directing the Executive Director to execute a defeasance trust agreement and take all necessary action in connection with the refinancing of the projects.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27(2)

### **Redwood/Juniper, Pine Tree Harbor and Conifer South Defeasance**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the execution and delivery of a defeasance trust agreement in connection with the defeasance of the Authority's \$12,175,000 original principal amount Multifamily Housing Revenue Bonds, 2005 (GNMA Collateralized Mortgage Loans – Redwood/Juniper, Pine Tree Harbor and Conifer South Projects); and providing for other matters properly related thereto.

**Whereas**, the Authority previously issued its \$12,175,000 original principal amount Multifamily Housing Revenue Bonds, 2005 (GNMA Collateralized Mortgage Loans – Redwood/Juniper, Pine Tree Harbor and Conifer South Projects) (the “Bonds”);

**Whereas**, the Authority is a member of each of Redwood Juniper Tacoma Apartments, LLC, Pine Tree Harbor Tacoma Apartments, LLC, and Conifer South Tacoma Apartments, LLC (collectively, the “LLCs”), the limited liability companies that own the Redwood/Juniper, Pine Tree Harbor and Conifer South projects (collectively, the “Projects”);

**Whereas**, the LLCs have determined that it is in their best interest to modify the loan underlying the Bonds to reduce the interest rate thereon;

**Whereas**, in connection with the loan modification, the Bonds will be defeased, and paid in full as soon as possible thereafter, which will be approximately 30 days after notice of the redemption is provided to the owners of the Bonds;

**Whereas**, a defeasance escrow agreement will be required to effect the defeasance; and,

**Whereas**, it is in the best interest of the Authority, both in its capacity as a member of the LLCs and as issuer of the Bonds, to take such actions as are necessary to effect the loan modification, defeasance and redemption described herein.

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

Authorization of Documents and Execution Thereof. The Chair of the Board, the Authority's Executive Director and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute and deliver a defeasance trust agreement substantially in the form on file with the Executive Director of the Authority, with such changes as the Authorized Officers deem necessary or desirable to further the purposes of this resolution. The Authority authorizes and approves the performance by the Authority of its obligations contained in, the defeasance trust agreement and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the defeasance trust agreement. The Authorized Officers, and each of them acting

alone, are authorized and directed to execute and deliver, on behalf of the Authority (on its own behalf or in its capacity as member of the LLCs) any other documents that may be useful or necessary in connection with the defeasance trust agreement or the loan modification, defeasance and redemption described herein including, without limitation, notices of defeasance and redemption of the Bonds, resolutions of the members of the LLCs and amendments of the operating agreements governing the affairs of the LLCs.

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

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

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

**Adopted: May 27, 2015**

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Stanley Rumbaugh, Chair





# TACOMA HOUSING AUTHORITY

## CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the City of Tacoma (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached copy of Resolution No. 2015-5-27( ) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on May 27, 2015, and duly recorded in the minute books of the Authority; and

2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 27<sup>th</sup> day of May, 2015.

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Michael Mirra, Secretary and Executive Director of the Authority

## RESOLUTION #3



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (3)

**Date:** May 27, 2015  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Approval of Project Based Voucher extension: Pacific Courtyard

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### **Background:**

THA provides project based vouchers (PBV) in a number of properties throughout the city. Current contracts have terms of 10-15 years. Over half of THA's contracts were executed between 2003-2005 when state and federal money was invested in transitional housing. Most of these contracts have now reached their contract expiration and, to date, the board has approved contract extensions in order to maintain the affordability in these properties.

This resolution relates to Pacific Courtyard. Pacific Courtyard is a 46-unit property at 8606 Pacific Avenue. The property contains a mix of 1, 2, and 3 bedroom units. It is owned by MDC. THA has twenty-three (23) project-based vouchers (PBV) in the property. The property also received PBV VASH, tax credits and Continuum of Care service dollars. The 23 PBV units have operated as transitional housing units during the duration of the PBV contract. The initial PBV contract expired at the beginning of May 2015. THA and MDC both wish to maintain the affordability of these units.

In consultation with MDC and Pierce County Community Connections, we hope the property will change from transitional housing to either permanent housing or service enriched affordable housing that is available for higher need THA clients. Over the next two years, MDC will work with Pierce County and Building Changes to determine the best future use of this property.

Staff recommends that THA renew this contract for up to ten (10) years. We are asking for authorization to allow staff to negotiate the length and term of the contract. We anticipate executing a shorter term contract to give MDC time to move away from the transitional housing model and then contemplate a second extension for the property's new use.

### **Recommendation**

Approve Resolution 2015-5-27 (3) authorizing renewal of the Pacific Courtyard Project Based Vouchers for a period of up to 10 years.





## TACOMA HOUSING AUTHORITY

### **RESOLUTION 2015-5-27 (3)**

#### **Project Based Voucher extension: Pacific Courtyard**

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

**Whereas**, Tacoma Housing Authority (THA) has twenty-three (23) project based vouchers (PBV) at the Pacific Courtyard Apartments;

**Whereas**, THA and MDC wish to maintain the long-term affordability of this property; and,

**Whereas**, a contract extension will be negotiated with the property for up to ten (10) years.

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

Authorizes the Executive Director to execute a new Project Based Housing Assistance Payment (HAP) contract with MDC for Pacific Courtyard Apartments effective May 1, 2015, for a term not to exceed ten (10) years..

**Approved: May 27, 2015**

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Stan Rumbaugh, Chair

## RESOLUTION #4



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (4)

**Date:** May 27, 2015  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Approval of Project-Based Voucher Extension: Hillside Terrace 1500 block

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### **Background:**

THA provides project based vouchers (PBV) in a number of properties throughout the city. Current contracts have terms of 10-15 years. THA committed four (4) PBVs to the 1500 Block of Hillside Terrace when THA redeveloped this property in 2005. THA intends to maintain the affordability of the property long term.

Staff recommends renewing this contract for up to fifteen (15) years. THA is asking for authorization to allow staff to negotiate the length and terms of the contract. THA anticipates executing a one-year contract to allow staff to negotiate deal points for the RAD conversion. Once the conversion is completed THA would then contemplate a second extension to extend to the full 15-year renewal approval.

### **Recommendation**

Approve Resolution 2015-5-27(4) authorizing renewal of the Hillside Terrace 1500 Block Project Based Vouchers for a period of up to 15 years.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (4)

### Project-Based Voucher Extension: Hillside Terrace 1500 Block

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

**Whereas**, Tacoma Housing Authority (THA) has four (4) project based vouchers (PBV) at Hillside Terrace 1500 Block;

**Whereas**, THA is the managing partner for the Hillside Terrace 1500 Block LLC and wishes to maintain the long-term affordability of this property; and,

**Whereas**, a contract extension will be negotiated with the investor for up to fifteen (15) years.

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

Authorizes the Executive Director to execute a new Project Based Housing Assistance Payment (HAP) contract with Hillside Terrace 1500 Block effective June 1, 2015, for a term up to fifteen (15) years.

**Approved: May 27, 2015**

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Stan Rumbaugh, Chair

## RESOLUTION #5



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (5)

**Date:** May 27, 2015  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Approval of Project-Based Voucher Extension: Tyler Square

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### **Background:**

THA provides project based-vouchers (PBV) in a number of properties throughout the city. Current contracts have terms of 10-15 years. Over half of THA's contracts were executed between 2003-2005 when State and Federal money was invested in transitional housing. Most of these contracts have now reached their contract expiration and, to date, the board has approved contract extensions in order to maintain the affordability in these properties.

This resolution relates to Tyler Square. Tyler Square is a 27-unit property at 3202 S. Tyler Street. The property contains a mix of 2, 3, and 4 bedroom units. It is owned by Tacoma Rescue Mission (TRM). THA has twelve (12) project-based vouchers (PBV) in the property. The property also receives Continuum of Care service dollars. The 12 PBV units have operated as transitional housing units during the duration of the PBV contract. The initial PBV contract expired at the end of January. THA and TRM both wish to maintain the affordability of these units.

In consultation with TRM and Pierce County Community Connections, we hope the property will change from transitional housing to either permanent housing or service enriched affordable housing that is available to higher need THA clients. Over the next two years, TRM will work with Pierce County and Building Changes to determine the best future use of this property.

Staff recommends renewing this contract for up to ten (10) years. THA is asking for authorization to allow staff to negotiate the length and term of the contract. THA anticipates executing a shorter term contract to give TRM time to move away from the transitional housing model then contemplate a second extension for the property's new use.

### **Recommendation**

Approve Resolution 2015-5-27 (5) authorizing renewal of the Tyler Square Project-Based Vouchers for a period of up to ten (10) years.





## TACOMA HOUSING AUTHORITY

### RESOLUTION 2015-5-27 (5)

#### Project-Based Voucher Extension: Tyler Square

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

**Whereas,** Tacoma Housing Authority (THA) has twelve (12) project-based vouchers (PBV) at the Tyler Square Apartments;

**Whereas,** THA and Tacoma Rescue Mission wish to maintain the long-term affordability of this property; and,

**Whereas,** a contract extension will be negotiated with the property for up to ten (10) years.

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

Authorizes the Executive Director to execute a new Project-Based Housing Assistance Payment (HAP) contract with Tacoma Rescue Mission for Tyler Square Apartments effective February 1, 2015, for a term not to exceed ten (10) years.

**Approved: May 27, 2015**

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Stan Rumbaugh, Chair



## RESOLUTION #6



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (6)

**Date:** March 25, 2015  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Purchase and Sale Agreement Salishan Area 2B Metro Parks

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### **Background**

This resolution would approve an agreement to sell Metro Parks two Salishan home ownership lots and one 16-acre parcel of open unbuildable space for \$295,000. See attached map.

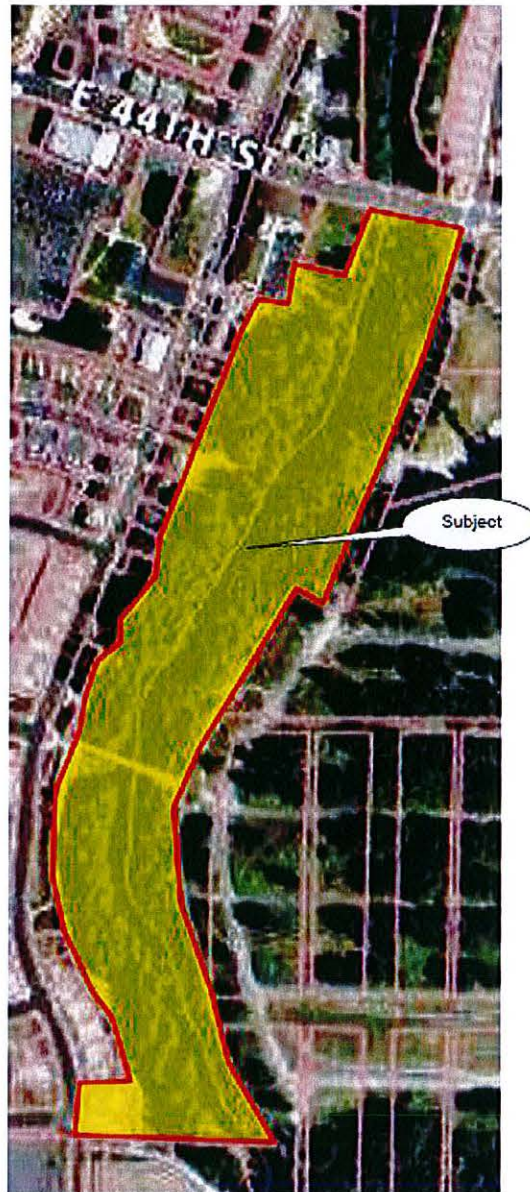
THA's Salishan HOPE VI redevelopment project is nearing complete build-out. The remaining areas that need to be developed include (a) the Salishan Core; and (b) the Arlington Road site. During the design of Salishan, THA staff worked closely with Metro Parks Tacoma staff in planning for the possible future use of 51<sup>st</sup> Street as access to Swan Creek. The two-home ownership parcels will allow for this access. The unbuildable open property is on the west slope of First Creek in Area 2B. This land is not suitable for building. It is essentially a buffer zone of natural vegetation. Selling it to Metro Parks will transfer its maintenance as well. That is good. The sale price for all parcels will be \$295,000.

Metro Parks would like to close on this transaction by December 31, 2015. In order for THA to close we need to obtain a Disposition Amendment from HUD. The main deal terms are:

- Purchase price is \$295,000.
- Restrictions on use of open space for parks, recreation, open space vehicular and pedestrian access.
- Feasibility Period Complete: 60 Calendar days from effective date (date PSA signed).
- Acquisition Closing: No later than December 31, 2015, (contingent upon HUD approval).

### **Recommendation**

Approve Resolution No. 2015-5-27 (6) authorizing THA Executive Director to negotiate with Metro Parks of Tacoma for the sale of two home ownership parcels and one 16-acre parcel of open space located in Salishan's Area 2B as shown on the attached map, for a purchase price of \$295,000, and if those negotiations are successful to sign the agreement.



Aerial with Parcel Overlay - Salishan Land



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2015-5-27 (6) Purchase and Sale Agreement Salishan Area 2B Metro Parks**

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

**Whereas,** THA collaborated with Metro Parks Tacoma during the design process for Salishan to provide future access to Swan Creek Park from 51<sup>st</sup> Street;

**Whereas,** THA legal counsel and THA staff worked in collaboration with Metro Parks to draft a Purchase and Sale Agreement;

**Whereas,** the transfer of about 16 acres of undeveloped land on the west slope of First Creek in Area 2b, would free THA of its maintenance while preserving adequate THA control over its future development; and,

**Whereas,** The Executive Director and the Board of Commissioners find the terms of the Purchase and Sale Agreement acceptable to THA.

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

The Executive Director has the authority to negotiate and if those negotiations are successful, to execute a Purchase and Sale Agreement with Metro Parks Tacoma for their purchase of the indicated land in Salishan.

**Approved: May 27, 2015**

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Stan Rumbaugh, Chair

## RESOLUTION #7





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (7)

**Date:** May 27, 2015  
**To:** THA Board of Commissioners  
**From:** Michael Mirra, Executive Director  
**Re:** Brawner & Company, Financial Advisor Services

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### **Background**

THA contracts with Brawner & Company for financial services. The initial contract was for is \$200,000. The board increased it once to \$400,000. This resolution would add \$250,000 to the contract amount for a total of \$650,000.

THA entered into a contract with Brawner & Company to provide financial assistance on mixed finance real estate development, the Rental Assistance Demonstration (RAD) conversion, and for asset management transactions. The initial agreement was \$200,000. THA quickly expended this amount on Bay Terrace Phase II and the initial RAD conversion analysis. On April 22, 2015, the Board of Commissioners passed Resolution 2015-4-22 (2) adding \$200,000 to advise THA on mixed financial real estate development, specifically the RAD conversion. THA has expended that amount as well:

#### Current Contract Obligations

LOE - Bay Terrace Phase 2	\$65,000.00
LOE - RAD Conversion Traditional	\$87,000.00
LOE - RAD Conversion Tax Credit	\$45,000.00
LOE - RAD Conversion Traditional -AMENDED	\$142,000.00
LOE - RAD Conversion Tax Credit -AMENDED	\$61,000.00
<b>Total</b>	<b>\$400,000.00</b>

THA needs more services from Brawner & Company. These include the predevelopment and pre-construction analysis of Hilltop Lofts, Dixon Village in-fill, and the exit requirement for the New Look Apartments and the analysis of the end of compliance buy out of our tax credit properties. Staff has also requested that Brawner create a financial analysis tool for staff to use for comparative financial feasibility for new and emerging projects.

**Recommendation**

Approve Resolution No. 2015-5-27 (7) authorizing the amendment to the Brawner & Company contract to allow the contracting officer to increase the December 29, 2014, contract by \$250,000 not-to-exceed \$650,000.00.





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-5-27 (7)

### **Brawner & Company, Financial Advisor Services: Contract Amendment**

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

**Whereas**, THA owns and manages and develops affordable rental housing in Tacoma;

**Whereas**, THA is committed to developing additional residential housing in Tacoma to meet THA and community goals and needs;

**Whereas**, THA financial feasibility and predevelopment are important tasks to be completed for all new development, acquisition and redevelopment projects;

**Whereas**, Brawner & Company was selected through a competitive process to provide financial feasibility and real estate development and redevelopment services; and,

**Whereas**, predevelopment costs are repaid when projects are completed.

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

Authorizes the Executive Director or his designee, in the role of contracting officer to amend the contract with Brawner & Company by \$250,000 to a not to exceed amount of \$650,000, allowing for the completion of additional new development, redevelopment, and acquisition transactions related to meeting THA's goal to expand the supply of affordable housing in Tacoma.

**Approved: May 27, 2015**

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Stan Rumbaugh, Chair