



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET


October 28, 2015



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

——
Stanley Rumbaugh, Chair
Dr. Arthur C. Banks, Vice Chair
Janis Flauding
Minh-Anh Hodge
Derek Young

REGULAR MEETING Board of Commissioners

WEDNESDAY, OCTOBER 28, 2015

The Board of Commissioners of the Housing Authority of the City of Tacoma Board will hold its Regular Meeting on **Wednesday, October 28, 2015, at 4:45 pm.**

The meeting will take place at:

**6th Avenue
2302-6th Avenue, Tacoma, WA**

The site is accessible to people with disabilities. Persons who require special accommodations should contact the Sha Peterson (253) 207-4450, before 4:00 pm the day before the scheduled meeting.

I, Sha Peterson, certify that on or before October 27, 2015, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

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 organizations with residents reporting applications on file.

Sha Peterson
Executive Assistant



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR MEETING

BOARD OF COMMISSIONERS

October 28, 2015, 4:45 PM
6th Avenue
2302-6th Avenue, Tacoma, WA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - 3.1 Minutes of September 23, 2015—Regular Session
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Administration Department
 - 7.3 Client Services
 - 7.4 Property Management
 - 7.5 Real Estate Development
- 8. NEW BUSINESS**
 - 8.1 2015-10-28 (1) Construction Guaranteed Maximum Price (GMP)
 - 8.2 2015-10-28 (2) Purchase and Sale Agreement Salishan Area 2B
Metro Parks Revised
 - 8.3 2015-10-28 (3) Capital Fund Financing Program Bond Payoff
 - 8.4 2015-10-29 (4) Fiscal Year 2016 Payment Standards
 - 8.5 2015-10-28 (5) Award Contract to Robinson Noble for Sub-surface Investigation
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION**
- 11. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, September 23, 2015

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at EB Wilson, 1202 South M Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, September 23, 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 5:02 pm.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Rumbaugh (Stan)	
Vice Chair Banks (Arthur)	
Commissioner Flauding (Janis)-by phone	Commissioner Hodge (Minh-Anh)
	Commissioner Young (Derek)
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Department Director	Barbara Tanbara, Human Resources Director
Kathy McCormick, RED Director	
Greg Claycamp, Client Services Director	
Todd Craven, Information Technology and Asset Management Director	
Pat Patterson, Property Management Director	

Chair Rumbaugh arrived at 5:00 pm. He declared there was a quorum present @ 5:02 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

3.1 August 26, 2015-Regular Meeting

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Meeting of the Board of Commissioners for Wednesday, August 26, 2015. Commissioner Janis Flauding moved to adopt the minutes, Vice Chair Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

3.2 August 26, 2015-Annual Meeting

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Annual Meeting of the Board of Commissioners for Wednesday, August 26, 2015. Commissioner Janis Flauding moved to adopt the minutes, Vice Chair Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

3.3 September 16, 2015-Special Meeting

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Special Meeting of the Board of Commissioners for Wednesday, September 16, 2015. Commissioner Janis Flauding moved to adopt the minutes, Vice Chair Banks seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENT

Pete Rego

Mr. Peter Rego addressed the Board. Mr. Rego is a resident at the 6th Avenue Apartments. He informed the Board about a tenant at 6th Avenue who was dealing drugs and causing fear in the building. The same person punched another tenant, stole from the community room, and vandalized the laundry room. Mr. Rego said that THA staff have done nothing. Mr. Rego said that others at 6th Avenue felt the same way, indicating the ten or so people in the room from 6th Avenue. Executive Director (ED) Michael Mirra informed Mr. Rego and the Board that staff have details regarding the situation. They have a plan with Tacoma Police Department (TPD) to respond in ways that they cannot describe. The response should be evident within days. ED Mirra asked the Board if it would like to hold the next Board meeting at 6th Avenue. That would allow the residents to report back to the Board on the progress or lack of progress. The Board agreed. The meeting for October 28th will be held at 2302-6th Avenue, Tacoma.

Joel Williamson

Mr. Joel Williamson addressed the Board. He too lives at the 6th Avenue apartments. He informed the Board that the person the other tenants are complaining about is known to have "riff raffs" and drug addicts at his unit. The Tacoma Police Department informed the 6th Avenue tenants that they know who this person is but they cannot do anything about it. Mr. Williamson said that this person is entering people's houses and taking prescription drugs. He added that the security guard is not doing anything. He stated that the building manager did not call police when one tenant was being beaten up even after numerous cries for help. Mr. Williamson is asking the Board to do something, and asked for certain tenants to be moved. Chair Rumbaugh informed Mr. Williamson that THA cannot move people but asked to let THA know if no progress is made.

Kathy Ray

Ms. Kathy Ray addressed the Board. She too lives on 6th Avenue. She informed that Board that she knows THA is trying to do something regarding the situation, but it has been days. People are breaking into people's houses and threatening them. Tenants are scared to leave their units. She added that tenants should not be afraid in their own apartments. This has been going on for a long time and she would hate for any resident to end up dead. Chair Rumbaugh asked for the tenants to let THA know if the problem is getting better or not. She ended by saying that TPD will not even go to 6th Avenue apartments anymore.

William Yelladay

Mr. Williams Yelladay addressed the Board. He is a resident at EB Wilson. He asked why it took THA staff six months to get rid of black mold in his unit and asked why the tenants are prevented from cleaning their own flower beds. He stated that it takes weeks or months for the lawn to be cleaned and for trash to be picked up. He asked the Board why they are not allowed to clean if THA is not going to do it. Chair Rumbaugh asked PM Director Patterson to look into the issue. Mr. Yelladay also stated that people are going to arm themselves and will not tell anyone. He urged the Board to make this issue a priority. Every night tenants' lives are at stake.

Shay Larsen

Ms. Shay Larsen addressed the Board. She too resides at the 6th Avenue Apartments. She worked in law enforcement back in the days. She stated that there are tenants who have been at EB Wilson for ten years who are still fighting drug dealers in the apartments.

Sally Spinney

Ms. Sally Spinney addressed the Board. She is a resident at EB Wilson. She too has a concern about the mold in the building. She informed the Board that one tile was taken out today only because the Board was going to be on location. She and other tenants have made numerous complaints to the property manager regarding a tenant who has couch potatoes at his place. She is concerned because the drug dealers are on the benches on the street outside the property. Tenants are asked to smoke by the benches but they are not safe.

Diane Massey

Ms. Diane Massey addressed the Board. She is a tenant at the 6th Avenue Apartments. Her apartment got broken into twice in two weeks and the perpetrators stole her medication. She is a cancer survivor. She informed the Board that this is the sixth time perpetrators came into her apartment to steal her medication. The last time they left blood inside her unit. It is hard for her to get some more medication. Chair Rumbaugh informed her that THA has a plan in place to address the security issues at the building. Ms. Massey asked the Board if she should get protection for herself. Chair Rumbaugh asked her what kind of protection she was referring to, and Ms. Massey said a gun. Chair Rumbaugh informed her that there are better ways to protect herself. She informed the Board that she is tired of her unit getting broken into. Ms. Massey also informed the

Board that she cleans the hallways on her floor because her grandkids visit her. Chair Rumbaugh thanked her for this.

Andrew Wooley

Mr. Andrew Wooley addressed the Board. He has been a tenant at EB Wilson for nine years. He informed the Board that he cannot park his truck without someone coming up asking what he wants (drugs). Mr. Wooley addressed the audience and informed them that the first security begins at home. "We want to make our building better, but we must start with ourselves."

Crystal Gomez

Ms. Crystal Gomez addressed the Board. Ms. Gomez is a resident at EB Wilson. She informed the Board that she knew something was up because all today and yesterday the building was getting cleaned. During Board meetings at EB Wilson is the only time the building gets cleaned, the lawn gets mowed, the community room gets cleaned, and the outside of the building gets cleaned. She too has mold in her apartment that keeps coming back—the third time now. She added that there were people who cleaned the streets but were told that they could not do that because it is for the union jobs. Chair Rumbaugh informed her that she and the other tenants are free to clean their flower beds and surrounding areas.

Ms. Gomez ended by informing the Board that there are now four units with bed bugs at EB Wilson. Chair Rumbaugh informed her that THA will fight the bed bugs. If THA needs to fumigate, they will. Chair Rumbaugh asked PM Director Patterson to follow-up.

5. COMMITTEE REPORTS

5.1 Real Estate Development Committee – Commissioner Rumbaugh

The Real Estate Development Committee met to review the purchase of Outrigger and New Look apartments. Chair Rumbaugh stated that much of it has resulted in resolutions for today's Board meeting.

5.2 Citizen Oversight Committee – Commissioner Arthur Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director Michael Mirra referred to his proposal should the government shut down. He recommends that THA do nothing for now. The Board voted unanimously to accept the proposal

7. ADMINISTRATION REPORTS

7.1 Finance

Finance Department (FD) Director Ken Shalik addressed the Board. FD Director Shalik has nothing to report to the Board for this month. He informed the board that there are no challenges with THA's financials. THA's cash position is doing well both in Moving to Work (MTW) and business activities. At the end of this month, THA will be spending MTW funds for New Look and to pay its WCRA loan of \$1.8M. In addition, THA will be purchasing Outrigger for \$600k with business funds. Chair Rumbaugh noted that the current balance sheet does not reflect this. FD Director Shalik informed him that it show on next month's balance sheet.

Vice Chair Banks moved to ratify the payment of cash disbursements totaling \$4,104,446 for the month of August, 2015. Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion Approved

7.2 Administration

Administration Department (AD) Director Todd Craven directed the Board to his report. AD Director Craven informed the Board that Open Door is the new name for THA's new software, which staff chose. He informed the Board that the focus right now is selecting a financial system. There will be software demonstrations all day tomorrow. Chair Rumbaugh asked if the rest of the platform has to articulate with the rest of finance, and AD Director Craven said yes. AD Director Craven stated that the document management is something THA is moving into right now. The AD department has selected ShareFile, which integrates with Salesforce. AD is in the process of reviewing documents that will be moved and is also in the process of renaming documents. AD Director Craven added that once THA converts to Salesforce it will be completely paperless. He anticipates that the shift will take about a year. The administration department is moving full speed ahead.

Associate Director of Asset Management Sandy Burgess addressed the Board. She provided the Board with an update regarding the Rental Assistance Demonstration (RAD) conversion. She stated that THA received Community

Housing Assistance Program Services (CHAPS) from the Housing and Urban Development (HUD). She added that THA made HUD's September deadline for submitting documents to HUD. THA will not make some later deadlines in November, which will mean the closing will occur in January. Even that schedule may not be possible if the government shuts down. THA is starting rehabilitation in January.

7.3 Client Services

Client Services (CS) Director Greg Claycamp addressed the Board. He talked about the reorganization in client services. He informed the Board that he will present the client services organizational chart at next month's Board meeting. Under this reorganization, client services will be creating a property management collaborating team. CS Director Claycamp will be basing the staff at the properties. There will also be meeting space available. This reorganization is a way of contributing to a much better presence of client services. Chair Rumbaugh informed CS Director Claycamp that he was taken by the story of H on the CS report. He stated that it seems that this is an anomaly. CS Director Claycamp said yes, that it is an anomaly.

7.4 Property Management

Chair Rumbaugh shared his concerns regarding the security issues that the guest speakers described at 6th Avenue. He was also concerned about the reports of bed bugs. Property Management (PM) Director Pat Patterson informed the Board that there is only one unit with bed bug problems and not four units as stated by the tenants. PM Director Patterson updated the Board regarding the Salishan tenant. PM Director Patterson directed the Board to his report. His report includes a vacancy report that shows the vacancies broken down into more detail. Deputy Executive Director (DED) April Black gave an update regarding the program to help tenants pay security deposits. It should start soon. Chair Rumbaugh asked how often PM inspects THA units. According to PM Director Patterson, the units are inspected quarterly. Chair Rumbaugh also asked how PM develops maintenance issues which takes 28 days to complete when units are inspected quarterly. PM Director Patterson stated that it depends on the volume of issues.

He also addressed the efforts to improve security at 6th Avenue.

ED Mirra informed the tenants that the RAD fix up will install security cameras. In the buildings. He asked Real Estate Development (RED) Director Kathy McCormick when she thinks this will happen. RED Director McCormick said that they are finalizing specifications, but should be finished by the end of 2016. PM Director Patterson added that the upgrades are phased in. The project will start on January 1st on two buildings.

7.5 Real Estate Development

Real Estate Development (RED) Director Kathy McCormick reviewed the ongoing RAD work.

8. NEW BUSINESS

8.1 2015-9-23 (1) Approval of Tenant Account Receivable Write Offs

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

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

WHEREAS, THA has notified each individual included in this tenant account write off of their debt and given them the chance to pay prior, therefore, be it

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

Authorizes THA staff to "write off" the following accounts and send these debts to an external collection agency to pursue collection action:

Collection Status	M-O Project #	Client #	Balance
<u>W-O Collect</u>			
	N G Street		
		00005118	<u>\$2,154.38</u>
	6th Ave		
		00006404	<u>\$1,854.78</u>
	Salishan VII		
		XX001052	\$2,535.57
		xx001067	\$3,459.80
		xx001108	\$870.97
		Subtotal	<u>\$6,866.34</u>
	North K Street		
		00127216	\$1,229.82
		00143482	\$449.00
		Subtotal	<u>\$1,678.82</u>
	S Fawcett		
		00006242	<u>\$95.81</u>
	S Wright Street		
		00000421	\$41,668.00
		00144406	\$37,596.52

	<i>Subtotal</i>	<u>\$79,264.52</u>
Section 8		
	00007266	\$549.00
	00132904	\$67,404.00
	00134285	\$11,580.00
	718032	\$1,484.00
	712900	\$3,598.00
	<i>Subtotal</i>	<u>\$84,615.00</u>

W-O No Collect

S Lawrence Street (Ludwig)		
	00111915	<u>\$76.57</u>
North K Street	00005129	<u>90.77</u>

Grand Total Write Off **176,696.99**

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

Approved: September 23, 2015

Stanley Rumbaugh, Chair

8.2 2015-9-23 (2) Ballard Spahr Contract Increase

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

WHEREAS, On January 30, 2012, Tacoma Housing Authority (THA) entered into a contract with Ballard Spahr LLP to meet THA wide legal services; and

WHEREAS, The original contract amount was capped at a Not-to-Exceed (NTE) amount of \$100,000; and

WHEREAS, The original contract term was amended to extend the term to end January, 2016 with an approved option to extend an additional 12 months to January, 2017; and

WHEREAS, THA has estimated an additional \$260,000 in legal services needed for the financial closing of the Rental Assistance Demonstration (RAD) Traditional Portfolio and RAD Tax Credit Portfolio; and

WHEREAS, THA is requesting to amend the Ballard Spahr LLP NTE contract amount to a total of \$360,000; now, therefore, be it

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

Authorize THA Executive Director to execute the Amendment to the Ballard Spahr LLP Legal Services contract increasing the Not-to-Exceed payment to \$360,000.

Approved: September 23, 2015

Stanley Rumbaugh, Chair

8.3 2015-9-23 (3) Approval of THA's 2016 Moving to Work Plan

Certifications of Compliance

**Annual Moving to Work Plan Certifications of Compliance
U.S. Department of Housing and Urban Development, Office of Public and
Indian Housing**

Board Resolution to Accompany the Annual Moving to Work Plan*

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

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors have reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.

4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements. 18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the City of Tacoma
PHA Name

WA005
PHA Number/HA Code

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

Stanley Rumbaugh
Name of Authorized Official

Chair
Title

Signature

September 23, 2015

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

8.4 2015-9-23 (4) Amendment to Foster Peppers Legal Services Contract

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

WHEREAS, On January 30, 2012, Tacoma Housing Authority (THA) entered into a contract with Foster Pepper to meet THA wide legal services; and

WHEREAS, The original contract amount was capped at a NTE amount of \$100,000; and

WHEREAS, The original contract term was amended to extend the term to end January, 2016 with an approved option to extend an additional 12 months to January 2017; and

WHEREAS, The original contract not-to-exceed amount was amended by Resolution Number 2013-7-24 (1) in July, 2013 to an amount not-to-exceed \$562,000; and

WHEREAS, THA has estimated and additional \$578,300 in legal services needed for New Look and Outrigger acquisitions, and the financial closing of Bay Terrace Phase II and RAD tax credit projects; and

WHEREAS, THA is requesting to amend the Foster Pepper not-to-exceed contract amount to a total of \$1,140,300; now, therefore, be it

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

Authorize THA Executive Director to execute the Amendment to the Foster Pepper Legal Services Contract increasing the Not-to-Exceed payment to \$1,140,300.

Approved: September 23, 2015

Stan Rumbaugh, Chair

8.5 2015-9-23 (5) Amendment to Absher's Pre-Construction Services Contract

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

WHEREAS, On February 24, 2010, the Board approved Resolution 2010-2-24 (6) authorizing the Executive Director to negotiate and award a CM/GC contract to Absher Construction, Inc., for the 1800 and 2500 Hillside Terrace redevelopment; and

WHEREAS, On January 28, 2015, the Board of Commissioners authorized with Resolution 2015-01-28 (5) the Executive Director to negotiate and enter into a Pre-construction Services Agreement with Absher Construction not-to-exceed \$133,000; and

WHEREAS, On September 3, 2015, Absher Construction received design/build bids for HVAC, Plumbing, Electrical and Fire Sprinkler system with the following results; and

Scope	Bidder	Bid Results	Included Engineering & Permit Fees
Fire	Red Hawk	\$189,537	\$16,800
Plumbing	DM Kelly	\$1,073,000	\$55,000
HVAC	Air Systems Engineering	\$303,282	\$31,295
Electrical	JM Corp	\$1,564,965	\$66,500
Total Engineering Fees			\$169,595

WHEREAS, The Executive Director is seeking authorization to amend Absher's Modification No. 3 Pre-Construction Services Agreement to increase the not-to-exceed amount by \$169,595 to a not-to exceed amount of \$302,595 for HVAC, Plumbing, Electrical and Fire Sprinkler systems design services only; now, therefore, be it

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

Authorize THA Executive Director to amend Modification No. 3 to Abschers contract in an amount not-to-exceed of \$302,595.00 for the Bay Terrace Phase II project pre-construction services.

Approved: September 23, 2015

Stanley Rumbaugh, Chair

8.6 2015-9-23 (6) Third Amendment to the Moving to Work Agreement

WHEREAS, Amendments to the Moving to Work Agreement must be approved by THA Board of Commissioners;

WHEREAS, A Moving to Work Agreement Amendment addressing Rental Assistance Demonstration Project Based Voucher funding must be approved by HUD prior to RAD conversion; and

WHEREAS, THA received a portfolio RAD conversion award from HUD in February, 2015 and subsequently intends to convert all Public Housing units to Project Based Vouchers.

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

Authorize THA to execute the third amendment to its Moving to Work Standard Agreement.

Approved: September 23, 2015

Stanley Rumbaugh, Chair

8.7 2015-9-23 (7) Bond Resolution for Acquisition of Outrigger Apartments

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the issuance of a single revenue bond of the Authority in the principal amount of not to exceed \$3,100,000, the proceeds of which will be used to finance all or a portion of the cost of acquiring and rehabilitating a 49-unit apartment complex located at 6102 6th Avenue, Tacoma, Washington, known as the Outrigger Apartments and to pay costs of the issuance and sale of the bond; establishing a bond fund; determining the form, terms and covenants of the bond; authorizing the execution and delivery of the bond, a deed of trust, and other agreements, documents and certificates; authorizing the sale

and delivery of the bond to Heritage Bank; and adopting amended and restated post issuance compliance policies and procedures for tax-exempt obligations.

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

WHEREAS, RCW 35.82.070 (2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alternation or repair of housing projects; and

WHEREAS, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parts or other living accommodations for persons of low income”; and

WHEREAS, RCW 35.82.070 (5) provides that a housing authority may pledge any interest in real property; and

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

WHEREAS, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue a revenue bond (the “Bond”) in the principal amount of not to exceed \$3,100,000 to provide all or part of the funds required to acquire and rehabilitate a 49-unit complex known as the Outrigger Apartments located at 6102-6th Avenue, Tacoma, Washington, as a housing project of the Authority (the “Project”) and to pay costs of issuance and sale of the Bond; and

WHEREAS, it is anticipated that Heritage Bank (the “Bank”) will offer to purchase the Bond on the terms set forth in this resolution; and

WHEREAS, the Authority desires to adopt amended and restated post-issuance compliance policies and procedures for tax-exempt bonds issued by the Authority; now, therefore, be it

RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA as follows:

Section 1. Definitions.

As used in this resolution, the following words have the following meanings:

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

“Bank” means Heritage Bank.

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

“Bond” means the Housing Revenue Bond, 2015 (Outrigger Project), of the Authority issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Bond Fund” the Authority’s Housing Revenue Bond Fund, 2015 (Outrigger Project), created by 0 of this Resolution for the purpose of paying principal of and interest on the Bond.

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

“Code” means the Internal Revenue Code of 1986, as amended.

“Deed of Trust” means the Deed of Trust under which the Authority is the grantor and the Bank is the beneficiary constituting a lien on the real property and improvements constituting the Project

“Environmental Indemnity Agreement” means Environmental and Hazardous Substances Indemnity Agreement made by the Authority for the benefit of the Bank relating to the Project.

“Loan Agreement” means the Business Loan Agreement between the Authority and the Bank relating to the Bond.

“Project” means, depending upon the context, (1) the acquisition and rehabilitation the apartment complex known as the Outrigger Apartments located at 6102 6th Avenue, Tacoma, Washington, which is declared by this resolution to be a housing project of the Authority; or (2) the apartment complex so acquired and rehabilitated.

“Project Revenues” means all amounts due to or received by the Authority for the account of the Authority pursuant or with respect to the Project, including without limitation all payments on contractors’ bonds, all lease payments, insurance proceeds and condemnation awards and proceeds resulting from foreclosure of the Deed of Trust, and all investment earnings.

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

“Term Sheet” means the term sheet of the Bank transmitted to the Authority by letter dated August 26, 2015, as it may be amended or supplemented, describing certain terms under which the Bank proposes to purchase the Bond, and any commitment letter issued pursuant thereto.

Section 2. Authorization and Description of Bond.

The Authority shall issue the Bond as a single revenue bond designated Housing Revenue Bond, 2015 (Outrigger Project), in the principal amount of not to exceed \$3,100,000 for the purpose of providing financing for the Project and to pay the costs of issuance and sale of the Bond. The Bond shall be issued in fully registered form; shall be dated its date of issue, shall be numbered R-1; shall mature not more than 11 years from its date of issue. From the date of issue to the seventh anniversary of the date of issue, the Bond shall bear interest at a fixed rate of not to exceed 6.0% per annum, to be determined as set forth in the Term Sheet. The interest rate on the Bond is subject to change on the seventh anniversary of the date of issuance, and to adjustment upon default or determinations of taxability, as described in the Bond and the Term Sheet. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed.

Principal of and interest on the Bond shall be payable in equal monthly installments in the amount necessary to amortize the principal of and interest on the Bond over a 30-year period. At maturity, any remaining outstanding principal balance and accrued interest on the Bond shall be due and payable in full.

Section 3. Bond Registrar: Registration and Transfer of Bond.

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

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

Section 4. Place, Manner and Medium of Payment of Bond.

Both principal of and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on the Bond, the Registered Owner shall surrender the Bond at the principal office of the Bond Registrar in Tacoma, Washington, for destruction or cancellation in accordance with law.

Section 5. Prepayment Option.

The Authority reserves the right and option to prepay the Bond, in whole or in part, at any time prior to its stated maturity date at par plus accrued interest to the date of prepayment or redemption. Interest on the principal amount of the Bond called for prepayment shall cease to accrue on the date fixed for prepayment unless the principal amount called for prepayment is not paid on the prepayment date.

Section 6. Bond Fund; Security for the Bond.

The Bond Fund is hereby established as a special fund of the Authority and is to be known as the Housing Revenue Bond Fund, 2015 (Outrigger Project). The Bond Fund is to be drawn upon for the sole purpose of paying the principal of and interest on the Bond. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from Project Revenues money sufficient in amount to pay principal of and interest on the Bond when due. The Bond is also secured by the Deed of Trust.

The Bond shall not be a debt of City, the State of Washington or any political subdivision thereof, and the Bond shall so state on its face. Neither the City, the State of Washington nor any political subdivision thereof (except the Authority, from the sources specified herein) shall be liable for payment of the Bond nor in any event shall principal of, premium, if any, on and interest on the Bond be payable out of any funds or assets other than those pledged to that purpose by the Authority herein. The Authority has no taxing power.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bond.

Section 7. Form and Execution of Bond.

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

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

CERTIFICATE OF AUTHENTICATION

This Bond is the fully registered Housing Revenue Bond, 2015 (Outrigger Project), of the Housing Authority of the City of Tacoma described in the Bond Resolution.

Executive Director of the Authority and Bond Registrar

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

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

Section 8. Preservation of Tax Exemption for Interest on Bond.

The Authority covenants that it will take all actions necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds of the Authority treated as proceeds of the Bond at any time during the term of the Bond which would cause interest on the Bond to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bond from being included in gross income for federal income tax purposes.

Section 9. Designation of Bond as "Qualified Tax-Exempt Obligation".

The Authority has determined and certifies that (a) the Bond is not a "private activity bond" within the meaning of Section 141 of the Code; (b) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) which the Authority and all entities subordinate to the Authority (including any entity which the Authority controls, which derives its authority to issue tax-exempt obligations from the Authority or which issues tax-exempt obligations on behalf of the Authority) will issue during the calendar year in which the Bond is issued will not exceed \$10,000,000; and (c) the amount of tax-exempt obligations, including the Bond, designated by the Authority as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bond is issued does not exceed \$10,000,000. The Authority designates the Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code.

Section 10. Approval of Term Sheet.

It is anticipated that the Bank will offer to purchase the Bond under the terms and conditions contained in this resolution and in the Term Sheet, including payment of a loan fee in the amount of 0.5% of the principal amount of the Bond, the costs of appraisal, appraisal review, environmental reports, legal fees (including the Bank's legal fees) and closing costs in connection with the Bond. The Board finds that such offer is in the best interest of the Authority, and authorizes the Executive Director of the Authority to accept such offer on behalf of the Authority.

Section 11. Authorization of Documents and Execution Thereof.

The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bond, this resolution, the Deed of Trust, the Environmental Indemnity Agreement, the Loan Agreement and all other terms and conditions of the Term Sheet, and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bond. The appropriate Authority officials are authorized and directed to do everything necessary for the issuance, execution and delivery of the Bond, and the Executive Director of the Authority is authorized and directed to execute and deliver the Deed of Trust, the Environmental Indemnity Agreement, the Loan Agreement and any other documents that may be reasonably required to be executed in connection with the issuance of the Bond, or useful or necessary to ensure the proper use and application of the proceeds of the Bond.

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

Section 12. Adoption of Amended and Restated Post Issuance Compliance Policies and Procedures.

The amended and restated post-issuance compliance policies and procedures for tax-exempt obligations and other tax-advantaged obligations in the form on file with the Executive Director and incorporated herein by reference are hereby adopted.

Section 13. 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.

Section 14. Changes to Titles or Parties.

While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 15. 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.

Section 16. Effective Date.

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

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting thereof this 23rd day of September, 2015.

Adopted: September 23, 2015

Stanley Rumbaugh, Chair

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary-Treasurer 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 Resolution 2013-9-23 (7) (the "Resolution") is a 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 September 23, 2015, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; 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 23rd day of September, 2015

By: _____
Executive Director and Secretary-Treasurer of the Authority

8.8 2015-9-23 (8) Amended and Restated Post Issuance Compliance Policies and Procedures for Tax Exempt Bonds (WALK-ON)

WHEREAS, The Authority desires to meet the requirements of the Internal revenue Code of 1986, as amended, and Treasury Regulations (the "Tax Code") concerning tax exempt and other obligations ("tax-exempt bonds") for which federal tax exemption is provided by the Tax Code; and

WHEREAS, Non-compliance with the tax Code may result in fines and/or loss of preferential status of tax-exempt bonds; and

WHEREAS, Use of tax-exempt bonds plays an important role in funding a significant portion of THA's capital projects; and

WHEREAS, Authority management adopted the original Post-Issuance Compliance Policy for Tax-Exempt Bonds in April, 2013; and

WHEREAS, The Internal Revenue Service ("IRS") recently began requiring issuers of tax exempt bonds to adopt written policies and procedures, which require timely updates to meet change IRS requirements, now, therefore, be it

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

The Board amends THA Policy F-35 Setting Post Issuance Compliance Policies and Procedures for Tax Exempt Bonds in substantially the form set forth in the attached draft, allowing for changes to format and procedures, and other changes pursuant to THA Policy G-01 on the Adoption, Amendment and Promulgation of Policies.

Approved: September 23, 2015

Stanley Rumbaugh, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

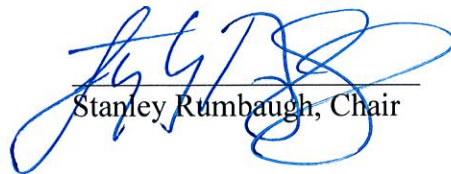
None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:55 pm.

APPROVED AS CORRECT

Adopted: October 28 2015



Stanley Rumbaugh, Chair



Finance Committee

Commissioner Minh-Anh Hodge

Commissioner Derek Young

Real Estate Development Committee

Commissioner Rumbaugh

Citizen Oversight Committee

Commissioner Banks

Education Committee

Commissioner Minh-Anh Hodge

EXECUTIVE DIRECTOR REPORT



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: September 23, 2015
Re: Executive Director's Report

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

1. MTW NEGOTIATIONS WITH HUD

I write this from Washington, D.C. where Derek, April and I are attending the CLPHA conference. The conference discussions, both formal and informal, have featured the MTW negotiations with HUD and the related congressional work on the matter. We will each have something to report at the Board meeting. In general, we will have some positive news to report.

**2. THA's FUNDING FOR PIERCE COUNTY's RAPID REHOUSING PROGRAM:
Pierce County's Request for Flexibility in Spending Our Money**

In 2013, the Board approved THA's funding for Pierce County's rapid rehousing program for homeless families with children in Tacoma. The resolution, and the subsequent contract with Pierce County that I signed, provides an increasing annual amount that reaches \$900,000 in 2016 and \$1 million thereafter. Pierce County has requested some flexibility in how it spends our money, in two ways. It wants the ability to spend some of our money on supportive services for families who receive our housing assistance. It wants the ability to serve homeless families outside Tacoma in other parts of Pierce County. The Board's resolution in 2013 would permit me to grant this request without further Board approval. I intend to do that, with some modification. I attach my memo to the Board and invite the Board to consider the matter and redirect me if it wishes. Let us spend a few minutes at the October Board meeting discussing this.

3. STRATEGIC PLANNING

With my September memo to the Board I was very pleased to deliver a draft version of the performance measures for each of THA's seven strategic objectives, with proposed baselines and targets for each. I write to remind the Commissioners to try and find the time to review that document. I expect to schedule a Board study session later this year in advance of my request that the Board approve those performance measures in December.



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra
Date: October 23, 2015
Re: Pierce County Request for Flexibility in its Use of THA Rapid Rehousing Funds

I write to report on the results to date of THA's investment in Pierce County's Rapid Rehousing System for homeless families with children. The Board approved this investment in 2013. I also write to convey Pierce County's request that we permit it to modify how it uses our money. The Board's resolution in 2013 would permit me to grant this request without further Board approval. I intend to do that, with some modification that I describe below. I write to let the Board know this in case it wishes to redirect me. Let us spend a few minutes at the October Board meeting to review this matter.

1. SOME BACKGROUND

By resolution 2013-5-22(2) the Board authorized our investment of up to \$1 million per year in Pierce County's system to rapidly rehouse homeless families with children. We did this for reasons that we should recall:

- HUD's mainline programs of public housing and housing vouchers are inaccessible to families in crisis. These programs work off of hideous waiting lists. The waiting lists are usually closed. Even if they are open when a family seeks our help, we would let them apply but we would tell them that the wait can be years long. For these reasons, THA is largely irrelevant to the effort to intervene into the crisis of family homelessness. That is an uncomfortable position to occupy for the largest source of housing dollars in the county.
- Even if we designated homeless families as a local preference that allowed us to give them vouchers on the spot, three other difficulties would arise. **First**, there is no way to tell which families will become or remain homeless without assistance. **Second**, most homeless families who need assistance do not need deep permanent subsidies in order to stabilize. This means that for stabilization purposes, a voucher is not an efficient use of money. **Third**, even upon getting a voucher, a family is still a month away from moving into a home. We have to do the papershuffle to get the family enrolled. The family has to find a landlord willing to rent. We have to inspect the apartment or home the family finds.
- Our redirection of \$1 million in rental assistance money to rapid rehousing means we will serve a total of 140 fewer voucher families (a 3% reduction). In exchange, the rapid rehousing research allows us to anticipate that we would stabilize every year 300-350 homeless families with children (about 30% - 50% of Tacoma's annual total). We will also spare ourselves the administrative cost of serving these families that is usually associated with voucher dollars. The county will cover that expense.

This is important because HUD is paying PHAs an administrative fee that covers only about 80% of what it costs to run the voucher program.)

- We have also built in some critical evaluation into the Pierce County contract to find out if the rapid rehousing research proves true and more importantly to answer questions that the research does not answer. The most important of the unanswered questions concerns the nature of the stabilization the research reports will result from the intervention. It defines stabilization only to mean that families are not returning to the shelter system within 12 months from the end of the intervention. Yet this definition would include sleeping in cars or moving from sofa to sofa. We would not count that type of stabilization as a success. The research does not presently tell us the quality of the stabilization. I think this is the biggest uncertainty about the rapid rehousing model. Our evaluation should teach us a lot about this. Under our contract, the County will track assisted families for 12 months after the end of the assistance in order to find out what becomes of them. If the results are encouraging on this crucial point, we will likely expand the contract.

We signed two contracts with Pierce County. We signed one contract in August, 2013 to invest up to \$1 million to serve homeless families with children. The maximum allowable amount of the contract would rise as follows:

- \$ 80,000 for calendar year (CY) 2013,
- \$ 400,000 for CY 2014
- \$ 650,000 for CY 2015
- \$ 900,000 for CY 2016
- \$1,000,000 for CY 2017
- \$1,000,000 for CY 2018

We signed another contract for \$288,000 to serve homeless youth without families.

2. RESULTS TO DATE

In the attached dashboards, Pierce County reports the results from its use of our money under these two contracts. Since the inception of this project, Pierce County has modified its reporting methods in order to better portray the results of both contracts. The results in the dashboards are from the first two quarters of 2015 (January-June), as of August 4th. They do not show the results for the full life of the project. Following are some highlighted results of the main contract metrics during this timeframe.

Households Served:

- Rapid rehousing providers in Tacoma and Pierce County served 77 families and 58 youth using THA funds.

- Of those families, 54 were literally homeless, two (2) were at imminent risk of becoming homeless, two (2) were defined as homeless under other federal acts as identified by HUD, 17 were fleeing domestic violence situations, and three (3) were stably housed upon entrance.
- Of those youth, 50 were literally homeless, seven (7) were at imminent risk of becoming homeless, and one (1) was stably housed upon entrance.

Successful Exits:

- Of the 31 families and 14 youth that exited the program during this timeframe, 26 families and 11 youth exited to a permanent housing location.

Follow-Up Data:

The following charts show some results of the three (3), six (6) and twelve (12) month follow-up completed within the timeframe of the attached dashboards. This means that only families and youth scheduled for follow up during the first six (6) months of the year are reflected.

For reference, definitions of the following groups are as follows:

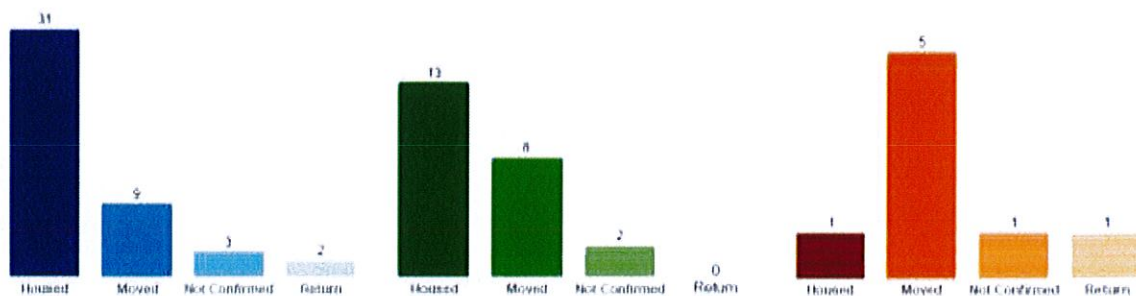
- Housed: the client is housed in the same rental unit as the time of exit
- Moved: the client has moved from the original rental unit but is still housed
- Not Confirmed: the client was not able to be reached for follow up
- Return: the client has returned to homelessness

Families

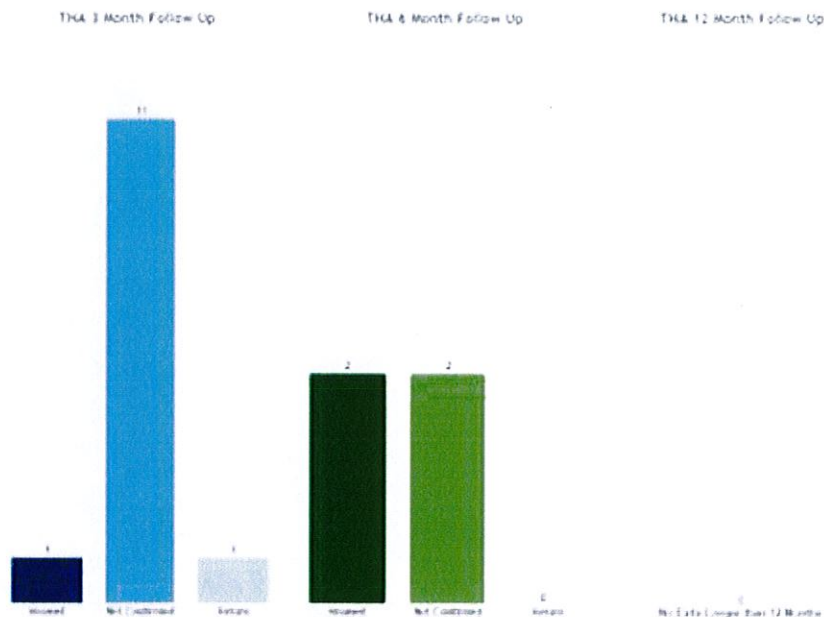
THA 3 Month Follow Up

THA 6 Month Follow Up

THA 12 Month Follow Up



Youth



Some additional and encouraging information show in the attached dashboards regarding employment and income information.

3. PIERCE COUNTY's REQUEST FOR FLEXIBILITY IN ITS USE OF THA's MONEY

In September, Pierce County requested THA's permission to modify how it spends our money serving homeless families with children. It is requesting two main changes:

- *First Request: Use THA dollars to pay for supportive services as well as housing (about 45 cents for supportive services for every dollar for housing)*

Under our present contract, Pierce County can spend our money only on housing expenses, such as rent and deposits. Money for supportive services would come from other sources. This is important to us because it meant that a dollar's worth of our money leveraged the value of supportive services from someplace else. Pierce County would like permission to spend our money on not only housing expenses but supportive services also. It asks this for two reasons.

First, a greater percentage of families than before who need THA's housing dollars also need supportive services. This shift has occurred because of the County's success using a new homeless intervention strategy called "diversion." This strategy helps families realize their alternative resources and diverts them from the homeless system. It appears to work for families who do not have a lot of other needs besides housing. In 2015, this diversion system diverted

approximately one-third of the homeless families seeking help. This is great news for Tacoma-Pierce County. In effect, it reduced the number of eligible households entering the system who qualify for THA assistance. It also means that these families still needing help are more likely to need both supportive services and housing.

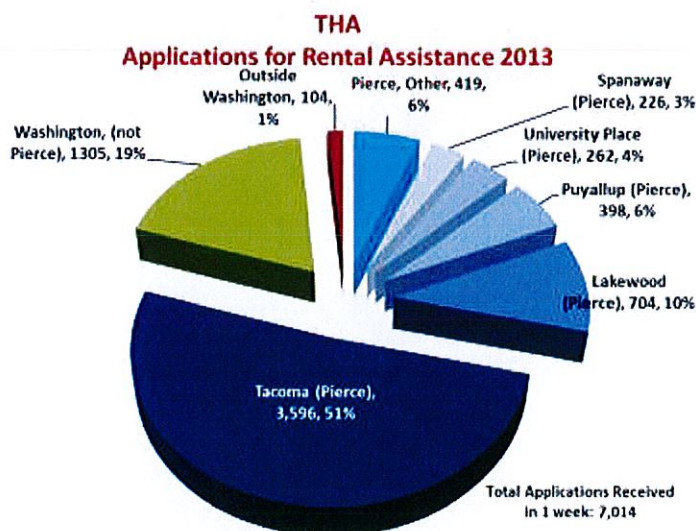
Second, the County has lost funding from other sources that used to pay for the supportive services. As a result, it can no longer fund the services that currently match THA's dollars. This means that it cannot serve families who need both services and housing. By one calculation, without supportive services to offer, the County would only be able to use only \$210,000 of THA's planned \$900,000 commitment in 2016.

- *Second Request: Use THA dollars to serve Pierce County homeless families outside Tacoma*

Under our contract, Pierce County may use THA's funds only to serve families who seek assistance in Tacoma. It can use our money to stabilize and move such families to outside Tacoma if that would be appropriate for the family; but the family must originate in Tacoma. The County would like permission to use THA's dollars to serve homeless families who originate anywhere in Pierce County, including areas outside Tacoma. Two reasons would support such a change.

First, Pierce County reports that at full funding under our contract (\$ 900,000 per year in 2016), it could serve all Tacoma homeless families and still have funds unexpended. Yet it will have many unserved Pierce County homeless families.

Second, many Pierce County families originating from outside Tacoma from end up on THA's assistance programs. We know this from the data about our applicants. In 2013, when we opened our HOP waiting list, about half of all applicants came from outside Tacoma. Here is a chart showing their geographic distribution:



Although we have not yet examined the data from our HOP wait list opening this year, we expect they will show similar distribution. Spending THA's rapid rehousing dollars to stabilize these families in their own communities outside Tacoma would be good for them and good for Tacoma.

Pierce County projects the following outcomes for 2016 if we allow its requested changes:

- 1,300 homeless families with children will seek services.
- 500 will be successfully diverted, leaving 800 needing services.
- of the 800, 550 families will "self-resolve or enter other programs"
- the remaining 250 families will enroll in Rapid Rehousing.
- of this 250, about 100 will come from Tacoma.

- Pierce County would spend 66 cents of every THA dollar on housing expenses for these families and 44 cents on supportive services.

- At these ratios, Pierce County could stabilize 105 families with the \$900,000 THA has committed for 2016.

I note that Pierce County's data tempt us to expect that we could functionally eliminate family homelessness in Tacoma in 2016. It expects that only 100 such families will seek assistance and that we could serve all of them with THA's \$900,000. There are three reasons why we should resist the temptation to declare victory:

- The low numbers may result not from a lack of need but from the difficulty families face in asking for help from the County's Rapid Rehousing system. In partial recognition of these difficulties, the County is changing how the system is accessible. Presently it is centralized through one organization, Associated Ministries. Next year, the County will contract with an array of organizations scattered about the County for the purpose of making the system more accessible. We should expect an increase in the numbers of families seeking assistance.

- The present numbers are low because of system diverts more than one-third of the families. This is conditional good news. However, we have no data yet showing the quality of the stabilization for these diverted families. They may be diverted to places or arrangements that are unsuitable or unstable.

- We must remember that the County's system uses HUD's narrow definition of "homeless". Under this definition, a family that is doubled or tripled up in another family's apartment and moves repeatedly through a succession of such arrangements does not count as homeless. In contrast, the school system's definition, which is broader, would count such a family as homeless. The school district, which has felt awash with homeless families, would be surprised to learn of a victory over family homelessness. We must take care not to declare victory by defining the problem away.

4. MY INTENTION TO ALLOW SOME GREATER FLEXIBILITY IN PIERCE COUNTY'S USE OF THA'S MONEY

I propose to allow the following modifications in Pierce County's use of THA's funds under our contract serving homeless families with children.

- THA will allow the use of up to 44% of its funds on supportive services necessary to stabilize a homeless family with children receiving our housing assistance; the balance would be for those families' direct housing expenses, including security and utility deposits
- THA will require that, to the extent practicable, Pierce County will use all of THA's funds to serve homeless families with children originating inside Tacoma; if this is not practicable, it may use up to 25% of our funds to serve homeless families with children originating anywhere in Pierce County, including Tacoma.

I look forward to reviewing this topic at the Board meeting.

Note - System Rapid Rehousing Data does not include the VA funded programs, such as SSVF.

Tacoma Housing Authority Report January 1 - June 2015

Data as of 08/4/2015

Household Served 2015
System Wide 253
THA 77

Returns to Homelessness from Permanent Exits
(Exits within last 24 months)

Households Exited 2015
System Wide 107
THA 31

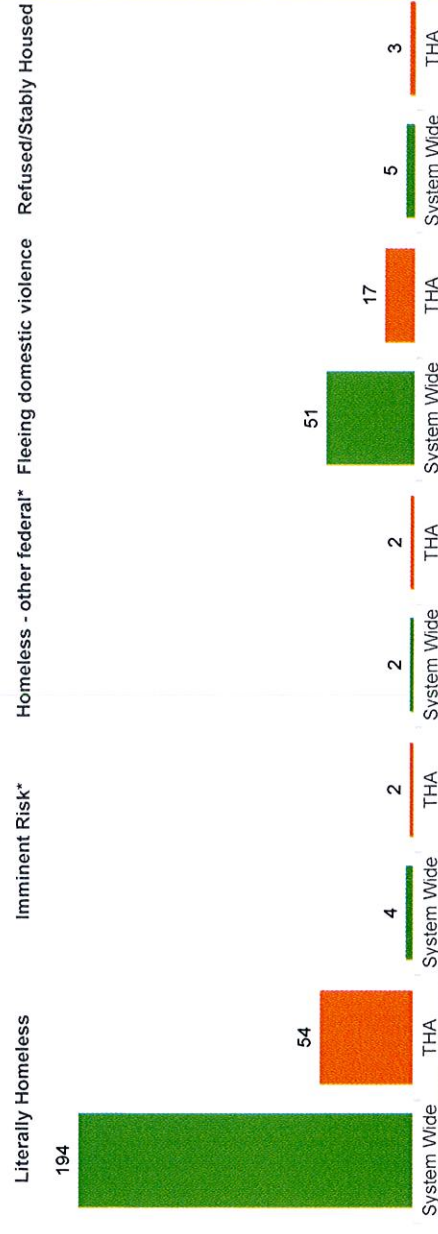
System Wide Rapid Rehousing:
35 11.7%

THA Funded Households:
4 7.3%

Average Length of Stay in Project for Households Exited (days)



Housing Status at Project Entry



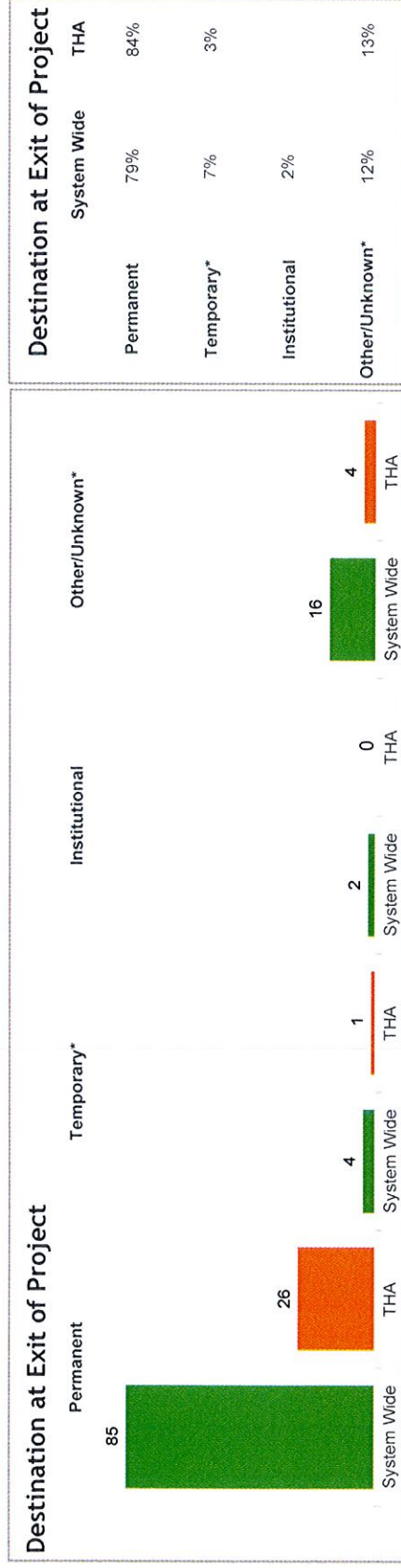
Note - System wide, three households with children have more than one entry into a THA rapid rehousing program. THA, one household has more than one entry into a THA rapid rehousing program.

Housing Status Prior to Project Entry

	System Wide	THA
Literally Homeless	76%	69%
Imminent Risk*	1%	3%
Homeless - other federal*	1%	3%
Fleeing domestic violence	20%	22%
Refused/Stably Housed	2%	3%

Note - **Imminent Risk** defined by HUD as "An individual or family who will imminently lose their primary nighttime residence, provided that: (i) The primary nighttime residence will be lost within 14 days of the date of application for homelessness assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing". **Homeless - other federal** defined by HUD as "Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who are defined as homeless under the Runaway and Homeless Youth Act, Head Start Act, Violence Against Women Act, Public Health Act, Food and Nutrition Act, Child Nutrition Act, or McKinney-Vento Homeless Assistance Act and experienced persistent instability within 60 days.

Tacoma Housing Authority Report Family - January 1 - June 2015 Follow Up - 3, 6, and 12 Month of Successful Exits

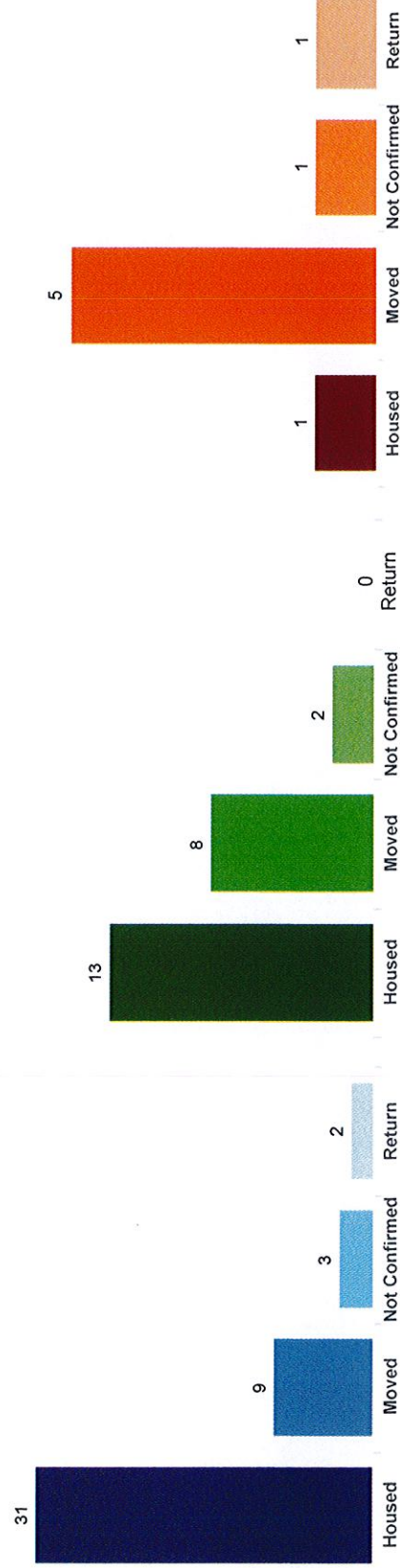


Note* - Temporary Destination as Emergency Shelters, Transitional Housing for Homeless Persons, Staying with Family/Friends on Temporary Tenure, Place Not Meant for Human Habitation, Safe Haven, Hotel or Motel (paid by client). **Other/Unknown** as Deceased, Other, Don't Know/Refused, or Information Missing.

THA 3 Month Follow Up

THA 6 Month Follow Up

THA 12 Month Follow Up



Note* - Housed is when a client confirmed that they are still in the same rental unit they were living in at time of exit. **Moved** is when the client confirmed that they are no longer in the rental unit they were living in at time of exit or re-entered the homeless system after exiting the rapid rehousing program. **Not confirmed** is when a client was not able to be reached for follow up, but has not re-entered the homeless system in Pierce County.

Note - CCS's June THA expenses not included.

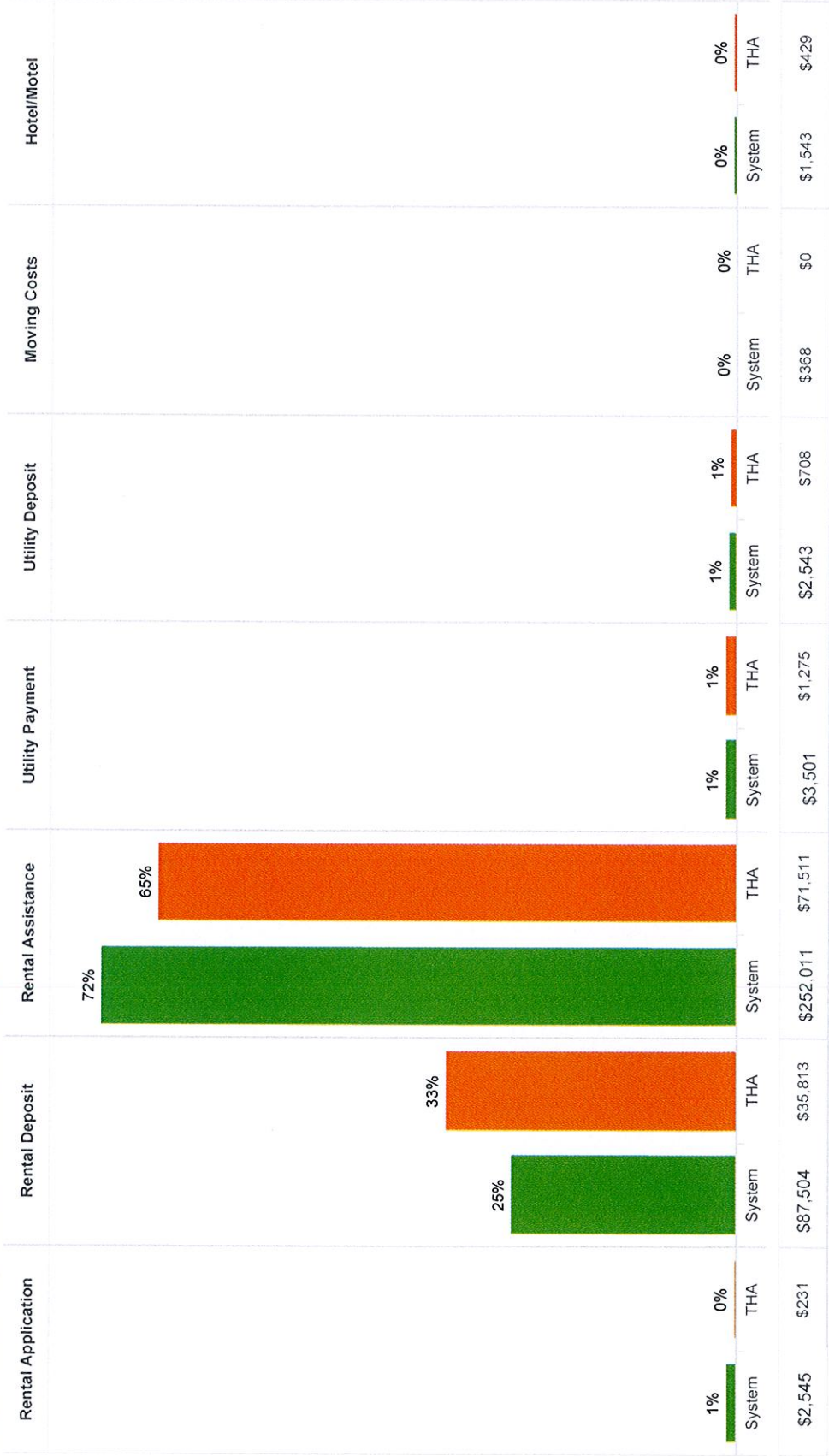
Tacoma Housing Authority Report
January - June 2015
Annual Financial Assistance

Data as of 08/04/2015

Avg. Rental Asst. System Wide RRH by Households Exited: **\$2,925** System Wide RRH Rental Costs **\$350,015** Admin. Costs **\$26,478**

Avg Rental Asst. THA Funding by Households Exited: **\$3,503** THA Rental Costs **\$109,967.70** Operations Costs **\$309,631**

Rapid Rehousing Annual Financial Assistance



Note - Percentages rounded to the closest percentage. 0% = less than .05%

Employed

Yes

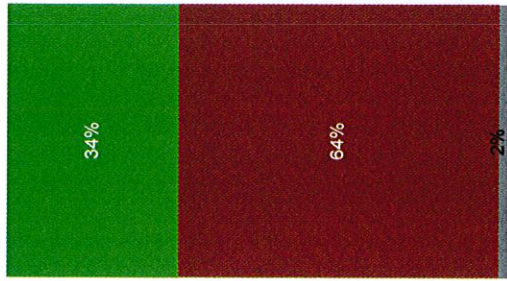
No

Data Incomplete

Tacoma Housing Authority Report
January 1 - June 2015
Progress in Project

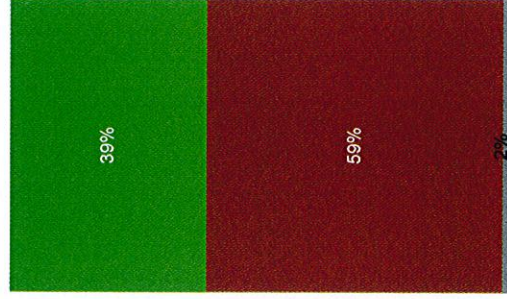
Data as of 08/04/2015

Employment at Entry for Adults Who Exited

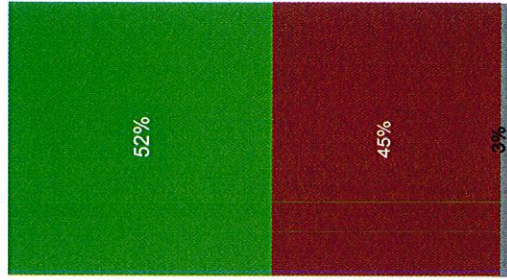


System Wide

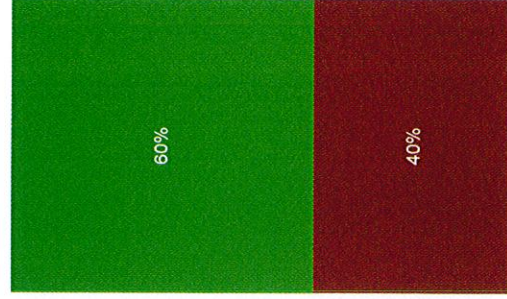
Employment at Exit Adults Who Exited



System Wide



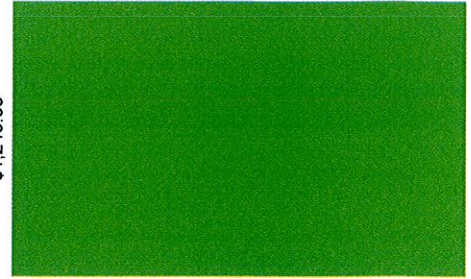
THA



THA

Average Income at Entry for Adults Who Exited

\$1,248.36



System

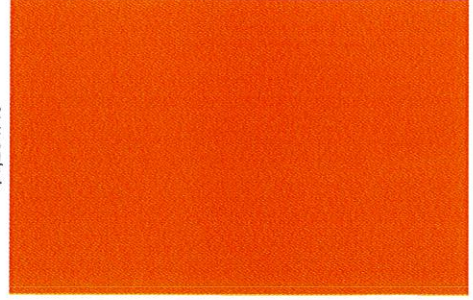
Average Income at Exit for Adults Who Exited

\$1,368.10



System

\$1,264.49

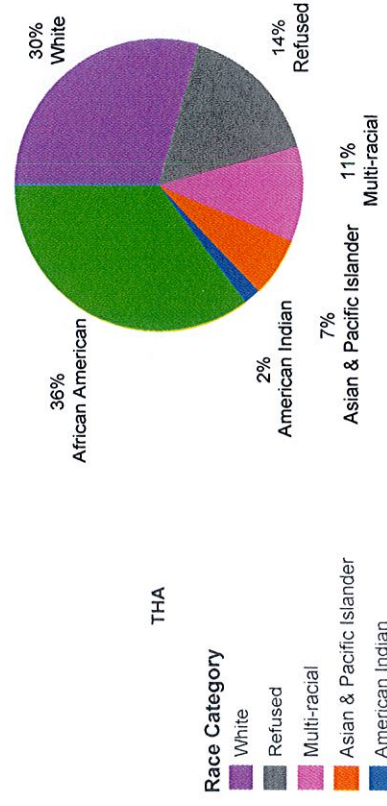
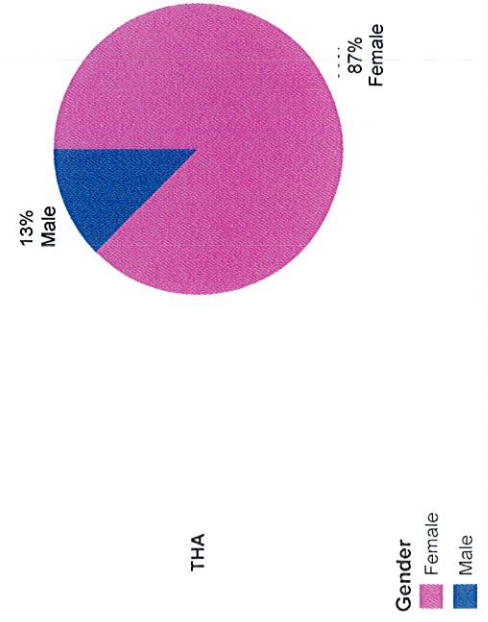
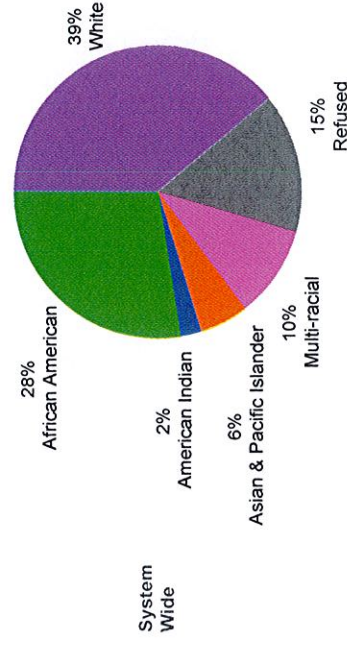
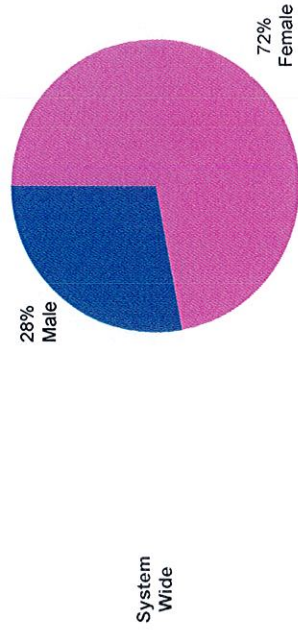


THA

Tacoma Housing Authority Report Family - January - June 2015 Project Gender & Primary Race

Gender - Head of Household

Primary Race - Head of Household



Tacoma Housing Authority Report Young Adult - January 1 - June 2015

Young Adult Household
Served 2015:

58

Returns to Homelessness from Permanent

Exits

(Exits within last 24 months)

THA Funded

Young Adult Households:

2

Number of Households
Exited 2015:

14

Average Length of Stay in Project (days)

Young Adult

575

Housing Status Prior to Project Entry

50

Imminent Risk*

7

Literally Homeless

1

Refused/Stably Housed

Housing Status Prior to
Project Entry

Imminent Risk*

13%

Literally
Homeless

85%

Refused/Stably
Housed

2%

*Note - Homeless - other federal statutes defined by HUD as "Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who are defined as homeless under the Runaway and Homeless Youth Act, Head Start Act, Violence Against Women Act, Public Health Act, Food and Nutrition Act, or McKinney-Vento Homeless Assistance Act and experienced persistent instability within 60 days.

Destination at Exit of Project

Permanent

11

Other/Unknown*

3

Destination at Exit of
Project

Permanent

79%

Other/Unknown*

21%

*Note - Other/Unknown as Deceased, Other, Don't Know/Refused, or Information Missing.

Note - Reach's June THA expenses not included.

Tacoma Housing Authority Report
January 1 - June 2015

Data as of 07/30/2015

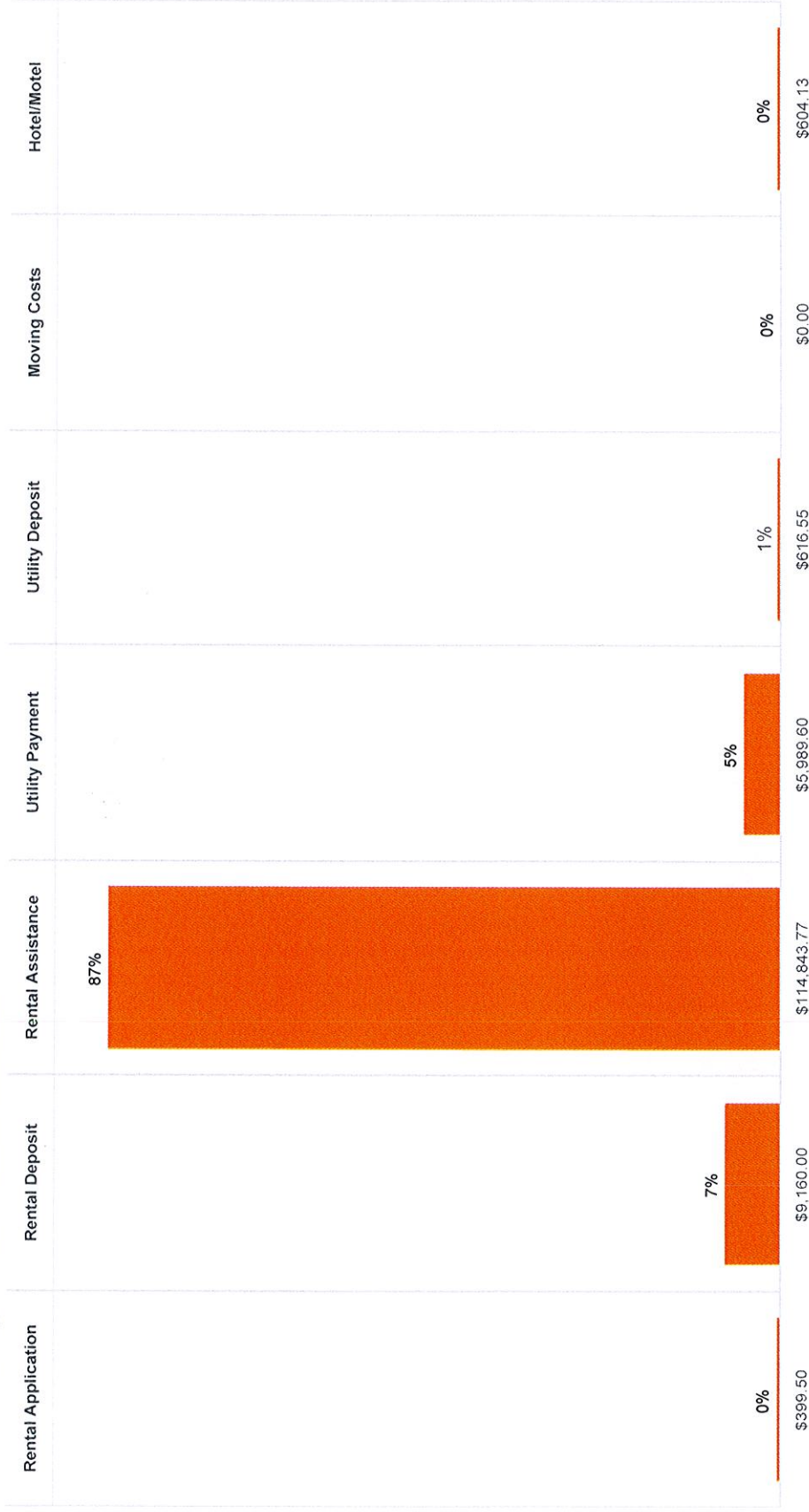
Young Adult - Annual Financial Assistance & Services Provided

Avg. Rental Asst. Young Adult
Funding by Household:
\$4,547.59

THA Young Adult
Rental Costs
\$131,613.55

Young Adult Admin. Costs
\$29,657.99
Young Adult Operations Costs
\$64,261.79

Rapid Rehousing Annual Financial Assistance



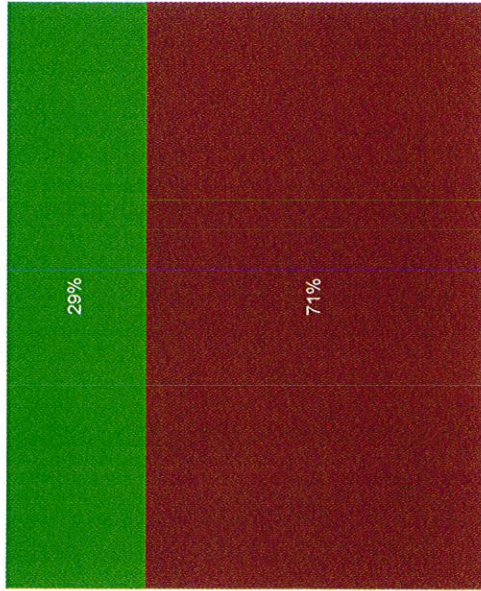
Note - Percentages rounded to the closest percentage. 0% = less than .05%

Employed
Yes
No

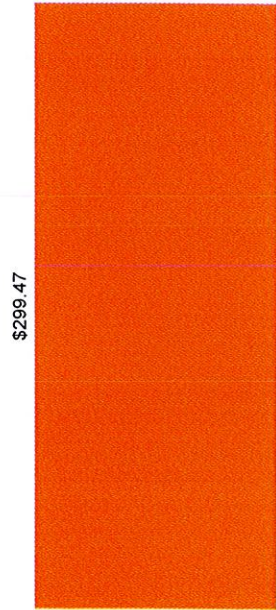
Tacoma Housing Authority Report
January 1 - June 2015
Young Adult - Progress in Project

Data as of 08/04/2015

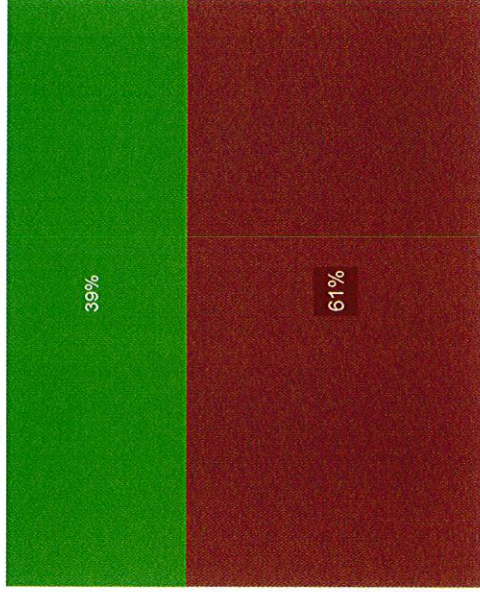
Employment at Entry for Young Adults Who Exited



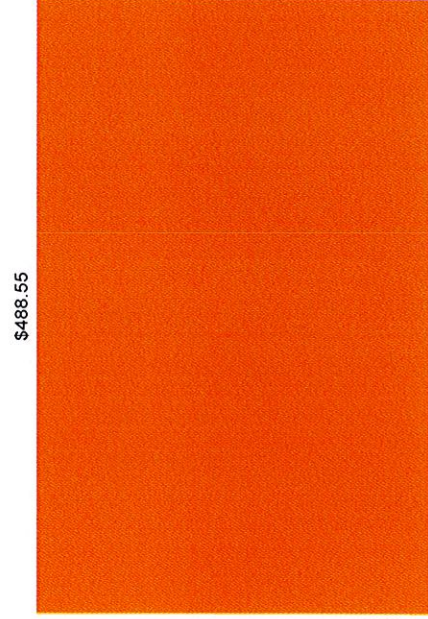
Average Income at Entry for Young Adults Who Exited



Employment at Exit Young Adults Who Exited

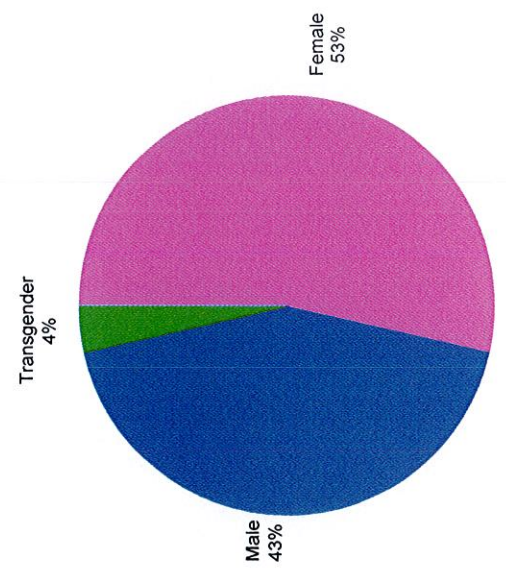


Average Income at Exit for Young Adults Who Exited

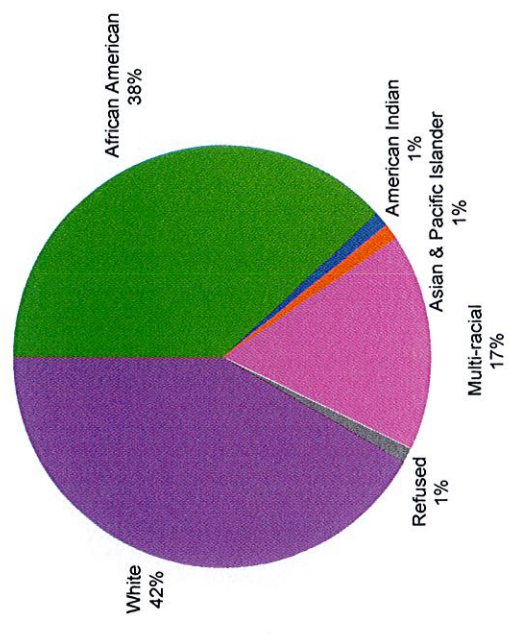


Tacoma Housing Authority Report
January 1 - June 2015
Young Adult - Project Gender, Race

Gender for THA Young Adult Participants



Primary Race for THA Young Adult Participants

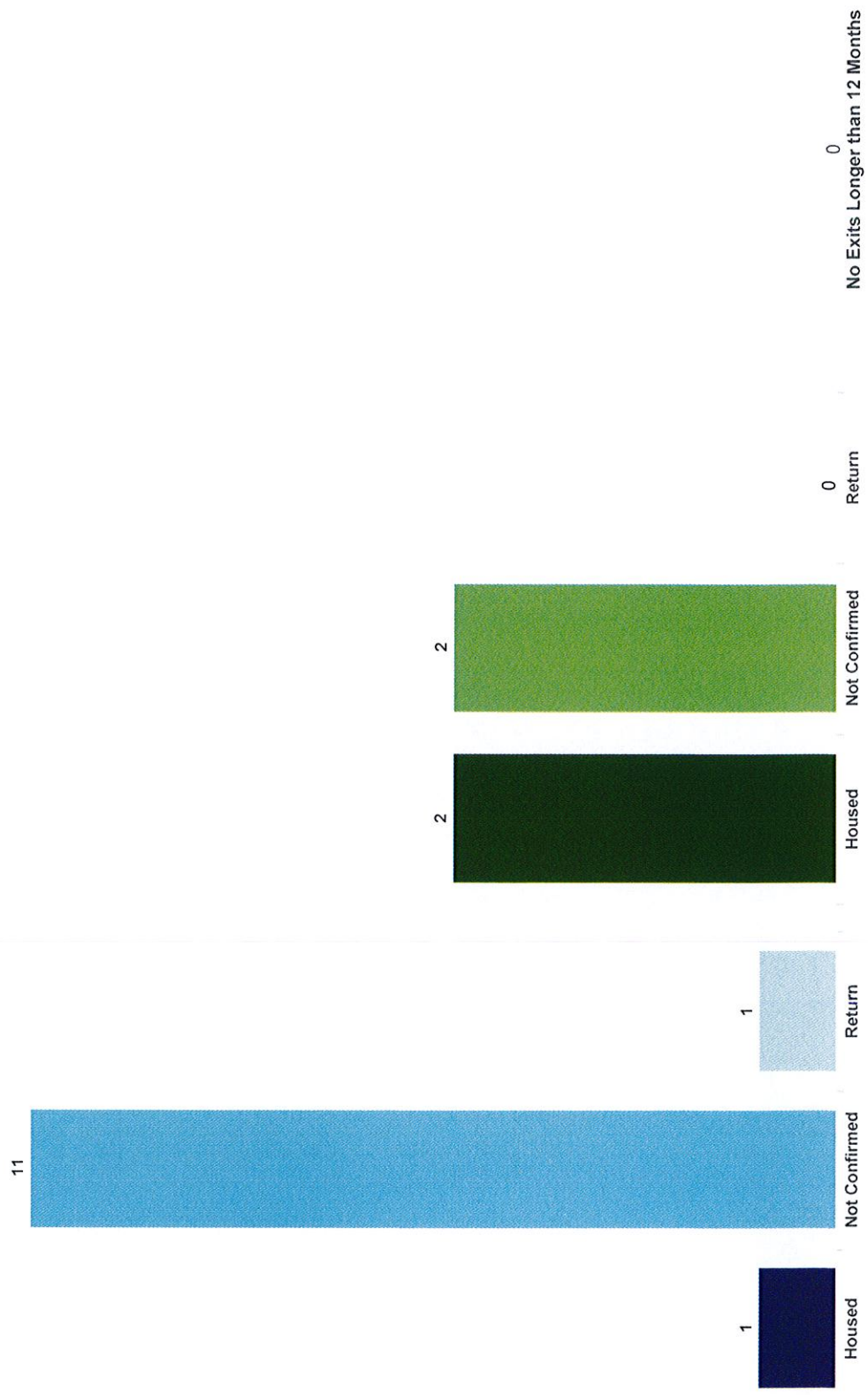


Tacoma Housing Authority Report
January 1 - June 2015
Young Adult - Follow Up

THA 12 Month Follow Up

THA 6 Month Follow Up

THA 3 Month Follow Up



FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,576,013 for the month of September, 2015.

Approved: October 28, 2015



Stanley Rumbaugh, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of September 2015

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,817	- 2,819	228	
Accounts Payable Checks	Check #'s	85,746	- 85,928		
Business Support Center				308,102	Program Support
Moving To Work Support Center				301,632	
Tax Credit Program Support Center				14,673	
Section 8 Programs				132,173	Section 8 Operations
SF Non-Assisted Housing - N. Shirley				8	Local Funds
SF Non-Assist Housing - 9SF Homes				85,252	
Salishan 7				29,585	
Prairie Oaks Operations				3,756	Development
Salishan Developer Fee				6,141	
AG Hsg Recovery Grant				849	
Development Activity				15,588	
Hillside Terrace 2500 Court G Development				227,605	
Hillside Terrace 1800 Court G Development				101	Community Service
THA RAD Project				183,939	
CS General Business Activities				3,452	
SAFE				98	
Community Services MTW Fund				6,437	
Gates Ed Proj Grant				15	
Gates Tacoma Pub Schools Grant				1,240	
WA Families Fund				195	Public Housing
WA Families Fund - Systems Innovation				709	
AMP 1 - No K, So M, No G				34,983	
AMP 2 - Fawcett, Wright, 6th Ave				49,069	
AMP 3 - Lawrence, Orchard, Stevens				32,443	
AMP 6 - Scattered Sites				6,033	
AMP 7 - HT 1 - Subsidy				5,021	
AMP 8 - HT 2 - Subsidy				2,089	
AMP 9 - HT 1500 - Subsidy				1,132	
AMP 10 - SAL 1 - Subsidy				11,660	
AMP 11 - SAL 2 - Subsidy				12,388	
AMP 12 - SAL 3 - Subsidy				9,336	
AMP 13 - SAL 4 - Subsidy				11,900	Allocations-All Programs
AMP 14 - SAL 5 - Subsidy				13,399	
AMP 15 - SAL 6 - Subsidy				12,860	Tax Credit Projects - billable
AMP 16 - Bay Terrace - Subsidy				100	
Allocation Fund				51,325	
THA SUBTOTAL				1,575,514	
Hillside Terrace 1 through 1500				1,231	Tax Credit Projects - billable
Bay Terrace				1,057	
Salishan I - through Salishan 6				3,949	
Salishan Association - Operations				-	
TAX CREDIT SUBTOTAL (Operations - billable)				6,238	1,581,752
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,634	- 481,655	17,537	
	ACH	82,806	- 84,167	2,425,687	\$ 2,443,224
Payroll & Payroll Fees - ADP					\$ 520,930
Other Wire Transfers					
New Look Escrow Deposit				5,000	
New Look Settlement - purchase & partial loan				1,025,106	
					\$ 1,030,106
TOTAL DISBURSEMENTS					\$ 5,576,013



TACOMA HOUSING AUTHORITY

Date: October 28, 2015

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

The next financial report presentation will be in November, 2015 where the financials for the period ending September 30th will be reviewed. Financially, Tacoma Housing Authority (THA) remains in good shape, and there are no areas of concern that need to be addressed. The Rental Assistance Demonstration (RAD) conversion costs keep evolving, but are fitting within budget. In October, THA purchased the Outrigger and New Look Apartments, so the report shows a reduction in both Moving to Work (MTW) and Business activity cash on next month's report. THA will also be utilizing MTW funds for a \$2.3 million Salishan bond required to be paid off before closing on RAD in the beginning of November.

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 completed all portions of the audit for the 2014 Fiscal Year. An exit conference was held on October 20th with the finance committee, with an invitation to all Board members to attend.

4. BUDGETS

Due to uncertainties regarding RAD, the MTW negotiations, and the Congressional budget, the full blown budget process will be delayed until there is more clarity in these areas. A streamlined budget for 2016 will be presented to the board in December, with the agency-wide proposal being submitted by June 30, 2016.

5. YEAR END CLOSING UPDATE

No update at this time.

TACOMA HOUSING AUTHORITY

CASH POSITION - September 2015

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 2,534,934	0.40%
Section 8 Checking	5,900,981	0.40%
THA Affordable Housing Proceeds	3,112,123	0.40%
Note Fund Account	100	0.40%
Credit Card Receipts	100	0.40%
THA Investment Pool	289	0.40%
THA LIPH Security Deposits	91,498	0.40%
THDG - Tacoma Housing Development Group	70,610	0.40%
LF - SF 9Homes Alaska	5,137	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	2,758	0.40%
LF - SFH No. Shirley	31,831	0.40%
LF - SFH N Shirley Security Deposit Acct	1,003	0.40%
Salishan 7	996,448	0.40%
Salishan 7 Security Deposit	26,956	0.40%
Salishan 7 Replacement Reserve	151,669	0.40%
Salishan 7 Operating Reserve	198,983	0.40%
Outrigger Operations	100	0.40%
Outrigger Security Deposit	100	0.40%
Prairie Oaks Operations	9,550	0.40%
Prairie Oaks Security Deposit	1,301	0.40%
Prairie Oaks Replacement Reserve	100	0.40%
Payroll Account	5,968	0.40%
General Fund Money Market	538,246	0.40%
WASHINGTON STATE		
Investment Pool	\$ 1,628,883	0.12%
1. TOTAL THA CASH BALANCE	\$ 15,309,670	
Less:		
2. Total MTW Cash Balance	\$ 4,007,196	
<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	
3. MTW Cash Available (Lines 2-2.10)	\$ 2,141,196	
<i>MTW Reserve Commitments</i>		
3.01 2nd Phase Hillside Terrace Redevelopment	\$ 2,309,407	
3.02 Renovation/Remodel of 2nd Floor of Admin Building	706,990	
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)	953,124	
3.07 Education Projects - McCarver & Others	310,000	
3.08 Exigent Health & Safety Issues (Meth Remediation)	57,522	
3.10 Total Reserve Commitments (Lines 3.01 through 3.08)	\$ 7,003,043	

TACOMA HOUSING AUTHORITY

CASH POSITION - September 2015

MTW Cash Held By HUD			
3.11 Undisbursed HAP Reserves Held by HUD		\$	3,419,540
3.20 Total MTW Cash Held By HUD		\$	3,419,540
4. Non MTW Cash Restrictions			
<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	99,710	
4.02 VASH, FUP & NED HAP Reserves		174,763	
4.03 Mod Rehab Operating Reserves		127,587	
4.04 Security Deposit Accounts		123,672	
4.05 Salishan Sound Families - 608		54,862	
4.06 Gates Foundation - 615, 616, 617		501,321	
4.07 WA Families Fund - 675, 713		9,207	
4.08 Bond Financed Single Family Homes Reserve		90,000	
4.09 Salishan 7 Reserves		775,651	
4.10 Prairie Oaks Reserves		100	
4.11 THDG - 048		70,610	
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,112,123	
4.20 Total - Other Restrictions		\$	5,351,007
<i>Agency Liabilities:</i>			
4.30 Windstar Loan - 042		276,676	
4.40 Total - Agency Liabilities		\$	276,676
4.45 Development Draw Receipts for Pending Vendor Payments		\$	-
4.50 Development Advances/Due Diligence Commitments ¹		\$	70,000
5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.45+4.50)		\$	5,697,683
6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)		\$	5,604,791
7. Agency Current Commitments:	Board Approval	Expended	Obligation Balance
Salishan Campus (PY exp plus 2014 budget)	\$ 196,174	\$ 126,174	\$ 70,000
¹ Total Current Commitments outstanding			\$ 70,000
Agency Advances that resulted in reduced amount of Unencumbered Cash (line 6)			
Hillside Terrace Redevlpmnt - Chase Loan, LP Equity Funds		\$	-
Prairie Oaks - Pierce Co CDBG, Lakewood CDBG, HTF		\$	48,089
Total Agency Advances		\$	48,089

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: October 28, 2015

TO: THA Board of Commissioners

FROM: Greg Claycamp
Director of Client Services

RE: Client Services Department Monthly Board Report

STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

Tacoma Housing Authority (THA) will provide high-quality housing, rental assistance and supportive services. Its supportive services will help people succeed as tenants, parents, students, wage earners and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

1. COMMUNITY SERVICES **Report by Mia Navarro**

Director's Comment

Prior to this month's Board meeting, we hope to present a memorandum outlining the structure and intent of a substantial reorganization being undertaken within the Community Services Division. The Board and THA Cabinet are the intended audience for this memorandum. Consistent with the Strategies and Measures identified in THA's Draft Strategic Plan, this reorganization intends to strengthen Community Services, Rental Assistance, and Property Management. CS also hopes that the emerging relationship between Client Services and the new Policy, Innovation and Evaluation Department will dramatically strengthen THA's capacity to develop, implement and evaluate new programs and initiatives. CS looks forward to the Board's questions and comments, either this month or in November depending upon when the memo can be made available to you.

1.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

September 2015	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
General Programs				
Case Staffing	5	5	29	77
Families in Transition (FIT)	0	0	20	36
Family Self Sufficiency (FSS)	2	2	118	132
General Services	17	7	46	128
Hardship	2	2	10	27
Housing Opportunity Program (HOP) Case Management	5	2	9	30
Education Project				
Children's Savings Account (CSA) K – 5 th Grade Stage	N/A	N/A	N/A	N/A
CSA 6 th – 12 th Grade Stage	N/A	N/A	N/A	N/A
McCarver	0	0	33*	39
Senior & Disabled				
Senior & Disabled	45	60	89	168
DEPARTMENT TOTAL	76	78	354	637

**See Rental Assistance Report.*

1.2 CLIENT STORIES/PROGRAM UPDATES

1.2.1 Education Project

D is a single mother of four participating in the McCarver Special Housing Program. Her two oldest children have severe behavioral issues that cause her to get called to the school multiple times a week. As a result, holding down a regular job has been difficult. D struggles with parenting and decision making but is working to overcome these challenges. Her two younger daughters are doing well with support. They are attending after-school programs, participating in school reading programs and family fun nights.

D works daily at a school as a crossing guard, recess monitor and lunch monitor. In exploring career options with her caseworker, she has decided to pursue becoming an educational paraprofessional. Because she feels so connected with this school community, she wants to stay involved at McCarver. She is in the process of enrolling in classes. This is a major victory. Though D has always engaged with the program, working with her caseworker and staying involved in school activities, she has had trouble finding a clear ambition that could lead to economic self-sufficiency.

The caseworker is also assisting D in transitioning to a permanent supportive housing program through Catholic Community Services (CCS). Earlier this summer, CCS and THA began collaborating to support McCarver participant families where a member of the household has a qualifying disability and the family has demonstrably struggled to live independently. The family will also benefit from ongoing support through CCS to help with parenting after the McCarver program ends.

1.2.2 General Services

P signed her Family Self Sufficiency (FSS) Program contract of participation in 2010. P worked closely with her FSS caseworker. The support and guidance from FSS helped her to complete her goals.

P's first goal was to obtain a Bachelor in Arts (BA) degree. She worked hard on her educational goal and in September, 2013 completed her BA. P also completed

a number of continuing education training and received certificates as her employer required.

P completed all of the goals listed in her Individual Training Services Plan (ITSP). She purchased reliable transportation and maintained car insurance.

P is now employed as a caseworker with a local non-profit serving persons with disabilities. She receives medical insurance from her employer and her earned income increased 20% while in the program. She now earns a living wage by area standards.

P stated that the last classes she completed encouraged her to work on improving her credit, so that she can purchase a home. The FSS caseworker encouraged her to pursue this goal. P completed Financial Literacy training in April 2015, and in July 2015 completed homeownership classes with a certificate. P graduated from the FSS program in August with a large escrow check because she worked hard. She will use that check toward a down payment on a home.

2. RENTAL ASSISTANCE AND LEASING

Report by Julie LaRocque

Housing Choice Voucher utilization is reported at 100% for the month of September 2015. Rental Assistance has begun pulling names from the 2015 Housing Opportunity Program (HOP) waiting list and issuing HOP vouchers.

Below is a breakdown of the utilization of THA's special programs and project based vouchers:

Program Name	Units Allocated	Units Leased and Shoppers
VASH (Veterans Administration Supportive Housing)	167	159
NED (Non Elderly Disabled) Vouchers	100	93
FUP (Family Unification Program)	50	48
McCarver Program	50	32*
CHAP (College Housing Assistance Program)	25	22
CHOP (Child Welfare Housing Opportunity Program)	20	17
* TOTAL	412	371

**There are 33 active McCarver households, as reported in the Community Services section. One family is not included in the McCarver line in the RA table because they have a HOP voucher.*

Project-Based Properties	Units Allocated	Units Leased
Bay Terrace	20	20
Eliza McCabe Townhomes	10	9
Flett Meadows	14	11
Guadalupe Vista	40	35
Harborview Manor	125	124
Hillside Gardens	8	8
Hillside Terrace	9	9
Nativity House	50	49
New Look Apts.	42	42
Pacific Courtyards	23	21
Salishan 1-7	340	330
Tyler Square	15	12
TOTAL	696	670

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: October 28, 2015

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Monthly Board Report

1. OCCUPANCY OVERVIEW

1.1 Occupancy

Unit occupancy is reported for the first day of the month. This data is for the month of September. The high vacancy rate in the family properties is attributable to, 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 Hillsides/Bay Terrace	132	6	0	126	95.5%	97.3%
Family Properties	138	20	11	118	85.5%	83.2%
Salishan	631	8	0	623	98.7%	98.2%
Senior/Disabled	353	10	0	343	97.2%	96.3%
All Total	1,254	44	11	1,210	96.5%	95.9%

1.2 Vacant Unit Turn

On page three there is a table with all of the units turned in fiscal year 2015. Thirteen units were turned and rented in the month of September. The average unit turn time for the month of September was **ninety-seven days for eleven clean units turned by Tacoma Housing Authority (THA) staff and contractors.**

There were two units turned in September that tested positive for meth.

As of October 1, 2015, 155 of the 575 units that have been tested for contamination have tested positive for methamphetamine. As of October 1, the 2015, current YTD hot rate is 6% and the overall hot rate from 2012 is 27%.

THA has made the decision to stop testing units for methamphetamine contamination effective October 1, 2015, upon vacancy unless there is strong evidence that the units or the previous occupants have suspicions of manufacturing. THA made this decision after consultation with various health department officials and our attorneys.

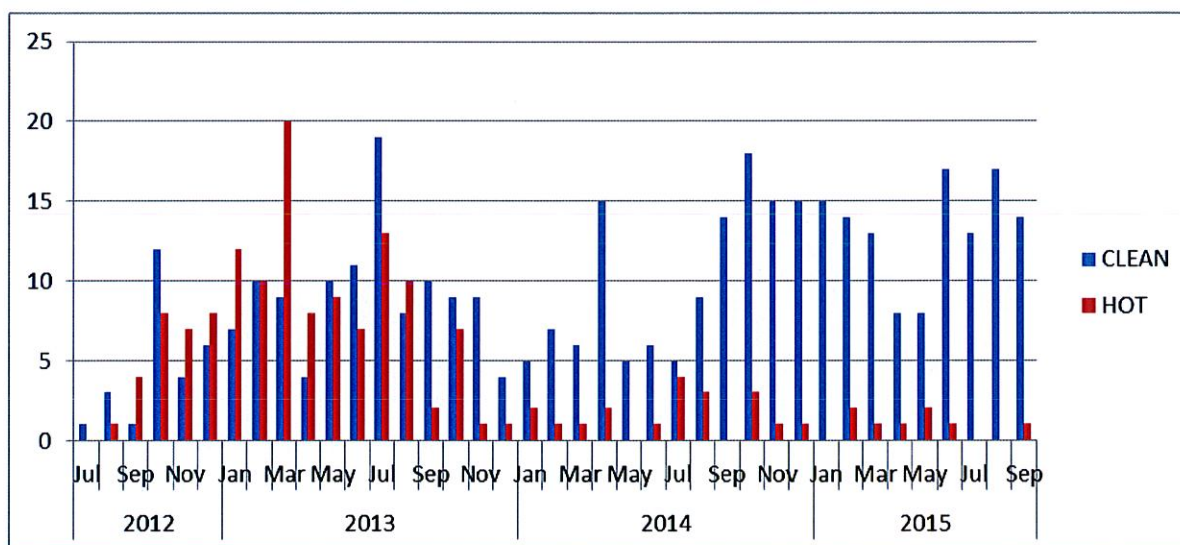
Below are reasons for making this decision:

- There is no proven evidence that there is a health risk left behind from methamphetamine residue from smoking the drug. THA has been advised that the health risk comes from manufacturing not usage. None of THA units have been suspected of manufacturing.
- The continued decline in THA's hot rate has served that its contaminated units have become isolated cases rather than regular occurrences.

THA has instituted a sanitation protocol to insure that units will be safe and healthy for future occupants. This protocol will have property management (PM) staff sanitizing all vacated units as part of the unit turn process. Products used to do this work are nontoxic and used in hospitals and care facilities.

THA staff and contractors will be trained during the month of October to perform the required steps as part of the sanitation protocol. Property Management is working with janitorial and remediation contractors to help perform this work. The three-day timeline used to test units is the timeline PM is targeting to complete the sanitation process in hopes to not add any more days.

Hot Rate Trend- 512 units tested since July 2012.



2012- 55 units tested, 28 hot 51% Hot Rate

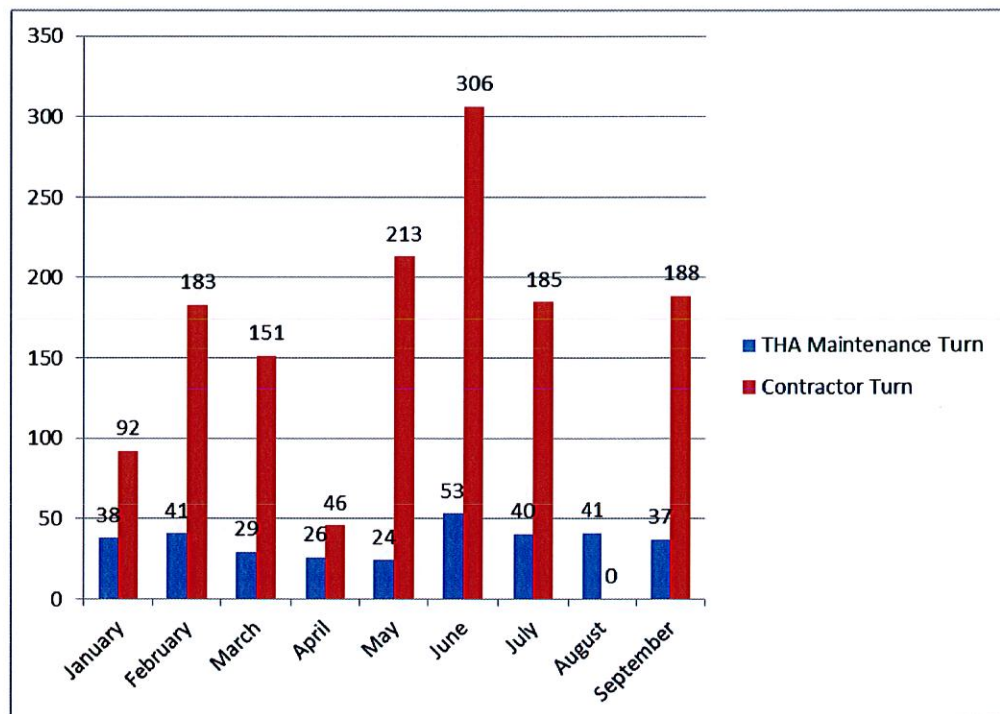
2013-210 units tested, 100 hot 48% Hot Rate

2014- 138 units tested, 19 hot 14% Hot Rate

2015- 127 units tested, 8 hot 6% Hot Rate

1.3 Vacant Clean Unit Turn Status

The average turn days for seven THA turned clean units in September, were 37 days. The main reason for the high unit turn days are the volume of units needing to be turned. There are three factors that are contributing to the inability to reach the targeted twenty-day expectation: 1) assigning staff to units when they become available, 2) having applicants prescreened and ready to lease once the units are completed, and 3) transfers and voucher releases that add units to be turned in any given month. PM will find ways to reduce these numbers while dealing with emergent and routine work orders. Third party contractors have been brought in on a temporary basis to work on vacant units at THA's Tax Credit portfolio. This month PM had twelve units exceeding twenty days that will be explained on page four. PM is averaging 15-20 vacant units per month. PM will continue to look for trends to reduce these numbers and find reasons for these move outs. Weekend and holiday days (e.g., two weekends (non-working days) in a 20-day period would account for four days in the average).



Below is a list of units that exceeded the twenty-day expectation both by THA staff and contractors. All of these units are a result of the issues mentioned on page three.

- **AMP 1 911 North K Street #311 (22 days)**
Unit was in downtime for eight days. Maintenance work was completed in fourteen days.
- **AMP 1 1202 South M St #504 (30 days)**
Unit was in downtime sixteen days. Maintenance work was completed in thirteen days and one day was attributed to leasing efforts.
- **AMP 2 3201 S Fawcett Ave #117 (309 days)**
Contracted unit turn. Unit had water damage due to undetected leak. Unit was held and packaged with other units that were in need of extensive repairs.
- **AMP 2 3201 S Fawcett Ave #227 (224 days)**
Contracted unit turn. Unit had water damage due to undetected leak. Unit was held and packaged with other units that were in need of extensive repairs. This was a methamphetamine contaminated unit.
- **AMP 2 3201 S Fawcett Ave #330 (29 days)**
Unit was in downtime for seven days. Maintenance took sixteen days and six days were attributed to leasing efforts.
- **AMP 2 602 S Wright St #202 (36 days)**
Unit was in downtime for seven days. Maintenance took twenty-nine days. Flooring and cabinet repairs added to the delay of the turn.
- **AMP 3 5301 S Orchard St #1 (126 days)**
Unit was in downtime for five days. Contract work was completed in one hundred nineteen days. Two days were attributed to leasing efforts.
- **AMP 3 5303 S Orchard #10 (138 days)**
Unit was in down time for twelve days. Contracted work was completed in one hundred and twelve days. Fourteen days were attributed to leasing efforts.
- **AMP 3 5303 S Orchard #15 (66 days)**
Unit was in downtime for one day. Maintenance work was completed in thirteen days. Fifty-two days were attributed to leasing efforts. Unit was turned down by three different families due to complication with current leases and move in deposits.

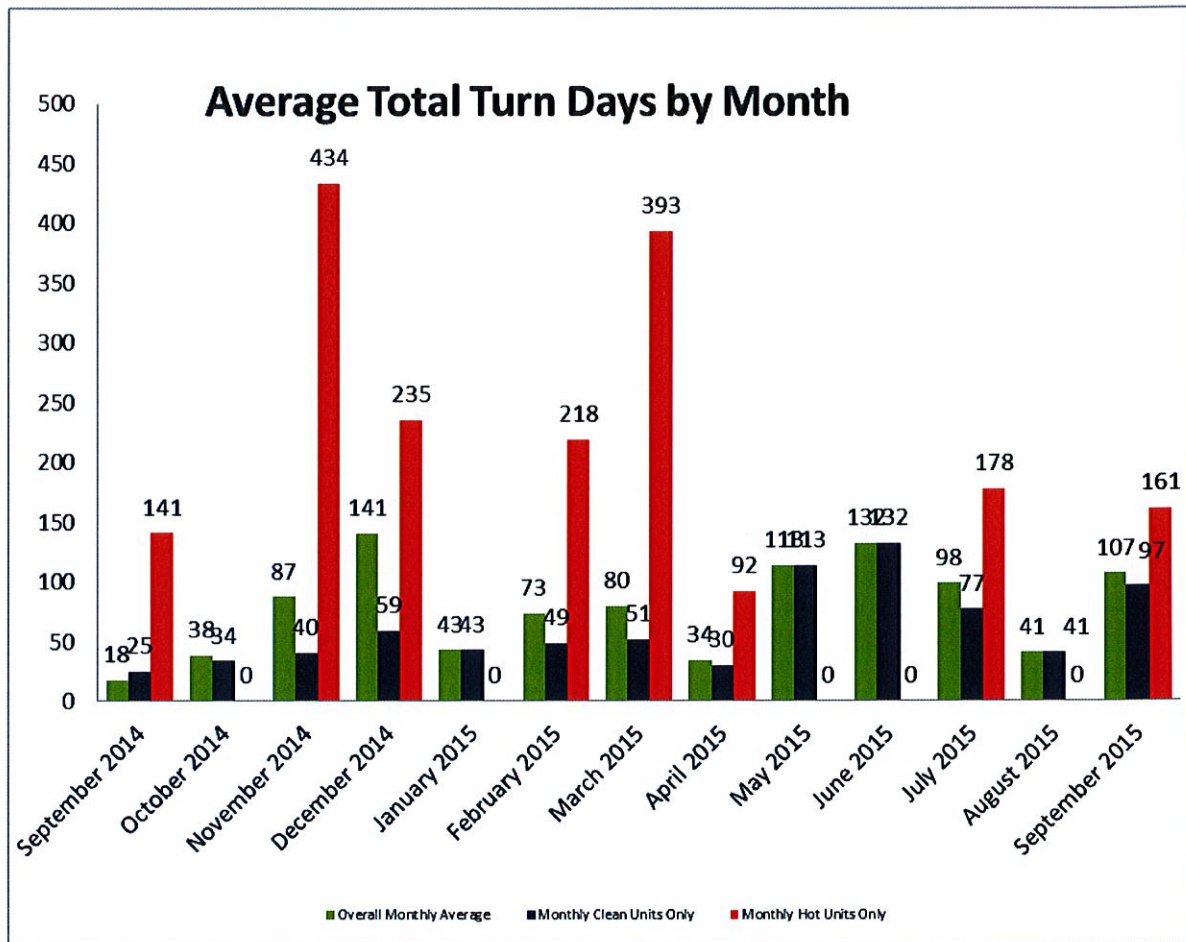
- **AMP 3 5303 S Orchard St #50 (234 days)**
Unit was in downtime for twelve days. Contract work was completed in two hundred eight days. Fourteen days were attributed to leasing efforts.
- **AMP 10 4214 East Q Street (59 days)**
Unit was in downtime for thirteen days. Maintenance work was completed in forty-four days. Two days were attributed to leasing efforts.
- **AMP 12 4350 East R Street (98 days)**
Unit was contaminated from Methamphetamine exposure.

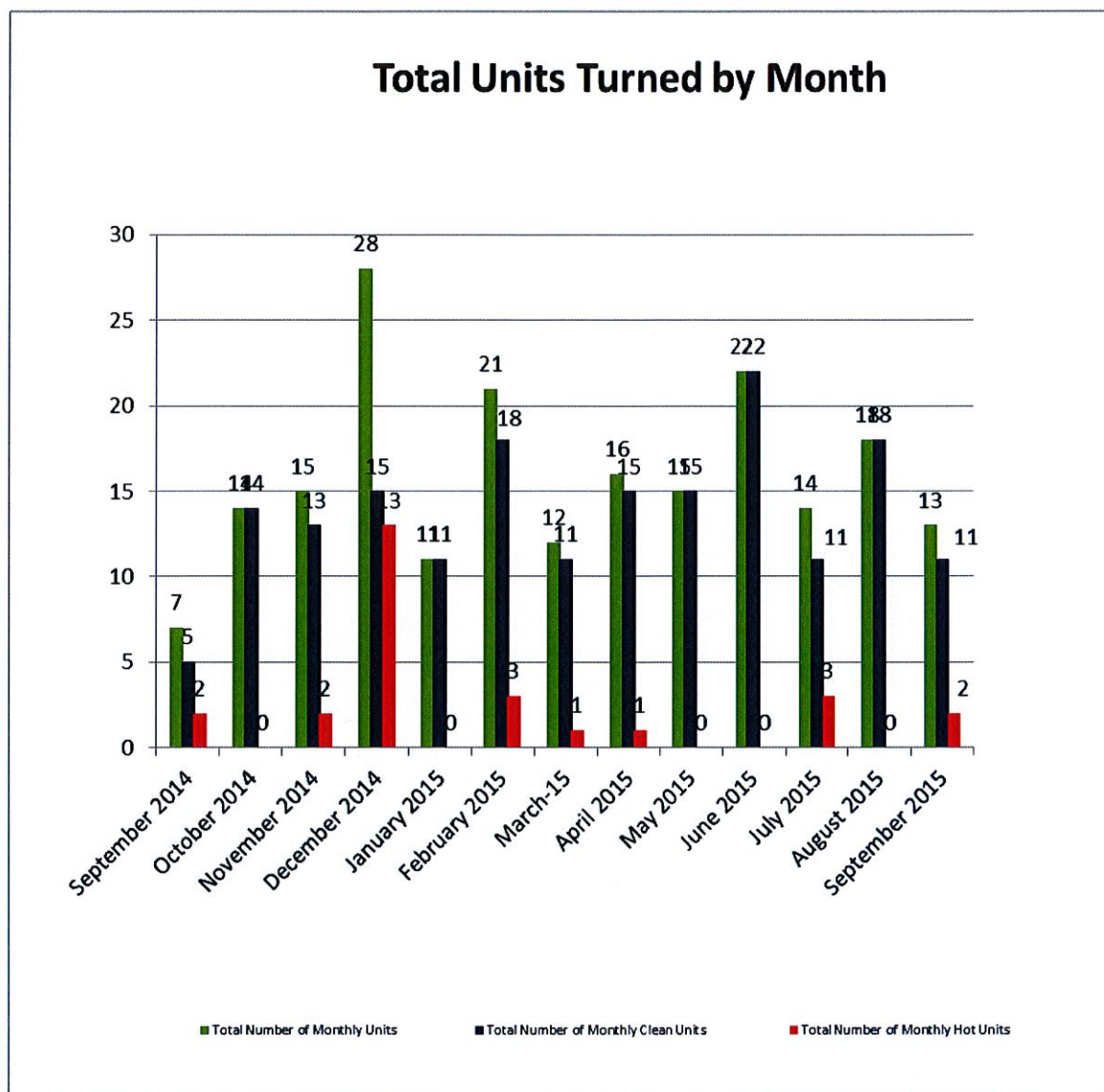
1.4 Contaminated unit turns

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

- 34 are not contaminated
- 6 are contaminated turns
- 10 are awaiting testing
- 13 are in modernization/reconstruction/contracted
- 3 units were completed and returned to sites

The charts on the next two pages (6 and 7) show the fiscal year trend in *Average Total Turn Days* and *Total Units Turned By Month*.





1.5 Work Orders

In the month of September, 100% of emergency work orders were completed within 24 hours. In September, maintenance staff completed 265 non-emergency work orders with a total of 2,625 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 18.44 days.

Property Management continue to bring down the number of outstanding work orders as well as trying to improve customer service. Processes that PM is trying to improve are as follows:

- Make every attempt to address routine work orders within five days. When this is not possible, contact the tenants and give an alternate date that they can expect service.
- Improve 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.

1.6 Rental Assistance Demonstration Update (RAD)

As part of THA's RAD conversion, all current tenants will be required to sign new leases. Some THA tenants are currently on a Public Housing (PH) lease. The RAD program requires that all current PH tenants be on a Project Based Voucher (PBV) lease.

THA has used this opportunity to revise the lease and add some needed changes. The attached notice was sent out to every tenant explaining the major changes that will affect them. In addition PM has conducted individual building and property meetings to explain these changes and answer any questions and concerns the tenants may have.

Every THA tenant will be required to sign the new lease. 456 out of 1254 leases will need to be signed by December 31, 2015. To achieve this goal, a 3rd party contractor has been procured to help get the leases signed.

Work Order Summary by Portfolio For the Month of September, 2015

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		Month		Month		YTD	
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
All Hillside										
BAY TERRACE	0	0.0%	0	0.0%	0		21	1.71	137	3.16
HILLSIDE TERRACE 1500 Block	0	0.0%	0	0.0%	0		5	0.20	38	3.47
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		1	0.00	30	3.80
HILLSIDE TERRACE PH II	0	0.0%	0	0.0%	0		5	0.20	47	3.87
	0	0.0%	0	100.0%	0		32	1.19	250	3.42
Family Properties										
BERGERSON TERRACE	1	100.0%	26	98.2%	2	2.50	20	13.70	160	12.97
DIXON VILLAGE	0	0.0%	7	100.0%	1		4	9.50	81	17.31
MARKET RATE SFR	0	0.0%	1	100.0%	0		0		35	14.06
SCATTERED SITES	1	100.0%	7	100.0%	3	0.33	4	22.25	93	15.46
	2	100.0%	41	97.6%	6	1.00	28	14.32	369	14.65
Salishan										
SALISHAN I	12	100.0%	42	100.0%	7	2.71	26	41.12	196	31.81
SALISHAN II	12	100.0%	30	100.0%	3	5.33	16	53.13	155	28.37
SALISHAN III	3	100.0%	18	100.0%	4	1.75	14	13.57	143	30.45
SALISHAN IV	5	100.0%	19	94.7%	5		16	26.00	174	22.67
SALISHAN SEVEN	5	100.0%	16	100.0%	3	0.33	30	33.43	138	18.09
SALISHAN V	9	100.0%	21	100.0%	3	1.33	25	71.16	155	37.27
SALISHAN VI	8	100.0%	25	100.0%	6	3.50	29	74.97	169	28.07
	54	100.0%	171	99.4%	31	2.19	156	47.96	1,130	28.27
Senior / Disabled Properties										
6TH AVE	5	100.0%	38	97.4%	3	1.67	7	56.71	161	14.20
E.B. WILSON	4	100.0%	35	100.0%	4	1.50	4	35.50	175	10.21
FAWCETT APARTMENTS	3	100.0%	15	100.0%	0		9	2.33	73	2.97
LUDWIG APARTMENTS	2	100.0%	23	100.0%	2		5	1.00	97	12.13
NORTH G ST	0	0.0%	6	100.0%	2	0.50	4	29.00	73	9.96
NORTH K ST	1	100.0%	17	100.0%	3	1.67	7	26.71	119	18.03
WRIGHT AVE	2	100.0%	31	100.0%	3	1.00	13	4.54	178	10.38
	17	100.0%	165	99.4%	17	1.18	49	18.92	876	11.63
Agency Totals:	73	100.0%	377	99.2%	54	1.74	265	33.38	2,625	18.44

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

		Emergency		Urgent		Non Emergency		
Portfolio		Opened Emergency WO	Days Open	Open Urgent WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside								
BT	BAY TERRACE (S8)	0	0	0	0	20	3	17
HT1	HILLSIDE TERRACE PH 1	0	0	0	0	1	0	1
HT1500	HILLSIDE TERRACE 1500 Block	0	0	0	0	12	1	11
HT2	HILLSIDE TERRACE PH II	0	0	0	0	11	1	10
		0	0	0	0	44	5	39
Family Properties								
020	BERGERSON TERRACE	1	0	1	30	4	0	4
022	LOW RENT SCATTERED SITES (19)	1	0	0	0	3	2	1
023	DIXON VILLAGE	0	0	2	66	7	2	5
044	NORTH SHIRLEY	0	0	0	0	0	0	0
		2	0	3	96	14	4	10
Salishan								
SAL1	SALISHAN ONE LLC (PH)	12	0	0	0	102	20	82
SAL2	SALISHAN TWO LLC (PH)	12	0	3	62	100	15	85
SAL3	SALISHAN THREE LLC (S8)	3	0	1	34	97	13	84
SAL4	SALISHAN FOUR LLC (S8)	6	5	1	14	103	17	86
SAL5	SALISHAN V LLC (PH)	9	0	0	0	59	15	44
SAL6	SALISHAN SIX LLC (S8)	8	0	3	107	89	44	45
SAL7	SALISHAN SEVEN	5	0	0	0	65	8	57
		55	5	8	217	615	132	483
Senior / Disabled Properties								
008	NORTH K ST	1	0	0	0	34	4	30
008	E.B. WILSON	4	0	0	0	55	3	52
009	FAWCETT APARTMENTS	3	0	0	0	0	0	0
010	WRIGHT AVE	2	0	2	52	1	0	1
012	LUDWIG APARTMENTS	2	0	0	0	0	0	0
013	NORTH G ST	0	0	0	0	3	0	3
014	6TH AVE	5	0	0	0	17	4	13
		17	0	2	52	110	11	99
Agency Totals:		74	5	13	365	783	152	631



TACOMA HOUSING AUTHORITY

MAIN CHANGES THA PROPOSES FOR THE NEW LEASE

October 1, 2015

THA must change its lease. Tenants must sign the new lease if they wish to remain in their homes. In other letters, we explained the reason for these changes. In general we are changing from one federal program to another that helps to pay your rent and helps us maintain our properties.

We are drafting the new lease now. Below we explain the main changes we propose for the new lease. We would like to know your views and suggestions about our proposal. At the end of this letter we explain how you can tell us:

- **How long is the Lease for?** The lease is for one year to start. At the end of the first year, the lease automatically renews for another year. However, the tenant (you) may give THA a proper twenty (20) day notice at any time and move out without penalty.
- **What is Rent?** The new lease redefines "Rent" to include all amounts due under the lease. This will mean that THA could evict a tenant for any unpaid amounts, not just the base monthly rent.
- **How is Rent applied?** When THA receives your payment, it will apply it first to amounts other than your base monthly rent due, such as late fees and damage-related expenses. Then THA will use it to pay your base monthly rent. This will mean that you must pay all you owe each month in order to be current on your rent. This change will help THA cover all of its actual expenses and not just that of the base monthly rent.

If you owe THA money, you can prepare for this change by paying what you owe. If you need help doing that, talk to your property manager to ask about a repayment agreement to give you more time to pay.

- **Are the deposit amounts the same?** New tenants and tenants who transfer to another apartment will pay higher security deposits. Here are the new amounts:

\$375 (0-1 Bedroom)	\$550 (3 Bedrooms)
\$475 (2 Bedrooms)	\$600 (4+ Bedrooms)

THA has a new program that can help people pay this deposit if they need help.

- **Are there any new fees? THA will charge these new fees:**
 - \$25 late fee each time you pay rent after the 5th of the month.
 - \$10 for each check returned because of non-sufficient funds.
 - \$75 each time you tamper with a smoke or carbon monoxide alarm.
 - The Maintenance Schedule of Charges has been updated. The price of some items is a little more than before.

- **Are the policies the same?** Generally, the policies are the same, but a few have changed.
 - The House Rules are shorter but include new rules making them applicable to you and your guests.
 - There are now limits on the number of keyless cards out at any one time; there are new fees and additional screening for lost or stolen cards.
- **When can THA terminate my Lease?** THA can terminate the lease and evict a tenant at any time for “good cause”. In general, good cause means the tenant broke the rules or the law that requires you to take good care of the property, be a good neighbor, and pay your rent on time. Section 17 of the draft lease gives examples. Please note that good cause includes tampering with smoking detectors and carbon monoxide alarms.
- **Will the lease be easier to read?** We have tried hard to make the lease easier to read. We did that by using plainer words, shorter sentences and shorter paragraphs.
- **How can I see the entire lease to review it?** Copies of the new lease and its changed attachments are at each of THA’s offices. It is also available online at www.tacomahousing.org.
- **How and when do I comment about these changes?** You may send us comments between October 1 and October 31st. You can send comments in writing to elane@tacomahousing.org. You can call your Property Manager. You can also attend any of the public meetings listed in this mailing. You are most welcome to comment in any of these ways. We would like to know your views and suggestions.
- **When do I have to sign the new lease?** You will need to sign your lease within 30 days after we send you a letter with the new lease. We think you will get that on November 1, 2015. That would mean you have until November 30th to sign.
- **When is the new lease effective?** If all goes according to plan, the lease will be effective January 1, 2016. Your new lease will state its effective date.
- **What if I need translation services?** If you need translation at any time you may contact the THA office and we will assist you.

The lease may have changed in other ways, as well. This letter is not intended to list all of those changes. Please take the extra step to carefully read the lease. If you have any questions, you are most welcome to call the THA office.

Thank you!

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: October 28, 2015

TO: THA Board of Commissioners

FROM: Kathy McCormick
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

1. SALISHAN/HOPE VI

1.1 Phase II Construction

1.1.1 Area 2A, Community Core Development

The Board approved the general Master Plan Concept at its June 2012 meeting. Staff is reviewing the Master Plan Concept and may suggest some revisions based on current community needs and opportunities and propose an alternative plan for the Salishan Core. Potential uses of the site will be coordinated with Metro Parks and the city to ensure complementary community uses for the Eastside Community Center and Salishan. Final recommendations will be delayed until planning for the Community Center is complete.

Staff met with representatives of United Grocers to discuss the possibility of a grocery store that would be located at the core. They were interested and suggested a market study be completed. Staff plans to issue a Request for Proposal for a market study that would identify potential grocery and related retail uses for the core.

1.1.2 Area 3 Lot Sales

DR Horton has four models open. DR Horton is pleased with the level of interest. To date, 26 low-income households have been approved to purchase homes at Salishan. In 2014, DR Horton closed on 86 homes; 14 were to income-eligible homebuyers. During the third quarter 2015, DR Horton closed on 26 homes, 7 of which were sold to low-income buyers.

1.1.3 Area 2B

DR Horton has commenced with construction activities for area 2B; however, a report from them was not delivered in time for the Board of Commissioners update.

1.1.4 Area 2B Property Sale to Metro Parks

The disposition application for Housing and Urban Development (HUD) approval has been submitted. HUD approval is required prior to selling the two lots and 16 acres to Metro Parks. Staff is submitting a revised resolution to the Board to correct a technicality involving a conflict between a dated letter of support from the Mayor and the original resolution 2015-5-27 (6) authorizing the negotiations and sale. HUD informed staff that the resolution must be signed after the Mayor's letter of support.

1.1.5 Arlington Road

Staff is preparing a recommendation to terminate the agreement to sell Arlington Road. Coldwell Banker Richard Ellis (CBRE) has advised that another buyer may be interested in purchasing this property. Any new sale and the termination of the current sales contract recommendation will be vetted through the Asset Management Committee and brought to the board at a later date.

2. NEW DEVELOPMENT

2.1 Bay Terrace – Phase II

Phase II Proposal: Staff is working with GGLO, Absher Construction and an internal staff team on the design for this phase. The current development budget for this project is projected to be \$21.5 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.

Construction cost estimates were higher than planned; however, through a combination of redesign and clarification of the estimated pricing, the budget is back on target.

2.1.1 Financing

HOME Funds. On January 21, 2015, staff received official notification of the award of \$1 million in HOME funds from the Tacoma Community Redevelopment Authority. These will be lent to the project with a 2% interest rate and a 50-year term.

The Royal Bank of Canada (RBC) was selected as the investor for Bay Terrace Phase II. As proposed, their equity investment will generate \$16,848,708 in tax credit equity or \$1.12 per tax credit, with 1.48% paid at the execution of the Partnership Agreement and 98.52% paid at the Certificate of Occupancy.

JP Morgan Chase Bank N.A. was selected as the construction and permanent lender for Bay Terrace Phase II.

Staff has begun the financial due-diligence process with both Chase and RBC. Financial closing is anticipated in mid-January 2016.

2.1.2 Design

GGLO Architects completed design development on September 11, 2015, and is starting the construction drawing and specifications phase. Absher Construction prepared a revised cost estimate based on the September 11, 2015, drawings and specifications. The estimate is approximately \$1 million above the schematic design estimate Absher provided in July 2015. The escalation is due largely to the current volatility in the regional construction environment. Staff is continuing to work with the design and construction team to mitigate higher costs.

On August 17, 2015, Absher Construction Company issued Request for Proposals for Design/Build services to include HVAC, electrical, plumbing and fire sprinkler systems. GGLO provided performance specifications for this bid process. Competitive bids were received on September 3, 2015. Staff has prepared Resolution No. 2015-9-23 (5) requesting authorization to amend Absher's Pre-Construction Services Agreement to include \$169, 595 for HVAC, plumbing, electrical and fire sprinkler design services only.

2.1.3 Community Meetings

Staff will organize an additional community meeting over the next couple of months to display the design concept and programming for Phase II. In addition, the City of Tacoma Arts issued a call to Artists Request for Proposal (RFP). Kenji Stoll and Chris Jordan, the artists selected to work with youth at Bay Terrace and create public art into the final design have been preoccupied. They have begun outreach activities with residents at Bay Terrace and surrounding THA properties. The most recent workshop was Monday October 12th and continues to have strong interest from residents. Workshops have focused on graphic art, screen printing and digital design. Workshops will continue to be based on the artistic interests of residents. From the resident input, a conceptual design for the public art piece which will be proposed by the artists November 9th to the Architect and THA. A celebration of the resident artwork is planned for early December. This will be similar to an art showing and will be held at Bay Terrace Community Center. Board members will receive invitations to this event in November.

3. BERGERSON TERRACE

The 15 units requiring repairs have been completed. The remaining 21 units will be upgraded as part of the RAD conversion for the Property.

4. OTHER PROJECTS

4.1 AG Program

This project is complete. The purpose of the project was to rehabilitate homes in areas that were heavily hit by foreclosures. The theory is that by investing in these neighborhoods, free market buyers would purchase other homes to fix up and stability in the area would be achieved as vacant units became occupied.

THA purchased five homes using funds through the AG Program. The average cost of the home purchases was \$117,100, and the average cost for rehabilitation was \$55,385. Buyers for the homes could earn up to 120% of the Area Median Income. To achieve an affordable price, a "buy down" was required. The buy down is the amount of the rehabilitation and acquisition cost that "forgiven" in order to achieve a sales price that was affordable to the income targeted buyer. This requirement was contemplated as part of the program design. The average buy down was \$25,125 and the average sales price for the homes was \$136,400.

Tacoma Housing Authority (THA) received \$144,926 for overseeing this program. This amount provided funds for staffing and overhead costs. Photos of the homes before rehabilitation and after are included at the end of this report.

AG Program Summary

Address	Previous Owner	Purchase Price	Rehab cost	Buy Down*	Total Cost	Sale Price	Sold
6607 East K St	Bank Owned	\$97,500	\$41,250	\$31,150	\$169,900	\$145,000	Yes
3918 S Thompson	Short Sale	\$122,000	\$36,455	\$24,873	\$183,328	\$145,000	Yes
4836 S K Street	Bank Owned	\$142,000	\$125,441	\$38,538	\$280,438	\$193,000	Yes
1910 E 59th	Short Sale	\$115,000	\$73,781	\$26,063	\$181,313	\$199,000	Yes
6615 S Puget Sound	Bank Owned	\$109,000	\$110,399	\$62,000	\$240,000	\$179,950	Yes
TOTAL		\$585,500	\$276,927	\$120,624	\$1,054,979	\$682,000	
<i>Average</i>		<i>\$117,100</i>	<i>\$ 55,385</i>	<i>\$ 24,125</i>	<i>\$ 210,996</i>	<i>\$136,400</i>	

4.2 Prairie Oaks: LASA Supportive Housing Project

THA issued a Notice to Proceed effective June 9, 2014, to Pavilion Construction and received Certificate of Occupancy on June 8, 2015. All work has been completed on time and under budget.

4.2.1 Property Management & Lease-up

THA contracted with REIS property management company to provide property management services for Prairie Oaks. As of October 9, 2015, Prairie Oaks has 8 of 15 units leased with 7 applications into Pierce County Housing Authority. LASA is working with Access Point 4 Housing on referrals and lease-up. This project has been transferred to THA Asset Management.

4.3 Construction Management Services for the City of Tacoma

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

4.4 THA 902 Administration Building Tenant Improvement Project

Staff moved into their new office (Phase 2) at the end of September. Finance staff (Phase 3) moved to their temporary quarters September 25-28. Phase 3 is anticipated to be completed early November. HVAC work on the first floor is 100% complete.

4.5 Market Rate Scattered Sites

Renovations are complete at the two Alaska Street sites and are underway at the two Sherman Street properties. The two houses located on South Alaska are under contract for sale and are expected to close by the end of November.

The Sherman Street site renovations include the replacement of siding. Plumbing HVAC and electrical work is underway. These two houses are expected to be listed for sale by the end of November. 1215 and 1219 Trafton have been put out to bid, with a contract for the renovation work to be awarded by the end of October. 1118 Sheridan will have minor repairs and will be listed for sale by the end of October.

4.6 Consulting and Community Engagement

The Design Studio conducted by University of Washington Tacoma (UWT) for Trinity Presbyterian Church, Life Changing Ministries and the Salvation Army has been completed. All three agencies were positive about their experience and found designs they would like to investigate more carefully. Trinity Presbyterian Church has engaged Al Levine to assist them with evaluating development options for their site. THA staff is providing initial financial analysis for the options Trinity is considering. THA staff is also drafting a proposal to act as a development consultant for the Salvation Army.

4.7 RED Put-Backs

#27 Bergerson – Contract awarded August 12, 2015, for unit damaged by fire. Unit will be put-back using RAD standards and will allow THA to assess new heating and plumbing components for the RAD conversion. Abatement issues have delayed the project and completion is planned for mid-November.

Units #117 & #227 Fawcett – Contract awarded July 16, 2015, for meth and water damaged units. These units will be put-back to RAD standards. Work is progressing satisfactorily with completion expected by early October.

4350 East R – Contract awarded August 26, 2015, for meth remediated unit. Work is complete and satisfactory as of September 25, 2015.

Units #100 & #309 at North G and Unit #120 at 6th Avenue – Work began September 16, 2015, for three meth remediated units. Scope and specifications for this project include up-graded RAD components and standards.

4858 Court Q – Bids due October 15, 2015, for water unit damaged unit. Scope includes new flooring, cabinets, appliances and drywall replacement.

4490 and 4492 East Q – Water damaged and meth remediated units are currently in scope development.

5. DEVELOPMENT PIPELINE PROJECTS

5.1 Intergenerational Housing at Hillsdale Heights

The Many Lights Foundation (MLF) continues work on this project and was approved for a predevelopment loan with IMPACT capital. THA staff assisted with the predevelopment budget for this project and will continue the discussions with MLF about a mutually beneficial partnership.

5.2 Hilltop Lofts

THA and the City extended the timeline by two years for THA to develop the Hilltop Loft project. The finalized extension is awaiting City Council approval scheduled for November. A convergence of opportunities and constraints for this project require the extension. These include:

5.2.1 Increased Construction Cost

In August, 2014, the initial feasibility for this project was completed with a construction cost estimate at \$8.3M. THA determined that the project was viable and proceeded to design development. This phase was completed in December, 2014. The updated estimate resulted in a projected cost of \$11.6M. One of the contributors to this increase was the Commercial Prevailing Wage that applies when a development is five or more stories.

5.2.2 Acquisition

The KeyBank property is on the same block as the Hilltop Lofts. The proximity to the property means there is a potential to expand the residential development to the property and provide additional parking. THA is negotiating a purchase of this site.

5.2.3 Financing

Staff is evaluating different financing options for the development. Top options include combining the lofts with the development of the acquisition site, different unit mixes for the current location, and the potential of partnering with an employer interested in master leasing some units. The assessments include using Low Income Housing Tax Credit (LIHTC) or conventional financing to complete the project.

5.3 Acquisition

- 5.3.1 THA executed a Purchase and Sale agreement for the Outrigger Apartments at 6102 6th Avenue, Tacoma on June 8, 2015. THA closed the transaction and acquired the Outrigger Apartments on October 8, 2015. Staff will include approximately \$500,000 in capital improvements for this project as part of the 2016 budget. Heritage Bank provided the loan to acquire Outrigger. The appraisal valued the property at \$3.1Million. It was sold to THA for \$2.9Million. Initially Heritage Bank indicated the cost for capital improvements could be included in the initial loan; however, Heritage was unable to include these costs in the loan and still meet the 85% Loan to Value that their underwriting department required. Rather than place another loan on the property for the capital improvements, THA staff will recommend that these costs be covered from reserves. The improvements are needed to achieve the market rate rents that are possible for this property. It is important to note that even with the improved rents; the rates will continue to be affordable to households earning 60% or less of the Area Median Income.

An agreement has been executed with Windermere Property Management Services. This is the same company that provided management for the property under the previous owner. Maintaining the existing property management company has allowed for a smooth transition from the previous owner to THA.

- 5.3.2** THA entered into a Managing Member Interest Purchase and Sale Agreement on May 8, 2015, to acquire the managing member interest in MLK New Look LLC. The closing and transfer of the Managing Member Interest in MLK New Look, LLC to THDG occurred on September 29, 2015. This included paying off the WCRA loan and replacing it with a loan from THA. The new loan is for \$1.2M. It carries a 30-year amortization and a 7.75% interest rate, which was the same as the WCRA loan. At this time, staff is preparing to complete the initial capital improvement items needed for this property to maintain building integrity and address any safety concerns. A more complete capital improvement plan will be devised through 2016. This plan will be accompanied to a new financing scheme that can be put into place after the tax credit investors exit the partnership.

6. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of October 1, 2015, for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

Grant	Total Grant	Obligation Start Date	Obligated	% Obligated	Obligation Deadline	Expended	% Expended	Expended Deadline
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$2,345,627	100%	7/14/14
2011 CFP	\$1,721,353	8/3/11	\$1,721,353	100%	8/2/13	\$1,721,353	100%	8/2/15
2011 CFP (1 st R)	\$736,455	8/3/11	\$736,455	100%	8/2/13	\$736,455	100%	8/2/15
CFCF	\$1,849,510	8/3/11	\$1,849,510	100%	8/2/13	\$1,849,510	100%	8/2/15
2012 CFP	\$1,593,197	3/12/12	\$1,593,197	100%	3/11/14	\$210,362	13%	3/11/16
2012 CFP (1 st R)	\$1,026,290	3/12/12	\$1,026,290	100%	3/11/14	\$1,026,920	100%	3/11/16
2012 CFP (2 nd 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	\$1,319,864	100%	9/8/15	\$0	0%	9/8/17
2013 CFP (1 st R)	\$322,158	9/9/13	\$322,158	100%	9/18/15	\$322,158	100%	9/8/17
2013 CFP (2 nd R)	\$1,015,495	9/9/13	\$1,015,495	100%	9/18/15	\$1,015,495	100%	9/8/17
2014 CFP	\$1,590,067	5/13/14	\$1,590,067	100%	5/12/16	\$0	0%	5/12/18
2014 CFP (1 st R)	\$277,032	5/13/14	\$277,032	100%	5/12/16	\$0	0%	5/12/18
2014 CFP (2 nd R)	\$873,158	5/13/14	\$873,158	100%	5/12/16	\$403,428	46%	5/12/18
2015 CFP	\$1,846,052	4/13/15	\$1,846,052	10%	4/12/17	\$0	0%	4/12/19
2015 CFP (2 nd R)	\$813,451	4-13-15	\$913,451	100%	4-12-17	\$0	0%	4-12-19
TOTAL	\$17,458,410		\$17,458,410			\$9,760,009		

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (1)

Date: October 28, 2015
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Authorization to increase RAD Conversion Project General Contractor/Construction Manager Services – Guaranteed Maximum Price

This resolution would authorize the executive director to negotiate, and if those negotiations are successful, to execute a contract expansion with Walsh Construction for General Contractor/Construction Manager (GC/CM) services for the Rental Assistance Demonstration (RAD) project to fix up 456 units in nine properties that constitute THA's traditional, non-tax credit properties.. The amount of the contract shall not exceed \$34,351,489.00.

Background

Pursuant to resolution 2015-6-24(2), the executive director negotiated and awarded a Contract to Walsh Construction for General Contractor/Construction Manager (GC/CM) services for the Rental Assistance Demonstration (RAD) conversion project to fix up THA's traditional, non-tax credit properties (456 units at the 7 senior buildings, Bergerson Terrace and Dixon Village). The initial scope of the work included pre-construction, construction management and general contractor services. The initial amount was not to exceed of \$75,000.00. The bid process and contract contemplated an expansion of this contract once the rehabilitation estimates were completed. That time has arrived.

THA needs to expand the contract for the actual construction work. Walsh provided preliminary cost estimates. Based upon those estimates, the executive director seeks authority to contract for a Guaranteed Maximum Price (GMP) of \$31,228,626.00 in rehabilitation and overhead expenses plus owner's contingency of \$3,122,863.00 for a total not to exceed of \$34,351,489.00. The bid packages will be sent to sub-contractors the week of November 2nd, with responses due back December 2nd.

Recommendation

Authorize THA's Executive Director to negotiate and execute the Construction Management, General Contractor services portion of the contract with Walsh Construction to fix up the traditional portfolio in the RAD Conversion Project in the amount not to exceed \$34,351,489.00.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (1) GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES (GCCM) FOR RAD CONVERSION PROJECT)

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

WHEREAS, Resolution 2015-6-24(2) authorized the Executive Director the authority to negotiate and execute the contract for the Construction Manager/General Contractor for the RAD Conversion Project with Walsh Construction for the fix-up of its traditional portfolio (non-tax credit) of 456 units at the 7 senior buildings, Bergerson Terrace and Dixon Village); and,

WHEREAS, THA negotiated and executed the pre-construction service portion of the work;

WHEREAS, the procurement and the contract contemplated a later expansion of the contract for the actual construction work;

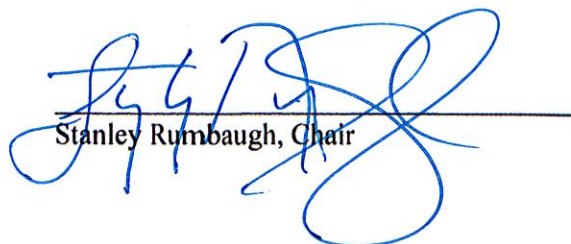
WHEREAS, based upon Walsh's estimates, THA plans for a construction budget of \$34,351,489.00; and

WHEREAS, THA will finance this contract through a mix of Capital Funds, Low Income Housing Tax Credit Equity Contributions, Construction Loans and Permanent Loans; now, therefore, be it

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

Authorize THA's Executive Director to negotiate and execute an expanded contract to Walsh Construction for the Construction Manager/General Contractor Services for the RAD Conversion project in an amount not-to-exceed of \$34,351,489.00.

Approved: October 28, 2015


Stanley Rumbaugh, Chair

RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (2)

Date: October 28, 2015
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Purchase and Sale Agreement Salishan Area 2B Metro Parks Revised

This resolution would authorize the executive director to negotiate and execute a contract to sell two home ownership parcels and 16-acre parcel of open space at Salishan to Metro Parks. This is a repeat of a prior resolution for the same sale. HUD requests this repeat.

Background

Pursuant to resolution 2015-5-27(6) THA's executive director executed a contract to sell to Metro Parks two home ownership parcels and one 16-acre parcel of open unbuildable land located in Salishan's Area 2B.. See map below. The sale price is \$295,000. During Housing and Urban Development's (HUD's) review of the disposition application, HUD informed THA that the resolution could not be dated prior to the Mayor's letter of support. The Mayor's letter of support is dated August 25, 2015. This resolution would repeat the authorization for the sale.

During the design of Salishan, THA staff worked closely with Metro Parks Tacoma staff in planning for the possible future use of 51st 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 2 B. 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.

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 2015-10-28 (2) authorizing THA's Executive Director to negotiate and execute a contract to sell to Metro Parks of Tacoma 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.

Salishan/Metro Park Land Exchange
KM Job A14-0437



Aerial with Parcel Overlay - Salishan Land

Kidder Mathews
Valuation Advisory Services

Summary of Appraisal - Salishan Land
Page 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (2)

(Purchase and Sale Agreement with Metro Parks for Salishan Land)

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 51st Street; and

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; now, therefore, be it

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 its purchase of land in Salishan.

Approved: October 28, 2015


Stanley Rumbaugh, Chair

RESOLUTION #3



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (3)

DATE: October 28, 2015
TO: Board of Commissioners
FROM: Michael Mirra
Executive Director
RE: Capital Fund Program Revenue Bonds, Series 2005 Redemption

This resolution would authorize THA to pay off \$2,315,000 in bonds from Salishan's financing. HUD requires that THA do this as part of the RAD fix up.

Background

In 2005, Tacoma Housing Authority (THA) issued its Capital Fund Program Revenue Bonds, Series 2005 (the "Bonds") in the original principal amount of \$7,065,000. \$2,315,000 remains outstanding. HUD requires THA to pay off this bond as a condition of HUD's approval of THA's RAD fix up. THA will use Moving to Work reserves and other available funds, other than Capital Fund Program or Replacement Housing Factor Funds, to do this on November 2, 2015. By letter dated October 2, 2015, HUD has approved the redemption of the Bonds and notice of optional redemption of the Bonds was given by the Trustee in accordance with the Indenture on October 2, 2015.

Recommendation

Approve Resolution 2015-10-28 (3) approving the redemption of the bonds, authorizing and directing THA's Executive Director to take all necessary action in connection with the redemption and ratifying certain actions taken on behalf of THA.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28-3

(Capital Fund Program Revenue Bonds, Series 2005 Redemption)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the redemption of the Authority's Capital Fund Program Revenue Bonds, Series 2005; ratifying certain actions taken on behalf of the Authority; and providing for other matters properly related thereto.

WHEREAS, The Authority previously issued its Capital Fund Program Revenue Bonds, Series 2005 (the "Bonds") in the original principal amount of \$7,065,000 pursuant to a Trust Indenture dated as of March 1, 2005 (the "Indenture"); and

WHEREAS, The indenture provides that the Bonds are payable from sources including Capital Fund Allocations, including Replacement Housing Factor Funds; and

WHEREAS, The Authority is participating in HUD's Rental Assistance Demonstration (RAD) program, and in connection with the RAD conversion, the Authority must redeem all of the outstanding Bonds; and

WHEREAS, The Authority intends to use Moving to Work and other available funds of Authority to complete the full optional redemption of the Bonds on November 2, 2015; and

WHEREAS, It is in the best interest of the Authority to take such actions as are necessary to effect the redemption described herein; now, therefore, be it

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

1. Redemption of the Bonds. The Executive Director of the Authority is authorized and directed to give or cause to be given notices of redemption, at the times and in the manner required by the Indenture in order to effect the optional redemption of the Bonds. The Authority is authorized to use Moving to Work funds and other available funds of the Authority to complete the full optional redemption of the Bonds.

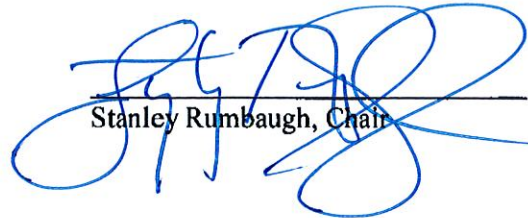
2. Authorization of Documents and Execution Thereof. The Chair of the Board, the Authority's Executive Director and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to execute and deliver any documents that may be useful or necessary in connection with the redemption described herein.

3. 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.

4. 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.

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

Adopted: October 28, 2015



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. 2015-10-28 (3) (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 October 28, 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 28th day of October, 2015.

Michael Mirra

Michael Mirra, Secretary
and Executive Director of the Authority

RESOLUTION #4



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (4)

DATE: October 28, 2015
TO: Board of Commissioners
FROM: Michael Mirra
Executive Director
RE: Adoption of FY2016 Payment Standards

This resolution would approve new payments standards for THA's housing vouchers.

Background

Tacoma Housing Authority has the ability to set payment standards from 90% to 110% of the annual Fair Market Rents (FMR) determined by Housing and Urban Development (HUD). THA's current payment standards were set to 90% of FY2015 FMR; with the exception of zero and one bedroom payment standards being set at 97% and 100%, respectively.

HUD has published the FY2016 FMRs in October. In comparison with FY 2015, they are 1% higher for 1 BR, 2 BR, and 3 BR. Recent market analysis is showing a significant rise in rents across the Puget Sound region with a shrinking vacancy rate. In the past year, this trend has limited housing options for THA's voucher holders. THA must respond with adequate payment standards to ensure clients have the opportunity to lease a unit in a neighborhood they desire. THA is proposing to maintain the payment standards of zero bedrooms, currently at 91% of the 2016 FMR; increase the payment standards for one, two, and three bedroom units to 100% of the 2016 FMR; and increase the payment standards of four, five, six, and seven bedrooms to 90% of 2016 FMR.

THA staff considered the following factors in the payment standard review:

- Shelter burden
- Availability of suitable units with rents below the payment standards
- Size and quality of units selected by tenants
- Average number of shopping days under current payment standards
- Vouchers that have expired without leasing
- Port outs since THA last revised its payment standards

1. The average shelter burden of voucher assisted households is 27% for our traditional HCVs and 37% for our HOP clients.
2. Market rent data available through Dupre + Scott show that there is a 2.6% rental vacancy rate in Tacoma; dropping nearly 2% since last year's analysis. This drop in vacancy rate has also affected the average rent in the area. The same data shows a \$45 increase in average rents over the past year. This analysis is based on the entire Tacoma area, and further detail shows that East Tacoma (where many of THA's current clients reside) is facing a 1.7% vacancy rate. This indicates to THA that THA must work to provide payment standards that allow lease-ups in neighborhoods with more housing options.

Table 1. Vacancy Rate and Rent by Tacoma Neighborhood

	Stadium	South Tacoma	North Tacoma	Mid Tacoma	East Tacoma	Downtown
Vacancy Rate (%)	2.2%	2.9%	2.8%	4.5%	1.7%	2.9%
Average Rent (\$)	\$911	\$840	\$960	\$923	\$758	\$1037

3. HQS pass/fail rates show that 60% of units selected by clients within HOP, HCV and McCarver pass the inspection. This is based on a staff analysis comparing the number of inspections in relation to the number of failures. This data reflects that households are locating units that pass HQS 15% less frequently than when this data was pulled last year.
4. On average, voucher assisted households secure and move into a unit within 55 days. This meets HUD's definition of a successful shopping time of less than 90 days, but is still nearly two months.
5. Since October 2014, 160 vouchers have expired without leasing. 112 of those were from traditional voucher program, with 26 of those being new HCV clients. The remaining 48 households were new HOP clients unable to lease up.
6. Also since October 2014, 98 households have ported out of THA's jurisdiction.

Annually, HUD proposes the next year's FMR over the summer and finalizes them on October 1st. THA's Admin Plan states that THA will make increased payment standards effective on January 1st, the following year, if it looks like the proposed FMR will require a payment standard revision. These updated payment standards will go into effect for all programs as each client conducts their annual review or when they are new to a program.

To comply with the Admin Plan, the proposed increase in payment standards will go into effect starting January 1, 2016.

Table 2. Comparison of Current and Proposed Payment Standard by Bedroom Size

	Current THA payment standard	Proposed THA Payment Standard	Proposed Payment Standard as Percent of FY2016 FMR
Studio	\$668	\$668	91%
1 bedroom	\$780	\$863	100%
2 bedroom	\$984	\$1113	100%
3 bedroom	\$1450	\$1622	100%
4 bedroom	\$1742	\$1749	90%
5 bedroom	\$2003	\$2011	90%
6 bedroom	\$2264	\$2273	90%

Recommendation

Approve Resolution 2015-10-28 (4) authorizing THA's Executive Director to increase THA's payment standards for its one, two, and three bedrooms to 100% of HUD's FY2016 FMR and 90% four bedroom and larger units.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (4) ADOPTION OF FY2016 PAYMENT STANDARDS

WHEREAS, HUD updates its Fair Market rents annually; and

WHEREAS, Housing authorities may annually adopt payment standards within 90-110% of the HUD published Fair Market rents; and

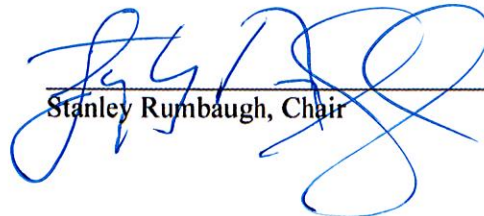
WHEREAS, THA adopts its annual payment standards based on available market and leasing data; and

WHEREAS, THA's new payment standards will go into effect January 1, 2016; now, therefore, be it

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

THA's Executive Director is authorized to increase THA's payment standards for its one, two, and three bedrooms to 100% of HUD's FY2016 FMR and 90% four bedroom and larger units.

Approved: October 28, 2015


Stanley Rumbaugh, Chair

RESOLUTION #5



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (5)

Date: October 28, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Authorization Award Contract to Robinson Noble for Sub-surface Investigation at 602 South Wright Street and 2302-6th Avenue Properties

This resolution authorizes the noncompetitive procurement of Robinson Noble to complete the environmental assessment work it has performed as part of the RAD a redevelopment at two of THA's properties.

Background

As a part of the Due Diligence for the Rental Assistance Demonstration (RAD) Conversation Project, Tacoma Housing Authority (THA) undertook an Environmental Phase 1 Survey for the Traditional Public Housing Properties (the seven senior buildings, Bergerson Terrace and Dixon Village). The Phase 1 Survey revealed potential environmental issues at 602 South Wright Street Apartments and 2302-6th Avenue Apartments. THA engaged the services of Robinson Noble to perform a limited Phase 2 Environmental Review. That review indicated that both properties do have environmental issues. THA determined that additional delineation of the contaminated areas was necessary. THA needs to submit a draft cleanup action plan to the Washington State Department of Ecology for approval into their Voluntary Cleanup Program. THA needs this plan before it can close on its tax-credit financing. This means THA is in a great hurry.

Real Estate Development (RED) proposes that THA contract with Robinson Noble to complete the sub-surface investigation of the two properties. Its bids for the work are: 602 South Wright Street at \$78,960 and 2302-6th Avenue at \$28,985 for a total of \$107,945. RED proposes that THA accept these bids under section 8.12 of THA's procurement policy that allows for noncompetitive procurement.

Under this provision, this noncompetitive procurement would be appropriate for the following reasons:

1. Robinson Noble is the sole vendor that can meet the required tax credit deadlines for closing. Completion of the report and preparation of the plan is a requirement of the tax credit investor. These deadlines are critical if THA is to raise the equity necessary. If THA misses those deadlines, it risks losing those tax credits.
2. Robinson Noble has the history and background on the two sites where the work is required. It devised the initial plan. This new work would be an extension of that work. This familiarity with the project will save time and cost, particularly the staff time needed to update a different consultant.
3. The proposed cost of the work is in line with vendors performing similar work.

Staff requests authorization to award the contract for the Sub-surface Investigation at 602 South Wright Street and 2302-6th Avenue Properties to Robison Noble in the amount of \$107,945.

Recommendation

Approve Resolution 2015-10-28 (5) authorizing THA's Executive Director to award the Sub-surface Investigation for the 602 South Wright Street and 2302-6th Avenue Properties to Robinson Noble in the amount of \$107,945.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-10-28 (5)

**(Award contract to Robinson Noble for Subsurface Investigation
602 South Wright Street and 2302 6th Avenue Property)**

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

WHEREAS, The Phase 1 Environmental Review indicated potential environmental issues at 602 South Wright Street Apartments and 2302-6th Avenue Apartments; and

WHEREAS, Robinson Noble performed a limited Phase 2 Environmental Review and that determined that the properties did have environmental issues; and

WHEREAS, THA needs an additional delineation of the contaminated areas to develop a draft cleanup action plan that the Washington State Department of Ecology will require as part of its Voluntary Cleanup Program; and

WNEREAS, Time is short because THA must complete this work before it can complete its tax credit financing. This schedule does not permit the time it would take to use a competitive procurement or to acquaint a new contractor to the work; and


WHEREAS, THA performed a noncompetitive procurement and received a proposal to perform the work from Robinson Noble in the amount of \$107,945; and

WHEREAS, The work will be funded through Capital Funds; now, therefore, be it

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

Authorize THA's Executive Director to award the noncompetitive contract for Sub-surface Investigation at 602 South Wright Street and 2302-6th Avenue Properties to Robinson Noble in the amount of \$107,945.

Approved: October 28, 2015


Stanley Rumbaugh, Chair