



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

November 18, 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, November 18, 2015

The Board of Commissioners of the Housing Authority of the City of Tacoma Board will hold its Regular Meeting on **Wednesday, November 18, 2015, at 4:45 pm.**

The meeting will take place at:

**North K Street
911 North K Street, 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 November 18, 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 November 18, 2015, 4:45 PM North K Street 911 North K Street

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - 3.1 Minutes of October 28, 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 2015-11-18 (1) Utility Allowance Update
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION, if any.**
- 11. ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, October 28, 2015

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 6th Avenue, Tacoma, WA 98405 at 4:45 PM on Wednesday, October 28, 2015

1. CALL TO ORDER

Vice Chair Arthur Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:45 pm.

2. ROLL CALL

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

PRESENT

Commissioners

Chair Rumbaugh (Stan)

Vice Chair Banks (Arthur)

Commissioner Flauding (Janis)

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

Todd Craven, Information Technology and Asset
Management Director

Pat Patterson, Property Management Director

ABSENT

Greg Claycamp, Client
Services Director

Vice Chair Banks declared there was a quorum present @ 4:45 pm and proceeded. Chair Stanley Rumbaugh arrived at 5:00 pm.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

3.1 September 23, 2015

Vice Chair Banks asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, September 23, 2015. Commissioner Janis Flauding moved to adopt the minutes, Commissioner Derek Young seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1 (Chair Rumbaugh arrived after motion was approved)

Motion approved.

4. GUEST COMMENT

Kathy who is a resident at 6th Avenue Apartments addressed the Board. She said that she is happy with what is happening at 6th Avenue. She did note that the staff person who cuts the grass at 6th Avenue is cutting it wrong, which is killing the grass. The tenants still have issues with people sleeping on the stairwell at 6th Avenue but they have informed security. She appreciates what THA is doing but she said that the work needs to continue. She added that the people who have been evicted are still running around the apartments.

5. COMMITTEE REPORTS

Real Estate Development Committee – Commissioner Rumbaugh
Nothing to report.

Finance Committee – Commissioner Minh-Anh Hodge and Commissioner Derek Young

Commissioner Minh-Anh Hodge, Executive Director Michael Mirra, and Finance Department (FD) Director Ken Shalik met with the state auditors last week. The auditors reported that will be issuing a clean audit (no findings). They did provide a suggestion concerning the applicability of prevailing wage rules to the tax credit partnerships. THA informed the auditors that THA's attorneys have a different view of the question. THA will make some internal changes that its attorneys recommend to reduce the disagreement.

Education Committee—Commissioner Minh-Anh Hodge
Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the Board to his report.

Salishan Real Estate Report

ED Mirra handed out an encouraging report THA commissioned about Salishan's housing purchase market. The report compares Salishan's market with six others in Tacoma. It is quite positive. It shows that Salishan's home sales have largely recovered from the recession. The report shows that Salishan has recovered better than most other Tacoma neighborhoods. The report concludes that Salishan is actually leading the East Tacoma market and it is the surrounding area that is lagging behind.

Pierce County's Requested Changes in How it Can Use THA's Rapid Rehousing Funding

ED Mirra discussed his memo to the Board concerning a request from Pierce County (PC) for more flexibility in how it can use the funding it receives from THA for the rapid rehousing of homeless families with children. For reasons that his memo recounts, PC seeks two changes: (i) the ability to spend part of the funds on supportive services in addition to rental assistance; (ii) the ability to serve families seeking assistance from parts of Pierce County outside of Tacoma. ED Mirra said that the Board's resolution that had approved this funding allows him to grant PC's request. He is inclined to do that, with some modifications, but wanted to inform the Board and give it a chance to redirect him.

ED Mirra said that he is prepared to grant the requests as follows: (i) to allow PC, as it requested, to spend up to 44% of the funds on supportive services needed by families who also receive our funded housing assistance when those services are needed to benefit from that housing assistance; (ii) to require PC as far as practicable to spend all of THA's funds on homeless families with children who originate in Tacoma live; if that is not practicable, PC may use up to 25% of the funds to serve such families who originate in others parts of Pierce County. THA would also tap a \$100,000 reserve if PC exhausted THA funds leaving families unserved.

The Board's discussion of the proposal covered how well PC's system of centralized intake was working and the changes PC is planning to improve it. Chair Rumbaugh and other Commissioners expressed some concern on how THA can monitor the supportive services that THA would fund and asked if THA should instead use the money to fund its own services. Commissioner Hodge suggested allowing the requests but tracking the results after a year. With that expectation for a yearly tracking report, the Board approved ED Mirra's proposed reply to PC.

MTW Negotiations with HUD

ED Mirra reported on the negotiations with HUD for a renewal of the MTW contracts. There are five main issues, all important and all unresolved:

- preserving financial flexibility
- will the renewed contract continue the approval of initiatives HUD has already approved
- cash management rules that will determine if MTW agencies can retain their reserves oED Mirra noted that Commissioner Young and Deputy ED Black joined him in D.C. earlier in the month for the CLPHA conference. These negotiations were a major focus on the discussions there and he asked them to report on what they heard or learned. On their books
- how must the agencies evaluate their initiatives
- will HUD have the right to change the contract unilaterally

On October 13th, HUD Secretary Julian Castro spoke by telephone with the four WA State MTW agencies. In the days afterward, the Steering Committee representing the MTW agencies conferred with HUD staff in a discussion that did not produce any substantive progress.

During the call with the Secretary, he stated his goal for a contract that a majority of the 39 MTW agencies could support. He also stated his understanding that the present HUD proposal enjoyed that majority support. In the week afterward the Steering Committee delivered a letter to the Secretary bearing signatures from 32 MTW agencies stating their unwillingness to sign the present HUD proposal.

Commissioner Young and Deputy ED Black reported on what they heard and learned when they attended the CLPHA conference recently in DC. Commissioner Young stated his impression that THA is part of a national network of MTW housing authorities united by a common understanding of what we all need.

ED Mirra concluded with an update on the effort to include language in the 2016 federal budget that would solve many of the MTW issues. The chances for this language are good as long as Congress succeeds in passing a budget.

7. ADMINISTRATIVE REPORTS

Finance

Vice Chair Banks moved to ratify the payment of cash disbursements totaling \$5,576,013 for the month of September, 2015. Commissioner Flauding seconded. Finance Department (FD) Director Ken Shalik reminded the Board that there is no full financial report this month. He stated that THA is on track this year and is under projected expenses. He noted the progress in using reserves. Discussion ensued about reserve levels, purchase of properties and the effect on reserves that may result from the MTW negotiations.

Upon roll call, the vote was as follows:

AYES:	5
NAYS:	None
Abstain:	None
Absent:	None

Motion Approved.

Property Management

Property Management (PM) Director Pat Patterson directed the Board to his report. PM Director Patterson was at the recent tenant meetings regarding RAD. Turnout was very good. He thanked them for their interest and told them that many building issues would be easier to address if tenants remained alert and willing to help.

PM Patterson reported on the 6th Avenue building issues the Board heard about the previous month. PM evicted the tenant who was the source of the trouble. PM Patterson expressed frustration when tenants continue to admit trouble makers into the building. He noted that the RAD upgrade will install security cameras that should allow staff to identify tenants who do that. PM Patterson answered Chair Rumbaugh's questions about the location of the cameras. PM Patterson gave a report about bed bugs at M street. They have been contained to one unit. Heat and chemical treatment in that unit did not work because of all the belongings in the unit. THA is devising an alternative plan.

PM Director Patterson then discussed some reports of drug activity at M street.

ED Mirra recounted the status on the efforts to modify THA's meth protocol.

In reply to the tenant's earlier comment, PM Director Patterson reported that staff did catch the individual sleeping in the community room and also caught a person who was trespassing. ED Mirra thanked PM Director Patterson and stated that within two days of last month's meeting, PM Director Patterson had the signature of the troublemaking tenant on an agreement to terminate his tenancy. The tenant was gone by the end of September.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the Board to her report. RED Director McCormick mentioned three topics. **First**, THA now owns Outtrigger Apartment. The final loan was not enough to pay for the capital improvements wishes to make to the property. RED will add that amount to the 2016 budget. **Second**, THA now owns New Look Apartments. **Third**, THA is closing out its "AG Homes" project by which, using city funding, THA bought foreclosed homes, fixed them up and resold them to lower income households.

Chair Rumbaugh asked about the negotiations to purchase the Key Bank properties. RED Director reported on the continuing negotiations. She expects to come back in November with a deal to approve.

Human Resources

Nothing to report.

Administration

Asset Management Associate Director (AMAD) Sandy Burgess reported on the project to fix up THA's entire portfolio under the Rental Assistance Demonstration (RAD) program. RAD is changing daily. The Housing and Urban Development (HUD) is being responsive. THA is learning from the mistakes of other housing authorities who are farther along in their RAD process. The financial closing may not happen by the end of the year as THA hoped but such a delay will not affect the tax credit commitments. She expressed confidence that THA is on a really good path. Its staff and consultants are very good. Chair Rumbaugh agreed and thanked Sandy and her staff.

Community Services

Associate Director (AD) of Community Services (CS) Mia Navarro directed the board to the Client Services report. There is nothing out of the ordinary to report. For illustrative purposes, she described the challenges of an unnamed participant in the McCarver program.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 2015-10-28 (1), Construction Guaranteed Maximum Price (GMP)

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; and,

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

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

9.2 2015-10-28 (2), Purchase and Sale Agreement of Salishan Area 2B Metro Parks Revised

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

9.3 2015-10-18 (3), Capital Fund Financing Program Bond Payoff

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 affect 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

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, Secretary
and Executive Director of the Authority

9.4 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

9.5 2015-10-28 (5), Authorization to Award Contract to Robinson Noble for Sub-surface Investigation of 602 South Wright Street and 2302-6th Avenue Properties

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

WHEREAS, 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

10. COMMENTS FROM COMMISSIONERS

Chair Rumbaugh stated how he appreciated the feedback from the CLPHA conference.

11. EXECUTIVE SESSION

None.

12. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:46 pm.

APPROVED AS CORRECT

Adopted: November 18, 2015

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

Real Estate Development Committee

Chair Stanley Rumbaugh

Finance Committee

Commissioner Minh-Anh Hodge

Commissioner Derek Young

Citizen Oversight Committee

Vice Chair Banks

Education Committee

Commissioner Minh-Anh Hodge



TACOMA HOUSING AUTHORITY

**COMMENTS FROM THE
EXECUTIVE DIRECTOR**



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: November 15, 2015
Re: Executive Director's Report

This is my monthly report for November 2015. The departments' reports supplement it. Please note that I will miss the Board meeting. I will be in Virginia. The State of Virginia's Office of Housing invited me to address its annual conference. I am to describe THA's Education Project. At the Board meeting, April as Deputy Executive Director will sit in for me.

1. MTW NEGOTIATIONS WITH HUD

As I write this, I have no news to report about the state of the negotiations with HUD about the terms of our renewed MTW contract. The Board knows about our hopes for the language the Senate added to its version of the 2016 federal budget. That language will help a lot with the negotiations. We learned last month the good news that the House will not object to the language. Yet we must now wait to see if Congress even adopts a budget. It has until December 11th to adopt one, or another continuing resolution, if we are to avoid a governmental shutdown.

2. 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. As I did last month, I write to remind the Commissioners to try and find the time to review that document. I expect to schedule a Board study session in December in advance of my request that the Board approve those performance measures in December. At the Board meeting, April will ask the Board to find a date that would work for such a study session, probably over lunch in the middle of the day.

3. BUSY TIMES AT THA

In my January 2015 report to the Board, I listed what then appeared to be the main challenges for this year. We called them the six "Rs". This is a good time to see how we are doing with them:

- **RAD Conversion Project**

This RAD project is a very ambitious \$40 million fix up of our entire portfolio. It also trades in all of our public housing dollars for section 8 financing. It will turn all our residential properties over to tax credit partnerships. In all these ways, and others, RAD will change THA. It has also been an enormous technical and financial analytical challenge. We have made very good progress. The very good news of the year was the very high tax credit bids we received reflecting high investor confidence in THA and in Tacoma. The remaining challenges include getting through the HUD financing process, in time to use those investor bids; getting all tenants to sign the new lease and other documents; and, over the next

two years, to work with Walsh Construction to do the actual fix up. That will require us to temporarily relocate our tenants.

- **Rent Reform**

The Board will recall that we must decide whether to extend to the present population of voucher holders the same rent reform that created the HOP program for people newly served off our waiting list. The Board may also recall that we decided to spend a year to study the many pertinent factors that should determine the answer. We will do that in time for a recommendation to the Board in 2016 for implementation in 2017. This work is related to two other efforts we got done this year. **First**, in our reorganization we created the new Department of Policy, Innovation and Evaluation. April runs it. She will manage the evaluation and research that will lead us to an answer. **Second**, this year we joined the Seattle Housing Authority, the King County Housing Authority and Home Forward (Portland) to sign a contract with The Urban Institute. Under this contract, The Urban Institute will be an important source of research and evaluation that will help us decide about rent reform (and other initiatives like the Education Project). We signed the contract with the other three housing authorities because they face some of the same questions. We hope to answer them in common and save money by sharing the research and evaluation.

- **Redesign of our enterprise software**

The Board will recall that this year we chose to build our next software using Salesforce. This was the ambitious choice. We had considered an off the shelf product designed for our industry. That would have been the safe choice (although not necessarily the cheaper choice). Yet the safer choice would have done only about 70% of what we need. More importantly, it would have limited our policy choices by the limits of our software. With Salesforce, we should have a product that does 95% of what we need. It will follow rather than limit our policy choices. It will be easier to modify as we change. Yet, we and our consultants must now design it and build it. That work is well underway.

- **Remodel of the 902 South L Street and the FIC and the maintenance shop**

The remodel of the 902 building is almost done! Perhaps you have taken a peek. It is looking good. It will fix the longstanding problems with the building's heating and cooling system. It will cure the air quality problems we had. It will also fix our overcrowding. THA never recouped the office space we lost in 2002 when we tore down the old administration building at Salishan. With this redo of the 902 building we will recover some of the lost space. We have delayed the fix up of the FIC and the Salishan maintenance shop.

- **Reopen the HOP wait list**

This summer we reopened the HOP waiting list. In ten days we received about 10,000 applications. From that pool, we randomly chose 1,200 to place on our wait list. It was a successful effort. For the second time, we did all of this

electronically and on-line. (No more long lines of applicants.) A journalist and an attorney from Northwest Justice Project accepted our invitation to monitor the process and they had no concerns. The New Tribune covered our wait list re-opening with a thoughtful article that emphasized the community's unmet need for housing. The entire effort helped to remind us how many people need what we provide and how we do not have nearly enough to meet the needs in our city.

- **Reorganization**

We reorganized. We made property management into its own department to allow more emphasis on that important function. We combined rental assistance and community services into the new department of client services. We created the new department of policy, innovation and evaluation. We created a new position of deputy executive director. And we decided to forego a chief operating officer, for now. I think the re-organization is working pretty well.

In addition to this work, staff have been as busy as always running the agency's main line programs and launching new initiatives like the Children's Savings Account Program. It has been a very busy year.

4. Letter from a Family

As the Board knows, THA has managed a program that, using city money, allows us buy up foreclosed homes, fix them up and sell them to low-income families. This has been a good experience. I attach a letter I received from one of the families after it purchased a home from us. It reminds us why we do this work.

Katy and I have been married for 12 years and we have a daughter named Autumn who is 8 years old. I honorably served in the US Army for over six years and truly enjoyed it, but we always rented because of having to move around a lot. After exiting the military, I finished my bachelor's degree in Information Technology and we then decided to stay in the Tacoma area because of its beauty, location, and proximity to the tech industry. This house felt just like home when Katy and I first stepped into the entry way. We were already planning on where we want to add flower beds outside, and how the large, spacious home plan will be a big benefit to our family. We want this to be our first and only home for a long, long time. Thank you very much for considering our offer.



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$8,157,812 for the month of October, 2015.

Approved: November 18, 2015

Stanley Rumbaugh, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of October 2015

		Check Numbers			
		From	To	Amount	Totals
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,820	- 2,823	482	
Accounts Payable Checks	Check #'s	85,929	- 86,177		
Business Support Center				356,498	Program Support
Moving To Work Support Center				262,074	
Tax Credit Program Support Center				32,873	
Section 8 Programs				11,701	Section 8 Operations
SF Non-Assisted Housing - N. Shirley				5	Local Funds
SF Non-Assist Housing - 9SF Homes				76,621	
Salishan 7				42,570	
Hillsdale Heights				1,286	Development
Salishan Developer Fee				3,904	
AG Hsg Recovery Grant				567	
Development Activity				35,545	
Salishan Area 2B-Dev				291	
Bay Terrace II				192,741	
Prairie Oaks (LASA)				2,458	
THA RAD Project				262,177	Community Service
CS General Business Activities				2,250	
Community Services MTW Fund				7,500	
Gates Ed Proj Grant				166	
Gates Tacoma Pub Schools Grant				1,239	
WA Families Fund				259	
COT-CDBG-FSS Grant				61	
Pierce Co. 2163 Funds				166	
WA Families Fund - Systems Innovation				1,148	
COT-McCarver Grant				188	Public Housing
AMP 1 - No K, So M, No G				51,379	
AMP 2 - Fawcett, Wright, 6th Ave				65,108	
AMP 3 - Lawrence, Orchard, Stevens				103,767	
AMP 6 - Scattered Sites				1,160	
AMP 7 - HT 1 - Subsidy				4,721	
AMP 8 - HT 2 - Subsidy				11,081	
AMP 9 - HT 1500 - Subsidy				3,896	
AMP 10 - SAL 1 - Subsidy				11,462	
AMP 11 - SAL 2 - Subsidy				12,183	
AMP 12 - SAL 3 - Subsidy				9,177	
AMP 13 - SAL 4 - Subsidy				11,714	
AMP 14 - SAL 5 - Subsidy				13,197	
AMP 15 - SAL 6 - Subsidy				12,664	
AMP 16 - Bay Terrace - Subsidy				22,929	
Allocation Fund				112,890	
THA SUBTOTAL				1,742,096	
Hillside Terrace 1 through 1500				1,372	Tax Credit Projects - billable
Bay Terrace				1,108	
Salishan I - through Salishan 6				2,292	
Salishan Association - Operations				47	
TAX CREDIT SUBTOTAL (Operations - billable)				4,819	1,746,914
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,656	- 481,670	9,532	
	ACH	84,168	- 85,526	2,413,389	\$ 2,422,922
Payroll & Payroll Fees - ADP					\$ 812,704
Other Wire Transfers					
New Look - remainder of loan				426,889	
Outrigger Purchase				404,633	
CFFP Bonds Payoff				2,343,750	
					\$ 3,175,272
TOTAL DISBURSEMENTS					\$ 8,157,812



TACOMA HOUSING AUTHORITY

Date: November, 18 2015

To: THA Board of Commissioners

From: Ken Shalik
Finance Department Director

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT

The Finance Department is submitting the financial statement for the period through September 30, 2015.

The financials reflect Tacoma Housing Authority's (THA's) financial information for three quarters of the year. THA is within budget, or just slightly over in all major category areas. Finance is constantly updating THA needs for the RAD conversion, but it has not had an overall impact on THA budget for the year. Finance has committed to reducing MTW reserves, and taken steps in doing so. The October cash position shows that there are virtually no Section 8 Housing Assistance Program (HAP) funds remaining at Housing and Urban Development (HUD). Finance has accomplished this by purchasing the ownership interest of the New Look Apartments and payoff of the Capital Fund Financing note for the Salishan properties. THA will most likely need to dip slightly into Moving to Work (MTW) reserves to balance out its operating budget for 2015, but this is intentional in preparation for Rental Assistance Demonstration (RAD). As MTW funds will be used to supplement the RAD rents for the transition, THA will have to determine the impact for future budgets.

Line 68, (Surplus/Deficit) before Capital Expenditures shows a year-to-date surplus of \$452,243, while a surplus of \$7,525 is projected at year end. There are some areas that will be addressed below that are substantially different than budget. The majority of the anomalies have to do with RAD decisions, or the reduction of MTW reserves.

- *Line 3 – HUD Grant – Section 8 HAP reimbursement* – This is the category that is disbursed based on cash management rules. THA is significantly under budgeted through September due to payoff of the Capital Fund Financing Program (CFFP) bonds, purchase of New Look general partner interest, and replenishment of MTW costs. Other than HAP, THA will have drawn down all that was budgeted, along with some reserves that remained at HUD by the end of 2015.

- *Line 5 – Public Housing Subsidy* – THA was funded at 85.36% for the year, which is approximately what THA budgeted for. The Bay Terrace project was since added, plus, the initial calculations were based on estimates. The actual amounts came in higher.
- *Line 7 – Capital Fund Operating Revenue* – THA has budgeted \$1,203,824 for this category. Finance is now projecting only \$431,334 for the year. A good portion of that was for the RAD conversion, Bay Terrace 2 development advances, and transfer to operations. In order to utilize MTW funds, and have funds available to place into RAD development, a decision was made to stop utilizing CFP funds.
- *Line 10 – Investment Income* – THA's agency cash balance has been approximately \$15 million throughout 2015. At .4% interest, this annualizes out closer to \$60K, rather than the \$39K budgeted.
- *Line 11 – Fraud Recovery Income* – THA's budget is based upon previous years. Each year depends on fraud detected and actual recoverable while a tenant resides in the Section 8 unit.
- *Line 28 – Legal, and Line 31 – Administrative Contracts* - The YTD numbers are low, but it is projected that THA will be coming in closer to budget by end of the year. This is based on the timing of bills for RAD.
- *Line 30 – Staff Training* – Additional training was scheduled for Property Management, based on the Asset Management report from TCAM last year. Finance has adjusted to make it pertinent for the RAD conversion, but will not expend all the budgeted funds.
- *Line 32 – Other Administrative Expenses* – The majority of this overage is due to the portion of the expenses paid for by THA for the Bay Terrace Community Center. Once the second phase is built, that complex will pay for this fee. This was not accounted for in the budgeting.
- *Lines 46- 47 – Maintenance Salaries and Benefits* - Finance did not adjust the Salary and Benefit line items during the mid-year budget, but there were 5 staff members who participated in the buy-out program in July-August. Finance is adjusting staff between THA's Tax Credit and THA portfolio during the second half of the year to accommodate agency needs.
- *Line 53 – Other General Expenses* – This line is higher for YTD than the projected actual due to the timing of the funds expended for the maintenance staff Voluntary Separation Incentive Program (VSIP).
- *Line 61 – Section 8 HAP* – THA budgeted at 100% utilization, and are hovering a little over 98%. Additionally, THA has not received all of the invoices from our partners on the special populations we are serving.
- *Line 65 – Debt Service Principal Payments* – The Projected Actual column includes the payoff of the CFFP bond in the amount of \$2.3 million.
- *Line 67 – Reserve Appropriations* – This amount is projected to be higher than budgeted as THA is intentionally using MTW reserves instead of CFP funds to lower the Section 8 HAP reserve level.

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

No update at this time.

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 UPDATE

There is no update at this time.

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2015

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 2,783,220	0.40%
Section 8 Checking	5,289,823	0.40%
THA Affordable Housing Proceeds	3,113,181	0.40%
Note Fund Account	100	0.40%
Credit Card Receipts	100	0.40%
THA Investment Pool	289	0.40%
THA LIPH Security Deposits	91,529	0.40%
THDG - Tacoma Housing Development Group	70,634	0.40%
LF - SF 9Homes Alaska	5,239	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	2,759	0.40%
LF - SFH No. Shirley	33,238	0.40%
LF - SFH N Shirley Security Deposit Acct	1,003	0.40%
Salishan 7	1,029,658	0.40%
Salishan 7 Security Deposit	26,965	0.40%
Salishan 7 Replacement Reserve	151,720	0.40%
Salishan 7 Operating Reserve	199,050	0.40%
Outrigger Operations	30,548	0.40%
Outrigger Security Deposit	20,536	0.40%
Outrigger Replacement Reserve	100	0.40%
Prairie Oaks Operations	6,037	0.40%
Prairie Oaks Security Deposit	2,201	0.40%
Prairie Oaks Replacement Reserve	492	0.40%
Payroll Account	7,868	0.40%
General Fund Money Market	538,429	0.40%
WASHINGTON STATE		
Investment Pool	\$ 1,629,595	0.12%
1. TOTAL THA CASH BALANCE	\$ 15,034,315	
Less:		
2. Total MTW Cash Balance	\$ 4,331,340	
<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)	\$ 2,465,340	
<i>MTW Reserve Commitments</i>		
3.01 2nd Phase Hillside Terrace Redevelopment	\$ 2,121,585	
3.02 Renovation/Remodel of 2nd Floor of Admin Building	537,044	
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)	933,650	
3.07 Education Projects - McCarver & Others	310,000	
3.08 Exigent Health & Safety Issues (Meth Remediation)	19,309	
3.10 Total Reserve Commitments (Lines 3.01 through 3.08)	\$ 6,587,588	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2015

MTW Cash Held By HUD			
3.11 Undisbursed HAP Reserves Held by HUD		\$	16,778
3.20 Total MTW Cash Held By HUD		\$	16,778
4. Non MTW Cash Restrictions			
<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	99,710	
4.02 VASH, FUP & NED HAP Reserves		184,294	
4.03 Mod Rehab Operating Reserves		129,928	
4.04 Security Deposit Accounts		143,128	
4.05 Salishan Sound Families - 608		53,920	
4.06 Gates Foundation - 615, 616, 617		491,813	
4.07 WA Families Fund - 675, 676, 713		7,893	
4.08 Outrigger Reserves		100	
4.09 Salishan 7 Reserves		775,771	
4.10 Prairie Oaks Reserves		492	
4.11 THDG - 048		70,634	
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,113,181	
4.20 Total - Other Restrictions		\$	5,282,264
<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)		\$	5,628,941
6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)		\$	5,074,034
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

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		Sept, 2015				Thru 12/31/2015		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	231,770	1,957,275	1,903,339	2.83%	2,609,700	2,537,785	2.83%
2	Tenant Revenue - Other	6,381	214,152	173,888	23.16%	234,152	231,850	0.99%
3	HUD grant - Section 8 HAP reimbursemer	3,446,754	25,210,613	27,459,650	-8.19%	36,612,866	36,612,866	0.00%
4	HUD grant - Section 8 Admin fee earned	228,084	2,072,116	2,099,569	-1.31%	2,782,822	2,799,425	-0.59%
5	HUD grant - Public Housing subsidy	255,118	1,818,939	1,640,408	10.88%	2,376,370	2,187,210	8.65%
6	HUD grant - Community Services	16,533	232,833	265,120	-12.18%	310,444	353,493	-12.18%
7	HUD grant - Capital Fund Operating Reve	2,685	370,260	902,868	-58.99%	431,334	1,203,824	-64.17%
8	Management Fee Income	250,387	2,264,099	2,340,964	-3.28%	3,048,798	3,121,285	-2.32%
9	Other Government grants	17,072	259,627	306,831	-15.38%	372,237	409,108	-9.01%
10	Investment income	5,241	44,367	29,081	52.56%	59,156	38,775	52.56%
11	Fraud Recovery Income - Sec 8	79	9,060	30,000	-69.80%	12,079	40,000	-69.80%
12	Other Revenue- Developer Fee Income	0	824,608	689,614	19.58%	919,485	919,485	0.00%
13	Other Revenue	84,858	512,524	504,051	1.68%	683,366	672,068	1.68%
14	TOTAL OPERATING RECEIPTS	4,544,962	35,790,472	38,345,381	-6.66%	50,452,808	51,127,174	-1.32%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	387,793	3,707,889	4,091,369	-9.37%	5,143,851	5,455,159	-5.71%
16	Administrative Personnel - Benefits	149,815	1,296,368	1,588,174	-18.37%	1,788,491	2,117,565	-15.54%
17	Audit Fees	30,653	59,547	61,285	-2.83%	74,213	81,713	-9.18%
18	Management Fees	205,066	1,849,594	1,927,347	-4.03%	2,496,125	2,569,796	-2.87%
19	Rent	10,686	96,174	96,150	0.02%	128,232	128,200	0.02%
20	Advertising	297	14,614	23,462	-37.71%	19,485	31,282	-37.71%
21	Information Technology Expenses	49,245	226,674	239,079	-5.19%	302,232	318,772	-5.19%
22	Office Supplies	6,771	42,966	44,526	-3.50%	57,288	59,368	-3.50%
23	Publications & Memberships	1,207	33,226	32,460	2.36%	44,301	43,280	2.36%
24	Telephone	7,384	82,682	82,169	0.62%	110,242	109,559	0.62%
25	Postage	2,074	21,399	44,110	-51.49%	33,532	58,813	-42.99%
26	Leased Equipment & Repairs	9,617	79,495	87,591	-9.24%	105,994	116,788	-9.24%
27	Office Equipment Expensed	10,306	57,921	57,626	0.51%	77,228	76,835	0.51%
28	Legal	11,060	117,568	214,191	-45.11%	256,758	285,588	-10.10%
29	Local Milage	450	5,792	8,342	-30.57%	7,722	11,122	-30.57%
30	Staff Training/Out of Town travel	8,443	117,412	229,717	-48.89%	206,550	306,289	-32.56%
31	Administrative Contracts	50,878	414,929	670,295	-38.10%	803,239	893,727	-10.12%
32	Other administrative expenses	22,582	92,523	70,910	30.48%	123,364	94,547	30.48%
33	Due diligence - Perspective Development	3,100	21,725	265,875	-91.83%	178,967	354,500	-49.52%
34	Contingency	0	0	54,750	-100.00%	0	73,000	-100.00%
35	Total Administrative Expenses	967,427	8,338,497	9,889,427	-15.68%	11,957,813	13,185,903	-9.31%

		Sept, 2015				Thru 12/31/2015		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	65,405	681,307	700,824	-2.78%	908,410	934,432	-2.78%
37	Tenant Service Personnel - Benefits	27,160	241,920	292,925	-17.41%	322,560	390,566	-17.41%
38	Relocation Costs	935	43,888	45,473	-3.48%	58,517	60,630	-3.48%
39	Tenant Service - Other	3,483	45,327	102,431	-55.75%	90,436	136,574	-33.78%
40	Total Tenant Services	96,982	1,012,442	1,141,652	-11.32%	1,379,923	1,522,202	-9.35%
	Project Utilities							
41	Water	9,542	97,747	87,563	11.63%	130,329	116,750	11.63%
42	Electricity	14,883	153,166	149,850	2.21%	204,221	199,800	2.21%
43	Gas	3,148	35,880	41,663	-13.88%	47,840	55,550	-13.88%
44	Sewer	26,967	237,885	227,168	4.72%	317,180	302,890	4.72%
45	Total Project Utilities	54,539	524,678	506,243	3.64%	699,570	674,990	3.64%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	40,077	433,216	527,423	-17.86%	577,621	703,230	-17.86%
47	Maintenance Personnel - Benefits	15,569	158,255	187,709	-15.69%	211,007	250,279	-15.69%
48	Maintenance Materials	15,270	158,854	174,563	-9.00%	211,805	232,750	-9.00%
49	Contract Maintenance	36,116	489,466	507,442	-3.54%	652,622	676,589	-3.54%
50	Total Routine Maintenance	107,033	1,239,791	1,397,136	-11.26%	1,653,055	1,862,848	-11.26%
	General Expenses							
51	Protective Services	9,005	70,563	73,763	-4.34%	94,084	98,350	-4.34%
52	Insurance	19,536	159,290	157,786	0.95%	212,387	210,381	0.95%
53	Other General Expense	273,432	1,255,908	1,095,893	14.60%	1,524,545	1,461,190	4.34%
54	Payment in Lieu of Taxes	1,199	10,789	10,352	4.21%	14,385	13,803	4.21%
55	Collection Loss	(150)	78,303	184,130	-57.47%	240,000	245,506	-2.24%
56	Interest Expense	3,234	60,456	86,532	-30.14%	95,376	115,376	-17.33%
57	Total General Expenses	306,255	1,635,309	1,608,455	1.67%	2,180,776	2,144,606	1.69%
58	TOTAL OPERATING EXPENSES	\$ 1,532,237	\$ 12,750,718	\$ 14,542,912		\$ 17,871,138	\$ 19,390,549	
	Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	49,215	251,693	251,250	0.18%	335,591	335,000	0.18%
60	Casualty Losses	(55,360)	20,856	13,500	54.49%	20,856	18,000	15.87%
61	Sec 8 HAP Payments	2,435,646	22,332,767	23,195,602	-3.72%	30,027,023	30,927,469	-2.91%
62	Total Nonroutine Expenditures	2,429,500	22,605,316	23,460,352	-3.64%	30,383,470	31,280,469	-2.87%
63	TOTAL EXPENDITURES	3,961,736	35,356,034	38,003,264	-6.97%	48,254,607	50,671,018	-4.77%
64	OPERATING SURPLUS/(DEFICIT)	583,225	434,438	342,117	26.99%	2,198,201	456,156	381.90%
65	Debt Service Principal Payments	0	(12,500)	(146,430)	-91.46%	(2,389,749)	(195,240)	#####
66	Surplus/Deficit Before Reserve Appropriations	583,225	421,938	195,687	115.62%	(191,548)	260,916	
67	Reserve Appropriations - Operations	4,474	30,305	18,533	63.52%	199,073	24,710	705.64%
68	Surplus/Deficit Before Capital Expenditures	587,699	452,243	214,220		7,525	285,626	
69	Capitalized Items/Development Projects	(327,730)	(3,885,309)	(8,204,325)	-52.64%	(9,289,920)	(10,939,100)	-15.08%
70	Revenue - Capital Grants/Property Sales	106,292	2,276,545	4,706,625	-51.63%	3,614,852	6,275,500	-42.40%
71	Reserve Appropriations - Capital	221,439	1,608,764	4,414,500	-63.56%	5,925,068	5,886,000	0.66%
72	THA SURPLUS/(DEFICIT)	587,699	452,243	1,131,020		257,525	1,508,026	



TACOMA HOUSING AUTHORITY

ADMINISTRATION



TACOMA HOUSING AUTHORITY

DATE: November 18, 2015

TO: THA Board of Commissioners

FROM: Sandy Burgess and Todd Craven
Associate Director and Director of Administration and Asset Management

RE: Administration and Asset Management Department Monthly Board Report

1. RENTAL ASSISTANCE DEMONSTRATION (RAD) PROJECT

1.1. Renew Tacoma LLLP

Renew Tacoma LLLP is the Tax Credit partnership Tacoma Housing Authority (THA) created that will own its current Public Housing properties once they convert to RAD. These properties include the seven senior/disabled sites, Bergerson Terrace, and Dixon Village. Below is a progress update on the ongoing work to convert these properties to RAD.

- 1.1.1. Property Management is currently performing income certifications and reviewing the new lease terms with tenants. The department is also undergoing internal training and consulting with the Housing Development Center to help transition and reorganize the department to a more site-based model. One of the goals with reorganization and training is to reduce the operating expenses of the properties and improve efficiencies.
- 1.1.2. Real Estate Development (RED) and Asset Management (AM) are working together to satisfy the requirements of the lender, investor and HUD. RED and AM anticipate closing on the financing in late January, and starting construction in early February.
- 1.1.3. Each unit in each building will have an individualized scope of work during the rehab of the properties, dependent upon the condition and most recent work previously completed during unit turns. RED and AM are working to ensure residents are prepared and accommodated through the rehab process. Some residents will be temporarily relocated for 1-3 days, others for only part of a day, and still others for up to 3 weeks. Relocation specialists are being hired by RED to assist with this function and continue to work with and prepare residents so that they know what to expect and have as much notice as possible.

1.2. Existing Tax Credit Properties

- 1.2.1. THA continues to progress towards the conversion of the remaining Public Housing units in the portfolio. These remaining units are part of the agency's "Existing Tax Credit" portfolio. This portfolio includes Salishan I-VI, Hillside Terrace 1500, Hillside Terrace Phases I & II, and Bay Terrace.
- 1.2.2. There will be no additional bank debt on these properties, nor are the properties eligible for any additional tax credit equity. It will, however, be necessary to negotiate the RAD conversion with the existing investors. RED and AM expect the ongoing negotiations and conversion of these properties to take place on a rolling basis through the second quarter of 2016.
- 1.2.3. THA will also need to fund some light rehab for these projects. While these projects are newer construction, Housing and Urban Development (HUD) still requires some energy upgrades for units that do not already have energy efficient lighting and water saving fixtures. In addition, THA will need to use existing reserves and set aside additional reserves for upgrades to these properties at unit turns over the next 3-5 years, as well as plan for preventative maintenance and replacements over the long term.

2. SOFTWARE CONVERSION PROJECT – OPENDOOR

2.1. eightCloud Progress

eightCloud is THA's Salesforce developer who is building THA's processes and functions within the new Salesforce system. Most of the work they do is remote, but their team was onsite October 29th and 30th to show some groups of staff the progress they have made thus far. This report will not go into great detail on each of them, but will provide a high-level update on the progress of each.

- 2.1.1. Community Services Case Management: the case management data entry and referral process is very close to completion. The process will allow staff to record case information, assign cases based on a score calculated by the system, refer and accept cases between Rental Assistance/Property Management and Community Services, and enter and track contracts of participation and individual service plans.
- 2.1.2. Reasonable Accommodations: the reasonable accommodation process is also very close to completion. The functionality mirrors THA's current patented reasonable accommodation process and this is all complete. What remains is some of the formatting and workflow that THA needs to review and comment on.

- 2.1.3. **Claim and Incident Tracking:** the claim and incident tracking is complete. This process will allow staff at the sites to submit an incident to Risk Management (RM) and for RM to track all of the data regarding individual incidents, report on incident data, and automatically submit claim forms to insurance with the click of a button. Note that THA tracks all incidents that happen at our sites, regardless of whether or not the incident gets submitted to insurance as a claim.
- 2.1.4. **Contracts and Agreements:** contracts and agreements still need some significant custom development to make them fully functional. This process will collect and track all information related to contractual agreements, which include contracts for service, construction contracts, regulatory agreements, loan agreements, and other types of agreements that THA signs. Users will also be able to access all documents related to these agreements, including the fully-executed version of the document.
- 2.1.5. **Preventative Maintenance and Capital Needs:** the functionality for both of these processes is complete. However, it will need to be tied to both THA's work order and financial systems, which will not begin until later in the year. This process will track all needs at THA properties based on the data being compiled currently through the RAD project. It will include alerts, automatic generation of work orders, and robust reports that compare reserve levels to needs over time.
- 2.1.6. **Information Technology (IT) Help Desk:** THA's new help desk system is complete in OpenDoor. The new system has all of the same functionality as THA's current system, plus additional functions such as a feedback object that captures feedback on IT's service and responsiveness after every ticket is completed and tying tickets to assets, such as computers and printers.
- 2.1.7. **Policy Help Desk:** the Policy, Innovation, and Evaluation Department will also use the help desk object to track ideas, policy innovations, and marketing needs.

2.2. Governance

One of the major efforts underway right now is to develop a comprehensive governance policy for the agency. Governance is a standard term within the technology industry used to describe the need to control changes to technology, evaluating cost, impact, and mission-fit of any changes proposed. As THA moves closer to an environment with the ability to customize just about any process or function performed within the new system, THA needs to have strict, yet fluid controls over the execution of any changes. This policy will be in place before any processes go live in mid-January.



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: November 18, 2015

TO: THA Board of Commissioners

FROM: Greg Claycamp
Director of Client Services

RE: Client Services Department Monthly Board Report

1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

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

2. DIRECTOR'S COMMENT

In addition to this month's CS Board Report, the Commissioners have received a Memorandum outlining the reorganization of our Community Services Division. We look forward to your questions and comments.

We are also beginning to reorganize the Rental Assistance Division. There will now be two Program Managers reporting to Associate Director Julie LaRocque. Current Associate Rental Assistance Manager Rich Price will transition in job title to become one of the Program Managers. An internal/external recruitment is underway to fill the second position.

We have recognized for some time that the Rental Assistance Division is under supervised relative to the number of staff and programs within the Division. We intend this additional managerial capacity to support the Division in streamlining inspection processes and other business practices; developing partner relationships that support our special voucher programs, including the Family Unification Program (FUP); and to work more closely with Community Services in engaging HOP recipients. We are funding the news position in part by not filling a vacant L&O position in leasing, where we have made already made improvements in efficiency and are able to maintain minimal vacancies with one less staff.

3. COMMUNITY SERVICES: Mia Navarro, Community Services Division

3.1 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	Unduplicate d Number Served (Month)	Unduplicated Number Served (YTD)
General Programs				
Case Staffing	4	11	31	98
Families in Transition (FIT)	1	0	21	37
Family Self Sufficiency (FSS)	3	0	119	135
General Services	5	17	34	145
Hardship	1	7	4	28
Housing Opportunity Program (HOP) Case Management	5	2	8	34
Education Project				
Children's Savings Account (CSA) K – 5 th Grade Stage	14	N/A	14	14
CSA 6 th – 12 th Grade Stage	13	N/A	13	13
McCarver*	0	0	33	39
Senior & Disabled				
Senior & Disabled	48	43	74	179
DEPARTMMENT TOTAL	94	80	351	722

**See Rental Assistance Report.*

3.2 CLIENT STORIES/PROGRAM UPDATES

3.2.1. Education Project Update

- The **McCarver Special Housing Program** is now open to enrollment of new participant families. This is significant, as Client Services (CS) maintained a closed cohort during the Program's pilot phase. CS hopes to increase enrollment to utilize all 50 vouchers currently authorized, and anticipate increasing to 100-150 vouchers and additional schools in fall 2016.
- The **Salishan Children's Savings Account (CSA)** has launched. Despite substantial marketing, initial enrollment is slow. CS should have a better sense of fall enrollment by the December report. It does appear that word of mouth among community residents may play a significant role in increasing enrollment. Among parents familiar with the opportunity, CS is now fielding inquiries from parents interested in relocating their children from other schools to First Creek or Lister to participate.
- For the **College Housing Assistance Program**, all 25 vouchers are allocated with 22 recipients having secured housing. Tacoma Community College (TCC) anticipates opening enrollment later this fall to reallocate in the event that any of the currently allocated vouchers become available.
- **KBTC** recently received a grant to provide after-school programming at THA family residential properties. Operational discussions are preliminary. CS should be able to provide more detail in December.

3.2.2. Education Project Success Story

Ms. S is a single mother with four children in the home, ages 17, 15, 11 and 8.

She is working with her McCarver caseworker on several goals, including finding employment and working to assist her children with their educational goals. Ms. S recently gained temporary employment at the Washington State Fair, and is now working on finding permanent employment. She has worked with Employment Services to develop her resume and work on job searching skills. She just completed an interview with Jack in the Box.

Ms. S's children are a central focus of her life, and much of her time and energy is spent around bettering their education. Her 17-year old recently re-joined the household after living with his father. He is a freshman at Lincoln High School, where he is in Jr. ROTC. Her 15-year old was studying at Oakland Alternative School through the summer, and has decided she would like to pursue Job Corps. Ms. S is currently assisting her in applying for Job Corps. Ms. S's younger children attend school at First Creek Middle School and McCarver Elementary, respectively, and she is working with both of them to establish a reading routine that includes her active participation.

3.2.3. General Services Success Story

Community Services received a General Services referral from Rental Assistance in September for a 79-year old senior. Ms. C suffers from a mental illness that presents in the form of violent delusions. Ms. C's behavior related to her mental illness disturbed her neighbors, and resulted in frequent and inappropriate calls to the police. The apartment complex started the eviction process for October 31, 2015. NW Justice Project was consulted and found that property management was not violating Fair Housing, as they had repeatedly tried to work with Ms. C and she had refused services.

The General Services Caseworker consulted with the Senior and Disabled Specialists and came up with a service plan to assist Ms. C holistically. First, they worked together to stop the eviction process and instead created a mutual termination, with a move out date of October 31st. Since she was not receiving mental health or physical health services, Ms. C was connected immediately with Comprehensive Life Resources and a new primary care physician at South Sound Medical Clinic. Ms. C was assessed as unable to live independently, and funding was acquired from Department and Social Health Services' (DSHS') Home and Community Services to pay for assisted living.

By working collaboratively with her mental health and medical team, Community Services was able to successfully transition Ms. C into an assisted living home with more appropriate on-site supports. CS is very happy to say Ms. C is adjusting well in her new home! Her team at Comprehensive Life Resources continues to provide her with mental health support.

4. RENTAL ASSISTANCE AND LEASING: Julie LaRocque, Rental Assistance Division

Housing Choice Voucher utilization is reported at 99.5% for the month of October 2015. Rental Assistance has begun pulling names from the 2015 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	150
NED (Non Elderly Disabled) Vouchers	100	82
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	351

** There are 33 active McCarver households, as reported in the Community Services section. One family, not included in this count, has a HOP voucher instead of a McCarver voucher, and is receiving case management services from a McCarver caseworker.*

Project-Based Properties	Units Allocated	Units Leased
Bay Terrace	20	20
Eliza McCabe Townhomes	10	8
Flett Meadows	14	12
Guadalupe Vista	40	35
Harborview Manor	125	123
Hillside Gardens	8	8
Hillside Terrace	9	9
Nativity House	50	48
New Look Apts.	42	42
Pacific Courtyards	23	20
Salishan 1-7	340	328
Tyler Square	15	12
TOTAL	696	665



TACOMA HOUSING AUTHORITY

To: THA Cabinet
THA Board of Commissioners

From: Greg Claycamp

Date: November 13, 2015

Re: Plan to Reorganize Community Services

Intent

We undertake the reorganization of our Community Services Division to accomplish the following:

- Create an organizational structure best aligned to achieve the targets and measures identified in THA's strategic plan.
- Implement a supervisory structure that emphasizes close monitoring and improvement in staff productivity and positive client outcomes.
- Increase collaboration within Client Services between Community Services and Rental Assistance.
- Increase collaboration among Client Services, Property Management and Policy, Innovation and Evaluation (PIE).
- Strengthen relationships with external service providers, emphasizing referral and navigation of clients to these services.
- Integrate THA's Education Project with adult employment and self-sufficiency programs, to create a more comprehensive, two-generation approach to poverty intervention at THA.
- Increase the number of THA households served, with more emphasis upon leveraged partnerships and less upon intensive case management provided directly by CS staff.
- Create opportunities for professional growth and advancement within THA.

New Organizational Structure

Historically, THA's Community Services have not been well-integrated with other departments, or with other supportive services available within the larger community. Even within the Division, programs tended to stand alone. This reorganization structures Community Services to be better integrated in all of these ways, with interdepartmental collaboration as the backbone.

Community Services will now be organized into four Teams. These are:

- The Policy, Innovation and Evaluation (PIE) Collaboration Team
- The Rental Assistance (RA) Collaboration Team
- The Property Management (PM) Collaboration Team
- The Employment and Asset (A&E) Building Team

Plan to Reorganize Community Services

November 13, 2015

Page | 2

The PIE Collaboration Team. This is the interface between leadership in Client Services and PIE. This team has already completed significant work. We began by recognizing that for THA to be successful in its ambitions, our capacity to research, develop and evaluate programs and initiatives has to be adequately resourced. We also recognized that program operations and quality improvement within Community Services could occur with more efficiency and focus if policy and research responsibilities moved out of CS and concentrated in PIE.

We agreed to move substantial resources and responsibilities for the Education Project from CS to PIE. CS retains operational responsibility for managing programs, including McCarver Special Housing and the Children's Matched Savings Accounts. This includes gathering performance data, and making routine data-driven adjustments to existing programs. PIE assumes responsibility for evaluating these programs, undertaking research related to program modeling, and overall management of the Education Project. Either department may propose new initiatives, with PIE responsible for determining viability. CS and PIE will work collaboratively to implement new programs and substantially redesign existing ones. We are developing a Chart of Responsibilities and collaborative protocols to guide our work.

This division of labor and use of collaborative protocols for the Education Project will be our model in developing and managing other programs within Community Services. It is also the template for collaboration by the other new Community Services Teams.

Community Services	Actions	Internal Partners
PIE Collaboration Team Director, Associate Director, Program Manager	<ul style="list-style-type: none">• Consult in developing new programs.• Collaboratively manage implementation of new programs and initiatives.• Collect performance data for current programs.• Revise operations in response to evaluation.• Support grant applications and reporting.	PIE Dep. Executive Director, Program Manager, Grants and Resource Manager
	Desired Outcomes	External Partners Urban Institute, Regional HAs, Gates Foundation, Greater Tacoma Community Foundation, CFED, Tacoma Public Schools. Possible participation in Collective Action/Integrated Services Site.

- Provide structure and resources for each Department to perform its responsibilities.
- Establish a strong collaborative process for developing, implementing and evaluating THA's programs and initiatives.
- Develop a comprehensive understanding of the external resources and partnerships available to THA, and leverage these resources to benefit recipients of THA housing assistance.
- Develop sustainable, non-MTW funding streams for supportive services provided directly by THA staff or in leveraged partnerships.
- Integrate THA's Education Project within a comprehensive two generation approach to poverty intervention.
- Develop and implement more effective strategies to engage HOP recipients.
- Determine best use for THA'S Senior and Disabled properties, and best practices for serving younger and older disabled populations.
- Develop and implement stronger assessment, service planning and data collection instruments, informed by our commitments to education, two-generation poverty intervention and trauma-informed care.

Plan to Reorganize Community Services

November 13, 2015

Page | 3

The RA Collaboration Team. In February 2016, Community Services and Rental Assistance became Divisions within a single Client Services Department. By undertaking complementary reorganizations in both divisions, we will integrate programs and functions within a common, client-centered and trauma-informed practice.

While the focus in this document is upon Community Services, some changes in the RA Division are worth noting. RA is currently recruiting a second Program Manager, who will join Rich Price in managing operations. The new Program Manager's responsibilities will include collaboration with Community Services to assess and engage new voucher recipients; identifying current HCV and PBV holders experiencing earned income and tenancy challenges, with particular emphasis upon HOP participants; and developing community service provider partnerships to better support our Special Programs, including the Family Unification Program (FUP). In addition to the Program Manager, the RA Division will designate at least three L&Os to work collaboratively with Community Services, including one L&O responsible for Special Programs.

The RA Division Program Manager will work closely with a new Program Supervisor leading Community Services' RA Collaboration Team. Working with Human Resources, Client Services created the new Program Supervisor position to meet at least two goals.

First, we want to create a supervisory position subordinate to a Program Manager, with authority to evaluate staff performance, direct work with clients, and effectively coordinate a small, focused team. The current Team Lead designation available under our collective bargaining agreement prohibits these functions. Within this reorganization, we are essentially trading three new Program Supervisor positions for three existing Program Specialists (Employment and Sr. & Disabled), gaining positions with supervisory authority without substantially impacting our collective bargaining agreement.

Second, we want to create positions for top-performing staff interested in becoming supervisors, providing more opportunity to advance their careers at THA. There will be an internal-only recruitment for the Program Supervisors. Advancement opportunities of this kind are not common at THA. The position title and job description are now available to the entire agency. Depending upon our experience in Community Services, we may also introduce the position within Rental Assistance.

As with PIE collaboration, we will develop a Chart of Responsibilities and collaborative protocols for work shared between Community Services and Rental Assistance. We intend to eventually collocate a merged team of Case Workers and L&Os, at either Key Bank or New Look. We are also in active discussion with a group of employment, asset building and other supportive service providers who are interested in creating an integrated services center for the Hilltop neighborhood.

There is one other feature of note. As the chart below indicates, the McCarver Special Housing Case Workers will be part of the RA Collaboration Team. Special Housing is a voucher based program. Our intent is to end its relative isolation from the rest of Client Services, and to begin operating our education program in much closer coordination with internal and external asset building and employment services. Ultimately, we want to maximize our commitments to

Plan to Reorganize Community Services

November 13, 2015

Page | 4

education by locating them within multi-generational poverty intervention. This means supporting parents to achieve educationally and as wage-earners, to build credit and build household cultures that promote education and minimize exposure to adverse childhood experiences.

Community Services	Actions	Internal Partners
Rental Assistance Collaboration Team Program Supervisor, Engagement Case Workers, McCarver Special Housing Case Workers	<ul style="list-style-type: none"> • Administer Bridge Self-Sufficiency Assessment to all new voucher recipients. • Engage households identified as challenged by Bridge assessment. • Identify and engage current voucher holders with challenges to successful tenancy and self-sufficiency, with emphasis upon HOP. • Engage all Client Services staff in common training re: Trauma Informed Care and Adverse Childhood Experiences (ACES). • Identify and engage partner agencies and services . • Discuss area needs with Hilltop residents, landlords, businesses and provider community. • Create and collocate an integrated Community Services/Rental Assistance team, with Chart of Responsibilities and collaboration protocols. 	Rental Assistance Program Manager, CS Collaboration L&Os, Special Programs L&O Real Estate Development Asset Management PIE External Partners TPS, Private Landlords, CCS/Guadalupe/Vista, DSHS, Sound Outreach, United Way, Area Employers including Medical Services, Workforce and other potential partners in an integrated services site. Neighborhood coalitions/stakeholders.
Desired Outcomes <ul style="list-style-type: none"> • Increase service partnerships supporting special programs, including CHOP, FUP, NED and Special Housing. • Improve program-specific outcomes for special programs participants. • Increase earned income and assets for work-able households participating in HOP. • Expand McCarver Special Housing program. • Reduce negative mobility among voucher participants. • Determine health, employment and education metrics for THA voucher recipients and broader Hilltop and Eastside communities. • Establish integrated services/collective action partnerships to address selected metrics. 		

Plan to Reorganize Community Services

November 13, 2015

Page | 5

The Property Management Collaboration Team. This reorganization greatly increases the number of Community Services staff dedicated to working with Property Management to support tenants at THA's properties.

Previously, we had one Housing Specialist working in the Senior and Disabled properties. We also drew upon general case management to respond to Case Staffing and Hardship referrals.

We will now dedicate 3-4 FTEs, and expand our presence to include THA's family properties. This shift is consistent with the supportive service fees that will be generated by RAD, but is not an overall increase in Division spending. We will reduce MTW spending commensurately, and work with PIE to procure grant funding for any net increases in staff or THA-funded services.

The creation of the PM Collaboration team coincides with reorganization underway in the Property Management Department. We intend our effort to be complimentary. THA will have a much stronger day-to-day presence in our properties. We intend this presence to improve the quality of life for our tenants in the ways specified below.

Just as we are integrating McCarver Special Housing with the RA Team, the CSA Program Specialist will join the PM Collaboration. The CSA is Salishan based, working with both THA tenants and non-THA homeowners.

Community Services	Actions	Internal Partners
Property Management Collaboration Team Program Supervisor, Services Coordination Specialists, CSA Program Specialist	<ul style="list-style-type: none">• Administer Bridge Self-Sufficiency Assessment to all new voucher recipients.• Engage households identified as challenged.• Engage CS and PM staff in common training re: Trauma informed care and Adverse Childhood Experiences (ACES).• Identify and engage partner agencies and services.• Create and collocate an integrated Community Services/Property Management team, with Chart of Responsibilities and collaboration protocols.• Discuss property needs with tenants, including safety, quality of life and desired activities/services.• Engage families in the CSA, FSS and other programs that support exit from multi-generational poverty.• Maximize onsite hours at THA properties.	Property Management Senior Property Manager, Property Managers, Maintenance
		Asset Management
		PIE
		External Partners
		Mercy Housing, DSHS/HCS, ADRC, Health Providers, Adult Education Providers, Behavioral Health and Chemical Dependency Providers, TPS, TPD

Plan to Reorganize Community Services

November 13, 2015

Page | 6

Desired Outcomes

- Determine best use for THA's Senior and Disabled Properties.
- Determine long-term strategy to create desirable housing for an aging population.
- Reduce frequency of evictions due to tenancy and self-sufficiency challenges.
- Reduce unit turn costs related to tenant damage.
- Determine health, employment and education metrics for populations served by our properties.
- Increase the frequency and diversity of health, education and recreation services provided at our properties.
- Improve site safety.
- Increase participation in the Salishan CSA.
- Increase earned income and assets for work-able adults.

Employment and Asset (A&E) Building Team. The core of this team will be our Family Self-Sufficiency (FSS) program. The current Employment Specialist position will be eliminated, and replaced with a Program Supervisor.

We anticipate the new emphasis upon leveraging external partner services to be very evident on the A&E team. Working with PIE, we will inventory and rate the employment and asset-building providers and resources available in Pierce County. We will attempt to form direct referral and joint funding relationships with the strongest partners.

These partnerships may form the basis for participation in an integrated services center. The concept is popular in Tacoma, and has been discussed for some time. There are at least four factors that make it more likely to be realized now.

- There is general buy-in to the idea that such a site should be two-generational in approach, emphasizing early childhood development and education as well as adult education and employment.
- United Way has obtained funding to pilot a site.
- There is a pressing need for community development in the Hilltop to preserve its diversity and improve self-sufficiency for current residents as gentrification looms.
- THA has obtained properties that could house the center.

Participation in a coordinated services center remains potential. Closer to actual, we are finalizing agreement with Sound Outreach to co-fund a Benefits Connections Specialist who would be employed by Sound Outreach but imbed with our A&E team to serve THA clients. The position will connect eligible households to food assistance, health benefits, financial literacy courses, micro-lending and bank access.

The A&E team will also be responsible for asset and credit building initiatives undertaken by THA, including a new rent reporting program that will allow tenants to improve credit scores through reporting on-time rent payments.

Plan to Reorganize Community Services

November 13, 2015

Page | 7

The A&E team will work with the RA and PM Collaboration teams..

Community Services	Actions	Internal Partners
Employment and Asset Building Team Program Supervisor, FSS Case Workers Proposed: Imbedded Benefits Specialist from Sound Outreach	<ul style="list-style-type: none">Identify and engage partner agencies and services.Working with the RA and PM teams, engage work-ready adults in service plans to increase earned income, build assets and improve financial literacy.Assist families in building household cultures that support education.Develop agreements and tools to collect and share outcome data with partner agencies.Redesign FSS pay points to reward family investments in children's education, including the CSA	RA Collaboration Team PM Collaboration Team PIE
		External Partners Sound Outreach, Workforce, Tacoma Community House, Goodwill, Other Employment Service Providers, Bates, TCC, Other Vocational and Post- Secondary Educators.
	Desired Outcomes	
<ul style="list-style-type: none">Increase earned income among work-ready clients, particularly HOP recipients.Increase the number of THA households participating in employment and asset building.Evaluate THA and partner performance based upon common outcome metrics and provider costs.Expand participation in the CSA to maximum capacity, meeting short and mid-term outcome expectations for participants.Engage parents of CSA children in FSS.Determine and meet metrics for rent reporting and other credit-building programs.		

Implementation

Staffing. This reorganization maintains Community Services' current staff complement. As noted above, the Program Supervisors leading the RA, PM and A&E teams will be promoted internally. While the Program Supervisors will be exempt, they will replace three exempt Program Specialists. The reorg does not substantially impact our current collective bargaining agreement.

Plan to Reorganize Community Services

November 13, 2015

Page | 8

The single addition to staff will be an imbedded Benefits Specialist supervised by Sound Outreach but partially funded by THA. This position is an experiment. We will assess its benefit to our customers at the end of one year, in terms of numbers served, monetized value of the benefits customers acquire, and overall value in helping to engage challenged households.

Budget. The reorg actually represents a decrease in salaries and benefits associated directly with the Community Services Division. This occurs in part because we are eliminating one Program Manager Position in favor of Program Supervisors, while eliminating three Program Specialists in a similar pay range. With the CSA launched, we are also replacing a Project Manager with a CSA Program Specialist at a lower pay range.

However, we are mindful that some, primarily grant-funded salaries and benefits are shifting from CS to PIE. Our intent is to fund any net increase in salary costs associated with the reorg to grant sources. We will reduce MTW funding by the amount generated through RAD fees. We project this will reduce reliance upon MTW funding by about \$300,000.

Client Services will collaborate with PIE to secure alternative funding for new initiatives or staffing.

Processes. To implement the reorg and evaluate its efficacy, we will introduce or revise a number of processes. These include:

- The Bridge Self-Sufficiency Assessment. A self-sufficiency matrix assesses an individual or household on a number of indices, including financial, behavioral, affective and vocational stability. These tools produce single index and aggregate assessment scores, generally on a 1-5 scale with 1 indicating crisis and 5 full self-sufficiency. The Bridge was developed and by the Crittenton Women's Union and is used fairly widely. Two of our staff visited Crittenton in Boston earlier this year, and we are introducing a version of the Bridge now. We will use the tool with all new recipients of vouchers or public housing, and use its ratings to inform service goals and strategies.
- Revised Intake, Service Plan and Service Notes. Using the Bridge as a foundation, trauma informed care and motivational interviewing as tools to frame client participation, and concrete metrics to state goals and outcomes, we are revising the entire suite of documents that track our work with clients. Using THA's new OpenDoor database, we will be able to identify challenges and client goals at assessment, populate these items to a service plan, and ensure that the items are addressed in subsequent service contacts. For multiple person households, we will be able to individualize goals within a household service plan, including educational goals for children even if the child is not directly enrolled in one of THA's Education Programs.
- OpenDoor Database. Community Services will be among the first adopters of THA's new database. We are testing the system now, and believe that it will not only provide the capacity to create the documents described above, but to evaluate individual and program performance at a much more sophisticated level than our current databases allow.

Plan to Reorganize Community Services

November 13, 2015

Page | 9

- Performance Metrics. Our main metrics will be specified as targets and measures in THA's Strategic Plan, now in draft form. Beyond these metrics, we intend to determine a base unit cost for one hour of direct service provided by Community Services, and use that unit to determine the cost-benefit ratio for client outcomes. We will also use this information to evaluate staff performance and identify best practices.
- Charts of Responsibility and Collaborative Process Agreements. Each team within CS will develop these tools for collaboration with internal and some external partners. Our intent is to develop MOUs and operating procedures to define each collaboration.
- Orientation and Training Standards. Community Services is developing a set of minimum expectations for general subject matter knowledge by our staff. For staff who do not possess this knowledge at hire, we will procure standard training to be completed within the probationary period.

THA pays relatively well in the social services sector, and should be able to attract highly qualified employees with expertise in physical and behavioral health; chemical dependency; domestic violence; aging and disability. We began listing these and other preferred qualifications in new recruitments this year, with good success. We will continue to recruit candidates with advanced education degrees and subject matter expertise helpful to our agency. Next year, we will also begin using variable pay to award current employees who complete training to become SMEs in desired areas. This becomes another route for employees who wish to advance their careers at THA.

Evaluation

We expect to complete promotions and new team assignments by the end of 2015. In the first six months of 2016 we will develop and implement the revised Intake, Service Plan and Notes; Orientation and Training Schedule; and Performance Metrics for programs and staff. At the same time, we will work with PIE to structure an overall evaluation of the reorganization. In January 2017, we will conduct that overall evaluation.



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: November 18, 2015

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Department 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 October. 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 Hillside/Bay Terrace	132	7	0	125	94.7%	97.3%
Family Properties	138	19	11	119	86.2%	83.2%
Salishan	631	14	0	617	97.8%	98.2%
Senior/Disabled	353	11	0	342	96.9%	96.3%
All Total	1,254	51	11	1,203	95.9%	95.9%

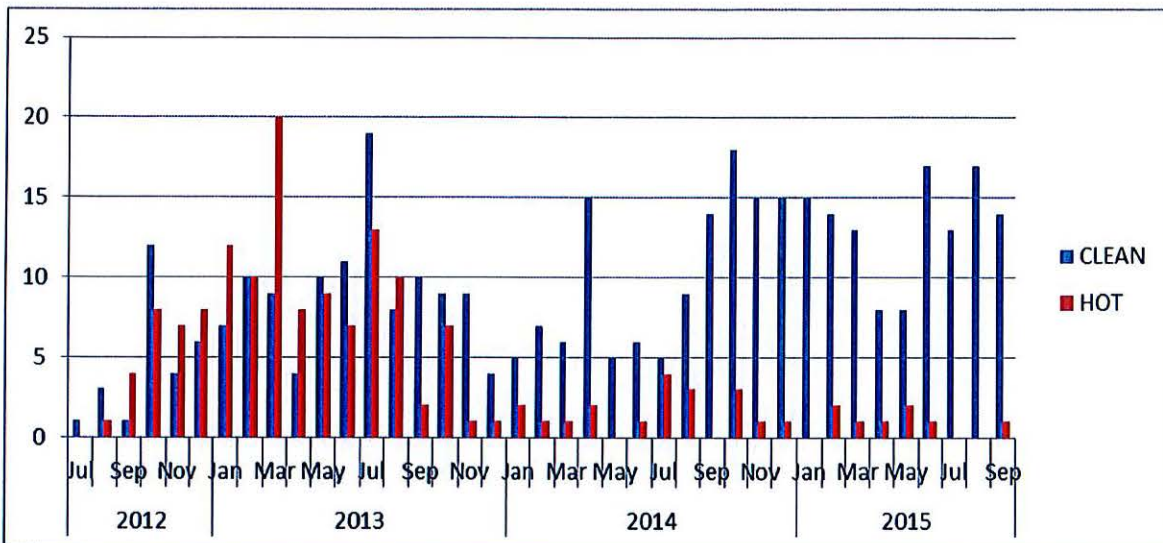
1.2 Vacant Unit Turn

The table on page 3 of this report shows units turned in fiscal year 2015. 11 units were turned and rented in the month of October. The average unit turn time for the month of October was **66 days for eleven (11) clean units turned by THA staff and contractors.**

There were no units turned in October that tested positive for meth.

As of November 1, 2015, 157 of the 575 units that have been tested for contamination have tested positive for methamphetamine. As of November 1, 2015 the 2015 current YTD hot rate is 6% and the overall hot rate from 2012 is 27%.

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 its tested, 8 hot 6% Hot Rate

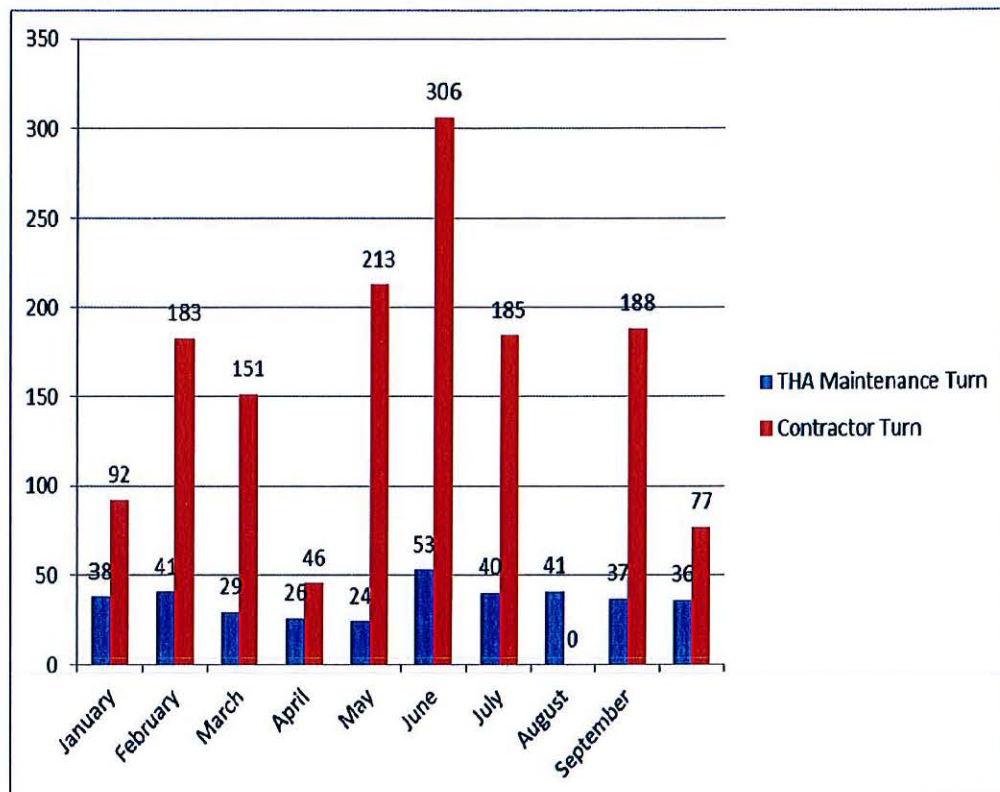
1.2.1. Vacant Clean Unit Turn Status

The average turn days for 11 clean units in October, were 66 days. THA maintenance staff accounted for 36 days. 3 units were turned by THA staff. In the month of October, third party contractors were brought in on a temporary basis to work on vacant units in the Tax Credit portfolio. There was a delay in procuring the necessary contractors to work in all the units available. Property Management (PM) is tracking the expenses between Tacoma Housing Authority (THA) staff and contractors to use as a comparison to make future decisions on the best way to do this work going forward. This month THA had 10 units exceeding 20 days. 2 out of these 10 units were a result of extraordinary repairs that will be explained on page 4. THA is averaging 15-20 vacant units per month. PM will continue to look for trends to reduce these numbers and find reasons for the move outs. Weekend and holiday days (e.g., two weekends (non-working days) in a 20-day period would account for 4 days in the average).

1.2.2. Vacant Unit sanitation update

As reported last month, PM is now sanitizing THA units when they become vacant instead of testing for methamphetamine contamination. PM hired a contractor that currently cleans THA contaminated units to assist PM in determining the effectiveness of the program. The contractors will train PM staff to do this work and the goal is to be able to complete this work in the same timeline it took to test THA units.

As of November 1st, PM has sanitized 5 units. The average has been 2 days to perform the work on the 2 and 3 bedroom units. PM will continue with the larger units to determine a full average to use as our baseline.



1.2.3. Below is a list of units that exceeded the 20-day expectation both by THA staff and contractors:

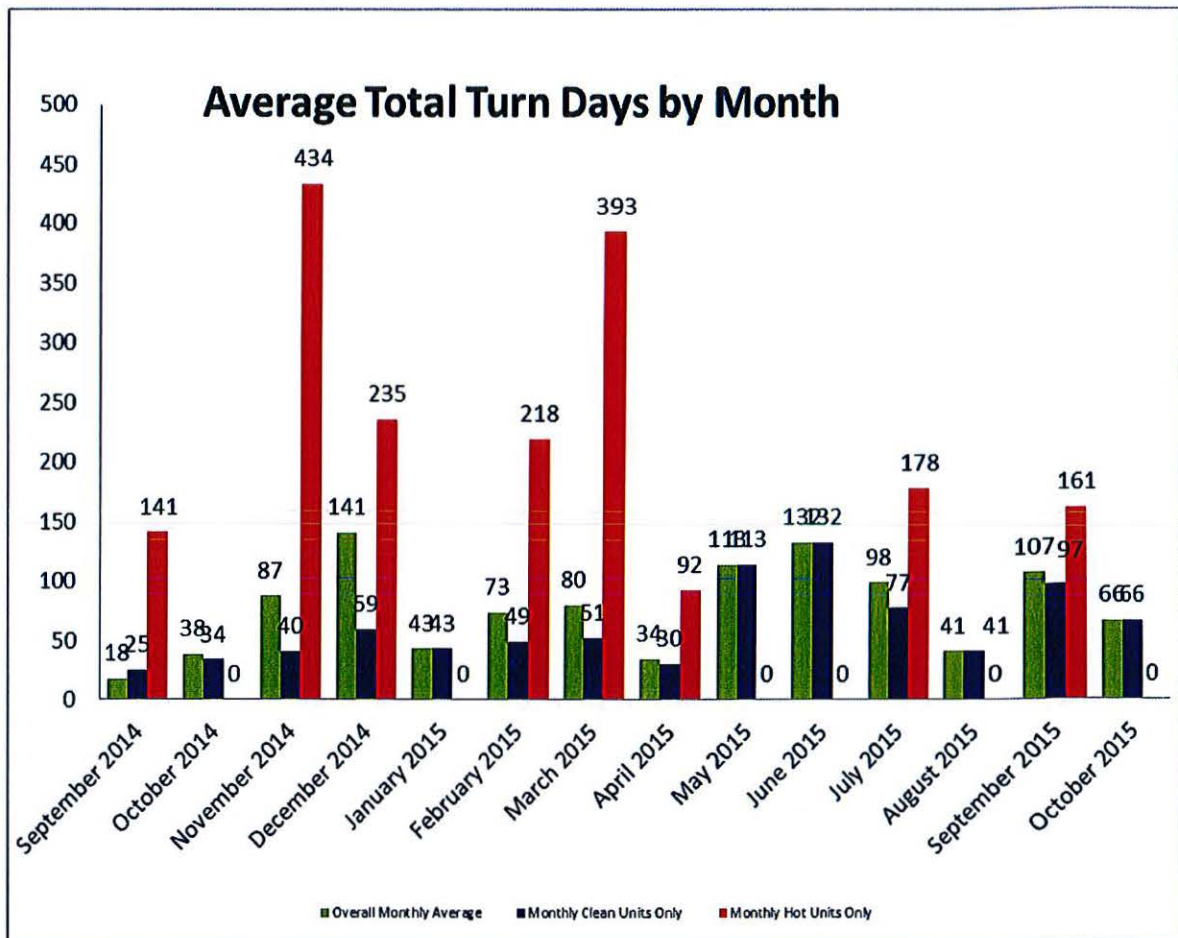
- **AMP 3 5303 S Orchard #13 (244 days)**
Unit had extensive repairs due to under water intrusion issues. Repairs done by contractor.
- **AMP 8 2324 South G Street #194 (105 days)**
Unit had extensive damage due to water intrusion from exterior wall. Original tenant was relocated. Unit was renovated only to discover evidence of mold returning after the unit was made rent ready. Contractor returned to remediate more of the unit. Unit was restored to rent ready status.
- **AMP 10 1747 East 39th Street (57 days)**
Delay in procurement. Once assigned, work was completed in 22 days.
- **AMP 11 3907 Salishan Blvd (56 days)**
Delay in procurement. Once assigned, work was completed in 22 days.
- **AMP 13 4621 East R Street (58 days)**
Delay in procurement. Once assigned, work was completed in 24 days.
- **AMP 15 2055 East 44th Street (32 days)**
Delay in procurement. Once assigned, work was completed in 17 days
- **AMP 16 4666 Court Q (27 days)**
THA maintenance turn. Unit was in downtime for 7 days. Maintenance work was completed in 19 days. 1 day was attributed to leasing efforts.
- **Bay Terrace #115 (62 days)**
Unsubsidized unit. Unit was in downtime for 7 days. Contracted maintenance work was completed in 13 days. 42 days were attributed to leasing efforts. 4 families were screened for appropriateness before leasing up.
- **Bay Terrace # 202 (35 days)**
Unsubsidized unit. Unit was in downtime for 3 days. Maintenance work was completed in 19 days. 13 days were attributed to leasing efforts.
- **Bay Terrace #310 (36 days)**
Unsubsidized unit. Unit was in downtime for 3 days. Maintenance work was completed in 8 days. 25 days were attributed to leasing efforts. Delay in 3rd party verifications and obtaining a security deposit award caused the delay.

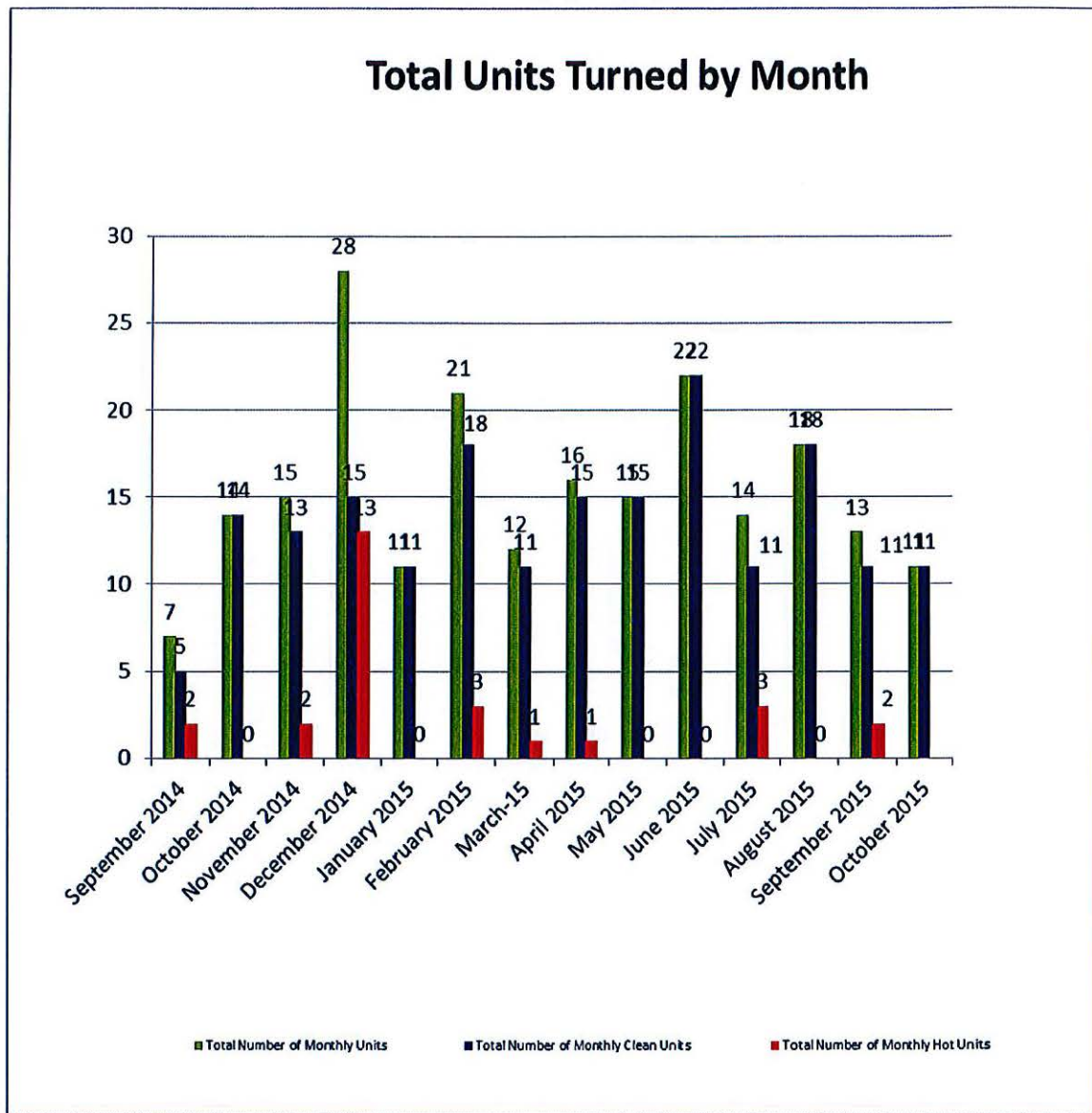
1.2.4. Contaminated unit turns

As of November 1, 2015 there were thirty-eight (38) vacant units in THA's portfolio. Of these units:

- 31 are not contaminated
- 7 are contaminated turns
- 4 are awaiting work plan
- 3 are awaiting scoping walk
- 1 is in the decon process
- 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*.





1.3 Work Orders

In the month of October, 100% of emergency work orders were completed within 24 hours. In October, maintenance staff completed 484 non-emergency work orders with a total of 3,472 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 24.95 days.

PM has reduced open work that are greater than 25 days from 327 in September to 117 in October. PM will continue to work on bringing down these numbers as part of their improved processes mentioned below.

PM continues to bring down the number of outstanding work orders and tries to improve customer service in this area. Processes that PM is trying to improve are as follows:

- Make every attempt to address routine work orders within 5 days. When this is not possible, PM contacts the tenants to provide them 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.
- Close out work orders within 48 hours of completion.

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

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		Month		Month		YTD	
	# Completed	% Completed In 24 Hrs	# Completed	% Completed In 24 Hrs (88% 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		20	1.45	174	3.01
HILLSIDE TERRACE 1500 Block	0	0.0%	0	0.0%	0		5	9.80	51	6.95
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		3	0.67	34	3.41
HILLSIDE TERRACE PH II	0	0.0%	0	0.0%	0		5	9.60	62	4.15
	0	0.0%	0	100.0%	0		33	3.68	321	3.30
Family Properties										
BERGERSON TERRACE	3	100.0%	29	96.6%	2	19.00	17	7.29	181	12.56
DIXON VILLAGE	0	0.0%	7	100.0%	1	3.00	9	33.67	94	18.24
MARKET RATE SPR	1	100.0%	2	100.0%	0		1	0.00	35	13.67
SCATTERED SITES	0	0.0%	7	100.0%	0		7	2.57	101	14.46
	4	100.0%	45	97.6%	3	13.67	34	13.09	412	14.42
Salishan										
SALISHAN I	5	100.0%	47	100.0%	3		73	83.97	303	41.48
SALISHAN II	9	100.0%	39	100.0%	8	25.38	59	137.91	252	50.30
SALISHAN III	5	100.0%	23	100.0%	2	2.00	43	135.33	247	42.27
SALISHAN IV	9	100.0%	29	96.6%	2		74	76.45	274	35.26
SALISHAN V	6	100.0%	27	100.0%	4	24.75	40	60.55	225	39.45
SALISHAN VI	3	100.0%	28	100.0%	4	3.00	57	33.79	272	25.40
SALISHAN VII	2	100.0%	18	100.0%	1		21	96.24	214	23.36
	39	100.0%	211	99.5%	24	13.25	366	87.36	1,787	36.88
Senior / Disabled Properties										
6TH AVE	4	100.0%	42	97.6%	7	1.29	31	64.19	199	21.53
E.B. WILSON	0	0.0%	35	100.0%	5	0.60	3	10.67	184	9.93
FAWCETT APARTMENTS	3	100.0%	18	100.0%	2	1.00	4	0.50	79	2.80
LUOWIG APARTMENTS	1	100.0%	24	100.0%	2		3	2.67	102	11.62
NORTH G ST	3	100.0%	9	100.0%	2		2	3.50	78	9.41
NORTH K ST	4	100.0%	21	100.0%	0		1	0.00	121	17.73
WRIGHT AVE	1	100.0%	32	100.0%	3	7.00	7	7.71	189	10.18
	16	100.0%	181	99.4%	21	1.67	51	41.04	952	12.94
Agency Totals:										
	69	100.0%	437	99.3%	48	8.21	484	71.67	3,472	24.80

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

Portfolio		Emergency		Urgent		Non Emergency		
		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	2	0	2
HT1500	HILLSIDE TERRACE 1500 Block	0	0	0	0	2	1	1
		0	0	0	0	4	1	3
Family Properties								
020	BERGERSON TERRACE	3	0	0	0	3	3	0
022	LOW RENT SCATTERED SITES (19)	0	0	0	0	3	1	2
023	DIXON VILLAGE	0	0	0	0	5	3	2
044	NORTH SHIRLEY	1	0	0	0	0	0	0
		4	0	0	0	11	7	4
Salishan								
SAL1	SALISHAN ONE LLC (S8)	5	0	0	0	13	12	1
SAL2	SALISHAN TWO LLC (PH)	9	0	0	0	23	19	4
SAL3	SALISHAN THREE LLC (S8)	5	0	1	12	25	19	6
SAL4	SALISHAN FOUR LLC (S8)	9	0	1	57	28	28	0
SAL5	SALISHAN V LLC (PH)	6	0	0	0	23	22	1
SAL6	SALISHAN SIX LLC (PH)	3	0	2	49	22	18	4
SAL7	SALISHAN SEVEN	2	0	1	9	11	10	1
		39	0	5	127	145	128	17
Senior / Disabled Properties								
006	NORTH K ST	4	0	0	0	37	3	34
008	E.B. WILSON	0	0	0	0	58	5	53
009	FAWCETT APARTMENTS	3	0	0	0	2	2	0
010	WRIGHT AVE	1	0	0	0	0	0	0
012	LUDWIG APARTMENTS	1	0	0	0	0	0	0
013	NORTH G ST	3	0	2	41	8	5	3
014	6TH AVE	4	0	0	0	9	6	3
		16	0	2	41	114	21	93
Agency Totals:		59	0	7	168	274	157	117



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: November 18, 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. Kenji Stoll and Chris Jordan have successfully completed the community engagement with Bay Terrace families. They are in the process of preparing an art project proposal. A celebration of the resident artwork is planned for later in the year. 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 with adequate prior notice.

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 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.

4.1.1 Property Management & Lease-up

THA contracted with REIS property management company to provide property management services for Prairie Oaks. As of November 6, 2015, Prairie Oaks has 9 of 15 units leased with 6 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.

4.2 Construction Management Services for the City of Tacoma

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

4.3 THA 902 Administration Building Tenant Improvement Project

The last phase was completed early November and staff moved into their new offices (Phase 3). The contractor is completing the punch items and commissioning and should be complete the last week in November

4.4 Market Rate Scattered Sites

Renovations are completed 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. These two houses are expected to be listed for sale by the end of November. The contract for 1215 and 1219 Trafton has been awarded to Rainbow International for the amount of \$76,995.08. Construction began November 9th and the homes are expected to be listed in early January.

1118 Sheridan will have minor repairs and due to weather delays is now expected to be listed for sale by the end of November.

4.5 Consulting and Community Engagement

THA staff continues to consult with Trinity Presbyterian Church, Life Changing Ministries and the Salvation Army on development options. This group is concerned about the proposal to turn The Wedge into a historic district.

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 Rental Assistance Demonstration (RAD) standards. Work was completed and satisfactory as of September 29, 2015.

4350 East R – Contract awarded August 26, 2015, for meth remediated unit. Work was completed 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 upgraded RAD components and standards. Work is progressing satisfactorily with completion expected early November 2015.

4858 Court Q – Contract awarded October 21, 2015, for water unit damaged unit. Scope includes new flooring, cabinets, appliances and drywall replacement. Completion is expected early December 2015.

4490 and 4492 East Q – Bids opened October 29, 2015, and contract is in process for water damaged and meth remediated units.

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. Tacoma Housing Authority (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. Council approved the extension request at its November 3rd meeting.

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 \$3.1 million. It was sold to THA for \$2.9 million. 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.

6. 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.

PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of November 3, 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	\$552,481	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			\$10,102,128		



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-11-18 (1)

DATE: November 18, 2015
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Utility Allowance Update

Background

Every year, Tacoma Housing Authority (THA) must review its utility allowances. During this review, THA must determine if new rates published by Tacoma Public Utilities (TPU) will increase THA's utility allowances more than ten percent. THA must update any bedroom size utility allowance showing an increase of ten percent or more to reflect new utility rates.

Proposal

THA staff worked with Seasholtz Consulting Inc. to analyze the 2015 utility rates. This analysis included a review of energy, water, sewer and garbage rates. The results of this analysis show that the new rates cause a 12.5% increase in the zero bedroom size utility allowance. Using new rates, all other bedroom size utility allowances would see an increase of less than ten percent. The following table shows the results of the change analysis.

UAs using rates effective 7/31/2013 (CURRENT SCHEDULE)						
Sewer/water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord pays (all PH)	\$40	\$58	\$77	\$106	\$130	\$151
Tenant pays	\$111	\$134	\$167	\$210	\$248	\$284
UAs using rates effective 9/1/2015						
Sewer/water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord pays (all PH)	\$45	\$63	\$82	\$111	\$135	\$157
Tenant pays	\$115	\$139	\$173	\$219	\$260	\$298
% Change (current MTW vs. UA schedule with rates effective 9/1/2015)						
Sewer/water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord pays (all PH)	12.5%	8.6%	6.5%	4.7%	3.8%	4.0%
Tenant pays	3.6%	3.7%	3.6%	4.3%	4.8%	4.9%

Table 1: Change analysis of THA utility allowances using 2015 utility rates.

THA staff proposes increasing only the zero bedroom size utility allowance at this time. THA will perform another review when TPU updates its service rates in 2016 to continue tracking any rate change that may affect utility allowances.

Recommendation

Approve Resolution 2015-11-18 (1) Authorizing THA to adopt updates to the zero bedroom size utility allowance.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-11-18 (1)

(UTILITY ALLOWANCE UPDATE)

WHEREAS, Utility allowances must be reviewed annually; and

WHEREAS, PHAs must revise utility allowances if they raise more than ten percent; and

WHEREAS, Changes to the utility allowances must be approved by the Board of Commissioners; now, therefore, be it

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

1. Authorizes THA to adopt updates to the zero bedroom size utility allowance.

Approved: November 18, 2015

Stanley Rumbaugh, Chair