



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

December 16, 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, December 16, 2015

The Board of Commissioners of the Housing Authority of the City of Tacoma Board will hold its Regular Meeting on **Wednesday, December 16, 2015, at 4:45 pm.**

The meeting will take place at:

**902 South L. Street, 2nd Floor Conference Room
Tacoma, WA 98405**

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 December 16, 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

December 16, 2015, 4:45 PM

902 South L. Street, 2nd Floor Conference Room

Tacoma, WA 98405

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of November 18, 2015—Regular Session
 - 3.2 Minutes of December 7, 2015—Special 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 2015-12-16 (1) Approval of Tenant Account Receivable Write Offs
 - 8.2 2015-12-16 (2) 2016 Tacoma Housing Authority Budget
 - 8.3 2015-12-16 (3) Enterprise Financial System Contract
 - 8.4 2015-12-16 (4) General Contractor/Construction Manager Bay Terrace Phase 2-
Guaranteed Maximum Price – Absher Construction
 - 8.5 2015-12-16 (5) RAD Environmental Work - Robinson Noble
 - 8.6 2015-12-16 (6) Amendment to Residential Floor Replacement Contract with Great
Floors
 - 8.7 2015-12-16 (7) Public Housing Single Family Homes Sale - Homesight Contract
 - 8.8 2015-12-16 (8) Multifamily Mortgage Revenue Construction Note, 2015
 - 8.9 2015-12-16 (9) Renew Tacoma Housing LLLP Omnibus Resolution
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, November 18, 2015

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 911 North K Street, Tacoma, WA 98405 at 4:45 PM on Wednesday, November 18, 2015

1. CALL TO ORDER

Chair Stanley Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:50 pm.

2. ROLL CALL

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

PRESENT	ABSENT
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	
Greg Claycamp, Client Services Director	
Todd Craven, Information Technology and Asset Management Director	
Pat Patterson, Property Management Director	

Vice Chair Banks arrived at 4:50 pm. Chair Rumbaugh declared there was a quorum present @ 4:50 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

3.1 October 28, 2015 Minutes

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 28, 2015. One correction made which was noted by Commissioner Derek Young in an email he sent to Tacoma Housing Authority. Vice Chair Banks moved to adopt the minutes, Commissioner Derek Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Hope V. Rehn, Tenant at South Wright Avenue (SAFE Manager)

Hope addressed the Board. She informed the Board that she has been gone because her unit flooded and she was relocated during the repairs. SAFE is voting for their Board members on the November 30th. Hope asked Tacoma Housing Authority (THA) Board if there was a way to fund SAFE trips. Chair Rumbaugh suggested that she ask her board members where they would like to go and present a proposal to THA Board. Hope also stated that B Street Apartments hired a secretary but is still looking for a building representative.

Donna Miller, Tenant at North K Street

Donna Miller addressed the Board. She is representing North K Apartments. She informed the Board that tenants at North K have had problems with the building boiler. Donna wanted to acknowledge Property Management (PM) Director Pat Patterson who has been "amazing." Donna is on the 3rd floor, which is way at the end of the building. She had problems getting hot water, but with PM Director Patterson's diligence, ability to listen and willingness, she now has hot water. Chair Rumbaugh asked PM Director Patterson what the problem was. He stated that North K Apartments has had boiler problems for the past 2-3 years. Chair Rumbaugh asked for the age of the boiler. The boiler was 7-8 years old, and some necessary parts were discontinued. PM negotiated for a new boiler. North K received a new boiler saving Tacoma Housing Authority \$15k. PM spent a lot of hours insuring the proper boiler fix. PM Director Patterson thanked his staff for their hard work. It was a team effort.

5. COMMITTEE REPORTS

Real Estate Development Committee – Chair Rumbaugh

The Real Estate Development Committee did not meet this past month. Chair Rumbaugh will have a report in December

Finance Committee – Commissioner Hodge and Commissioner Young

Commissioner Minh-Anh Hodge and Commissioner Derek Young met last week. Commissioner Young stated that it was a good meeting; He learned more about the organization.

Education Committee—Commissioner Hodge

Commissioner Minh-Anh Hodge was not in attendance.

Citizen Oversight Committee – Vice Chair Banks

According to Vice Chair Banks, Bay Terrace understands THA's commitment to WMVP.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Deputy Executive Director (DED) April Black covered for Executive Director (ED) Michael Mirra. DED Black relayed a few messages from ED Mirra. There is a Moving to Work (MTW) conference call scheduled for tomorrow and DED Black will have an update for the Board at the December meeting. There is a Study Session for strategic planning for December. DED Black is requesting to replace it with a RAD Financing discussion. DED Black reminded the Board of the policy regarding social gatherings and forums. ED Mirra sent the Board an email regarding the policy. Chair Rumbaugh summarized the policy to mean that if three or more Board members are present at gatherings or forums, no housing items should be discussed.

7. ADMINISTRATIVE REPORTS

Finance

Vice Chair Banks moved to ratify the payment of cash disbursements totaling \$8,157,812 for the month of October, 2015. Commissioner Flauding seconded. Finance Department (FD) Director Ken Shalik provided the Board the financial report as it was not included in their Board packets. He went over the financials with Commissioner Young and Hodge prior to the Board meeting.

He explained THA's surplus. Line 3 shows Section 8 HAP reimbursement, which are funds held by Housing and Urban Development (HUD). There was only \$3.5 million held at HUD, and by paying down the CFFP Bond and purchase of partnership interest and loan for New Look we drew down the majority of it. At end of year, there will be no funds held at HUD. On line 7, the projected actual budget is \$1.2M but actual is only

Director Shalik then directed the Board to cash position. He stated that when reserve money is used, it is bringing down MTW dollars. Right now THA is in good shape financially and will also be in good shape for 2016. He noted the Board's direction to await until early 2016 to adopt a 2016 budget because of the need to await clarification on RAD and other uncertainties.

Upon roll call, the vote was as follows:

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

Motion Approved.

Administration

Asset Management Associate Director Sandy Burgess updated the Board on Rental Assistance Demonstration (RAD). All public housing properties will be placed in a single-credit tax partnership for the RAD conversion. Asset Management (AM) is working with lenders and investors. PM is training staff on tax credit program rules. THA is leasing properties into partnership. THA will do all title insurance and title work. Chair Rumbaugh asked for the cost of renovations. Cost for renovations will be \$35M. Training will help improve living experiences for THA residents and reduce THA cost. Chair Rumbaugh asked about previously established deadlines. Sandy reported that HUD is too backed up to stay on the original schedule. She said that this was okay with THA. AM is pushing hard for a mid-January close and pushing hard for February start. Chair Rumbaugh thanked the staff for their hard work.

Administration Department (AD) Director Todd Craven addressed the Board. He provided an update on the software conversion. Processes at THA are scheduled to go live late January. AD is close to finalizing a financial system. Chair Rumbaugh asked if the plan will go to the Board for approval. AD Director Craven confirmed. He added that if AD stays on schedule, the new financial system would go live in July or August of next year. Chair Rumbaugh asked if the new system would be able to determine whether a contract is in compliance. According to AD Director Craven, the new project management tool will manage procurement of contract. Chair Rumbaugh asked if benchmarks are not completed on time will the new system be able to alert staff. AD Director Craven stated that the system does have that capability. He added that if projects are set-up correctly, staff can set alerts. Commissioner Derek Young asked about internal change processes and what is being done. AD Director Craven stated that the new system is being built based on processes currently being used at THA. All processes are being improved.

Property Management

Property Management (PM) Director Pat Patterson addressed the Board. He stated that PM stopped testing for meth on every unit turn and instead is using a new protocol since October. In November, there were 5 units that went through the wash process under the new protocol. He is still looking for ways for THA staff to do the work. Chair Rumbaugh asked about Graph 2.2. According to PM Director Patterson, in October several units in tax credit properties were turned by contractors; the graph shows the units that THA staff turned. Chair Rumbaugh asked if the 36 days referred to per unit or all units. PM Director Patterson stated that it is a combined 18 days, more or less. Chair Rumbaugh asked about AMP 8 on G which had 105 days. PM Director Patterson stated that 77 is the average of all contracted units on his report. He added that the days in parenthesis are key-to-key. Chair Rumbaugh requested clarification. Commissioner Young stated that the numbers show a pretty big drop. Chair Rumbaugh stated that there seems to be something else prolonging the delay of key-to-key, which is keeping PM from the 20-day expectation. According to PM Director Patterson, PM is trying to accomplish cleaning units the day they are vacated and turning them. The cleaning protocol is allowing PM to do the work (i.e., paint, floor repair, and carpet), which should speed things up but they still need to come up with a better process. Chair Rumbaugh stated that the delay is not only a service loss but also a loss to the program. PM Director Patterson stated that another struggle for PM is finding contractors to do the work. Chair Rumbaugh asked if it is because contractors are too busy or if it is because they do not want to work with THA. PM Director Patterson stated that it is the season and also because contractors do not want just a piece of the project but all of it. There is also cost to consider. PM wants to control most of the mark-up that contractors want to do. PM is making adjustments and will have good qualified team willing to work with THA standards.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the Board to her report. She informed the Board that THA acquired New Look last month. RED is preparing improvements to New Look but also also needs to fill a commercial space occupied previously by Columbia Bank. RED Director McCormick is meeting with other banks since the space is already set-up as a bank. She is also working with Sound Outreach to see if its space can be used more efficiently and provide more space. Chair Rumbaugh asked whom she has approached regarding the space. RED Director McCormick stated that she has met with John Wise and AM Associate Director Burgess suggested she reach out to Columbia Bank. RED Director McCormick asked the Board if they know of any agencies looking to lease a 2k square feet space. Chair Rumbaugh suggested she contact Ricardo at Columbia Bank.

In regards to Key Bank, RED is hoping to finalize the agreement by the end of December. Everything is going smoothly but RED is making sure legal language is good.

Regarding THA's newly acquired Outrigger Apartments on 6th Avenue, RED is looking at setting standards for individual unit turns that will generate more rent. RED is looking at necessary improvements and sitting down with Windermere. \$500k is needed to do work for the turns. RED Director McCormick stated that the units do not stay vacant very long. RED Director McCormick is looking at a 5-year lease for a billboard. Chair Rumbaugh stated that there is much sound and fury about billboard issues in town; there is no gain in getting involved in it for THA. Commissioner Young asked if the billboard is currently unused. According to RED Director McCormick, it is located by the driveway into 6th Avenue Apartments, next to Brown Bear Car Wash. It is not a huge billboard, but does generate \$5k per year for the property. Chair Rumbaugh stated that THA also has to remember politeness to the neighborhood. Commissioner Young stated that he has listened to all public comments regarding billboards and reminded staff that THA does not want to be on the news headline. According to RED Director McCormick, THA is currently on a month-to-month lease with the billboard.

RED will be overseeing rehabilitation and relocation, which is a team effort. The focus right now is to get the relocation team on board. Two current THA staff have been hired and one will be coming from Bremerton. RED will then need to recruit site managers.

Chair Rumbaugh asked for an update on the Lakewood project and asked if it is operating as THA had hoped. RED Director McCormick said no. The main concern is that the units are not leasing as quickly as anticipated. They do not know if the problem lies with Access Point for Housing or with Pierce County. Residents are not being qualified on time. LASA who is THA's service provider and owns the office space applied for a \$70k grant as well as grant for the other programs they provide. They did not receive all the funds they requested. RED thinks there is not enough funding for Prairie Oaks. Sandy will talk to Jan Brazell, but THA may need to find another provider for Prairie Oaks. It is a beautiful project, but slow in getting it staffed.

Client Services

According to DED Black, Client Services (CS) Director Greg Claycamp is out of the office, but she can answer questions the Board may have. CS Director Claycamp did not provide his organization report. Chair Rumbaugh suggested including the CS report in December's packet.

8. NEW BUSINESS

8.1 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:

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

Approved: November 18, 2015

Stanley Rumbaugh, Chair

9. COMMENTS FROM COMMISSIONERS

10. EXECUTIVE SESSION

11. ADJOURNMENT

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

APPROVED AS CORRECT

Adopted: December 16, 2015

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION MONDAY, DECEMBER 7, 2015

The Commissioners of the Housing Authority of the City of Tacoma met for a Special Session at 902 South L Street, Tacoma, WA at 1:00 PM on Monday, December 7, 2015.

1. CALL TO ORDER

Tacoma Housing Authority's Executive Director with Commissioner Janis Flauding's approval called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 1:10 PM.

2. ATTENDEES

PRESENT

Commissioners

Commissioner Flauding (Janis)
Commissioner Hodge (Minh-Anh) by phone
Commissioner Young (Derek)

Staff

Michael Mirra, Executive Director
Sha Peterson, Executive Assistant
April Black, Deputy Executive Director
Ken Shalik, Finance Department Director
Barbara Tanbara, Human Resources Director
Kathy McCormick, RED Director
Greg Claycamp, Client Services Director
Todd Craven, Administration Director
Pat Patterson, Property Management Director

ABSENT

Chair Rumbaugh (Stan)
Vice Chair Banks (Arthur)

3. RAD Presentation

Tacoma Housing Authority (THA) Executive Director (ED) Michael Mirra started the session by noting its purpose: to review the terms of the deal by which THA will fix up its portfolio and refinance it under HUD's program called Rental Assistance Demonstration or RAD. The goal was to help the Commissioners understand the proposal in advance of the December Board meeting at which he will ask for their authorization to sign the various contracts to get it done. He noted that the board outline of the proposal should be familiar to all since we have been discussing it for the past year or so. He asked attendees around the room to introduce themselves to the Board. ED Mirra thanked THA staff for their work with RAD.

ED Mirra used a powerpoint to present the proposal. (see attached presentation). According to ED Mirra the RAD will fix up THA's entire portfolio. The \$40 million fix up will address the portfolio's capital needs for the next 20 years, and provide sufficient reserves for this period. Commissioner Flauding asked where the \$40 million will come from. According to ED Mirra, the main sources of money will be tax credit investor equity and private debt. The RAD refinancing will also net THA \$19 million in non-MTW proceeds. In addition to the \$19 million, through 2060 the deal will generate \$39 million in loans receivable to THA, plus interest, for a total of \$96 million.

He noted that this income will be necessary for other purposes. He also noted that whether THA actually receives the repayment of the \$39 million loan depends on the performance of the portfolio because THA is not first in line for its cash flow. This will challenge THA to so manage the portfolio to produce an adequate income.

Commissioner Young asked what the end game would be after 20 years. ED Mirra stated that another tax credit refinancing at that time is likely to inject still more capital dollars into the property. Jim Brawner agreed. He stated that the tax credit program has been very stable and has powerful allies to keep it in place for now. Commissioner Young asked for the timeline of the \$19 million payout to THA. Asset Management Associate Director (AMAD) Sandy Burgess said 8 years.

ED Mirra reviewed some consequences of using tax credit financing. One of them is that the investors will own the property. As owner the investors have control over choosing the property manager. He reviewed the reasons THA wants to be the property manager. They are the same reasons that impelled THA to recover management responsibilities over Salishan and Hillside Terrace when they were financed with tax credit investments. The RAD contract with the tax credit investors contemplates that THA will be the property manager but investor has authority to replace us. Commissioner Flauding asked how much THA would lose if the Investor denies THA's proposal. AMAD Burgess stated that we would lose a sizeable management fee. She also noted it would take quite a bit for the investors to seek THA's replacement as property manager. Jim Brawner added that it would be very unlikely for the tax credit investors to seek that. THA would have to seriously stumble in its performance. He has not seen this happen with the Washington State housing industry. He noted that THA is set up to perform well.

Jim Brawner and Property Manager deGorgue stated that THA worked hard to structure this deal so it can have the best cash flow back to the agency. They feel comfortable with it. ED Mirra noted that THA is losing HUD's oversight but gaining the oversight of investors. AMAD Burgess and Jim Brawner both agreed that the investor would not have given THA the money needed if they did not believe that THA could do this.

ED Mirra noted that the portfolio's performance would no longer be part of THA's budget. Yet the Board and its Finance Committee should still be very interested in that performance. THA staff and the Finance Committee will devise a way to report it outside

the regular reports of THA's budget. FD Director Shalik stated that he expects to create dashboards for the purpose to be able to compare properties.

Commissioner Flauding asked when the deal will close . According to Property Manager deGorgue, the proposal should be approved by January 20th. Commissioner Young mentioned that other housing agencies at other cities have had bad press on such deals. RED Director Kathy McCormick stated that Tacoma Housing is different. Jim Brawner said he is familiar with other deals and their difficulties. He said that THA is different in several ways that explains the lack of controversy. THA has been very transparent. Property Management (PM) Director Pat Patterson noted that THA had a big campaign with many meetings to explain the deal to residents and make sure that they were well informed. ED Mirra noted that he has explained the matter to the Mayor and other local leaders. Jim Brawner and AMAD Burgess noted that THA has no partnerships with for-profit developers who in other deals take control and take the profits. THA is also maintaining property management control. AMAD Burgess added that while using investor equity is a form of privatization, it is not the same as when other developers come in. The feel and the whole tone are very different. Commissioner Flauding stated that THA has been very good at saying they will do something then actually doing it.

Commissioner Flauding asked how THA will manage the ability of tenants to take a section 8 voucher exit voucher and move out. HUD is requiring THA to offer such vouchers to tenants who request them after a year's residency. ED Mirra noted this to be among several HUD requirements, not all of them easy to understand. Commissioner Flauding noted the risk that it will cause a lot of vacancies and would redirect vouchers from the waiting list. Client Services (CS) Director Greg Claycamp stated that THA hopes that most tenants will stay because of the quality of housing THA will be providing. Also, they would get a HOP voucher with a 5 year time limit and a lowered subsidy that may not be as attractive as the housing. According to DED Black THA would apportion the issuance of such vouchers between such tenants and the waiting list.

ED Mirra introduced THA's new Relocation Manager Antoinette Ellis who will be leading THA with its relocation. Antoinette was THA's relocation manager in the past.

4. COMMENTS FROM COMMISSIONERS

Commissioner Flauding thanked the staff on behalf of the Board of Commissioners.

5. ADJOURNMENT

There being no further business to conduct the meeting ended at 2:09 pm.

APPROVED AS CORRECT

Adopted: December 16, 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: December 13, 2015
Re: Executive Director's Report

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

1. MTW NEGOTIATIONS WITH HUD

The negotiations continue with HUD about the terms of what we hope to be our renewed MTW contract until 2028. The Steering Committee of executive directors from seven MTW agencies continues to represent us very well. Andrew Lofton of the Seattle Housing Authority and Stephen Norman of the King County Housing Authority lead that committee. So we are in good hands.

HUD has distributed a new draft of the main contract documents denoting its proposals on important issues. I attach a copy of the Steering Committee's letter of December 11th conveying the committee's view of those drafts. The letter acknowledges some progress but that the contract is not yet one the committee can recommend to MTW agencies. HUD also asked the individual MTW agencies to comment. I attach my letter to HUD of December 11th conveying THA's views. Those two letters outline the remaining issues.

The Board may recall our parallel hope that the Congress will include in the 2016 federal budget language to help us. That language would direct HUD to extend our contracts until 2028 without any change unless the MTW agency agrees to the change. Such renewals will still leave important issues unresolved but such Congressional direction and interest should help balance the further negotiations to resolve the remaining issues.

We are told that the Senate and the House have agreed to our budget language. The remaining uncertainty about that budget language is whether Congress will adopt a budget to contain it, or will it instead pass only another continuing resolution, which would not have room for such language. Congress did not pass a budget by its deadline for doing so of midnight on December 11th. Instead, it passed a continuing resolution to extend the deadline by five days. Congress now has until December 16th to adopt a budget. That is the day the Board meets. Perhaps we will know something by then.

I will have some more details to share at the Board meeting.

2. STRATEGIC PLANNING

With my September memo to the Board I was pleased to include a draft of the performance measures for each of THA's seven strategic objectives, with proposed baselines and targets for each. As I did the last two months, I write to remind the Commissioners to try and find the time to review that document. If you need another copy please let me know. I hope to present it to the Board in January for approval. In advance of that date, I expect to schedule a Board study session as a chance to discuss them.

3. SOME THANKS

I attach a copy of my annual Thanksgiving message to Friends of THA. Each commissioner should have received it by email. It gives my view of what the year meant for THA and what the year ahead may be like. It also thanks the many partners who make our work possible.

Let me close this report and the year by conveying the staff's heartfelt thanks and appreciation to the Board. We understand the Board as the main repository for THA's vision for our city, our mission to further that vision, and the values we mean to show in our work. The Board has also given us seven strategic objectives to further direct us.

The Board's directives are ambitious. They distinguish THA among the nation's public housing authorities. These ambitions account for the challenge and the charm of working at THA. They give THA work a meaning that attracts and keeps a very talented and dedicated staff.

The Board's ambitions are entirely appropriate. But these ambitions would not work without the Board's companion willingness to support staff as they try to fulfill those ambitions with innovative and sometimes risky initiatives. Some recent examples include the Education Project, rent reform, our software conversion and the complete and complex refinancing of our portfolio through the RAD program. I cannot think of a single instance when, once we had adequately informed the Board, the staff felt without the Board's support.

Staff also know that the Board's ability to support them and their proposals requires a large measure confidence in staff judgment and capacity. We do not take it for granted. It is a trust we take very seriously. On behalf of the staff, I thank the Board for that.



December 11, 2016

Ms. Dominique Blom
Deputy Assistant Secretary
Office of Public Housing Investments
U.S. Dept. of Housing and Urban Development
451 7th Street S.W., Room 4130
Washington, DC 20410

Dear Dominique,

Thank you for the opportunity to provide comments on the latest drafts of the Body of the Agreement and Attachment C related to the MTW Extension Agreement provided to the Steering Committee on Monday, November 23, and to all 39 MTW agencies on Tuesday, December 1. We appreciate the hard work by HUD staff to address the outstanding issues. It is evident that HUD has considered many of our suggestions and offered some changes as a result. However, in reviewing the latest draft with the MTW agencies, the draft continues to fall short in a number of key areas. In addition to the comments that individual agencies will be submitting, on behalf of the MTW agencies, the Steering Committee is respectfully offering the following comments.

Diminishment of Funding

This issue is a longstanding one, in which HUD has been very clear that existing contract language that mirrors the statutory language will not be included in this contract. While we acknowledge HUD's verbal assurances that there is no intent to exercise any reduction in funding of MTW agencies, the refusal to include statutory language in the contract sends an ambiguous and worrying signal.

Future Regulations and Guidance

This continues to be a significant issue for the 39 agencies. As we have represented to you in the past, HUD's ability to require changes to the contract that are mandated by future statutory changes is not in dispute. However, there is continued concern that changes that are a result of HUD discretionary or interpretative actions, whether under future or existing laws, cannot and should not be unilateral in nature. The language in Section VIII of the Agreement giving HUD unilateral authority to determine

which laws and which provisions of laws conflict with the Agreement undermines basic contract principles and gives HUD authority to dictate future terms and/or changes to the contract. Notwithstanding your assurances that this has not happened in the past, the insistence on such language suggests its distinct possibility in the future. We acknowledge that HUD has made some helpful wording changes in the last draft to preserve the ability of MTW agencies to challenge HUD's implementation of a statute in the same manner a non-MTW agency may. However, we think that language should be strengthened to say affirmatively that it does not preclude other remedies an MTW PHA may seek.

Apart from those concerns regarding HUD's language, HUD's refusal to add language stating that HUD will not take discretionary actions unrelated to statutory changes that would materially change the applicability of the agreement remains a basic concern.

Cash Management

As you know, HUD is currently considering several key issues that are critical to MTW agencies relative to cash management. We appreciate your recent efforts to understand the importance of these issues to MTW agencies' operations and your diligence in trying to address those concerns in the context of the cash management rules. We appreciate the ongoing work HUD has undertaken with the MTW CFO Workgroup and are hopeful this work will pay great dividends. It is our hope that the results of that work can be incorporated into the new agreement.

Impact Analysis

We are appreciative of HUD adding language suggested by the Steering Committee regarding control groups, human subject review boards and expectations related to disparate impact analysis, and compromise language indicating HUD's intention to consider development and refinement of performance measures, data collection and metrics. These are important additions and having that clarification in the agreement is reassuring and could set the stage for our future work together to develop relevant metrics. We are still of the belief that a more collaborative approach to developing the specific metrics would be most productive, and should be reflected the Agreement's language. Working in tandem with HUD to develop a set of metrics for MTW agencies to comment on would not only expedite the process, but also yield more accurate and relevant metrics. Finally, we want to work with HUD toward and believe that the agreement should require a timely Paperwork Reduction Act resubmission of Attachment B once the new metrics are agreed upon.

StS

We are in agreement that language for the StS should come from HUD and the Steering Committee's continued discussions, informed by the effort underway with the MTW Technical Workgroup and HUD. We note also that any lack of specificity in the StS contract language heightens our concerns regarding HUD's authority to alter the applicability of the agreement through future regulations and guidance. We will continue to urge completion of the StS methodology as part of the finalization of the agreement and specificity in the agreement regarding the StS methodology.

Attachment C and treatment of current MTW agreements

We recognize the effort HUD has engaged in to consolidate MTW authorities into Attachment C. We understand and agree that consolidating all authorities into one Attachment to the extent possible will be more efficient administratively. And we know HUD has been working diligently to ensure that all existing authorities are captured in Attachment C. We believe, however, that a more efficient and effective approach to ensuring all existing authorities are captured, is to simply grandfather all approvals under existing authorities. This will ensure that current activities will be incorporated and not inadvertently overlooked and that MTW activities will not be deemed by HUD to be impermissible retroactively. Along the same lines, the new agreement can deem the old agreements to be terminated, but should not use terminology such as "replaced" that might be misinterpreted to indicate an intention to treat them legally as if they never existed.

Thank you for your attention to and consideration of these comments.

Sincerely,

MTW Steering Committee

cc: MTW Agencies



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

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

December 11, 2015

By email: Dominique_G_Blom@hud.gov

Ms. Dominique Blom
Deputy Assistant Secretary for Public Housing and Investments
Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

RE: THA comments on draft MTW contract

Dear Dominique:

Thank you for inviting comments from the MTW agencies on the November 23rd drafts of the main body of the MTW contract renewal and draft Attachment C that Laurel sent on December 1st. I write for that purpose. I also convey THA's comments on Attachment A. Thank you as well for our recent phone call with you and Laurel about THA's specific issues. You kindly invited us to send you some language for Attachments A and D about issues with particular pertinence to THA. We hope to do that before the end of the month. (As you may know, we are pretty busy with our RAD closing.). And thank you for your work, and Laurel's, toward an MTW contract we can sign.

You will recognize that many of our comments below repeat the views of the Steering Committee. The Steering Committee remains our representative on those topics. I repeat them here because you asked us to write. I am pleased to do so.

I am also pleased that the concerns we outline below and the vision they denote for MTW match the views we heard directly from Secretary Castro. He spoke to the four Washington State MTW housing authorities by phone on October 13th. Earlier he visited us in Seattle. I also had the pleasure of hearing him speak on three other occasions. At all those times, he spoke eloquently and, I believe, in earnest of his commitment to MTW and the local flexibility it confers. He spoke of his support for strategies that MTW makes possible: place-based strategies as well as voucher investments, the need to invest in the portfolio, the importance of supportive services to make our housing accessible and to make it a transforming experience that helps people prosper, a recognition of the hard policy and expenditure choices facing housing authorities and the need to give them wide latitude in making those choices locally in order to account for local needs and local markets. THA looks forward to a contract in which we recognize the Secretary's views and in that way a contract we can assume has his support. The present draft does not allow us to do that, for the following reasons:

1. Decrease in Funding

The MTW statute states that MTW agencies will not receive more funding than they would have received otherwise. HUD proposes to restate this limitation at Attachment A, Section E. That is not the problem. We certainly recognize your wish that the contract include this assurance against our overfunding. The problem is that your draft does not include the statute's companion assurance that MTW agencies will not receive underfunding. THA's present contract contains that assurance:

The amount of the assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
[Main Contract, section II(A)]

THA needs to keep this assurance. You propose to remove it. You explain that we do not need this assurance against underfunding because we can rely on the statute. Yet somehow HUD cannot rely on the statute for its own assurance against overfunding. I believe you have two concerns, both of which we can address in ways that do not deprive either of us of the assurance we need. **First**, I believe you are concerned about a situation where you would have to reduce our funding because of congressional action. For that reason, we would agree to language allowing for that. The steering committee has proposed language for that purpose. **Second**, I believe you want to preclude the agencies from a contractual cause of action. Your language at Main Contract, section VIII does that.

The assurance we need and that our present contract contains merely confirms what you have repeatedly told us: that you do not mean the contract to reduce our funding, except for any reduction that Congress may direct. As I noted in previous letters to you, keeping this explicit assurance in the contract would be especially valuable to us since we are not sure of the meaning or effect of many other proposed changes. Memorializing this reassurance that whatever their meaning the changes will not reduce our funding will allow us to better tolerate the uncertainty of what else they may mean.

This assurance will also be a no-cost way for you to improve our confidence in your assurances and in the negotiations. Declining this no-cost chance to do that would have the opposite effect, helping no one and making all discussion harder.

2. Cash Management

We have two related concerns about HUD's proposal on "cash management". **First**, the proposal would keep our reserves on HUD's shelf rather than on our shelf and, **second**, it would preclude us from showing these reserves on our books. This means they would not count as ours when we seek credit or financing. MTW agencies, rather than being innovative users of federal funding, would then resemble fee-for-service providers, like Medicaid providers, or vendors of HUD office supplies. We need language that would preserve our ability to leverage our reserves when we seek financing. This leveraging is something HUD encourages us to do. We are good at it. It is part of our effectiveness. Neither of us should favor language that would impair it.

3. Attachment C Listing of Authorizations; Grandfathering Previously Approved Activities

I am not sure we have a disagreement on this issue of authorizations and grandfathering. There are two questions. I need help to understand your position better so please send me some more explanation of your concerns, if any.

First, we think the present draft of our Attachment C that you sent us includes all the waivers we need for our present activities. We know that you intend that. We need you to confirm for us that we are correct in thinking the list complete. Please let us not both guess that we are right to agree on this only to learn later that, despite our present intentions, you later decide that we were both mistaken. We need your confirmation about this in order to sign the contract.

Second, even if the list of waivers is complete, THA needs assurance that we can continue our present MTW activities that HUD has already authorized under those waivers without having to seek renewed authorization. I assume you intend to give us that assurance at the beginning of Attachment C with this sentence:

This Statement of Authorizations describes the activities that the Agency may carry out under the MTW demonstration program, subject to the terms and conditions of this 2028 MTW Agreement between the Agency HUD”(sic).
[Attachment C, section A(1)]

The potential issue arises because the attachment does not then go on to list the approved activities. It only lists the authorized waivers. To make this clearer, and to correct the typo, we need the following change in that sentence:

This Statement of Authorizations describes the present authorizations under which activities that the Agency may carry out previously approved activities under the MTW demonstration program, subject to the terms and conditions of this 2028 MTW Agreement between the Agency and HUD. Provided that nothing in this contract precludes further authorizations or approved activities.

The much simpler solution to both problems would have the contract grandfather all previously authorized waivers and approved activities. I understand that to be your intent. It is certainly ours. We favor that approach. I believe the steering committee proposed language to do that, which we favor.

*

*

4. “Substantially the Same” Formulation

Your draft did not contain a formulation on the statutory direction for serving “substantially the same total number of eligible low-income families as would have been served” were we not MTW. I understand that you and the steering committee are still working on it. This may be the most important substantive issue of them all. For that reason, THA will not be able to sign a contract that does not contain the formulation. We are eager to see the result of your discussions with the Steering Committee.

THA has concerns that we need those discussions to address:

- *Shallower subsidies*

We understand that HUD may propose that a MTW agency not receive full credit for serving families who receive a shallower subsidy than usual or who pay higher rent burdens. We cannot agree to such limitations for several reasons.

First, there are many good policy reasons for an agency to consider shallower subsidies. They may be part of a rapid rehousing program, which HUD should recognize since HUD is the source of much of the research and design for such programs. Shallower subsidies may be a way to account for the local rental market. Critically, they may also allow an agency to serve more families who otherwise would go completely unserved. If HUD effectively precludes shallow subsidies out of concern for the families lucky enough to have a subsidy, it may do so by sacrificing the interest of families who presently get nothing. I mention this only to point out that the policy choices are hard. The appropriate answers must arise from a local judgment about local needs and local markets. If HUD has informed objections to such policies, remember that HUD can withhold approval of the proposed shallow subsidy activity. That ability to withhold approval would elicit the necessary policy discussion that considers the pertinent local factors. What should be clear to all of us is that HUD should **not** prejudge and preclude the issue wholesale and in advance for all agencies nationwide.

Second, we must note that the MTW statute does not require HUD to discount credit for shallower subsidies. The statute asks that we serve substantially the same number of families. It does not require that we serve them at a certain affordability or subsidy level. Nor does it dictate how or if we provide services, whether we build units or whether we invest in our existing portfolios or provide supportive services. How we serve substantially the same number of families is based on local conditions, local conversations, and thorough vetting of our annual MTW Plans.

Third, households can pay high rent burdens because they choose to do so in their selection of a more expensive house, or for other reasons that have little or no relation with PHA policy choices.

Fourth, non-MTW housing authorities receive full credit for households paying well more than 30% of their income as rent. Why should MTW authorities receive only partial credit?

Fifth, such a discounting formula would likely be complicated. Applying it yearly to shifting data would prevent us from projecting its answer year to year, making planning and budgeting harder than it already is.

Finally, if the formula is to discount the value of a shallower subsidy or, more oddly, because the family has a higher rent burden, then it should give credit for the other ways that we serve families, *e.g.* supportive services, construction, property maintenance.

The discussion should produce a simple calculation to show whether an MTW housing authority is serving substantially the same number of households as it would absent the demonstration, rather than complicating the calculation to penalize MTW agencies for how they are serving these households.

- *Supportive services*

Whatever the formulation on “substantially the same” requirement, it should show appropriate value for supportive services. There are two views of supportive services. By one view, they are a sideshow. By this view, we would think of ourselves primarily as landlords and managers of rental assistance programs. We are those things, of course. But another view of supportive services, the MTW view, would have us do more. By this alternative view, we provide supportive services as a necessary companion to the housing we provide. They are necessary for households who need help to succeed as tenants and use either a public housing unit or a voucher. These might contain seniors aging in place or disabled persons who need help to remain independent. These might be parents coming to us from domestic violence, drug addiction, or homelessness. They may need services to stabilize. Services are also important for another reason that goes to the core of MTW. They can help people prosper. The Secretary has spoken eloquently about this aspect of our work, and its value. The “substantially the same” formula should allow for it and not penalize agencies who take it seriously. If you need more information, I refer you to him with the expectation that he will tell you what he told us. I send him a copy of this letter so he may know that you may be contacting him.

- *Focus on the statute’s planning requirement*

I will repeat what I wrote you and Laurel on July 15th: Please remember that the MTW statutory requirement for serving “substantially the same” number of families is a planning requirement. It reads in pertinent part:

An application to participate in the demonstration . . . (3) shall include a plan developed by the agency that...includes criteria for...(C) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; . . .

[42 USC "§1437f NOTE: section (c)]

You and the steering committee should focus on defining this planning requirement.

5. Limitation and Preservation of Remedies

In the Main Contract, section VIII, you propose language that would preclude a MTW agency from having any contractual claim for HUD's violation of the contract. I understand HUD's interest in seeking this protection, even if I cannot quite admire it. I also understand your language to leave MTW agencies with other legal rights, such as the right to seek injunction relief for HUD action that violates the contract. We need to make that clear. The following new language would do that. (I also show the new language for this section that I propose in the next section):

Notwithstanding any provision set forth in this 2028 MTW Agreement, any future laws that conflict with any provision of this Agreement, **HUD's implementation** of any future laws that conflict with any provision of this Agreement, or any HUD determination that a future law conflicts with any provision of this Agreement, shall not be deemed to be a breach of this Agreement, and HUD's execution of the conflicting law, or the execution of a law **that HUD deems** conflicting, shall not serve as any basis for a breach of contract claim, or breach of contract cause of action, in any court. Further, and more specifically, any future laws affecting an MTW Agency's funding, even if that effect is a decrease in funding, and HUD's implementation thereof that affects funding, shall not be deemed a breach of this Agreement and shall not serve as any basis for a breach of contract claim, or breach of contract cause of action, in any court. Provided that nothing in this Agreement authorizes HUD to implement any rule, regulation or other interpretation that conflicts with this Agreement if such rule, regulation or other implementation is not necessary to a reasonable implementation of a future law; Provided further that nothing in this section limits the MTW Agency's other legal remedies for violations of the contract's directives, including equitable relief.

6. HUD's Right to Make Unilateral Changes

The present drafts contain provisions that might be understood or misunderstood to permit HUD to make unilateral changes to the contract. I appreciate your explanation in phone conferences with the MTW agencies that HUD does not intend its draft to confer such an extraordinary license. That is good because then it would not be a contract. I also understand your explanation that HUD needs the ability to change the contract as necessary to conform to future statutory requirements for such change. I am confident we can devise some language that gives you that ability while avoiding misunderstanding. I propose some language in the four places the problem arises:

- *Attachment A, section E(1):*
Section 232, title II, division A of the Consolidated Appropriations Act, 2010 (Public Law 111-117, 123 Stat. 3105) (Section 232 of the 2010 Act), enacted December 16, 2009, and Section 1104, title I, division B of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10, 125 Stat. 103), enacted April 15, 2011, that carry over the language of Section 232 of the 2010 Act, state, in part, that,

“No PHA granted this designation through this section shall receive more funding under sections 8 or 9 of the United States Housing Act of 1937 than they otherwise would have received absent this designation.” Because the Agency was admitted pursuant to these sections, HUD reserves the ~~unqualified~~ right to reduce any Section 8 and/or Section 9 funding in any fiscal year while the Agency is under this 2028 MTW Agreement only as necessary in order to maintain full compliance with the above-referenced law.

[emphasis added]

- *Main Contract, Section VIII:*

Notwithstanding any provision set forth in this 2028 MTW Agreement, any future laws that conflict with any provision of this Agreement, **HUD’s implementation** of any future laws that conflict with any provision of this Agreement, or **any** HUD determination that a future law conflicts with any provision of this Agreement, shall not be deemed to be a breach of this Agreement, and HUD’s execution of the conflicting law, or the execution of a law **that HUD deems** conflicting, shall not serve as any basis for a breach of contract claim, or breach of contract cause of action, in any court. Further, and more specifically, any future laws affecting an MTW Agency’s funding, even if that effect is a decrease in funding, and HUD’s implementation thereof that affects funding, shall not be deemed a breach of this Agreement and shall not serve as any basis for a breach of contract claim, or breach of contract cause of action, in any court. Provided that nothing in this Agreement authorizes HUD to implement any rule, regulation or other interpretation that conflicts with this Agreement if such rule, regulation or other implementation is not necessary to a reasonable implementation of a future law; Provided further that nothing in this section limits the MTW Agency’s other legal remedies for violations of the contract’s directives, including equitable relief.

[emphasis added]

- *Attachment A, section C(4):*

Notwithstanding the administrative fee methodology established herein, HUD reserves the right to revise the method in which administrative fees are determined for CY 2019 and subsequent years in accordance with ~~the ongoing administrative fee rule or its successor rule or regulation~~.statutory or Appropriations Act requirements.

[emphasis added]

- *Unstated formulation of “substantially the same” requirement*

You have proposed to leave out of the contract the final formulation of the “substantially the same” requirement. You explain that the contract would have general guidelines and that HUD would provide the final formulation by PIH notice or perhaps rule making. We must count this as another way

for HUD to unilaterally change the contract. For this reason, we require that the formulation appear in the contract that we sign.

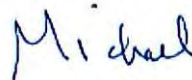
7. Miscellaneous

- *Effective Date:* Thank you for the change in the draft's opening paragraph that recognizes that the contract term does not become effective until the public housing authority signs it.

We look forward to learning the results of the further discussions between you and the Steering Committee. We hope that further discussion will produce a contract we can sign. Please note that to allow us to make that assessment we must see all parts of the draft together at the same time.

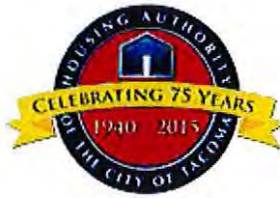
Cordially,

TACOMA HOUSING AUTHORITY

A handwritten signature in blue ink that reads "Michael".

Michael Mirra
Executive Director

cc: Secretary Julian Castro, HUD
THA Board of Commissioners
MTW Steering Committee
Laurel Davis, HUD



Thanksgiving 2015

Dear Friends of THA:

As you may know I try to write at this time of the year to catch you up on the news from the Tacoma Housing Authority (THA). Writing you is also a reflective moment for THA about the work we do together, its value and what it takes to get it done. It takes partners, colleagues and community members who share THA's mission to make our communities places that households with low incomes can experience as "safe, vibrant, prosperous, attractive, and just". This takes all of us: elected local, state and national leaders, their hardworking staff, public and private funders, lenders and investors, foundation and public program officers, architects, planners, builders, suppliers, construction workers, financial advisors, auditors, attorneys, grant writers, other housers, advocates, service partners, journalists, teachers and counselors, school district staff, police officers, community groups, unions, and neighborhood organizations.

This annual writing then has become a good chance to thank you. And for that reason, Thanksgiving is a good time to write. You make our work possible. You make the work effective. Also, you make it meaningful and enjoyable. On behalf of THA's Board of Commissioners and staff, I write to tell you that we are grateful.

I m in a position where I need some assistance with housing. I have 3 kids, work part time and trying to get away from my husband. Is that something you can help me out with?

- E

[email to THA, November 8, 2015]

First, let me begin with a word about THA. THA is a board of 5 community volunteers and about 120 staff people. THA includes our real estate development staff of project managers, tax credit and financial experts, planners, and construction managers. Their job is to develop, build, buy and rebuild properties so they are well built, sustainable and attractive. THA's staff includes maintenance specialists who keep our properties in good shape. They include property managers and lease and occupancy specialists who manage a long waiting list, screen applicants, verify income and eligibility, turn and lease units, collect rent, enforce the rules and do the hundreds of things it takes to manage a large and varied portfolio that serves 1,400 households, many of whom come to us from very

challenging circumstances. Other staff manage THA's rental assistance programs. In partnership with hundreds of local landlords these programs serve another 3,600 households. THA's community service staff of caseworkers and program managers help seniors or disabled persons live independently. They help families stabilize after coming to us from homelessness or domestic violence. And they help people succeed not just as tenants but as "parents, students, wage earners and builders of assets." THA also includes finance staff, accounting specialists, compliance officers, IT wizards, data and policy analysts, procurement specialists, human resources experts, clerks, and, perhaps most poignantly, receptionists who politely and respectfully welcome needy people who come seeking help that for the most part we are unable to provide because we are full. All of these staff do this work governed by numerous and exquisitely detailed rules and regulations as well as important if less precise community expectations. And they do it in five languages.

Me and my son and my boyfriend is living in a hotel. We can't save no money to move in apartment because its around 1250 dollars. Is there any way u can help?
- P
[email to THA, April 15, 2015]

This past year offered its full share of progress and challenges. Here is a sampling:

THA's EDUCATION PROJECT

It was a year of progress, re-assessment and planning for THA's Education Project. This project is THA's search for ways to spend a housing dollar, not just to house a needy family, but also to get two other things done: help their children succeed in school and improve the outcomes of the schools that serve low-income children. When it works it becomes a very good use of a housing dollar. We do this work in an innovative and ever maturing collaboration with Tacoma Public Schools, Tacoma Community College, the Bill & Melinda Gates Foundation, other funders, and nonprofit service partners. We are very fortunate to have such interested and capable partners. Here are some elements of the Education Project:

- **McCarver Elementary School Housing Assistance Project**

You may know that this project seeks to stabilize an elementary school that had more homeless children than any other school in the region, possibly the state. As a result, its student annual turnover rate ranged between 100% and 179%. The project has five parts:



- (1) *Housing*: we have committed housing dollars to the school to stabilize it. We do this with rental assistance to fifty homeless McCarver families whose 85 children constitute about 20% of the school;
- (2) *Parental Commitments*: We ask the cohort parents to make three commitments: to keep their children enrolled at McCarver; to participate actively in their education and in the school; and to invest in their own education and employment prospects;
- (3) *Supportive Services*: The program provides cohort parents with close supportive services to help them fulfill their commitments. Part of that support comes from two THA caseworkers stationed at the school;
- (4) *Tacoma School District Investment*: The Tacoma School District invested in the school to make it even more worthy of the commitment we ask the parents to make. For example, the school district has made the substantial investment to bring to McCarver the International Baccalaureate Primary Years Program. I am pleased to announce that this year McCarver received its full accreditation as an IB school (and it earned the accreditation on the first review, which is uncommon!)
- (5) *Third-party evaluation*: A third party evaluator, funded by the Bill & Melinda Gates Foundation, tracks and assesses an array of metrics. We are in our fourth year. The evaluation reports for the first four years are available by [clicking here](#). The results to date are encouraging with some challenges: the cohort children have increased their reading scores 22%, three times faster than comparable cohorts; by one reading measure 60% of them are reading on grade level, a 33% increase from the start of their participation; McCarver's annual mobility rate declined from what would have been 114% in the 2011-12 school year without THA's intervention to 82% at the end of the 2014-15 school year; the mean earned income of cohort families has doubled. However, the median income has not increased, largely because about a third of the families have made no income progress due to mental disability, alcohol and drug dependency, or domestic violence trauma.

Me and my boyfriend live together, I have a son that is a year old and we have been staying in a hotel now for about 5 months, I'm trying to get into an apartment but we can never come up with a security deposit. If u could email me back I'd appreciate it l.

Thank you!

- G

[email to THA, April; 1, 2015]

These results have allowed THA and Tacoma Public Schools to make two decisions this year: starting September of this year we turned the program at McCarver from a pilot to a regular offering of the school; starting next September we will begin its expansion to other elementary schools in Tacoma with ruinous student turnover rates because of family homelessness. In advance of the expansion, THA and TPS will spend this year adjusting the program model to account for what we have learned.

- **Tacoma Community College Housing Assistance Program**

Last year THA and Tacoma Community College (T.C.C.) began a pilot program to serve homeless enrolled T.C.C. students. T.C.C. has a student population of nearly 14,000 students. It is the largest post-secondary educational institution in



the South Puget Sound Region. In comparison with students of other institutions, T.C.C. students are older, lower income, more likely to be parents, more likely to be working and more likely to be the first in their family to attend college. 61% are women and 41% identify as a person of color. T.C.C. is justifiably proud of the warm welcome it gives to them all. A T.C.C. degree can transform their lives. On average, a student with a T.C.C. associate degree earns \$34,559 per year, 53.5% more than the average earnings of high school graduates.

Yet a worrisome number of these enrolled students are homeless or have very insecure housing. The lack of stable housing presents formidable barriers to academic success. The challenges are harder for homeless students who are also parents. Most homeless students drop out.

In September 2014, THA and T.C.C. launched a program with a pilot cohort of twenty-two homeless enrolled students. The participating cohort has an average age of 35, 10 years older than the average age among all T.C.C. students; 82% percent of the participating students are parents. The program has four parts:

- (1) *Rental Assistance During Enrollment:* THA provides rental assistance to T.C.C. students and dependents who are homeless or at imminent risk of homelessness. The assistance lasts for three years, or until graduation, whichever occurs first.
- (2) *Expectations of Student:* To remain eligible for the housing assistance, participating students must: (i) be enrolled in 12 or more academic credits and otherwise make adequate academic progress toward a degree (T.C.C. tracks the adequacy of the student's progress); (ii) maintain at least a 2.0 grade point average; (iii) participate in support workshops on topics such as financial literacy.
- (3) *Supportive Services:* T.C.C. provides students with comprehensive case management to help them navigate careers. Completion Coaches identify barriers and provide resources for these students. T.C.C. strives to build the cohort to provide its own peer-to-peer student support.
- (4) *Evaluation:* THA and T.C.C. will track and assess the following performance measures in comparison with unassisted homeless enrolled students and T.C.C. students generally: (i) grade point average; (ii) graduation rate; (iii) post-graduation earnings.

With only a year of data, outcomes are preliminary. But they are promising:

- 95% (21 out of 22) of participating students remain enrolled; in comparison, of the 146 eligible applicants the pilot program could not serve, only 24% (35 out of 146) remain enrolled;
- The average grade point average of the participating students is 3.05; the average grade point average of all T.C.C. students, homeless or housed, is 2.96.

THA and T.C.C. had thought we will need 3 years' worth of data to make some judgments about the model. With these encouraging results after one year, we are considering expanding the cohort early.

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- **Children's Savings Account Program**

Children Savings Accounts (CSAs) are long-term asset-building accounts for education purposes after high school. When low-to-moderate-income students have such accounts they are more likely to succeed in school and enroll in college than their peers without such accounts. They are more likely to graduate.

In the fall of 2015 THA and Tacoma Public Schools (TPS) launched a CSA Program for children who attend public school from THA's community of Salishan. Salishan is THA's largest community. It is a HOPE VI redevelopment. It is a mixed-



income neighborhood of renters and homeowners, community facilities, a regional primary health clinic, parks, an elementary school and a middle school next door, all on an award winning design. THA and TPS launch this in partnership with the Corporation for Enterprise Development (CFED) in Washington, D.C., the YMCA of Tacoma-Pierce County, Heritage Bank, the Urban Institute, and a growing number of funders.

THA and TPS designed the CSA program to help Salishan students, and their families, aspire to college, prepare for it, pay for it and feel they belong when they go. It will get unbanked families banked, with financial skills. It will knit the region's most diverse neighborhood together by eliciting and enlisting its shared hope and expectation that its children will graduate from high school and go to college. The CSA Program has four parts:

- (1) *Elementary School Stage:* When a Salishan student enrolls in elementary school, THA will offer a savings account in his or her name. THA will be the account custodian. THA will make an initial \$50 deposit into the account. THA will match the family's deposit into the account up to \$400 per year. This match will continue through 5th grade.



*

*

(2) *Middle School through High School Stage:*

When a student reaches 6th grade he or she and a counselor from the YMCA will devise an individualized plan to take the student through high school graduation and enrollment in college. The plan will set milestones along the way, generally of an academic nature. *E.g.:* improved attendance; improved grade point average; enrolling in Washington State's College Bound Scholarship Program; taking the PSAT, SAT and ACT; taking college preparatory courses; applying to college; filling out the FAFSA early; getting into college; graduating from high school, and starting college. Upon the student reaching each milestone, THA will deposit more money into the account, up to \$700 per year.



(3) *Financial Training:* TPS will knit financial literacy curricula into the school curricula. Parents will receive financial training in separate offerings.

A student who participates fully (with his or her family) will graduate from high school with an account balance of \$9,700. The program's contributions to that balance will then be available to the student only if and when he or she completes the journey and enrolls in a qualified education or training program after high school and then only for the costs of attendance. Washington State's College Bound Scholarship will pay for most tuition costs. Yet it is the non-tuition costs of attendance that defeat low-income students, including and especially the cost of housing. The CSA will help with that.

(4) *Third Party Evaluation:* THA has contracted with the Urban Institute to track and evaluate an array of performance measures, both middle term and long term.

THA has resolved not to launch a cohort unless it has the funds committed to see the cohort through the full journey to high school graduation. Fund raising is well underway. THA has the funds committed for the cohort launched this year and the one launching next year.

Click here to learn more about [THA's Education Project](#).

REAL ESTATE DEVELOPMENT:

Real estate development continues to be a THA preoccupation. Real estate development serves THA's mission to help neighborhoods become attractive places for low-income households to "live, work, attend school, shop and play" and to help Tacoma be a city that they experience as "safe, vibrant, prosperous, attractive and just."

This mission puts THA in the middle of an interesting policy discussion about poverty, the effects of place and neighborhood on a family's prospects to escape poverty, and the appropriate use of a housing dollar to make it happen. Broadly, the discussion recognizes two different strategies.

One strategy would spend housing dollars to help families escape their poor neighborhoods and find themselves better ones with better schools. That in fact is how THA and most housing authorities spend the vast majority of their money. They spend it in the form of rental assistance that helps families rent housing in a broader part of the market than they could otherwise afford.

Hey my names B. & I'm looking for help asap I don't know what to do or where to turn. I have no place to stay and have no cash for a place to rent . . . I'm 19 years old and I have a lil bit of mental health with anxiety attacks ,being in a social group I get very closterfobic, I have PTSD I get bad flash backs, & I also have bad health ... So it don't help that I have no help at all and I'm staying in a rent outside and the weather is very bad condition and I don't have very many things no clothes or stuff to clean up and shower with. I'm very in a bad state of mind with this whole homeless thing I hope to hear from you with maybe some sort of good news.

Thank you & god bless

- B

[email to THA November 4, 2015]

The value of this strategy received some emphasis this year because of three developments, one academic and two legal in nature. In May, two economist, Raj Chetty and Nathaniel Hendren, published a study to add to the extensive research literature on this topic: *The Impacts of Neighborhoods on Intergenerational Mobility: Childhood Exposure Effects and County-Level Estimates*. This study, reviewing more extensive data than previous studies, finds that children who move from poor neighborhoods to higher income ones earn more as adults. The earlier they move, the better the outcomes. Also this year, the U.S. Supreme Court confirmed what most courts have long held: that the Fair Housing Act recognizes challenges to practices or policies that have unintended discriminatory effects. The court did this in a case called *Texas Department of Housing and Community Affairs et al. v. Inclusive Communities Project, Inc.* The plaintiffs in that case challenged the Texas allocation of tax credits to build housing for low-income people in a poor neighborhood. They asserted that the Texas tax credit agency allocated too many

tax credits in neighborhoods that are predominantly African-American and not enough in predominantly white suburbs, thereby having the effect of perpetuating racial segregation. Finally, in July HUD issued its new rule defining the statutory obligation under the Fair Housing Act to “affirmatively further fair housing” In this new rule, HUD emphasized the need to examine the integrating and segregating effects of housing practices.

This new rule, the Chetty/Hendren study and the Supreme Court case have been understood, or misunderstood, to discount the importance of other, “place based”, strategies to improve low-income neighborhoods and schools, and the lives of their residents who cannot or do not wish to move. Yet, all three in fact leave wide room for such strategies.

The Chetty/Hendren study, for example, concludes that a child’s exposure to better neighborhoods produces better outcomes. There are two ways to do this: move to a better neighborhood or improve the present neighborhood. The study does not discuss the relative effects of one strategy over another. The research does not suggest that poor families need to move, but only that their neighborhoods need to be safer and need better access to better housing, education, and jobs. The court also emphasized that the law will not penalize

programs or developers who “encourage revitalizing dilapidated housing in our Nation’s cities merely because some other priority might seem preferable. . . does not put housing authorities and private developers in a double bind of liability, subject to suit whether they choose to rejuvenate a city core or to promote new low-income housing in suburban communities.” Similarly, HUD’s new rule acknowledges that “affirmatively furthering fair housing” includes “[t]argeted investment in neighborhood revitalization or stabilization; preservation or rehabilitation of existing affordable housing; promoting greater housing choice within or outside of areas of concentrated poverty and greater access to areas of high opportunity; and improving community assets such as quality schools, employment, and transportation.” The rule’s main contribution may be to help local communities choose its strategies with better data and planning.

THA understands all this to mean that both mobility and “placed based” strategies are necessary. Helping low-income families move to better neighborhoods is important. That is how THA spends most of its housing dollars -

My name is L. I am attempting to find out if there are openings on the list for section 8/housing. I am currently 7 months pregnant and homeless. I am staying with friends at this time but would really like to secure a permanent residence before my daughter is born. If you have any information please contact me at xxx-xxx-xxxx.

L.

[email to THA, March 26, 2015]

\$35 million a year in rent payments to private landlords - through rental assistance programs. We use GPS tools to track where they live. This allows us to assess the extent of their economic, racial and linguistic integration or segregation within Tacoma's housing market. Our new contract with the Urban Institute will further allow us to link that distribution to income and child outcomes.

Yet there are limits to this mobility strategy. **First**, not all families wish to move. They may have important family and cultural ties to a neighborhood despite its poverty. Sometimes home is home, no matter what. **Second**, we do not have enough money to help all families on our program to move in this way even if such moves resulted in better outcomes for all of them and all of their children. Helping families move to better neighborhoods of higher opportunity means moving to higher rent areas. This requires higher voucher values. We could increase the value of our vouchers to make them even more usable in more such areas. Doing so, however, means we would serve fewer households. This would consign other poor households in greater numbers to longer waits on our waiting lists or to the increasing prospect that they will never get on those waiting lists. The question would then force us to decide whose fair housing would we be "furthering" and whose we would be hindering.



And then there is this hard and inescapable fact: even if every household with a THA housing voucher moved to "better neighborhoods" and even if we further assumed that by doing so they bettered their life outcomes and those of their children, they would leave behind the vast majority of low-income households and children in the old neighborhoods.

THA understands then that we must also have a companion strategy to improve those neighborhoods, and their schools. This is what THA seeks to do with its real estate development work and its Education Project. THA invests in neighborhoods and schools that need the investment. It seeks to do a good job that would embolden other people to invest, so the neighborhood prospers. THA's job is to help ensure that when a neighborhood develops it does so equitably and retains room and opportunity in it for households of all incomes, races, languages and compositions. Here are some examples of this work from 2015:

- **New Salishan**

Developing New Salishan has been THA's preoccupation for the past decade. It took everything THA had. There are THA staff who threw their hearts, lives and marriages into this project. We tore down and rebuilt nearly 200 urban acres in a \$300 million investment that recouped decades of under-investment of both public and private dollars in East Tacoma. We are nearing its completion with some notable elements still to finish. I reported last year that we completed the sale of our remaining finished lots to D.R. Horton, the nation's largest homebuilder. Since then D.R. Horton has continued its fast pace of construction. It may be done next year! Its homes are well built and nicely suited to THA's design. D.R. Horton is also successfully fulfilling its commitment to sell 25% of its homes to low-income families at prices affordable with a responsible mortgage. The remaining parts of the Salishan commercial core remain stalled. And we have some remaining acreage to sell or develop.



As a community, Salishan is doing well. It is the region's most diverse neighborhood by factors that in other parts of the market are segregating factors. At Salishan they are integrating factors: homeowner/renter, income, race, language, national origin, ethnicity, age, and ability/ disability. The challenge and the charm of Salishan is to help its residents

live across those lines. One measure of its success is the sale of the single-family homes. This year THA commissioned a study of the Salishan home sales market in comparison with other parts of the Tacoma market. The study found that Salishan's home sales have fully recovered from the recession and have improved relative to its pre-recession prices better than all other Tacoma markets except one. That is an encouraging sign of community health and confidence.

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Hi, my name is Y. I am in desperate need of an emergency rent voucher. I have a 5 yr old daughter, I live in a complex that accepts section 8, however I do not have section 8 but I know i qualify. I start a new job on the 10th and will be more able to pay my rent after I start there. But right now I'm panicking about my rent that needs to be paid today before the late fee hits tomorrow.

- Y.

[email to THA, May 5, 2015]

- **Tacoma's Hilltop**

THA is continuing its investment in the Hilltop, one of Tacoma's oldest neighborhoods, in recent decades its poorest and most racially diverse, and presently its fastest changing. THA thinks Tacoma and the Hilltop in particular are the housing bargains of the West Coast. After decades of disappointed expectations, the Hilltop seems set to blossom. It is about to get a light rail line linking it to downtown Tacoma. Its job opportunities are anchored by two large hospitals, large regional health clinics, and just down the hill, governmental services and the growing campus of the University of Washington Tacoma. THA commissioned an interesting employment survey. It found that there are more than 10,000 jobs on the Hilltop or within easy reach. Yet, fewer than 500 Hilltop residents hold those jobs. The development challenge is get more of those jobholders who work on the Hilltop also to live there, walk there, shop there, eat there and play there. This untapped development potential is starting to show. Rents are rising. The social justice challenge is to get more of Hilltop's present residents into those jobs and help ensure that when the Hilltop develops, it does so equitably. If we do not do this right then in fifteen years the only affordable housing in the Hilltop may be what we now succeed in building and buying. To see what can happen if a city does it wrong all we need do is look at what has happened to Seattle.



For these reasons, THA is buying properties along the new light rail line. Last Thanksgiving I was pleased to report that we cut the ribbon on Bay Terrace Phase 1 on the Hilltop not too far from the light rail route. It has 70 units of affordable housing in a mix of townhomes and a mid-rise apartment building amid green space, a hill climb and a community building. That community building hosts the Tacoma School District's first HeadStart classroom outside a school building. This year I am pleased to report that we have assembled the financing for Bay Terrace Phase 2. Construction should start something after the new year.



- **Prairie Oaks Permanent Support Housing For Homeless Families With Children**

This year we cut the ribbon on Prairie Oaks Apartments in Lakewood, a city south of Tacoma. This project provides 15 apartments of permanent supportive housing for homeless families with a disabled person, plus community space and office space for our service partner, LASA (Living Access Support Alliance). This project is notable. It is THA's first development outside the City of Tacoma. That makes sense because THA draws nearly half its housing customers from outside

Tacoma. Serving them in their own community is better for them and for their community. Prairie Oaks is also our first project developing land owned by another organization. LASA owns this land but needed a partner with a development capacity. THA was pleased to do this for two reasons. **First**, LASA is a sister social justice agency that shares THA's mission. **Second**, doing so allows THA to earn a developer fee that supports our other work. We are now discussing with other nonprofits doing such development for them. Congressman Denny Heck helped us cut the ribbon on Prairie Oaks in a ceremony that reminded us why we do this work.

My family and I are in need of a home. We are currently living in my mom's house. I am a single mom of 3 kids. My eldest son is disabled and in a wheelchair. We live in 3 bedroom house with 3 other adults. My boys share a room and my daughter and I sleep in the garage. Can you please lead me to the correct department if there is help available.

- D.

[email to THA, January 27, 2015]

- **Property Purchases**

THA also purchased an apartment complex of 49 units in West Tacoma. We did that for several reasons. **First**, it is in a part of town where we judge that rising rents will make our vouchers less usable. When that happens, the only sure way to make it accessible to our voucher holders is to buy property. **Second**, we do not own any property in that part of town. This helps to spread out our portfolio. We also hope to earn money. More generally and more often, we consider how purchasing existing housing is much less expensive per unit than new construction.

- **Big Fix-Up of THA's Entire Portfolio: "RAD"**

Perhaps the biggest real estate development news of 2015 is what we are doing to keep our portfolio financially stable and in good shape. We have assembled \$40 million in financing for a portfolio-wide fix up. The financing is largely from tax credit equity and commercial debt. We do this as part of a comprehensive refinancing under HUD's Rental Assistance Demonstration (RAD) program. This will have us trade in our public

housing financing for section 8 financing. We do this for several reasons. **First**, it is a way to finance the fix up with dollars from private sources. **Second**, although under the terms of RAD we do not necessarily get more ongoing financing from HUD for operations, we judge that the section 8 dollars are politically more stable than the public housing dollars. **Third**, it allows us to escape the regulatory burden that comes with the public housing program. **Fourth**, this conversion should not affect our residents except for greatly improving the condition of their homes.

We do this with some misgiving. Tax credit and debt financing has its costs. Also, by some lights, RAD is part of the increasing privatization of public housing. When we are done, for example, tax credit partnerships and investors will own our entire portfolio. While THA will be their managing member and we have adequately assured the portfolio's long-term affordability, we recognize in RAD an acknowledge-

ment that Congress has underfunded the public housing program for decades in both its capital and operating costs and that this underfunding will likely continue for as long as we must plan. We think this acknowledgement is correct, but it still feels like a surrender of a national commitment to an important mission that we may regret.

Hello, my name is T. & I was interested in seeing about applying for low income housing or help with rent. The lowest going rates on apartments I've been able to find within Tacoma are still about 80% of what I make a month, & I have two jobs. Thank you for your time & information.

- T.

[email to THA May 28, 2015]

SOME MATTERS OF ADMINISTRATION, RESEARCH AND EVALUATION

- **THA's Reorganization**

This year THA reorganized in ways that, we hope, emphasize important parts of our work and make us better at it. **First**, we separated property management into its own department. This will allow a better focus on that critical job. **Second**, we combined lease and rental assistance programs and supportive services into a new department of client services. That should allow for better coordination among those functions. **Third**, we created a new department of policy, evaluation and innovation. This is where THA will envision its own future and new ways to do our work. For example, this is where the new initiatives of the Education Project will emerge.

- **Research and Evaluation Capacity with the Urban Institute**

This year, THA, with the Seattle Housing Authority, King County Housing Authority and Home Forward (Portland) signed a contract with the Urban Institute. The Urban Institute will provide us with: (i) research literature searches pertinent to our policy choices and turn that research into English; (ii) help in designing programs; (iii) third party evaluation of program outcomes. The four housing authorities do this together because they all have a similar understanding of their mission and they face similar questions and policy puzzles. Importantly, they are all Moving to Work (MTW) housing authorities. In that way, they share a flexible ability to answer these questions and puzzles as the data may suggest. Doing this together will also help us share costs. We hope this partnership with the Urban Institute will transform how we work and tie us more tightly to data. We recognize that research and program evaluation are their own expertise that we do not possess as we need. We also know that this expertise is expensive. We are excited about our contract. We remain worried about our ability to afford it.

- **Software Conversion**

THA is well underway with its software conversion. You may know that such an experience is not something anyone would wish on themselves or their friends. Yet it can be essential. In THA's case, our vendor stopped supporting our software. I mention all this because our choice of new software is revealing about THA and its approach to its work. The safe choice of new software would have been one of the off-

the-shelf products designed for the public housing industry. It would have done perhaps 75% of what we need. Yet it would have left unaddressed some of our most important needs for efficiency and program innovation. We would have had to tailor our goals to the software's limitations. Instead, we need software to follow our aspirations, and help get them done. For this reason, we decided to build what we need using Salesforce. If you are familiar with Salesforce you will know of its flexibility. This was the ambitious choice. It was driven by our ambitions. It was ambitious because we now need to build this ourselves (using consultants). The choice was an occasion for THA to consult its ambitions and its willingness to bet on its capacity. If it works, we will be much better for it. If it all goes bust, you may read about us in the newspapers.

Dear section 8, I'm reaching out to you for help. I'm a single mom of 4 wonderful kids. Also I take care of my nephew and mother. But I struggle. I'm strong but can't do it all alone I need help. Please get back to me as soon as you can. Thanks

- D.

[email to THA, October 22, 2104]

IN CLOSING

The year had its other reflective moments. THA opened its waiting list for rental assistance. In ten days our web site received about 10,000 applications. From that number, we conducted a lottery to choose 1,200 lucky households. Telling the other 8,800 applicants the bad news was sobering. The two groups are indistinguishable by any factor that should matter. They are the same in income, race, language, national origin, family composition, age and ability and disability.

I am a single mom of a 17 year old. We have been homeless going on 9 months now. We have bounced from home to home. I am having a hard time finding any housing for us with my limited income. My income is disability and some child support. We would like Tacoma area, because my son goes to Lincoln HS. Are you able to help us find housing please?

- J.

[email to THA, April 8, 2015]

Another reflective moment occurred in June. We all read of the murders at the Mother Emanuel African Methodist Episcopal Church in Charleston. The victims included Mrs. Cynthia G. Hurd. Among her many gifts to her community, she was a Commissioner of the Charleston Housing Authority. Stan Rumbaugh, the Chair of THA's Board of Commissioners, wrote to his counterpart at the Charleston Housing Authority conveying THA's condolences. Stan wrote:

“On behalf of the Board of Commissioners of the Tacoma Housing Authority, I write in sadness and solidarity to let you know that we are thinking of you. We do not know each other, and we are far away. Yet from across the country we can recognize in you, the Charleston Housing Authority, and in Mrs. Hurd, a mission like our own. We engage in the same struggle to overcome the same history, and hold the same faith that this housing work we all share is part of that struggle, and critical to its chances.”

Finally, in August, THA celebrated its 75th birthday. We hosted a bit of a party as part of the Hilltop Street Fair. That too was a chance to stop and think about THA and its work. We had help on the occasion from Senator Patty Murray, Tacoma Mayor Marilyn Strickland, Congressman Denny Heck, State Senator Jeannie Darneille, Superintendent of Tacoma Schools Carla Santorno and Lisa Miller, a former resident of Salishan who spoke eloquently about what that community meant to her and her children. Master of Ceremonies was Lyle Quasim – who has served in a full range of this social justice work –longest serving Secretary of the Washington Department of Social and Health Services, director of its Mental Health Division, Deputy Pierce County Executive, President of Bates Technical College and Chair of the Tacoma-Pierce County Black Collective. In the

audience were many of our community partners. It reminded us that we do not do this hard work alone. We are grateful to you for that.

On behalf of THA's Board of Commissioners and staff, we hope your holidays are peaceful and meaningful.

Michael

Michael Mirra

Executive Director

Tacoma Housing Authority

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"Housing Tacoma Forward"



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,510,617 for the month of November, 2015.

Approved: December 16, 2015

Stanley Rumbaugh, Chairperson

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of November 2015

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,824	- 2,829	1,015	
Accounts Payable Checks	Check #'s	86,178	- 86,366		
Business Support Center				364,774	Program Support
Moving To Work Support Center				255,905	
Tax Credit Program Support Center				4,072	
Section 8 Programs				165,044	Section 8 Operations
SF Non-Assisted Housing - N. Shirley				401	Local Funds
SF Non-Assist Housing - 9SF Homes				26,184	
Salishan 7				22,486	
Salishan Developer Fee				610	Development
AG Hsg Recovery Grant				6,061	
Development Activity				12,430	
Bay Terrace II				91,082	
Hillside Terrace 1800 Court G Development				101	
THA RAD Project				221,269	Community Service
CS General Business Activities				80	
SAFE				1,395	
Community Services MTW Fund				1,701	
Gates Ed Proj Grant				64	
WA Families Fund				158	
COT-CDBG-FSS Grant				30	
Pierce Co. 2163 Funds				83	
WA Families Fund - Systems Innovation				180	
COT-McCarver Grant				94	
AMP 1 - No K, So M, No G				48,494	Public Housing
AMP 2 - Fawcett, Wright, 6th Ave				37,321	
AMP 3 - Lawrence, Orchard, Stevens				13,635	
AMP 6 - Scattered Sites				1,288	
AMP 7 - HT 1 - Subsidy				4,961	
AMP 8 - HT 2 - Subsidy				2,052	
AMP 9 - HT 1500 - Subsidy				1,121	
AMP 10 - SAL 1 - Subsidy				11,457	
AMP 11 - SAL 2 - Subsidy				12,184	
AMP 12 - SAL 3 - Subsidy				9,170	
AMP 13 - SAL 4 - Subsidy				11,731	
AMP 14 - SAL 5 - Subsidy				13,228	
AMP 15 - SAL 6 - Subsidy				12,690	
AMP 16 - Bay Terrace - Subsidy				22,351	
Allocation Fund				76,425	Allocations-All Programs
THA SUBTOTAL				1,453,326	
Hillside Terrace 1 through 1500				3,660	Tax Credit Projects - billable
Bay Terrace				1,020	
Salishan I - through Salishan 6				23,061	
Salishan Association - Operations				-	
TAX CREDIT SUBTOTAL (Operations - billable)				27,741	1,481,067
Section 8 Checking Account (HAP Payments)					
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	481,671	- 481,684	10,276	
	ACH	85,527	- 86,892	2,403,866	\$ 2,414,142
Payroll & Payroll Fees - ADP					\$ 615,408
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 4,510,617



TACOMA HOUSING AUTHORITY

Date: December 16, 2015

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

The next financial report presentation will be in February, 2016 where financials for December 31st will be reviewed, which is the final report of the Fiscal Year. To date, THA remains in good shape financially. There are no areas of concern that need to be addressed. Tacoma Housing Authority's (THA's) Rental Assistance Demonstration (RAD) conversion costs keep evolving, but costs are fitting within THA's existing budget. At the end of the year, there will be no remaining Housing Assistance Program (HAP) funds at HUD.

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

Finance is submitting the Mid-Year 2015 budget as the starting budget for 2016. This has been previously discussed with both the Finance Committee and the entire Board. Lack of clarity on timing and impact of the RAD conversion; the lingering Moving to Work (MTW) negotiations; finalizing staffing changes due to RAD and the reorganization; along with just recently learning potential funding levels for 2016 factored into this decision. The full budget process will occur the first half of 2016 and presented to the Board by June of 2016.

5. YEAR END CLOSING UPDATE

No update at this time.

TACOMA HOUSING AUTHORITY

CASH POSITION - November 2015

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 2,335,506	0.40%
Section 8 Checking	4,522,128	0.40%
THA Affordable Housing Proceeds	3,114,204	0.40%
Note Fund Account	100	0.40%
Credit Card Receipts	100	0.40%
THA Investment Pool	289	0.40%
THA LIPH Security Deposits	91,559	0.40%
THDG - Tacoma Housing Development Group	158,665	0.40%
LF - SF 9Homes Alaska	4,834	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	2,759	0.40%
LF - SFH No. Shirley	33,249	0.40%
LF - SFH N Shirley Security Deposit Acct	1,003	0.40%
Salishan 7	1,049,793	0.40%
Salishan 7 Security Deposit	26,974	0.40%
Salishan 7 Replacement Reserve	151,770	0.40%
Salishan 7 Operating Reserve	199,116	0.40%
Outrigger Operations	31,914	0.40%
Outrigger Security Deposit	19,917	0.40%
Outrigger Replacement Reserve	3,676	0.40%
Prairie Oaks Operations	8,011	0.40%
Prairie Oaks Security Deposit	2,802	0.40%
Prairie Oaks Replacement Reserve	1,276	0.40%
Payroll Account	8,597	0.40%
General Fund Money Market	538,606	0.40%
WASHINGTON STATE		
Investment Pool	\$ 1,629,819	0.12%
1. TOTAL THA CASH BALANCE	\$ 13,936,669	
Less:		
2. Total MTW Cash Balance	\$ 3,210,511	
<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)	\$ 1,344,511	
<i>MTW Reserve Commitments</i>		
3.01 2nd Phase Hillside Terrace Redevelopment	\$ 1,846,672	
3.02 Renovation/Remodel of 2nd Floor of Admin Building	295,063	
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)	832,974	
3.07 Education Projects - McCarver & Others	310,000	
3.08 Exigent Health & Safety Issues (Meth Remediation)	0	
3.10 Total Reserve Commitments (Lines 3.01 through 3.08)	\$ 5,950,709	

TACOMA HOUSING AUTHORITY

CASH POSITION - November 2015

MTW Cash Held By HUD			
3.11 Undisbursed HAP Reserves Held by HUD		\$	579,831
3.20 Total MTW Cash Held By HUD		\$	579,831
4. Non MTW Cash Restrictions			
<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	101,810	
4.02 VASH, FUP & NED HAP Reserves		239,837	
4.03 Mod Rehab Operating Reserves		140,350	
4.04 Security Deposit Accounts		145,804	
4.05 Salishan Sound Families - 608		51,366	
4.06 Gates Foundation - 615, 616, 617		457,699	
4.07 WA Families Fund - 675, 676, 713		41,836	
4.08 Outrigger Reserves		3,676	
4.09 Salishan 7 Reserves		775,886	
4.10 Prairie Oaks Reserves		1,276	
4.11 THDG - 048		158,665	
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,114,204	
4.20 Total - Other Restrictions		\$	5,443,809
<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)		\$	5,790,485
6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)		\$	4,935,673
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 will be reimbursed upon closing			
Bay Terrace 2 Development		\$	1,073,000
RAD Conversion - Renew Tacoma		\$	728,000
Total Agency Advances		\$	1,801,000



TACOMA HOUSING AUTHORITY

ADMINISTRATION



TACOMA HOUSING AUTHORITY

DATE: December 16, 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

RAD will enable Tacoma Housing Authority (THA) to fix up the entire portfolio. It will allow the agency to invest \$40 million in improvements to all of the units at THA properties, as well as building systems, community rooms and grounds, and install energy saving measures. RAD will make THA's operation of the portfolio more financially sustainable with the more stable Section 8 rent subsidy. RAD will improve the living environment for THA residents, as well as improve the neighborhoods where the properties are located.

The sources of funding for the portfolio include a \$45 million construction loan from Citi Bank, converting to a \$19 million in permanent loan, \$31 million in tax credit equity from Royal Bank of Canada (RBC), and \$39 million in sponsor financing. THA will lease the seven senior buildings, Dixon Village and Bergerson Terrace to the tax credit partnership Renew Tacoma Housing LLLP.

The Renew Tacoma Housing LLLP financing will generate \$19 million in proceeds to THA. These funds will be used to invest \$9 million in the existing tax credit portfolio (Salishan, Hillside, Bay Terrace) over the next five years, as well as back filling Moving to Work (MTW) and making improvements to the newly acquired New Look and Outrigger apartments. These funds can also be used to invest in new developments.

A presentation is attached to this Board report for additional detail about the transaction.

Resolution 2015-12-16 (8) authorizes THA to issue the tax exempt bonds for the financing from Citi Bank and Resolution 2015-12-16 (9) authorizes THA's Executive Director to execute all other documents related to the RAD transaction for Renew Tacoma Housing LLLP.

2. SECTION 32 APPLICATION – SALE OF SINGLE FAMILY HOMES

Housing and Urban Development (HUD) has approved THA's application to sell the 34 public housing scattered site single family homes. THA issued a Request for Proposal (RFP) for an agency to assist THA in selling these homes to low-income families. Homesight was the successful bidder and will provide financial and homeownership counseling and education to families, and introduce them to financing opportunities. Real Estate Development (RED) will oversee the rehabilitation of the homes. The existing tenants will be offered the opportunity to purchase the homes. If they do not purchase, they will be provided a tenant based Section 8 voucher and be relocated. The re-sale of the homes will be limited for the first five years with recapture and anti-speculation provisions. THA expects to net approximately \$3 million from the sale of the homes, after the rehabilitation and fees are paid.

Resolution 2015-12-16 (7) authorizes THA's Executive Director to execute the contract with Homesight for assistance implementing the sale of the 34 public housing scattered site single family homes owned by THA.

THA'S PORTFOLIO REFINANCING AND FIX-UP: Rental Assistance Demonstration (RAD)

December 16, 2015



12/16/2015

THA's Strategic Directives

THA's VISION

THA envisions a future where everyone has an affordable, safe and nurturing home, where neighborhoods are attractive places to live, work, attend school, shop and play, and where everyone has the support they need to succeed as parents, students, wage earners and neighbors.

THA's MISSION

THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just.

THA's Strategic Objectives

HOUSING AND SUPPORTIVE SERVICE

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.

HOUSING AND REAL ESTATE DEVELOPMENT

THA will efficiently develop housing and properties that serve primarily families and individuals unable to find the affordable and supportive housing they need. Its work will promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.

PROPERTY MANAGEMENT

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

THA Strategic Objectives [... continued]

FINANCIALLY SUSTAINABLE OPERATIONS

THA seeks to be more financially self-sustaining.

ENVIRONMENTAL RESPONSIBILITY

THA will develop and operate its properties in a way that preserves and protects natural resources.

ADVOCACY AND PUBLIC EDUCATION

THA will advocate for the value of its work and for the interests of the people it serves. It will be a resource for high quality advice, data and information on housing, community development, and related topics. THA will do this work at the local, state and national levels.

ADMINISTRATION

THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.

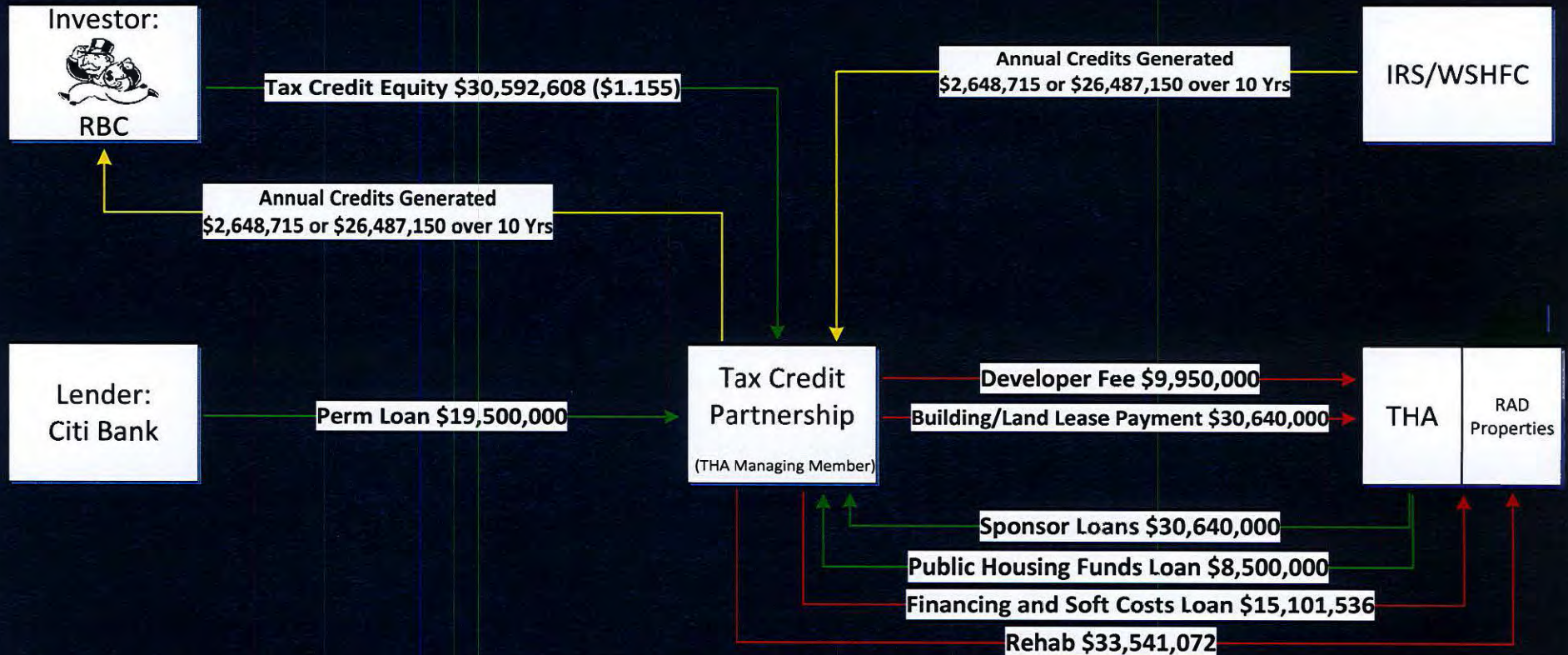
9 RAD Objectives

- RAD will fix up the entire portfolio. This \$40 million fix up will address the portfolio's capital needs for the next 20 years, and provide sufficient reserves for this period.
- RAD will help preserve THA's MTW flexibility, even with the new MTW contract.
- In forsaking public housing funding, THA bets on the greater political stability of Section 8 funding.
- We will free ourselves of public housing regulation.
- The RAD refinancing will net THA \$19 million in non-MTW proceeds, with few restrictions and free of the threat of recapture by HUD. THA will need this money.

9 RAD Objectives [. . . continued]

- In addition to the \$19 million in net proceeds, through 2060 the deal will generate \$39 million in loans receivable to THA, plus interest, for a total of \$96 million. (Payment depends on property performance.)
- The deal will benefit residents by fixing up their housing. They will experience the disruption of construction. Rents and tenant rights will remain the same unless changed for other reasons, such as rent reform.
- This \$40 million refinancing will further THA's investment in Tacoma and its neighborhoods.
- Environment: The fix up will add LED lighting, energy efficient toilets, water saving measures, and increased recycling throughout the portfolio.

The Big Picture



Lease Payment	\$ 30,640,000
Financing/Soft Cost	\$ 15,101,537
Developer Fee	\$ 9,950,000
Rehab	\$ 33,541,072
TOTAL	\$ 89,232,608

Tax Credit Equity	\$ 30,592,608
Perm Loan	\$ 19,500,000
Sponsor Loans	\$ 30,640,000
PH Funds Loan	\$ 8,500,000
TOTAL	\$ 89,232,608

THA Projected Proceeds

8 Year RAD Cash Returning to Agency

	2016	2017	2018	2019	2020	2021	2022	2023	8-Year Total
Developer Fee	2,000,000	1,000,000	6,950,000						9,950,000
Cash Flow During Construction		1,386,393	1,386,393						2,772,786
Capitalized Interest Payment			2,957,369						2,957,369
THA Bond Issuance Payment			675,000						675,000
Return of Reserves				530,000	530,000	530,000	530,000	530,000	2,650,000
THA RAD Proceeds	2,000,000	2,386,393	11,968,762	530,000	530,000	530,000	530,000	530,000	19,005,155

Future Payments on THA Notes (principal plus interest)

	2021-2030	2031-2040	2041-2050	2051-2060	40 year Total
Cash Flow Payments on A+B Notes	12,995,737	18,887,143	24,565,188	670,306	57,118,374
Cash Flow Payments on C Note				39,270,052	39,270,052
Future Projected Cash Flow	12,995,737	18,887,143	24,565,188	39,940,358	96,388,426

THA Projected Uses

8 Year RAD Cash Returning to Agency

	2016	2017	2018	2019	2020	2021	2022	2023	8-Year Total
THA RAD Proceeds	2,000,000	2,386,393	11,968,762	530,000	530,000	530,000	530,000	530,000	19,005,155

Potential THA Uses/Needs

	2016	2017	2018	2019	2020	2021	2022	2023	8-Year Total
Tax Credit Portfolio "Fix Up"	1,844,926	1,844,926	1,844,926	1,844,926	1,844,926				9,224,630
RAD Conversion Operations	711,662	711,662							1,423,323
Bay Terrace Phase II	1,000,000								1,000,000
Outrigger Improvements	450,000								450,000
New Look	300,000								300,000
MTW Backfill	1,750,000	2,500,000	2,500,000						6,750,000
Total Estimated Expenses	6,056,588	5,056,588	4,344,926						15,458,101



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: December 16, 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. Client Services Director Comment

The memorandum outlining our proposed reorganization of the Community Services Division is attached. The memo was also included in the November BOC packet, but we were unable to review it at that meeting. We look forward to the Board's questions and comments.

The Community Services and Rental Assistance Divisions are both in the process of hiring new Program Managers. In Community Services, we are recruiting to fill a vacant position. In Rental Assistance, we are recruiting for a new position. In each case, we expect to complete the hiring process in December and to be able to introduce our new Managers to the Board in January.

3. Community Services—By: Mia Navarro, Community Services Division

3.1 Number of People and Households Served

Program Entries, Exits, and Unduplicated Number of Households Served

November 2015	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
General Programs				
Case Staffing	3	12	32	113
Families in Transition (FIT)	1	0	22	38
Family Self Sufficiency (FSS)	3	1	122	128
General Services	14	11	40	167
Hardship	0	0	4	28
Housing Opportunity Program (HOP) Case Management	3	2	11	43
Education Project				
Children's Savings Account (CSA) K – 5 th Grade Stage	0	0	14	14
CSA 6 th – 12 th Grade Stage	0	0	13	13
McCarver*	0	0	33	39
Senior & Disabled				
Senior & Disabled	67	68	100	191
DEPARTMENT TOTAL	91	94	391	774

**See Rental Assistance Report.*

3.2 Client Stories/Program Updates

3.2.1 Education Project

Client Services (CS) is pleased to announce that it will be reopening the McCarver program in order to refill the program to 50 families. CS anticipates making applications available on Tuesday December 15th. Applications will be reviewed the week of January 4th, and interviews will take place immediately following. Once families are accepted into the program and pass all necessary background checks and income verifications, they will be issued a voucher. They have up to 90 days to find a unit and sign a lease. CS plans to partner with the Landlord Liaison Project to assist with the lease up process. CS will also begin the process of redesigning the program based on the results of the four annual evaluations CS has to date, and upon research assistance from the Urban Institute. CS expects to complete the redesign in late spring 2016, and expand the Special Housing program to additional schools in the fall.

3.2.2 General Services

Senior and Disabled Buildings Update

The senior and disabled buildings were very busy during the month of November. About 50 Tacoma Housing Authority (THA) seniors participated in the Lobstershop Thanksgiving dinner. The seniors had a beautiful time at a beautiful restaurant. In an effort to make sure that young disabled residents had an opportunity to feast on Thanksgiving, THA partnered with Mercy Housing to offer a dinner to all THA residents in the senior and disabled buildings. Around 25 THA residents participated in this dinner which included various vendors and dancing. THA community services offered transportation for both events.

In health news, State Health Insurance Benefits Advisors (SHIBA) and THA partnered to bring education regarding Medicare and open enrollment to THA buildings. SHIBA informed THA residents that they would block off a time-slot for advisors to serve THA residents specifically. Many folks did get information on benefits checks. SHIBA and THA continue to work together to make next year's open enrollment even more successful, possibly to include sign-up sheets for appointments and transportation for THA residents. November was Diabetes awareness month and a few residents participated in the Diabetes health party at Mercy Housing on November 12, 2015. SAFE representatives focused on

diabetes education and the importance of diet, exercise, and routine medical check-ups.

Family Self-Sufficiency (FSS) Program Success Story

When C. attended the Housing Opportunity Program (HOP) orientation, and heard about the FSS program, the "opportunity to earn as you learn," she knew it would be a good fit for her. She moved into her new home in December, 2013. Once she got settled, she made arrangements to attend the FSS orientation in February, 2015. During the intake interview, she shared the difficulties of being a single parent, being a role model for her children and the unhealthy influence of peers in her past. As C. acknowledged her past and explained my role as her caseworker, to offer support and resources to change her future, she gleamed. But when C. heard that her success is so important to us that it is part of our mission statement to help her succeed as a parent, neighbor, and living wage earner, her eyes welled up with tears.

Since enrolling in the program, C. has increased her earned income by 97 percent. At our last appointment, she was delighted to share that she passed the state board examination to be a Licensed Practical Nurse (LPN). When her case worker told her she was going to be our next "success story," she mentioned that she and her family were featured in the following news story.

<http://www.thenewstribune.com/news/local/news-columns-blogs/larry-larue/article31853259.html>

4. Rental Assistance and Leasing—By: Julie LaRocque, Rental Assistance Division

Housing Choice Voucher utilization is reported at 99.89% for the month of November, 2015. Rental Assistance has begun pulling names from the 2015 Housing Opportunity Program (HOP) waiting list and issuing HOP vouchers.

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

Program Name	Units Allocated	Units Leased and Shoppers
VASH (Veterans Administration Supportive Housing)	177	160
NED (Non Elderly Disabled) Vouchers	100	91
FUP (Family Unification Program)	50	44
McCarver Program	50	32*
CHAP (College Housing Assistance Program)	25	22

Program Name	Units Allocated	Units Leased and Shoppers
CHOP (Child Welfare Housing Opportunity Program)	20	16
TOTAL	422	365

** 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	21
Salishan 1-7	340	330
Tyler Square	15	14
TOTAL	696	670



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

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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
<ul style="list-style-type: none">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.		
		Urban Institute, Regional HAs, Gates Foundation, Greater Tacoma Community Foundation, CFED, Tacoma Public Schools. Possible participation in Collective Action/Integrated Services Site.

Plan to Reorganize Community Services

November 13, 2015

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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.

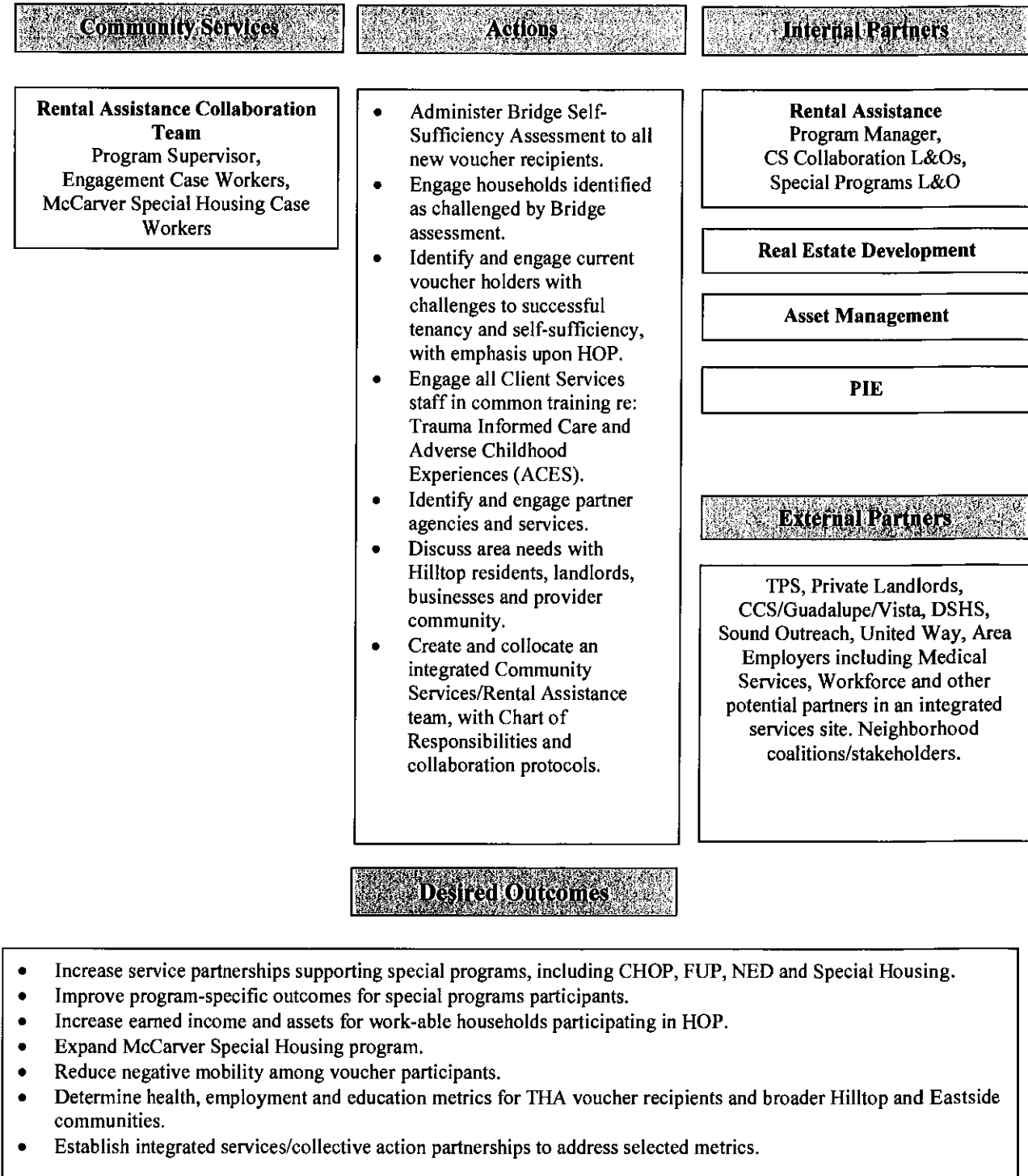
There is one other feature of note. As the chart below indicates, the McCarver Special Housing Case Workers will be part of the RA Collaboration Team. Special Housing is a voucher based program. Our intent is to end its relative isolation from the rest of Client Services, and to begin operating our education 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

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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.



Plan to Reorganize Community Services

November 13, 2015

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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

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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.

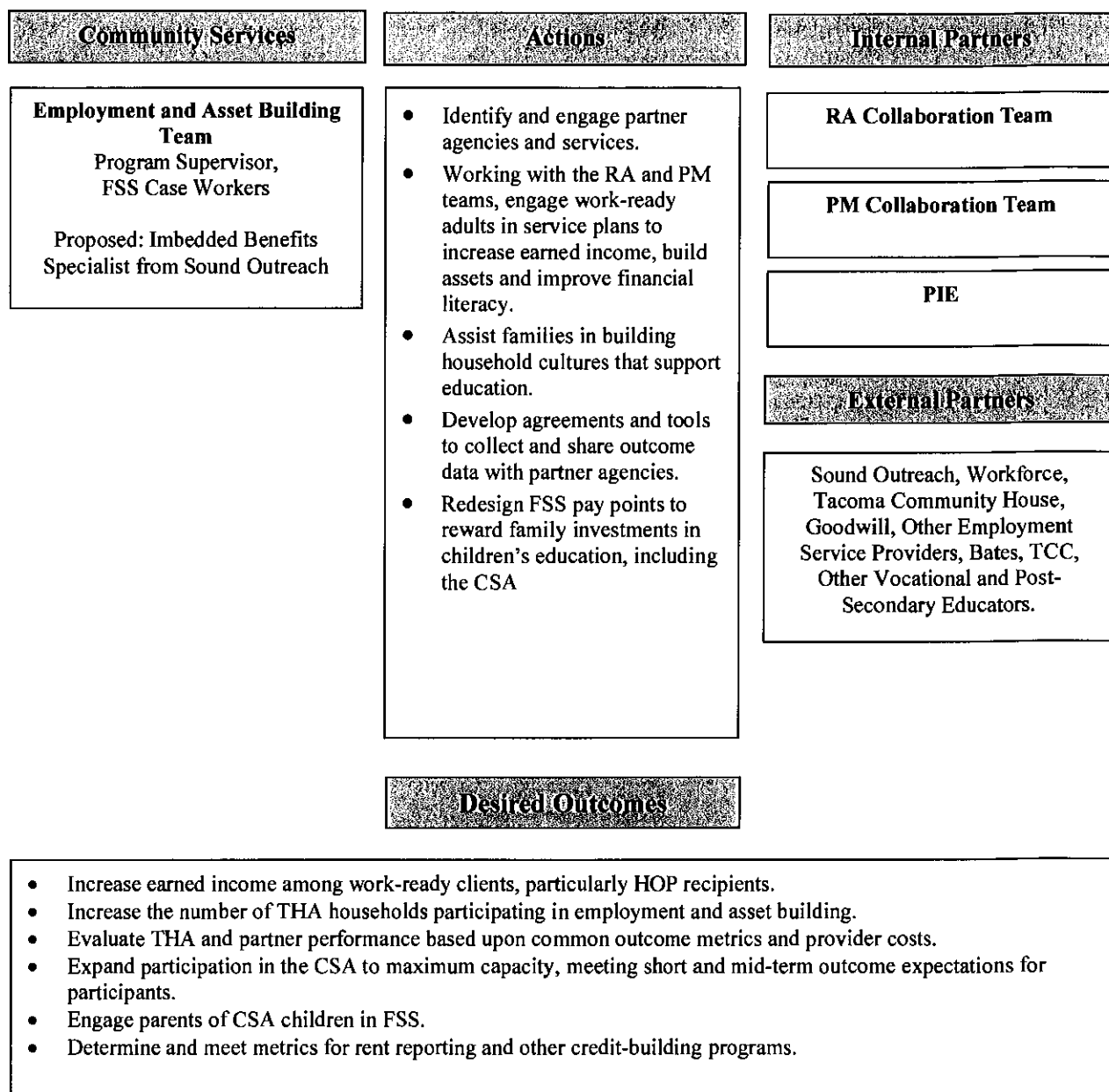
The A&E team will also be responsible for asset and credit building initiatives undertaken by THA, including a new rent reporting program that will allow tenants to improve credit scores through reporting on-time rent payments.

Plan to Reorganize Community Services

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



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.

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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.

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- 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: December 16, 2015

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Department of Property Management Monthly Board Report

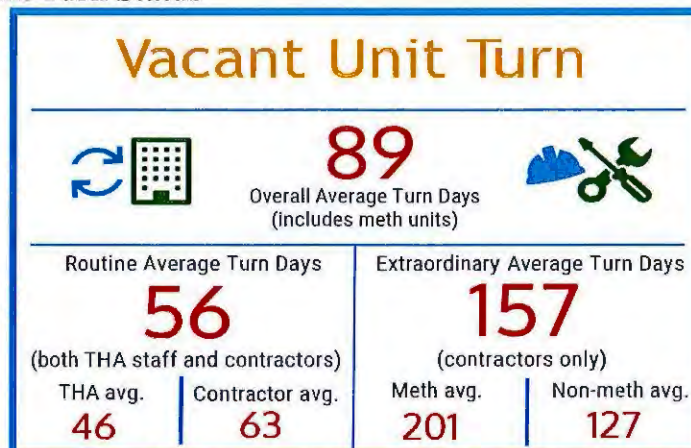
1. OCCUPANCY OVERVIEW

1.1 Occupancy

Unit occupancy is reported for the first day of the month. This data is for the month of November. 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	3	0	129	97.2%	96.2%
Family Properties	137	9	10	118	86.1%	91.4%
Salishan	631	11	0	620	98.3%	97.8%
Senior/Disabled	353	13	1	339	96.0%	96.3%
All Total	1,253	36	11	1,206	96.5%	94.9%

1.2 Vacant Clean Unit Turn Status



The average unit turn time for the month of November was 89 days for 15 units turned by Tacoma Housing Authority (THA) staff and contractors. Below is a list of units that exceeded THA's 20-day expectation. These units will be categorized as Routine and Extraordinary turns. Routine means units that receive normal wear and tear that can be repaired in 5-20 days. Extraordinary means that the units have heavy damage as a result of the tenancy including meth that can't be repaired within 20 days.

Routine THA maintenance Turns:

- **911 N K St #205 (41) days-** Unit was in downtime for **15** days due to staff availability to turn the unit. Maintenance work once started was completed in **10** days. **16** days were attributed to leasing efforts. Unit was refused by 2 applicants before being accepted.
- **1202 S M St # 206 (42) days-** Unit was in downtime for **8** days due to staff availability to turn the unit. Maintenance work once started was completed in **12** days. **20** days were attributed to leasing efforts. Original applicant did not have move in funds.
- **2302 6th Ave # 214 (47) days-** Unit was in downtime for **14** days due to staff availability to turn the unit. Maintenance work was completed in **8** days. **24** days were attributed to leasing efforts. Unit was being held for transferring tenant.
- **Salishan 7- 4838 Court Q (55) days-** Unit was in downtime for **3** days. Maintenance work was completed in **15** days. **37** days were attributed to leasing efforts. Applicant was attempting to gain the necessary move in funds. Applicant was working with DSHS and the award approval took 2 weeks.

Routine Contractor Turns:

- **Salishan 1- 3902 Sal Blvd (67) days-** Delay in procurement of contractors. Once awarded work was completed in **35** days. **9** days were attributed to leasing efforts.
- **Salishan 2- 4313 East Q St (54) days-** Delay in procurement of contractors. Once awarded work was completed in **38** days. **8** days were attributed to leasing efforts.
- **Salishan 2- 1714 East 43rd (60) days-** Unit was in downtime for **31** days awaiting supplies to perform our sanitation program. Once supplies were received work was completed in **22** days. **7** days were attributed to leasing efforts.
- **Salishan 3- 4343 East R St (80) days-** Delay in procurement of contractors. Once awarded work was completed in **46** days. Unit suffered heavy damage from last tenancy. Unit was held for transferring tenant. 4 tenants were offered this unit before being accepted.

- **Salishan 6- 2015 East 44th (67) days-** Unit was in downtime for 4 days. Delay in procurement of contractors. Once awarded work was completed in 48 days. 2 week delay in flooring material attributed to the turn.
- **Salishan 6- 2028 East 43rd (50) days-** Unit was in downtime for 33 days awaiting supplies to perform our sanitation program. Once supplies were received work was completed in 17 days.

Extraordinary Contractor Turns:

- **401 North G St #100 (203) days-** Meth unit
- **401 North G St # 309 (199) days-** Meth unit
- **Hillside Terrace 2- 2324 South G St #193 (109) days-** As a result of ground water intrusion unit underwent mold remediation. Unit was turned once remediation was completed. This is a non-subsidized unit and during the marketing efforts, more mold was discovered and further remediation efforts were needed. Marketing efforts took 45 days to find a qualified applicant.
- **Hillside Terrace 1500- 1512 court F #192 (178) days-** Occupying tenant was transferred as a result of mold in the unit. 2 different sources were responsible for the cause. As a result of the remediation, the unit underwent extensive repairs. Full cabinet package was required that added 6 weeks to the turn due to them being a special order.
- **Salishan 2- 4207 Sal Blvd (94) days-** Unit was in downtime for 8 days due to a delay in receiving new supply of meth testing kits. During testing the unit was reported to have pest infestation. Pest remediation plan attributed to 15 days. There was also a delay in procurement of contractors. Once awarded work was completed in 48 days. Unit suffered heavy damage from last tenancy.

Proposed changes for improvement in unit turn times:

- **Downtime-** Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
 - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move out inspection.
 - ✓ Procure contractors that will respond to request for service if needed that have the appropriate staff to assign multiple units
 - ✓ Increase inspections to deter heavy damage at move out

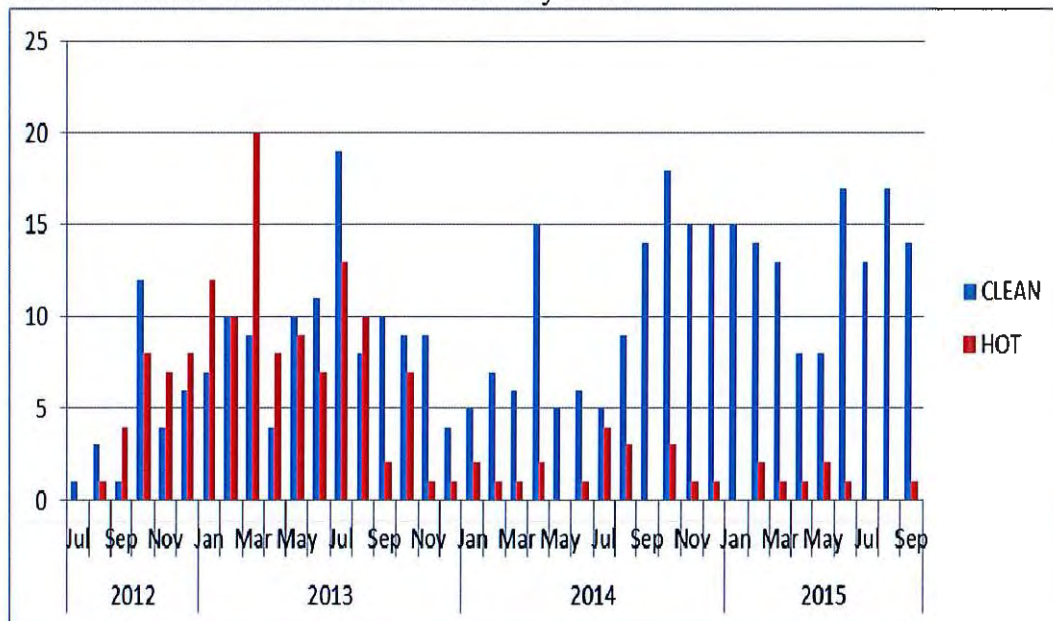
- ✓ Unit work every working day. Unit is the sole priority by assigned staff
- ✓ Use of charts to chart projected progress
- **Leasing**
 - ✓ Prescreen to identify ready applicants.
 - ✓ Site based leasing. Concentrated efforts on units. Each property' staff will be responsible for the leasing efforts to fill their units.

Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

Property Management will be attempting to have all vacant units turned by 12/31/2015 that are routine unit turns. The target to track new unit turn procedures will be in the month of January. The results of our proposed changes will be reported in February's board report.

Hot Rate Trend- 512 units tested since July 2012.



- 2012- 55 units tested, 28 hot 51% Hot Rate
- 2013- 210 units tested, 100 hot 48% Hot Rate
- 2014- 138 units tested, 19 hot 14% Hot Rate
- 2015- 127 units tested, 8 hot 6% Hot Rate

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

1.3 Work Orders

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

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		Month		Month		YTD	
	# Completed	% Completed In 24 Hrs	# Completed	% Completed In 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
All Hillside										
BAY TERRACE	0	0.0%	0	0.0%	1	2.00	15	1.00	190	2.84
HILLSIDE TERRACE 1500 Block	0	0.0%	0	0.0%	0		6	9.50	57	7.23
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		1	8.00	35	3.54
HILLSIDE TERRACE PH II	0	0.0%	0	0.0%	0		8	2.75	70	3.99
	0	0.0%	0	100.0%	1	2.00	30	3.40	352	3.85
Family Properties										
BERGERSON TERRACE	0	0.0%	29	96.6%	2	0.50	11	4.09	194	11.96
DIXON VILLAGE	1	100.0%	8	100.0%	0		9	18.67	103	18.28
MARKET RATE SFR	0	0.0%	2	100.0%	0		1	3.00	37	13.38
SCATTERED SITES	0	0.0%	7	100.0%	1	5.00	11	7.09	113	13.65
	1	100.0%	46	97.8%	3	2.00	32	9.19	447	13.96
Salishan										
SALISHAN I	7	100.0%	54	100.0%	3	2.33	21	12.67	327	39.36
SALISHAN II	4	100.0%	43	100.0%	4	20.00	26	28.04	286	47.30
SALISHAN III	5	100.0%	28	100.0%	4	4.75	26	43.92	280	41.80
SALISHAN IV	4	100.0%	33	97.0%	2	29.50	30	21.40	310	33.22
SALISHAN V	6	100.0%	33	100.0%	2	0.50	12	27.08	240	37.28
SALISHAN VI	6	100.0%	34	100.0%	3	18.00	17	40.94	296	26.08
SALISHAN VII	3	100.0%	21	100.0%	8	3.13	8	17.75	228	22.64
	35	100.0%	246	99.6%	26	9.42	140	28.16	1,967	35.70
Senior / Disabled Properties										
6TH AVE	2	100.0%	45	97.8%	3		15	12.67	217	20.62
E.B. WILSON	4	100.0%	39	100.0%	3	0.67	5	18.00	192	9.99
FAWCETT APARTMENTS	1	100.0%	19	100.0%	1	1.00	6	4.00	86	2.86
LUDWIG APARTMENTS	1	100.0%	25	100.0%	1	5.00	8	3.38	111	10.96
NORTH G ST	2	100.0%	11	100.0%	3		10	15.50	93	9.60
NORTH K ST	3	100.0%	24	100.0%	3	0.67	15	185.87	142	36.26
WRIGHT AVE	1	100.0%	33	100.0%	0		4	0.75	193	9.98
	14	100.0%	196	99.5%	14	0.71	63	52.02	1,034	15.31
Agency Totals:	50	100.0%	488	99.4%	44	5.98	265	28.74	3,800	24.64

In the month of November 100% of emergency work orders were completed within 24 hours. In November, maintenance staff completed 265 non-emergency work orders with a total of 3,800 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 24.64 days.

The open work that are greater than 25 days increased from 117 in October to 147 in November. This is due to the start of the sanitization program for unit turns. It is taking maintenance staff longer to clean a typical unit turn to the recommended sanitize standards. Property Management (PM) will continue to work on bringing down these numbers as part of its improved processes mentioned below.

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

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



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: December 16, 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 plan 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; a sales report from them will be after the fourth quarter has concluded.

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. HUD has requested that an updated appraisal be completed for the two lots. The appraisal is scheduled to be completed in early 2016.

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

The current development budget for this project is projected to be \$22.5 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.

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 late February 2016.

2.1.2 Design

GGLO Architects completed the construction documents on November 27, 2015. 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 Construction

On December 1, 2015, Absher Construction Company issued an invitation for Phase II bids. The bid documents are posted and can be viewed at the following locations:

- Absher's builders Exchange Website, www.bxwa.com
- ARC Document Solutions
- Platinum Group, Shelton, WA
- William Factory Small Business Incubator, Tacoma, WA
- M.B. Hughes Logistic Building, Tacoma, WA

An informational project walk-through was held December 8, 2015, at 3:00 pm. Sealed bids will be accepted no later than 2:00 pm on December 22, 2015, at Absher Construction Co. main office located at 1001 Shaw Rd SE, Puyallup, WA 98372.

In preparation for entering into a construction contract between Tacoma Housing Authority (THA) and Absher Construction, staff is presenting a resolution to obtain authorization for the HA Executive Director to enter into negotiations with Absher for a not-to-exceed amount of \$18,210,330 including a 7% owners contingency and applicable sales tax.

2.1.4 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 have presented an initial concept and are still preparing a cost estimate. The celebration of the resident artwork has been delayed until further notice. When it is scheduled 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 Rental Assistance Demonstration (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 December 3, 2015, Prairie Oaks has 11 of 15 units leased with additional 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 project is complete with the final close out items and THA staff is working on placing furniture and pictures.

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 sale of 8207 S. Alaska has closed, however the buyer for 8201 S. Alaska retracted their offer due to financial hardship. It was relisted and another offer was accepted shortly thereafter. It should close just after the first of the year.

1829 and 1837 Traften are nearing substantial completion and will be listed for approximately \$225,000 by the end of the year.

1118 S. Sheridan has been listed as well and has had considerable interest but no offers to date.

2336 N. Shirley is now vacant and a scope of work is being developed. Early estimates propose minimal work with a list price of \$280,000.

Construction at 1215 and 1219 Trafton continues with paint plumbing and electrical completed to date. There may be some delays due to exterior siding concerns.

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 and flooring issues have delayed the project and completion is planned for mid-December.

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 completed and satisfactory as of November 25, 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 – Contract awarded November 18, 2015, for water damaged and meth remediated units. Completion is expected mid December for Unit 4492 and end of December for Unit 4490.

5. DEVELOPMENT PIPELINE PROJECTS

5.1 Intergenerational Housing at Hillsdale Heights

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

5.2 Hilltop Lofts

THA and the City extended the timeline by two years for THA to develop the Hilltop Loft project. Council approved the extension request at its November 3rd meeting.

5.3 Acquisition

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 30, 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
2011 CFP	\$1,721,353	8/3/11	\$1,721,353	100%	8/2/13	\$1,721,353	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
2013 CFP	\$1,319,864	9/9/13	\$1,319,864	100%	9/8/15	\$0	0%	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	12,899,179		12,899,179			\$5,542,268,268.75		



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-16-(1)

DATE: December 16, 2015
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of Tenant Account Receivable Write-offs

Background

This resolution would write off some bad debts in the amount of \$37,443.13. Tacoma Housing Authority (THA) has established a process of periodically writing off tenant accounts receivable bad debt. THA incurs this bad debt when a program participant leaves the public housing or Housing Choice Voucher program owing a balance. The debt may arise from excessive damage to a unit, unpaid rent, or tenant fraud/unreported income. There are also instances where a property owner is overpaid rental assistance payments and the owner has not repaid THA for this amount.

Until THA writes off tenant accounts receivable balances as a bad debt, these balances stay on the active tenant ledger in THA's accounting system and General Ledger (GL). The receivable balance also remains as part of THA's tenant receivables that is reported to HUD in THA's year-end financials. Once THA writes off the debt, THA can remove the debt from its receivable balance and assign it to the collection agency for collection purposes. THA receives 50% of any proceeds the collection agency recovers.

THA has notified each individual of his or her debt included in this write off. THA mailed two notices to the last known address of the individual. These notices provide the opportunity for the individual to pay the debt or enter into a repayment agreement with THA. Sending a tenant to collections is the last resort for THA to collect the tenant debt.

Please note that THA will not send some accounts included in this resolution to collections because the tenants have passed away or declared bankruptcy, or because the balances are under \$30.

Recommendation

Approve Resolution 2015-12-16 (1) authorizing THA to write off tenant accounts totaling **\$37,443.13**.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (1) (Approval of Tenant Account Receivable Write-offs)

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

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

WHEREAS, Each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution, now, therefore be it

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

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

Collection Status	M-O Project #	Client #	Balance
W-O Collect	N G Str		
		00000257	\$1,973.55
		00013566	\$286.24
		Subtotal	<u>\$2,259.79</u>
	6th Ave		
		00000230	105.77
		00007279	1013.72
		00008547	\$223.76
		Subtotal	<u>\$1,343.25</u>
	Bergerson Terrace		
		00000995	\$207.42
		00125530	\$2,045.13
		00146194	\$988.20
		Subtotal	<u>\$3,240.75</u>

Collection Status	M-O Project #	Client #	Balance
W-O Collect	Scattered Sites	00003255	\$380.63
		00143899	\$155.46
		Subtotal	<u>\$536.09</u>
	Dixon Village		
		00113331	<u>\$583.27</u>
	9 SF Homes		
		XX001447	<u>\$612.00</u>
	Salishan VII		
		XX001004	\$5,113.14
		XX001110	\$1,289.65
		XX001406	\$6,070.46
		Subtotal	<u>\$12,473.25</u>
	S M Str (EB Wilson)		
		00007042	\$1,271.76
		00146660	\$267.38
		Subtotal	<u>\$1,539.14</u>
	S Fawcett		
		00145083	<u>\$48.45</u>
	S Wright Str		
		00138014	<u>\$90.00</u>
	S Lawrence Str (Ludwig)		
		00111915	76.57
		00007323	\$10,802.76
		Subtotal	<u>\$10,879.33</u>
	North K St		
		00127439	<u>\$468.38</u>
	Section 8		
		00001113	\$63.00
		713683	\$1,484.00
		718270	\$492.00
		Subtotal	<u>\$2,039.00</u>

Collection Status	M-O Project #	Client #	Balance
WO No collect			
	6th Ave		
		00120313	\$296.46
		00136130	\$14.41
		00140043	\$224.79
		Subtotal	<u>\$535.66</u>
	Salishan VII		
		XX001056	<u>\$7.00</u>
	North K Street		
		00137799	10.17
		00136242	\$290.84
		Subtotal	<u>\$301.01</u>
	S M Str (EB Wilson)		
		00118921	\$105.00
		00141006	\$255.95
		Subtotal	<u>\$360.95</u>
	S Fawcett		
		00121686	<u>\$125.81</u>
	Grand Total Write offs		<u><u>\$37,443.13</u></u>

Approved: December 16, 2015

Stanley Rumbaugh, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (2)

Date: December 16, 2015
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2016 Agency Budget

This resolution would adopt an initial budget for THA for 2016.

BACKGROUND

By this resolution, the Board would adopt an initial budget for Tacoma Housing Authority (THA) for 2016. Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes, each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board has approved a different budget process this year. This resolution will approve an initial 2016 budget using and extending the budget that the Board approved in Mid-Year 2015. During the first half of 2016, the staff will present for the Board's approval a full budget for 2016. We do this to await clarification of the following budget uncertainties:

- *Congress*
To date, Congress has not yet passed a 2016 budget. We do know enough from its budget deliberations to expect that THA will receive the same level of funding in 2016 as we received in 2015. This makes it safe to adopt essentially a repeat of the 2015 budget.
- *RAD*
RAD will affect THA's budget in important ways that we need more time to clarify. Most notably, our portfolio will be moving to its own tax credit partnership budget. The internal costs to the Agency for completing this conversion are still unfolding.

- *Community Services*
We also need to clarify how to structure Community Services to best benefit the RAD conversion, as well as THA's Rental Assistance clientele.

It is important to note that at the end of 2015 the agency remains in good financial shape. We originally anticipated that the RAD closing would bring an influx of cash into the agency when it occurred. After the terms of the deal clarify we now know that the cash will come in over time.

This interim budget provides sufficient budget authority for all income and expense line items until the full budget process occurs.

Recommendation

I recommend that the Board adopt Resolution 2015-12-16 (2) to formally approve THA's Fiscal Year 2016 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16(2) (Fiscal Year 2016 Agency Budget)

WHEREAS, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2016, and

WHEREAS, The U.S. Department of Housing and Urban Development (HUD) requires the Authority's Board to approve its annual Site-based budgets, and

WHEREAS, Authority staff is presenting to the Board of Commissioners of the Housing Authority of the City of Tacoma the Mid-Year 2015 approved agency wide budget as the budget for 2016. It is understood that a full budget process will occur the first half of 2016, and presented to the Board for approval at such time it is completed.

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

The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2016 agency-wide budget. The Housing and Urban Development (HUD) required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board of Commissioners hereby authorizes THA's Executive Director to implement and execute said budget. Expenses and other cash outflows are presented as follows:

<u>Expenses</u>	
Executive	\$ 799,649
Human Resources	733,332
Finance	1,118,771
Administration	2,186,738
Client & Landlord Services Overhead	318,990
Rental Assistance	34,401,893
Community Services	2,012,599
Development	1,984,743
Policy, Innovation & Evaluation	596,028
Real Estate Management Overhead	1,072,121
Property Management	<u>5,446,334</u>
Subtotal	50,671,017
 <u>Additional Cash Outflows</u>	
Capital Expenditures	10,939,100
Debt Service	<u>195,240</u>
Subtotal	11,134,340
 TOTAL APPROVED BUDGET	 <u>\$61,805,357</u>

Approved: December 16, 2015

Stanley Rumbaugh, Chair

**FY 2016 Tacoma Housing Authority Budget - Initial
Agency Total by Departmental Areas**

	Executive	Human Resources	Finance	Administration	Client & Landlord Services O'hd	Rental Assistance	Community Services	Development	Policy & Innovation	REM Overhead	Property Budgets	Agency Total
INCOME												
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,537,785	\$2,537,785
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$231,850	\$231,850
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$36,612,866	\$0	\$0	\$0	\$0	\$0	\$36,612,866
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$2,799,425	\$0	\$0	\$0	\$0	\$0	\$2,799,425
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,187,210	\$2,187,210
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$353,493	\$0	\$0	\$0	\$0	\$353,493
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$696,000	\$0	\$0	\$0	\$507,824	\$0	\$0	\$0	\$1,203,824
8 Management Fee Income	\$139,535	\$97,405	\$543,890	\$529,601	\$711,911	\$134,391	\$82,045	\$0	\$0	\$882,508	\$0	\$3,121,285
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$249,108	\$160,000	\$0	\$0	\$0	\$409,108
10 Investment income	\$0	\$0	\$7,250	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$8,525	\$38,775
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$40,000
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$919,485	\$0	\$0	\$0	\$919,485
13 Other Revenue	\$0	\$0	\$36,300	\$0	\$0	\$42,500	\$561,184	\$8,000	\$0	\$0	\$24,104	\$672,068
TOTAL OPERATING RECEIPTS	\$139,535	\$97,405	\$587,440	\$1,225,801	\$711,911	\$39,854,182	\$1,245,810	\$1,895,309	\$0	\$882,508	\$4,987,474	\$51,127,174

OPERATING EXPENDITURES												
Administrative												
14 Administrative Salaries	\$497,932	\$200,487	\$732,866	\$973,241	\$193,571	\$1,191,717	\$0	\$678,832	\$273,666	\$348,448	\$354,609	\$5,455,159
15 Administrative Personnel - Benefits	\$150,248	\$74,492	\$296,825	\$344,219	\$67,302	\$538,274	\$0	\$242,223	\$95,822	\$149,552	\$158,511	\$2,117,565
16 Audit Fees	\$0	\$0	\$17,500	\$0	\$0	\$30,000	\$0	\$9,000	\$0	\$0	\$25,213	\$81,713
17 Management Fees	\$0	\$0	\$0	\$0	\$0	\$1,254,775	\$301,406	\$321,479	\$0	\$91,907	\$600,229	\$2,569,796
18 Rent	\$0	\$0	\$0	\$0	\$0	\$104,200	\$0	\$24,000	\$0	\$0	\$0	\$128,200
19 Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500	\$25,000	\$5,000	\$782	\$31,282
20 Information Technology Expenses	\$1,000	\$0	\$0	\$256,188	\$0	\$10,200	\$35,696	\$0	\$0	\$0	\$15,688	\$318,772
21 Office Supplies	\$4,000	\$1,200	\$4,000	\$7,000	\$1,000	\$25,000	\$6,000	\$1,800	\$1,750	\$1,750	\$5,868	\$59,368
22 Publications & Memberships	\$33,065	\$2,105	\$1,020	\$200	\$0	\$1,000	\$3,290	\$1,100	\$750	\$750	\$0	\$43,280
23 Telephone	\$5,880	\$1,200	\$0	\$37,060	\$900	\$5,420	\$5,200	\$6,000	\$2,160	\$10,800	\$34,939	\$109,559
24 Postage	\$700	\$100	\$2,250	\$300	\$5,000	\$35,000	\$4,500	\$500	\$5,000	\$1,000	\$4,463	\$58,813
25 Leased Equipment & Repairs	\$250	\$0	\$650	\$54,380	\$3,000	\$16,000	\$6,100	\$0	\$0	\$12,000	\$24,408	\$116,788
26 Office Equipment Expensed	\$1,500	\$0	\$1,500	\$36,500	\$0	\$5,000	\$14,600	\$0	\$0	\$1,500	\$16,235	\$78,835
27 Legal	\$10,000	\$15,000	\$1,000	\$150,000	\$0	\$10,000	\$0	\$50,000	\$0	\$20,000	\$29,588	\$285,588
28 Local Mileage	\$0	\$100	\$275	\$0	\$750	\$1,500	\$3,100	\$500	\$1,000	\$1,750	\$2,147	\$11,122
29 Staff Training/ Out of Town Travel	\$45,600	\$41,400	\$22,750	\$31,679	\$9,000	\$27,200	\$17,010	\$16,750	\$21,600	\$73,300	\$0	\$306,289
30 Administrative Contracts	\$5,000	\$83,350	\$30,600	\$272,000	\$35,000	\$21,000	\$157,000	\$110,000	\$160,000	\$5,000	\$14,777	\$893,727
31 Other Administrative Expenses	\$18,500	\$7,550	\$2,000	\$1,900	\$2,500	\$14,000	\$0	\$4,000	\$0	\$39,380	\$4,717	\$94,547
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$354,500	\$0	\$0	\$0	\$354,500
33 Contingency	\$20,000	\$5,000	\$0	\$15,000	\$0	\$5,000	\$0	\$5,000	\$5,000	\$10,000	\$8,000	\$73,000
Total Administrative Expenses	\$793,673	\$431,983	\$1,113,336	\$2,179,867	\$316,023	\$3,295,286	\$683,902	\$1,825,984	\$591,738	\$772,137	\$1,310,173	\$13,195,903
Tenant Services												
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$934,432	\$0	\$0	\$0	\$0	\$934,432
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$390,566	\$0	\$0	\$0	\$0	\$390,566
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,630	\$60,630
37 Tenant Service - other	\$2,000	\$0	\$0	\$0	\$0	\$1,000	\$124,068	\$0	\$3,000	\$0	\$6,506	\$136,574
Total Tenant Services	\$2,000	\$0	\$0	\$0	\$0	\$1,000	\$1,449,067	\$0	\$3,000	\$0	\$67,136	\$1,522,202

FY 2016 Tacoma Housing Authority Budget - Initial
Agency Total by Departmental Areas

	Executive	Human Resources	Finance	Administration	Client & Landlord Services O'bd	Rental Assistance	Community Services	Development	Policy & Innovation	REM Overhead	Property Budgets	Agency Total
Utilities												
38 Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$5,500	\$106,250	\$116,750
39 Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$0	\$38,000	\$159,800	\$199,800
40 Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100	\$0	\$2,000	\$52,450	\$55,550
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,200	\$0	\$12,500	\$282,190	\$302,890
Total Project Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,300	\$0	\$58,000	\$600,690	\$874,990
Ordinary Maintenance & Operations												
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$653,230	\$703,230
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,795	\$232,484	\$250,279
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$2,400	\$0	\$5,000	\$0	\$20,000	\$205,350	\$232,750
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$10,000	\$0	\$87,000	\$577,589	\$676,589
Total Routine Maintenance	\$0	\$0	\$0	\$0	\$0	\$4,400	\$0	\$15,000	\$0	\$174,795	\$1,668,653	\$1,862,848
General Expenses												
46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$22,000	\$75,350	\$98,350
47 Insurance	\$3,796	\$1,349	\$5,435	\$7,071	\$967	\$29,223	\$9,930	\$4,083	\$1,290	\$16,189	\$131,348	\$210,380
48 Other General Expenses	\$0	\$300,000	\$0	\$0	\$0	\$119,515	\$0	\$5,000	\$0	\$31,000	\$1,005,675	\$1,461,190
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,803	\$13,803
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$220,506	\$245,506
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,376	\$0	\$0	\$0	\$115,376
Total General Expenses	\$3,796	\$301,349	\$5,435	\$7,071	\$967	\$173,738	\$9,930	\$125,459	\$1,290	\$69,189	\$1,446,682	\$2,144,606
TOTAL OPERATING EXPENSES	\$799,499	\$733,332	\$1,118,771	\$2,186,738	\$318,990	\$3,474,424	\$2,012,599	\$1,084,743	\$598,028	\$1,072,121	\$5,093,334	\$18,390,548
Nonroutine Expenses and Capital Expenditures												
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$335,000	\$335,000
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,000	\$18,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$30,927,469	\$0	\$0	\$0	\$0	\$0	\$30,927,469
Total Nonroutine Expenditures	\$0	\$0	\$0	\$0	\$0	\$30,927,469	\$0	\$0	\$0	\$0	\$353,000	\$31,280,469
TOTAL EXPENSES	\$799,499	\$733,332	\$1,118,771	\$2,186,738	\$318,990	\$3,474,424	\$2,012,599	\$1,084,743	\$598,028	\$1,072,121	\$5,446,334	\$20,671,017
	\$5,753,328	\$5,005,396										
OPERATING SURPLUS/(DEFICIT)	(\$659,934)	(\$635,927)	(\$531,331)	(\$981,137)	\$392,921	\$5,252,289	(\$766,789)	(\$369,434)	(\$598,028)	(\$189,614)	(\$458,660)	\$458,157
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$182,740)	\$0	\$0	(\$12,500)	(\$195,240)
56 Special Transfer to Tax Credit Properties											\$0	\$0
Surplus/Deficit Before Reserve Appropriations	(\$659,934)	(\$635,927)	(\$531,331)	(\$981,137)	\$392,921	\$5,252,289	(\$766,789)	(\$572,174)	(\$598,028)	(\$189,614)	(\$471,360)	\$260,917
57 Reserve Appropriations - Operations/Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$24,710	\$0	\$0	\$0	\$0	\$24,710
Surplus/Deficit Before Capital Expenditures	(\$659,934)	(\$635,927)	(\$531,331)	(\$981,137)	\$392,921	\$5,252,289	(\$742,079)	(\$572,174)	(\$598,028)	(\$189,614)	(\$471,360)	\$285,627
58 Capitalized Items/Development Projects	\$0	\$0	\$0	(\$643,100)	\$0	\$0	(\$25,000)	(\$8,756,000)	\$0	(\$120,000)	(\$1,395,000)	(\$10,939,100)
59 Revenue - Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,342,000	\$0	\$0	\$1,933,500	\$6,275,500
60 Reserve Appropriations - Capital	\$0	\$0	\$0	\$600,000	\$0	\$0	\$25,000	\$4,414,000	\$0	\$120,000	\$727,000	\$5,886,000
AGENCY WIDE BUDGET SURPLUS/(DEFICIT)	(\$659,934)	(\$635,927)	(\$531,331)	(\$1,004,237)	\$392,921	\$5,252,289	(\$742,079)	(\$572,174)	(\$598,028)	(\$189,614)	\$784,140	\$1,608,027

Tacoma Housing Authority Portfolio Budget - 2016 Initial

12/07/15

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMP 5	LIPH Total	Sal 7	Market Rate	Portfolio Total
	K, M & G St. Apts. Elderly Disabled 160 Units	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled) 152 Units	Lawrence, Bargerson Terrace, Dixon Village 144 Units	Hillside Terrace (1800 & 2500 Blocks) Demo'd 104 Units demo'd	Single Family Homes 34 Units			90 Units	10 Units	
INCOME										
1 Revenue - Dwelling rent	\$420,540	\$402,012	\$433,116	\$0	\$61,560	\$0	\$1,317,228	\$1,156,597	\$63,960	\$2,537,785
2 Tenant Revenue - Other	\$8,000	\$132,200	\$40,500	\$0	\$3,400	\$0	\$184,100	\$45,000	\$2,750	\$231,850
3 HUD grant - Section 8 HAP reimbursem	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 HUD grant - Public Housing subsidy	\$379,053	\$326,070	\$321,527	\$88,835	\$116,270	\$955,455	\$2,187,210	\$0	\$0	\$2,187,210
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 HUD grant - Capital Fund Operating Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$525	\$6,525
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Other Revenue	\$11,755	\$0	\$2,965	\$0	\$0	\$0	\$14,720	\$0	\$0	\$14,720
TOTAL OPERATING RECEIPTS	\$819,348	\$860,282	\$798,108	\$88,835	\$181,230	\$955,455	\$3,703,258	\$1,207,597	\$67,235	\$4,978,090
OPERATING EXPENDITURES										
<i>Administrative</i>										
14 Administrative Salaries	\$101,658	\$97,271	\$84,533	\$0	\$19,000	\$0	\$302,462	\$56,571	\$5,576	\$364,609
15 Administrative Personnel - Benefits	\$43,827	\$41,775	\$37,274	\$0	\$8,540	\$0	\$131,415	\$24,589	\$2,506	\$158,511
16 Audit Fees	\$3,220	\$3,108	\$3,010	\$750	\$715	\$4,278	\$15,081	\$10,000	\$132	\$25,213
17 Management Fees	\$183,629	\$174,447	\$135,318	\$0	\$29,135	\$0	\$522,529	\$69,131	\$8,569	\$600,229
18 Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Advertising	\$201	\$221	\$60	\$0	\$0	\$0	\$482	\$200	\$100	\$782
20 Information Technology Expenses	\$3,880	\$4,740	\$5,550	\$0	\$930	\$0	\$15,100	\$300	\$288	\$15,688
21 Office Supplies	\$1,360	\$1,292	\$957	\$0	\$201	\$0	\$3,809	\$2,000	\$59	\$5,868
22 Publications & Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Telephone	\$10,716	\$12,069	\$9,989	\$0	\$734	\$0	\$33,508	\$1,175	\$256	\$34,939
24 Postage	\$1,586	\$1,434	\$852	\$0	\$147	\$0	\$4,019	\$400	\$43	\$4,463
25 Leased Equipment & Repairs	\$11,856	\$3,680	\$5,562	\$0	\$1,399	\$0	\$22,497	\$1,500	\$411	\$24,408
26 Office Equipment Expensed	\$6,118	\$5,813	\$2,784	\$0	\$402	\$0	\$15,117	\$1,000	\$118	\$16,235
27 Legal	\$4,482	\$9,156	\$9,200	\$0	\$1,500	\$0	\$24,338	\$5,000	\$250	\$29,588
28 Local Mileage	\$793	\$754	\$446	\$0	\$80	\$0	\$2,073	\$50	\$24	\$2,147
29 Staff Training/ Out of Town Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Administrative Contracts	\$4,167	\$3,133	\$3,469	\$0	\$899	\$0	\$11,668	\$2,854	\$255	\$14,777
31 Other Administrative Expenses	\$714	\$654	\$2,399	\$0	\$500	\$0	\$4,267	\$250	\$200	\$4,717
32 Due Diligence - Perspective Developme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Contingency	\$2,000	\$1,500	\$4,000	\$0	\$0	\$0	\$7,500	\$0	\$500	\$8,000
Total Administrative Expenses	\$380,206	\$361,045	\$305,402	\$750	\$64,184	\$4,278	\$1,115,865	\$175,020	\$19,287	\$1,310,173
<i>Tenant Services</i>										
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Relocation Costs	\$18,310	\$13,420	\$18,430	\$0	\$7,500	\$0	\$57,660	\$2,700	\$270	\$60,630
37 Tenant Service - other	\$885	\$1,157	\$2,964	\$0	\$500	\$0	\$5,506	\$1,000	\$0	\$6,506
Total Tenant Services	\$19,195	\$14,577	\$21,394	\$0	\$8,000	\$0	\$63,166	\$3,700	\$270	\$67,136

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMPS	LIPH Total	Sai 7	Market Rate	Portfolio Total
	K. M & G St. Apts Elderly Disabled	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled)	Lawrence, Borgerson Terrace, Dixon Village	Hillside Terrace (1800 & 2500 Blocks) Demo'd	Single Family Homes					
Utilities										
38 Water	\$24,000	\$20,500	\$31,250	\$0	\$1,000	\$0	\$76,750	\$28,000	\$500	\$108,250
39 Electric	\$66,250	\$59,300	\$28,750	\$0	\$1,250	\$0	\$155,550	\$3,250	\$1,000	\$159,800
40 Gas	\$29,650	\$16,250	\$5,500	\$0	\$400	\$0	\$51,800	\$400	\$250	\$52,450
41 Sewer	\$75,940	\$63,250	\$88,500	\$0	\$3,500	\$0	\$231,190	\$50,000	\$1,000	\$282,190
Total Project Utilities	\$195,840	\$159,300	\$154,000	\$0	\$6,150	\$0	\$515,290	\$82,650	\$2,750	\$600,690
Ordinary Maintenance & Operations										
42 Maintenance Salaries	\$186,395	\$167,376	\$191,902	\$0	\$43,094	\$0	\$588,767	\$52,822	\$11,640	\$653,229
43 Maintenance Personnel - Benefits	\$66,338	\$59,569	\$68,298	\$0	\$15,337	\$0	\$209,542	\$18,799	\$4,143	\$232,484
44 Maintenance Materials	\$32,000	\$43,500	\$71,250	\$0	\$26,000	\$0	\$172,750	\$25,000	\$7,600	\$205,350
45 Contract Maintenance	\$146,173	\$105,534	\$137,532	\$0	\$44,700	\$0	\$433,939	\$128,650	\$15,000	\$577,589
Total Routine Maintenance	\$430,907	\$375,979	\$468,982	\$0	\$129,131	\$0	\$1,404,998	\$225,271	\$38,383	\$1,668,652
General Expenses										
46 Protective Services	\$30,850	\$26,750	\$17,500	\$0	\$0	\$0	\$75,100	\$0	\$250	\$75,350
47 Insurance	\$33,265	\$32,916	\$29,441	\$0	\$11,262	\$0	\$106,884	\$20,463	\$4,001	\$131,348
48 Other General Expense	\$2,463	\$1,634	\$2,291	\$0	\$0	\$912,887	\$919,275	\$86,400	\$0	\$1,005,675
49 Payment in Lieu of Taxes	\$2,497	\$2,381	\$2,285	\$0	\$531	\$5,109	\$12,803	\$1,000	\$0	\$13,803
50 Collection Loss	\$8,411	\$131,040	\$40,412	\$0	\$1,231	\$0	\$181,094	\$38,132	\$1,280	\$220,506
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total General Expenses	\$77,486	\$194,722	\$91,929	\$0	\$13,024	\$917,996	\$1,295,156	\$145,995	\$5,530	\$1,448,682
TOTAL OPERATING EXPENSES	\$1,103,634	\$1,105,623	\$1,041,707	\$750	\$220,488	\$922,274	\$4,394,476	\$632,637	\$66,220	\$5,093,332
Nonroutine Expenses and Capital Expenditures										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$80,000	\$80,000	\$85,000	\$0	\$40,000	\$0	\$285,000	\$50,000	\$0	\$335,000
53 Casualty Loss	\$4,000	\$4,000	\$4,000	\$0	\$1,000	\$0	\$13,000	\$4,000	\$1,000	\$18,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nonroutine Expenditures	\$84,000	\$84,000	\$89,000	\$0	\$41,000	\$0	\$298,000	\$54,000	\$1,000	\$353,000
TOTAL EXPENSES	\$1,187,634	\$1,189,623	\$1,130,707	\$750	\$261,488	\$922,274	\$4,692,476	\$686,637	\$67,220	\$5,446,332
OPERATING SURPLUS/(DEFICIT)	(\$368,286)	(\$329,340)	(\$332,599)	\$88,085	(\$80,258)	\$33,181	(\$989,218)	\$520,960	\$15	(\$468,243)
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,500)	\$0	(\$12,500)
Surplus/Deficit Before Reserve Appropriations	(\$368,286)	(\$329,340)	(\$332,599)	\$88,085	(\$80,258)	\$33,181	(\$989,218)	\$508,460	\$15	(\$480,743)
57 Reserve Appropriations - Operations/Tra	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus/Deficit Before Capital Expenditures	(\$368,286)	(\$329,340)	(\$332,599)	\$88,085	(\$80,258)	\$33,181	(\$989,218)	\$508,460	\$15	(\$480,743)
58 Capitalized Items/Development Projects	\$0	\$0	(\$668,000)	\$0	(\$90,000)	\$0	(\$758,000)	\$0	(\$637,000)	(\$1,395,000)
59 Revenue - Capital Grants/Sale of proper	\$0	\$0	\$668,000	\$0	\$400,000	\$0	\$1,068,000	\$0	\$665,500	\$1,933,500
60 Reserve Appropriations - Capital	\$0	\$0	\$0	\$0	\$90,000	\$0	\$90,000	\$0	\$637,000	\$727,000
Surplus/Deficit	(\$368,286)	(\$329,340)	(\$332,599)	\$88,085	\$319,742	\$33,181	(\$589,218)	\$508,460	\$665,515	\$784,757

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority City of Tacoma PHA Code: WA005

PHA Fiscal Year Beginning: January 1, 2016 Board Resolution Number: 2015-12-16 (2)

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 12/16/2015
- ☐ Operating Budget submitted to HUD, if applicable, on: _____
- ☐ Operating Budget revision approved by Board resolution on: _____
- ☐ Operating Budget revision submitted to HUD, if applicable, on: _____

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Stanley Rumbaugh	Signature:	Date: 12/16/2015
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Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (3)

Date: December 16, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Authorization to Award Contract to Synergy Business Solutions for Enterprise Financial System

Background

This resolution authorizes Tacoma Housing Authority's (THA's) Executive Director to negotiate and, if those negotiations are successful, to execute a contract with Synergy Business Solutions for THA's new Enterprise Financial System.

The contract with Synergy will come in three parts: 1) custom development, 2) training, support, and implementation, and 3) annual licensing of the Intacct product. Below are the details and the cost of each of these parts.

Custom Development

When THA chose Salesforce as its enterprise software solution at the beginning of the year, it was uncertain what financial system it would use. We need a system that is cloud-based and that would either reside on the Salesforce platform or closely integrate with Salesforce. Through a lengthy procurement process, THA staff selected Intacct as its next financial system. Intacct does not reside on the Salesforce platform but is closely integrated with Salesforce. In order to setup the integrations so that it works seamlessly with Salesforce, Intacct will need to customize the product and the integration module so that the data on the Intacct side flows seamlessly into the required objects on the Salesforce side. We estimate that this work will take about 400 hours, or **\$85,100**. During the procurement process in which THA selected Salesforce, we estimated that it would cost \$100,000 to customize a financial system to work with Salesforce, so this estimate is in line with the number already budgeted.

Training, Support, and Implementation

Synergy is a reseller of the Intacct financial software and they will provide on-site training, configurations, testing, consultation, data conversion, and go-live assistance to THA staff. They will also provide user policy and procedural manuals that they will customize to fit THA's workflow and current policy structure. We estimate that this work will take 240 hours, or **\$51,060**. During the procurement process in which THA selected Salesforce, the implementation costs were not included in the budget.

Annual Licensing of the Intacct Product

All licensing fees for the Intacct product will be paid to Synergy, Intacct's reseller. Licenses will renew annually. Based on the number of staff who will require an Intacct license and the modules included, the licenses will cost **\$42,912 per year**. During the procurement process in which THA selected Salesforce, it was estimated that the licensing for the new financial system would be \$60,000 per year, so the licensing fees proposed by Synergy are in line with the number already budgeted.

Recommendation

Approve Resolution 2015-12-16 (3), formally authorizing THA's Executive Director to negotiate, and if those negotiations are successful, execute a contract with Synergy Business Solutions for customization, implementation, and annual licensing of the Intacct financial system.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (3) **(Authorization to Award Contract to Synergy Business Solutions** **For Enterprise Financial System)**

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

WHEREAS, THA requires a cloud-based finance and accounting system that will integrate with Salesforce, and

WHEREAS, THA staff defined the requirements for its financial system and reviewed Intacct's response thoroughly to ensure it meets the agency needs, and

WHEREAS, On August 7, 2015, THA issued a Request for Proposal (RFP) for a new enterprise financial system, and

WHEREAS, THA received three (3) proposals, one of which was deemed unresponsive, and

WHEREAS, The top two (2) vendors were invited to THA offices to give product demonstrations, and

WHEREAS, The selection committee unanimously selected Intacct as its financial system, and

WHEREAS, Intacct engaged its local reseller, Synergy Business Solutions, to handle contract terms, issues licenses, and oversee the software customizations and implementation, and

WHEREAS, THA budgeted in 2015 for financial system customizations, and

WHEREAS, The contract with Synergy will cover product customizations, configuration, support, training, testing, data conversion, implementation, and annual product licensing of the Intacct product, now, therefore be it

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

THA Executive Director has the authority to negotiate and, if those negotiations are successful, execute a contract with Synergy Business Solutions for Intacct customization, implementation, and annual licensing.

Approved: December 16, 2015

Stanley Rumbaugh, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (4)

Date: December 16, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Bay Terrace Phase II - Authorization to Negotiate General Contractor/Construction Manager Services – Guaranteed Maximum Price

Background

This resolution would authorize THA's Executive Director to negotiate, and if those negotiations are successful, to execute a modification of the contract with Absher Construction for General Contractor/Construction Manager (GC/GM) services for the Bay Terrace Phase 2 project with a Guaranteed Maximum Price (GMP) not to exceed \$18,210,330.

On February 24, 2010, the Tacoma Housing Authority's (THA's) Board of Commissioners (BOC) approved Resolution 2010-2-24(6) authorizing THA's Executive Director to negotiate and enter into a GC/CM contract with Absher Construction, Inc. for the redevelopment of the 1800 and 2500 blocks of Hillside Terrace. Since then we changed the name of the project to Bay Terrace Phase 1 and 2.

On December 19, 2012, the BOC approved Resolution 2012-12-19(2) for Phase 1 GMP not-to-exceed \$17,390,507 plus owner contingency and sales tax. The Phase 1 project was completed in July 2014 under a Phase 1 Pre-Construction Services Agreement and Modifications 1 and 2 of the Agreement.

On January 28, 2015, the BOC approved Resolution 2015-1-28(4) authorizing THA's Executive Director to negotiate and execute a Pre-construction Services Agreement for Bay Terrace Phase 2 not-to-exceed \$133,000. On September 23, 2015, the BOC approved Resolution 2015-09-23(5) amending the Pre-Construction Services Agreement not-to-exceed \$302,595 to include mechanical, electrical and fire design services.

By this resolution, THA's Executive Director seeks authorization to negotiate, and if those negotiations are successful, to execute a contract with Absher Construction for CM/GC services to construct Bay Terrace Phase 2 with a Guaranteed Maximum Price (GMP) not-to-exceed \$18,210,310. This includes \$15.5 million in construction costs, an owner's contingency of 7%, and applicable sales tax.

Recommendation

Approve Resolution 2015-12-16 (4) authorizing THA's Executive Director to negotiate and if those negotiations are successful to execute a contract modification with Absher Construction for GC/CM services to construct the Bay Terrace Phase 2 with a GMP not-to-exceed amount of \$18,210,330.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (4) (GENERAL CONTRACTOR/CONSTRUCTION MANAGER SERVICES (GCCM) FOR BAY TERRACE PHASE II)

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

WHEREAS, Resolution 2010-2-24(6) Authorized THA's Executive Director to negotiate and execute the contract for the Construction Manager/General Contractor for the Bay Terrace Phase I and II project, and

WHEREAS, The resolution authorized THA's Executive Director to negotiate and execute the preconstruction service, construction management and general contractor services, and

WHEREAS, The initial phase of the contract was negotiated and awarded for constructing Phase I. It was completed by Absher in July, 2014, at a cost of \$18,312,882.38, and

WHEREAS, The Authority has developed a budget of \$18,210,330.00 for Phase II of the project. This includes pre-construction, construction, the 7% owner's contingency and applicable sales tax, and

WHEREAS, The project will be funded through a mix of financing strategies including Moving to Work (MTW) Funds, Equity contributions, 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:

THA's Executive Director is authorized to negotiate and, if those negotiations are successful, to execute a contract modification with Absher Construction for its services as General Contractor/Construction Manager for the Bay Terrace Phase 2 project with a Guaranteed Maximum Price not-to-exceed \$18,210,330.

Approved: December 16, 2015

Stan Rumbaugh, Chair

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (5)

Date: December 16, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Authorization to Award Contract to Robinson Noble for Additional Subsurface Investigation at 602 South Wright Street and Environmental Cleanup at 2302 6th Avenue Property

This authorization would authorize the Executive Director to negotiate, and if those negotiations are successful, to execute a non-competitive contract with Robinson Noble for urgent environmental services at the 6th Avenue and Wright Street buildings for a contract amount of appropriately \$170,000.

Background

On October 28, 2015, the Board of Commissioners approved Resolution 2015-10-28 (1) authorizing THA's Executive Director to award the contract for Subsurface Investigation at 602 South Wright Street and 2302 6th Avenue Property to Robinson Noble. Robinson Noble completed the subsurface investigations and the draft cleanup action plans for both sites. It then submitted the cleanup action plans to the Washington State Department of Ecology (DOE) for approval into the state's Voluntary Cleanup Program. THA staff and Robinson Noble met with the DOE and discussed the plans with them. DOE is completing its formal review of the cleanup action plans and we expect its comments back by the end of December, 2015. DOE stated it was comfortable with the environmental cleanup action plans prepared by Robinson Noble for 6th Avenue. It expressed that it would like additional subsurface investigation at Wright Street.

In anticipation of DOE's final comments, and based on their initial feedback, staff requested that Robinson Noble prepare a budget for both the 6th Avenue clean up and additional subsurface investigation at Wright Street. In order to meet the timing deadline for the tax credit closing THA did not do a competitive procurement. The proposals received were:

- 602 South Wright Street: \$113,536
- 2302 6th Avenue: \$54,540
- Total: \$167,936

This is a non-competitive procurement in accordance with Section 8.12 of THA PCI-01 Procurement Policy for the following reasons:

1. Time is of the essence – Closing is contingent upon cleanup action plans that satisfy the lender and investor.
2. Robinson Noble’s technical expertise was integral to the investor and lender’s support of the environmental cleanup approach and cleanup action plans. They will be able to continue moving forward without having to bring a new vendor up to speed or obtain the support of our partners.
3. Robinson Noble devised the initial plan. The remainder of the work will complete the cleanup that is needed for 6th Avenue, and further help determine the final clean up needed for Wright Street by doing additional exploration work.

THA staff is requesting to award the contract for the additional subsurface investigation at 602 South Wright Street and the environmental cleanup at 2302 6th Avenue Property to Robison Noble in the amount of \$167,936. This amount is pending final comments from DOE. Should the final comments be consistent with their initial comments, the intention is to proceed with this contract. If the final comments are not consistent with their initial comments, THA will need to address the comments and revise the scope of work.

Recommendation

Approve Resolution 2015-12-16 (5) authorizing THA’s Executive Director to award the additional Subsurface Investigation for the 602 South Wright Street and environmental cleanup contract at 2302 6th Avenue Property to Robison Noble in the .approximate amount of \$170,000 with the authority to go up to \$200,000 if the DOE scope of work requires it



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (5) (AWARD CONTRACT TO ROBINSON NOBLE FOR SUBSURFACE INVESTIGATION 602 SOUTH WRIGHT STREET AND 2302 6TH AVENUE PROPERTY)

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

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

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

WHEREAS, THA determined that more delineation of the contaminated areas was necessary. THA asked Robinson Noble to develop a draft cleanup action plan that it submitted to the Washington State Department of Ecology for approval into its Voluntary Cleanup Program, and

WHEREAS, DOE determined that (i) additional investigation is needed to further delineate the environmental issues at Wright Street and (ii) the plans for the cleanup activities for 6th Avenue are initially acceptable to DOE, and

WHEREAS, the schedule for this work did not allow time for a normal competitive procurement because of the urgent RAD tax credit financial closing schedule; and

WHEREAS, THA performed a noncompetitive procurement and received a proposal to perform the work from Robinson Noble in the amount of \$167,936, 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:

THA's Executive Director is authorized to execute a contract for subsurface investigation at 602 South Wright Street and environmental cleanup at 2302 6th Avenue Property to Robison Noble in the approximate amount of \$170,000, provided this authorization would go up to \$200,000 if the DOE scope of work requires the additional cost.

Approved: December 16, 2015

Stan Rumbaugh, Chair

Resolution 6



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-16-(6)

Date: December 16, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Amendment to Residential Floor Replacement Contract with Great Floors

This resolution would add an additional \$100,000 to THA's contract with Great Floors to replace the floors in THA's apartments. This would make the contract total \$200,000.

Background

In February, 2015 Tacoma Housing Authority (THA) issued a Request for Proposal (RFP) for residential floor replacement when it turns or upgrades a unit. The proposals were due on March 2, 2015. THA did not receive any proposals for this contract. Washington State has a contract with Great Floors. THA was able to "piggy back" off that contract and lock in the same prices that the State uses. On May 26, 2015, THA signed a contract with Great Floors for \$100,000.00.

THA is reaching the limit on the authorized amount. This resolution will give THA's Executive Director authorization to sign Amendment No. 1 to the contract increasing its total to \$200,000. This will cover future floor replacements through May 31, 2016, when the Contract expires.

Recommendation

Approve Resolution 2015-12-16 (6) authorizing THA to amend the Residential Floor Replacement Contract with Great Floors by increasing the contract amount from \$100,000 to \$200,000.00.



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (6) **(Amend the Residential Floor Replacement Contract with Great Floors)**

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

WHEREAS, Tacoma Housing Authority (THA) used the Washington State contract with Great Floor as a means of procuring Great Floors as its floor replacement contractor to replace the floors in THA units upon a unit turn or upgrade. On May 26, 2015 THA executed a contract with Great Floors for this purposes for one year, with four (4) twelve month extensions permissible, and

WHEREAS, The current contract with Great Floors cannot exceed \$100,000, and

WHEREAS, THA is nearing this limit, and

WHEREAS, THA will need more flooring replacement, and

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

Authorize THA's Executive Director to amend the existing Residential Flooring Replacement contract to increase the contract value from \$100,000 to \$200,000.

Approved: December 16, 2015

Stanley Rumbaugh, Chair

Resolution 7



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (7)

Date: December 16, 2015
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Public Housing Scattered Sites Homebuyer Assistance-HomeSight Contract

This resolution will authorize the Executive Director to award a contract to HomeSight in the amount of \$209,000 to help THA sell its single family public housing homes to qualified low-income purchasers.

Background

On June 24, 2015, the Board approved resolution number 2015-6-24 (4) that authorized the disposition and sale of THA's 34 public housing scattered sites. THA seeks to sell the homes to low-income household for whom the purchase would be a responsible investment. THA staff issued a Request for Proposal (RFP) to provide homebuyer counseling and education classes, to develop a sale schedule based on a pipeline of qualified buyers, to help prospective purchasers find first and/or second mortgages and down payment assistance from the Washington State Housing Finance Commission, to market homes to Public Housing and non-Public Housing residents, to develop an affirmative fair housing marketing plan, and to monitor the recapture/anti-speculation provisions of the sales contracts.

THA posted the RFP on June 22, 2015. THA hosted a preproposal meeting on July 1, 2015. THA staff received two proposals. Only one was responsive and responsible – from HomeSight, a nonprofit organization that promotes homeownership of low-income households. Staff determined HomeSight is qualified to provide the services.

The proposed contract pays HomeSight a fee of \$6,150 per home, paid from the proceeds of sale.

Recommendation

Approve Resolution 2015-12-16 (7) authorizing THA's Executive Director to award the contract to HomeSight, for the amount of \$209,100



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (7)

(Public Housing Scattered Sites Homebuyer Assistance – HomeSight Contract)

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

WHEREAS, On June 24, 2015, the Board approved resolution number 2015-6-24 (4) that authorized the disposition and sale of THA's 34 public housing scattered sites.

WHEREAS, THA seeks to sell the homes to low-income household for whom the purchase would be a responsible investment.

WHEREAS, THA staff issued a Request for Proposal (RFP) to provide homebuyer counseling and education classes, to develop a sale schedule based on a pipeline of qualified buyers, to help prospective purchasers find first and/or second mortgages and down payment assistance from the Washington State Housing Finance Commission, to market homes to Public Housing and non-Public Housing residents, to develop an affirmative fair housing marketing plan, and to monitor the recapture/anti-speculation provisions of the sales contracts.

WHEREAS, THA posted the RFP on the WEBS listing serve and THA's website and forwarded it to three plan holders, and

WHEREAS, Two firms submitted proposals by the deadline of July 10, 2015, and THA determined that the one from HomeSight was responsive and responsible, and

WHEREAS, Staff determined that HomeSight was qualified to perform the services for the amount of not to exceed \$209,100, 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 is authorized to negotiate, and if those negotiations are successful, execute a contract to HomeSight, in the amount of \$209,100 for the Home Buyer Assistance contract for the sale of the Public Housing Scattered Sites.

Approved: December 16, 2015

Stanley Rumbaugh, Chair

Resolution 8



TACOMA HOUSING AUTHORITY

2015-12-16 (8)

Date: December 16, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Housing Authority of the City of Tacoma Multifamily Mortgage Revenue Construction Note, 2015 (Renew Tacoma Housing Portfolio) and Multifamily Mortgage Revenue Construction/Permanent Note, 2015 (Renew Tacoma Housing Portfolio)

This resolution will authorize the Executive Director to negotiate and execute the various agreements necessary for the RAD fix up and refinancing of THA's public housing portfolio (7 senior buildings, Bergerson Terrace and Dixon Village.)

Background

Renew Tacoma Housing LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Borrower") has requested that the Authority issue and sell its Multifamily Mortgage Revenue Construction Note, 2015 (Renew Tacoma Portfolio) and its Multifamily Mortgage Revenue Construction/Permanent Note, 2015 (Renew Tacoma Portfolio) (together, the "Notes") for the purpose of providing part of the funds with which to pay the costs of acquiring and rehabilitating nine affordable rental housing complexes consisting of 456 units, including K Street Apartments, G Street Apartments, E.B. Wilson Apartments, Fawcett Apartments, Ludwig Apartments, Sixth Avenue Apartments, Wright Street Apartments, Bergerson Terrace Apartments and the Dixon Village Apartments (collectively, the "Project").

The proceeds of the Notes will be used to make a loan (the "Borrower Loan") to the Borrower pursuant to a Borrower Loan Agreement (the "Borrower Loan Agreement") between the Authority and the Borrower. Pursuant to the Borrower Loan Agreement, the Partnership will agree (1) to apply the proceeds of the Borrower to pay costs of acquiring and rehabilitating the Project, (2) to make payments sufficient to pay the principal of and interest on the Notes when due, and (3) to observe the other covenants and agreements and make the other payments set forth in the Borrower Loan Agreement. The interest of the Authority in the Borrower Loan Agreement (except for reserved rights) will be assigned to Citibank, N.A., as purchaser of the Notes and funding lender (the "Funding Lender"), under a Funding Loan Agreement between the Authority and the Funding Lender.

Board Resolution

This Resolution seeks board authorization for the:

1. Issuance of the Notes in an aggregate principal amount not to exceed \$45,000,0000,
2. Entering into the Funding Loan Agreement, under which the Funding Lender will make a loan to the Authority, evidenced by the Notes, the proceeds of which will be used to make the Borrower Loan to the Borrower; and
3. Preparation, execution and delivery of documents by the Authority, in its capacity as issuer of the Notes and guarantor of certain obligations with respect to the Notes. Documents to be authorized include, without limitation, Loan Agreements, a Deed of Trust, an Environmental Indemnity Agreement and Guarantees.

Other Board Action

Pursuant to Resolution 2015-7-3 (5) adopted July 30, 2015, the Board approved the creation of the Borrower and application to the Washington State Housing Finance Commission for tax credits for the Project. At the December 16, 2015, Board Meeting, the Board is also scheduled to consider Resolution 2015-12-16 (9), which authorizes, among other things, the Authority to lease the Project to the Borrower, loans to the Borrower, and execution and delivery of documents relating to the acquisition, rehabilitation and operation of the Project by the Authority on its own behalf and in its capacity as general partner of the Borrower.

Recommendation

Approve Resolution 2016-12-16 (8).



TACOMA HOUSING AUTHORITY

HOUSING AUTHORITY OF THE CITY OF TACOMA RESOLUTION NO. 2015-12-16(8) (RENEW TACOMA HOUSING PORTFOLIO)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of revenue notes in the aggregate principal amount of not to exceed \$45,000,000, the proceeds of which will be used to make a loan to Renew Tacoma Housing LLLP LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to acquire and rehabilitate nine affordable rental housing projects containing a total of 456 units to provide housing for low income persons in the City of Tacoma, Washington; determining the form and terms of the notes; authorizing the execution and delivery of a funding loan agreement with respect to the issuance of the notes, a borrower loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the projects and other note and loan documents; providing for the sale and delivery of the notes to Citibank, N.A.; and authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution.

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

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

WHEREAS, RCW 35.82.070(5) provides that a housing authority may, among other things, "lease any . . . lands . . . embraced in any housing project and . . . establish and revise the rents or charges therefor"; and "sell, lease, exchange, transfer. . . or dispose of any real or personal property or any interest therein . . ."; and

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, "make . . . loans for the . . . acquisition, construction . . .

rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing for persons of low-income”; and

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

WHEREAS, Renew Tacoma Housing LLLP (the “Partnership”), a Washington limited liability limited partnership of which the Authority is the sole general partner, has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to acquire and rehabilitate the following nine apartment complexes, all of which will be leased by the Partnership from the Authority (the “Project”):

Property Name	Address	Number of Units
K Street Apartments	911 North K Street Tacoma, Washington 98403	43
G Street Apartments	401 North G Street Tacoma, Washington 98403	40
E.B. Wilson Apartments	1202 South M Street Tacoma, Washington 98405	77
Fawcett Apartments	3201 Fawcett Avenue Tacoma, Washington 98418	30
Ludwig Apartments	5425 South Lawrence Street Tacoma, Washington 98409	41
Sixth Avenue Apartments	2302 6 th Avenue Tacoma, Washington	64
Wright Street Apartments	602 South Wright Street Tacoma, Washington 98418	58
Bergerson Terrace Apartments	5301, 5303, 5305, 5307, 5309, 5311 and 5315 South Orchard Street Tacoma, Washington 98467	72
Dixon Village Apartments	5401-5512 South Stevens Street Tacoma, Washington 98409	31

; and

WHEREAS, the Project will be used by the Partnership to provide housing for low-income persons, and no more than an insubstantial portion of the proceeds of the Notes

(defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used by the Partnership for any other purpose; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue the Notes, and to use the proceeds thereof to make a loan to the Partnership for the purposes described herein; and

WHEREAS, it is anticipated that Citibank, N.A. will offer to purchase the Notes on the terms and conditions set forth herein; and

WHEREAS, RCW 35.82.040 provides that a housing authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper, NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

“Assignment of Deed of Trust and Loan Documents” means the Assignment of Leasehold Deed of Trust and Loan Documents to be executed by the Authority, relating to the assignment of the Authority’s interests in the Deed of Trust and the Borrower Notes, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Equity Interests” means the Assignment of Equity Interests, Pledge and Security Agreement to be executed by the Partnership and the Authority (in its capacity as general partner of the Partnership), relating to the assignment of certain of the Authority’s equity interests in the Partnership, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Management Agreement” means the Assignment of Management Agreement to be executed by the Partnership and the Authority (in its capacity as manager of the Project relating to assignment to the Bank of certain of the Partnership’s rights under property management agreements with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment and Subordination of Developer Fees” means the Assignment of Subordination of Developer Fees, Pledge and Security Agreement to be executed by the Partnership and the Authority (in its capacity as developer), relating to the assignment of certain of the Partnership’s and the Authority’s interests in the development agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

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

“Bank” means Citibank, N.A., as Registered Owner of the Notes, and any subsequent Registered Owner thereof.

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

“Borrower Loan Agreement” means the Borrower Loan Agreement between the Authority and the Partnership providing for, evidencing and securing the obligation of the Partnership to repay the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Borrower Notes” means, together, the Multifamily Note (Real Estate) and the Multifamily Note (Cash Collateralized), to be executed by the Partnership in favor of the Authority and endorsed in favor of the Bank.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

“Completion and Repayment Guaranty” means, together, the Completion and Repayment Guaranty (Including Operating Deficit Guaranty) and the Exceptions to Non-Recourse Guaranty to be executed by the Authority providing for a guaranty of certain of the Partnership’s obligations with respect to the construction of the Project and repayment of the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.

“Construction Funding Agreement” means the Construction Funding Agreement to be executed by the Partnership and the Bank, setting forth certain covenants and conditions relating to the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.

“Deed of Trust” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, encumbering the Partnership’s leasehold interest in the real property and improvements and personal property constituting the Project, securing payment of the Loan, including the exhibits thereto (including, without limitation, the Master Lessor’s Subordination and Joinder, to be entered into by the Authority (in its capacity as lessor) and the Partnership), and any supplements or amendments thereto made in conformity herewith and therewith.

“Deposit Account Control Agreement” means the Deposit Account Control Agreement to be executed by the Partnership and/or the Authority, relating to the deposit of funds for the purpose of securing payments on the Loan and/or the Notes, including any supplements or amendments thereto made in conformity herewith and therewith.

“Draws” means incremental draws on the Notes.

“Environmental Indemnification Agreement” means the Agreement of Environmental Indemnification to be executed by the Partnership and the Authority relating to environmental claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

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

“Funding Loan Agreement” means the Funding Loan Agreement between the Bank and the Authority providing for a loan from the Bank to the Authority evidenced by the Notes.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or hereafter prohibited from being used for the purpose of paying Authority’s obligations under the Completion and Repayment Guaranty or Environmental Indemnification Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Governmental Lender Construction Note” means the Multifamily Mortgage Revenue Construction Note, 2015 (Renew Tacoma Housing Portfolio), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Governmental Lender Construction/Permanent Note” means the Multifamily Mortgage Revenue Construction/Permanent Note, 2015 (Renew Tacoma Housing Portfolio), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Loan” means the loan from the Authority to the Partnership of the proceeds of Draws on the Notes.

“Loan Documents” means, collectively, the Assignment of Equity Interests, the

Assignment of Management Agreement, the Assignment of Subordination of Developer Fees, the Borrower Loan Agreement, the Borrower Notes, the Construction Funding Agreement, the Deed of Trust, the Deposit Account Control Agreement, the Environmental Indemnity Agreement, the Master Lease Estoppel Certificate, the Replacement Reserve Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Partnership.

“Master Lease Estoppel Certificate” means the Master Lease Estoppel Certificate to be executed by the Authority and acknowledged and agreed to by the Partnership, relating to certain of the Authority’s rights under the master lease of the Project to the Partnership, including any supplements or amendments thereto made in conformity therewith.

“Notes” means together, the Governmental Lender Construction Note and the Governmental Lender Construction/Permanent Note. .

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

“Partnership” means Renew Tacoma Housing LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, formed in connection with the Project.

“Project” means, depending on the context, (1) the acquisition and rehabilitation of nine affordable housing projects located on real property described in Exhibit A to the Deed of Trust, or (2) the affordable rental housing projects so acquired and rehabilitated.

“Proposal Letter” means the proposal letter dated September 21, 2015, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Note, as it may be amended and supplemented, and any supplement or amendment or commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the Bank, as registered owner of the Notes, registered as such on the registration books maintained by the Note Registrar.

“Regulatory Agreement” means the Regulatory Agreement executed by the Partnership for the benefit of the Authority governing the use of the Project, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Replacement Reserve Agreement” means the Replacement Reserve Agreement between the Partnership and the Bank, providing for the establishment of a replacement reserve fund, including any supplements or amendments made in conformity herewith and therewith.

“Subordination Agreement” means the Subordination and Intercreditor Agreement between the Authority and the Bank and acknowledged by the Partnership, including any supplements or amendments thereto made in conformity herewith and therewith.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Borrower Loan Agreement.

Section 2. Authorization of Notes and Loan and Application of Proceeds. The Authority shall issue the Notes in an aggregate original principal amount of not to exceed \$45,000,000 for the purpose of making a loan to the Partnership to provide a portion of the funds required to accomplish the Project and pay costs of issuing the Notes. Such Note financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Notes shall be lent to the Partnership for those purposes. The Board finds that it is in the best interest of the Authority to issue the Notes for the purposes set forth in this resolution.

Section 3. Description of the Notes. The Notes shall be issued in registered form in an original aggregate principal amount of not to exceed \$45,000,000. The Notes shall be dated such date, shall be in such denominations, shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption

Section 4 provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Funding Loan Agreement and the Notes.

Section 5. Draws on the Notes The Board authorizes the Executive Director, as authorized signer for the Authority, in its capacity as general partner of the Partnership, or his designees to make Draws against the Notes in such amounts and at such times as they may determine, those Draws to be made in accordance with the terms and provisions set forth herein and in the Loan Documents. Draws shall be recorded in such form as the Partnership and the Bank may agree. Draws shall be limited to an aggregate principal amount of \$45,000,000.

Section 6. Note Registrar; Registration and Transfer of Notes. The Notes shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Note Registrar (the "Note Register"). The Executive Director shall serve as Note Registrar for the Notes. The Note Register shall contain the name and mailing address of the Registered Owner of the Notes. The Note Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Notes in accordance with the provisions of the Notes, the Funding Loan Agreement and this resolution, to serve as the Authority's paying agent for the Notes and to carry out all of the Note Registrar's powers and duties under this resolution and the Funding Loan Agreement. The Notes may be transferred only in accordance with the terms of the Funding Loan Agreement.

Section 7. Payment of Notes. Both principal of and interest on the Note shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Note Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on a

Section 8 Note, the Registered Owner shall surrender that Note at the principal office of the Note Registrar in Tacoma, Washington, for destruction or cancellation in accordance with law.

Section 9. Security for the Notes. The Notes shall be special, nonrecourse obligations of the Authority payable solely from Pledged Revenues (as defined in the Funding Loan Agreement) and such other funds and money as may be pledged or assigned under the Funding Loan Agreement. The obligations of the Authority under the Funding Loan Agreement and the Notes are not a debt of the City of Tacoma, the State of Washington or any political subdivision thereof and neither the City of Tacoma, nor the State Washington or any political subdivision thereof shall be liable thereon, nor in any event shall the obligations of the Authority thereunder be payable out of any funds or properties other than those of the Authority expressly pledged thereto. The obligations of the Authority under the Funding Loan Agreement and the Notes shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

The Authority pledges its General Revenues to payment of its obligations under the Completion and Repayment Guaranty and the Environmental Indemnification Agreement subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the obligations of the Authority under the Completion and Repayment Guaranty and the Environmental Indemnification Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made

under the Completion and Repayment Guaranty and Environmental Indemnification Agreement with respect to that portion of the General Revenues so pledged.

Except to the extent of the pledge of the General Revenues of the Authority to payment of the Authority's obligations under the Completion and Repayment Guaranty and the Environmental Indemnification Agreement to which it is a party, neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Notes.

Upon the issuance of the Notes, the Authority shall cause the Loan Documents to be executed by the Partnership for the benefit of the Authority and/or the Bank, and shall assign certain of its rights under the Loan Documents to which it is a party to the Bank, as security for the payment of the principal of and interest on the Notes. The Authority shall retain rights under the Regulatory Agreement and certain rights under the Borrower Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Notes, and the Authority shall have no obligation to make principal and interest payments on the Notes except from those payments collected by the Bank on the Authority's behalf and those payments made pursuant to the Completion and Repayment Guaranty.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Notes, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Notes, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority

be obligated to pay for the application of such payments to the payment of principal of and interest on the Notes, except as may be required by the terms of the Completion and Repayment Guaranty. If the Notes are assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal and interest payments under the Loan Documents and apply the same to the payment of principal of and interest on the Notes.

Section 10. Form and Execution of Notes. The Notes shall be in a form consistent with the provisions of this resolution, the Funding Loan Agreement and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority. The Notes shall be authenticated by the Note Registrar as set forth in the Funding Loan Agreement. No Note shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 11. Preservation of Tax Exemption for Interest on Notes. The Authority covenants that it will take all actions necessary to prevent interest on the Notes from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Notes or other funds of the Authority treated as proceeds of the Notes at any time during the term of the Notes which would cause interest on the Notes to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are

Section 12 applicable to the Notes, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Notes, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Notes from being included in gross income for federal income tax purposes (but only from amounts received by the Authority from the Partnership as payments for those purposes).

The Borrower Loan Agreement shall require the Partnership to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Borrower Loan Agreement, in so complying.

Section 13. Approval of Sale of Notes to Bank. It is anticipated that the Bank will offer to purchase the Notes under the terms and conditions contained in this resolution and the Proposal Letter. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to purchase the Notes under the terms and conditions in this resolution and the Proposal Letter. The Notes will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Notes.

Section 14. Authorization of Documents and Execution Thereof. The Board authorizes the Executive Director to negotiate and approve the Regulatory Agreement, the Completion and Repayment Guaranty, the Assignment of Deed of Trust and Loan Documents, the Funding Loan Agreement, the Subordination Agreements, and the Loan Documents. The

Section 15 Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Notes, the Assignment of Deed of Trust and Loan Documents, the Completion and Repayment Guaranty, the Subordination Agreement, the Regulatory Agreement, the Funding Loan Agreement, the Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Notes. The Board authorizes and directs the Executive Director to execute on behalf of the Authority and to deliver the Assignment of Deed of Trust and Loan Documents, the Regulatory Agreement, the Completion and Repayment Guaranty, the Funding Loan Agreement, the Subordination Agreement, and the Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments, and agreements as may be necessary or desirable in connection with the issuance of the Notes or required by the Bank as a condition to purchasing the Notes.

Section 16. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Chair of the Board or Executive Director may in the absence of such person be taken by the duly authorized acting Chair of the Board or the acting Executive Director, respectively.

Section 17. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 18. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 19. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting thereof this 16th day of December, 2015.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Stanley Rumbaugh, Chair, Board of
Commissioners

ATTEST:

Secretary-Treasurer



TACOMA HOUSING AUTHORITY

CERTIFICATE

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

1. That the attached copy of Resolution No. 2015-12-16(8) (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 December 16, 2015, and duly recorded in the minute books of the Authority;
2. That written notice specifying the time and place of the meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the meeting, a true and complete copy of which notice is attached hereto as Appendix I;
3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 901 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the meeting;
4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and
5. 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 16th day of December, 2015.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 9



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (9)

Date: December 16, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Renew Tacoma Housing LLLP

This resolution will authorize the Executive Director to execute all documents related to the financial closing with the investor limited partner and various funders as necessary to the fix-up and refinancing of THA's public housing portfolio (7 senior buildings, Bergerson Terrace and Dixon Village.)

Background

In July 2015, Tacoma Housing Authority's (THA's) Board adopted Resolution 2015-7-30 (5) authorizing THA to form Renew Tacoma Housing LLLP (the "Partnership") for the purpose of acquiring, rehabilitating and operating nine affordable rental housing complexes consisting of 456 units (collectively, the "Projects"). The Projects include the K Street Apartments, the G Street Apartments, the EB Wilson Apartments, the Fawcett Apartments, the Ludwig Apartments, the Sixth Avenue Apartments, the Wright Street Apartments, the Bergerson Terrace Apartments, and the Dixon Village Apartments. Each of the Projects shall convert from Public Housing to Project Based Section 8 under HUD's Rental Assistance Demonstration ("RAD").

THA will serve as the developer and the general partner of the Partnership. The Partnership will own (for federal tax purposes) and operate the Projects, and THA will hold a right of first refusal to acquire the Projects from the Partnership at the end of the 15-year tax credit compliance period. The Partnership's initial limited partner is Tacoma Housing Development Group ("THDG") and the THA staff have negotiated agreements whereby RBC-TACOMA PORTFOLIO, LLC ("RBC") (or one or more affiliate thereof), will replace THDG as the Partnership's limited partner. In exchange for an expected allocation of federal low-income housing tax credits and other federal tax benefits, RBC is expected (as of the date hereof) to make capital contributions in the aggregate amount of approximately \$31,000,000, which will be used by the Partnership to establish reserves, pay rehabilitation costs, and retire a portion of the Partnership's debt. Citibank, N.A. will acquire notes issued by THA, and the note proceeds in an amount not expected to exceed \$45,000,000 will be used to fund a loan to the Partnership to pay rehabilitation costs. The notes are authorized to be issued pursuant to Resolution 2015-12-16 (8), which also will be presented to the Board at its December meeting. THA will also provide the Partnership additional loans in an amount not expected to exceed \$41,000,000 for the purpose of financing the Partnership's acquisition of the Projects and other rehabilitation and development costs. The Partnership will pay THA interest on the outstanding amounts of the master loan at the time the construction loan converts to a permanent loan and, thereafter, the master loan proceeds will be repaid from cash flow after debt service, reserves and deferred developer fees are paid.

Resolution 2015-12-16 (9) will authorize THA to execute all documents related to the closing with the investor limited partner and various funders, as necessary, in order to carry out the rehabilitation of the Projects and the conversion to Project Based Section 8 under RAD.

Recommendation

Approve Resolution 2015-12-16 (9).



TACOMA HOUSING AUTHORITY

RESOLUTION 2015-12-16 (9) (Renew Tacoma Housing LLLP)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the lease of Authority property to Renew Tacoma Housing LLLP, authorizing loans to Renew Tacoma Housing LLLP, approving the execution and delivery of documents relating to the rehabilitation of the K Street Apartments, the G Street Apartments, the EB Wilson Apartments, the Fawcett Apartments, the Ludwig Apartments, the Sixth Avenue Apartments, the Wright Street Apartments, the Bergerson Terrace Apartments, and the Dixon Village Apartments, and determining related matters.

WHEREAS, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” “make and execute contracts and other instruments, including but not limited to partnership agreements,” and “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income,” and

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

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

WHEREAS, Pursuant to the authority provided by RCW 35.82.070, the Authority formed Renew Tacoma Housing LLLP (the “Partnership”) with Tacoma Housing Development Group (“THDG”), and

WHEREAS, The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to acquire, rehabilitate, operate and maintain the K Street Apartments, the G Street Apartments, the EB Wilson Apartments, the Fawcett Apartments, the Ludwig Apartments, the Sixth Avenue Apartments, the Wright Street Apartments, the Bergerson Terrace Apartments, and the Dixon Village Apartments consisting of 456 units (collectively, the “Project”), to provide housing for low income persons within the City of Tacoma, Washington (the “City”), and

WHEREAS, In connection with the financing for the Project, the Authority will lease the Project to the Partnership, and

WHEREAS, The financing for the Project will require the use of various funding sources, including tax-exempt bonds, low income housing tax credits and federal grants, and

WHEREAS, RBC-TACOMA PORTFOLIO, LLC (or one or more of its affiliates) (collectively, the “Investor”) has offered to acquire the limited partner interest in the Partnership, and the Authority’s Board of Commissioners (the “Board”) finds and determines that the capital contributions expected to be made by the Investor to the Partnership will be sufficient, together with other available money, to enable the Partnership to acquire, rehabilitate, operate and maintain the Project, and

WHEREAS, As a condition to acquiring the limited partner interest in the Partnership, the Investor requested that the Authority amend and restate the Partnership’s original limited partnership agreement and execute and deliver certain other agreements, certificates and other documents relating to the Partnership and the Project, which request the Board finds and determines to be reasonable, and

WHEREAS, The Board finds and determines that the Project likely would not be developed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor committed to make its capital contributions to the Partnership, and

WHEREAS, The total cost of acquiring, constructing, equipping and financing the Project is not expected to exceed \$91,000,000, which will be financed by the Partnership with numerous sources of funds, including a loan of proceeds of tax-exempt notes issued by the Authority, seller financing and one or more loans from the Authority in the aggregate amount not expected to exceed \$41,000,000, and capital contributions from the Investor, and

WHEREAS, The Partnership will provide the Authority with a right of first refusal to acquire the Project at the end of the 15-year low-income housing tax credit “compliance period” for the Project, and

WHEREAS, The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership, and

WHEREAS, The Board finds and determines that the financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm, and

WHEREAS, Based on the consideration of funding sources available for the Project, the need for affordable housing in the City, and other matters, it is necessary that the Authority proceed with the transactions described in this resolution, now, therefore be it

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

1. Approval of Partnership Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. 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, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) (i) those documents listed in Exhibit A under the heading "Partnership Documents" (collectively, the "Partnership Documents"); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Partnership Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Partnership Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). From and after the date the Partnership Documents are effective, the Executive Director (or his designee) is authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.
2. Approval of Tax Exempt Loan Documents. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) (i) those documents listed in Exhibit A under the heading "Tax Exempt Loan Documents" (collectively, the "Tax Exempt Loan Documents"), substantially in the forms on file with the Authority, with such changes, including any material changes, as the Authorized Officer executing such documents deems necessary or advisable; and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Tax Exempt Loan Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).
3. Approval of Housing Authority Loan Documents. The Authority is authorized to lend to the Partnership up to \$41,000,000 of available Authority funds, all pursuant to the documents listed in Exhibit A under the heading "Housing Authority Loan Documents" (collectively, the "Housing Authority Loan Documents"). Such loan is intended to be in addition to the loan of Authority bond proceeds authorized by the Board's Resolution No. 2015-12-16(8) (the "Bond Resolution"). The Authorized Officers (and each of

4. them acting alone) are authorized and directed to take all actions required of the Authority in connection with the loan to be made by the Authority to the Partnership in connection with the Project. In particular, the Authorized Officers (and each of them acting alone) are authorized to execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority on its own behalf or in its capacity as general partner of the Partnership, as applicable: (i) the Housing Authority Loan Documents, substantially in the forms on file with the Authority, with such changes, including material changes, as the Authorized Officer executing such document deems necessary or advisable; and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Housing Authority Loan Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).
5. Approval of HUD Documents. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) (i) those documents listed in Exhibit A under the heading “HUD Documents” (collectively, the “HUD Documents”), substantially in the forms on file with the Authority, with such changes, including any material changes, as the Authorized Officer executing such documents deems necessary or advisable; and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the HUD Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).
6. Approval of Real Estate Documents. The Authority is authorized to lease to the Partnership, for a term not exceeding 100 years, the Project and the land on which the Project is located, all existing improvements located on such land, and the Authority’s interest in all personal property located on such land and in such improvements. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of the Authority (acting on its own behalf or as general partner of the Partnership), a lease transferring the Project and the land on which the Project is located to the Partnership in substantially the form on file with the Authority, the other documents listed in Exhibit A under the heading “Real Estate Documents” (the “Real Estate Documents”), and such other agreements and documents as are necessary for the Authority to transfer the land and Project thereon to the Partnership; provided however, any Authorized Officer may approve on the Authority’s behalf any further changes to the draft Real Estate Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer’s signature on the final Real Estate Documents shall be construed as the Authority’s approval of such changes.
7. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf or as general partner of

8. the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation: the filing of one or more applications with the Washington State Housing Finance Commission; the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i).
9. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to execute and deliver one or more instruments (i) assigning to the Partnership the Authority's rights, if any, under construction contracts, architect's contracts, the geotechnical consultant contracts and other development contracts, as such rights pertain to the rehabilitation of the Project and (ii) assigning to lenders and others the Partnership's interests in such contracts.
10. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, rehabilitation, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.
11. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership, as applicable) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various agreements authorized by this resolution. In the furtherance of the foregoing, the Authority is authorized to expend

12. such funds (and to cause the Partnership to expend such funds) as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
13. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, or to increase the principal amount of any loan by or capital contribution from the Authority by an amount up to \$1,000,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans to the Partnership.
14. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Acting Executive Director of the Authority, respectively.
15. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
16. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
17. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: December 16, 2015

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

EXHIBIT A

TRANSACTION DOCUMENTS

Partnership Documents

- Amended and Restated Agreement of Limited Partnership by and among the Authority, THDG and the Investor;
- Development Agreement between the Partnership and the Authority;
- Purchase Option and Right of First Refusal Agreement between the Partnership and the Authority;
- Operating Subsidy Contract between the Partnership and the Authority;
- Property Management Agreement between the Partnership and the Authority;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Regulatory Agreements (Extended Use Agreements) among the Washington State Housing Finance Commission (the "Commission"), the Authority and the Partnership;

Tax-Exempt Loan Documents

- Funding Loan Agreement between the Authority and Citibank, N.A. (the "Bank");
- Government Lending Note (Real Estate) by the Authority in favor of the Bank;
- Government Lending Note (Cash Collateral) by the Authority in favor of the Bank;
- Continuing Disclosure Agreement between the Partnership and the Bank;
- Contingency Drawdown Agreement between the Partnership and the Bank;
- Regulatory Agreement between the Partnership and the Authority;
- Borrower Loan Agreement between the Partnership and the Authority;
- Construction Funding Agreement between the Partnership and the Bank;
- Multifamily Note (Variable Rate) by the Partnership in favor of the Authority and endorsed by the Authority in favor of the Bank;
- Multifamily Note (Fixed Rate) by the Partnership in favor of the Authority and endorsed by the Authority in favor of the Bank;
- Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing from the Partnership in favor of the Authority, including the Master Lessor's Subordination and Joinder, to be entered by the Authority and the Partnership;
- Assignment of Multifamily Leasehold Deed of Trust and Loan Documents from the Authority to the Bank;
- Completion and Repayment Guaranty (Including Operating Deficit Guaranty) from the Authority;
- Exceptions to Non-Recourse Guaranty from the Authority;
- Agreement of Environmental Indemnification from the Authority and the Partnership;

- Replacement Reserve Agreement between the Partnership and the Bank;
- Deposit Account Control Agreement among the Partnership, the Authority and the Bank;
- Assignment of Housing Assistance Payments Agreement from the Partnership to the Bank;
- Assignment of Subordination of Developer Fees, Pledge and Security Agreement from the Partnership and the Authority to the Bank;
- Assignment of Management Agreement from the Partnership and the Authority to the Bank;
- Assignment of Equity Interests, Pledge and Security Agreement from the Partnership and the Authority to the Bank;
- Assignment of Equity Investor Capital Contributions, Pledge and Security Agreement from the Partnership to the Bank;
- Assignment of Project Documents from the Partnership to the Bank;
- Assignment of Architect's Agreement and Plans and Specifications from the Partnership to the Bank;
- Assignment of Construction Contract from the Partnership to the Bank;
- Authorization to Request Advances from the Partnership;
- Borrower's Certificate and Agreement from the Partnership;
- Master Lease Estoppel Certificate from the Partnership and acknowledged by the Authority;
- Title Escrow Agreement by and among the Partnership, the Bank and First American Title Company;
- Subordination and Intercreditor Agreement among the Authority, the Partnership and the Bank;

Housing Authority Loan Documents

- Master Loan Agreement between the Partnership and the Authority;
- Promissory Note (Renew Tacoma Housing Project – Loan A) by the Partnership in favor of the Authority;
- Promissory Note (Renew Tacoma Housing Project – Loan B) by the Partnership in favor of the Authority;
- Promissory Note (Renew Tacoma Housing Project – Loan C) by the Partnership in favor of the Authority;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Skyline Crest Apartments – Master Loan) from the Partnership in favor of the Authority;
- Hazardous Substances Warranty/Indemnity Agreement by the Partnership in favor of the Authority;

HUD Documents

- Rental Assistance (RAD) Conversion Commitment (Public Housing and Section 8 Moderate Rehabilitation (Mod Rehab) Program Conversions; First Component) by and

among the Authority, the Partnership and the U.S. Department of Housing and Urban Development (“HUD”);

- First Amendment to RAD Conversion Commitment by and among the Authority, the Partnership and HUD;
- Rental Assistance Demonstration Use Agreement between the Partnership and HUD, together with the Rider to Use Agreement Relating to Foreclosure (for PBV and PBRA RAD conversions from Public Housing) between the Partnership and HUD;
- Section 8 Project Based Voucher Program PBV Housing Assistance Payments Contract New Construction or Rehabilitation between the Partnership and HUD, together with Rental Assistance Demonstration (RAD); Rider to the Section 8 Project Based Voucher Program (PBV) Housing Assistance Payments (HAP) Contract for New Construction or Rehabilitated Housing (Public Housing Conversions; First Component) between the Partnership and HUD, the LIHTC Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) between the Partnership and HUD, and the Lender Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) between the Partnership and HUD;
- Consolidated Owner Certification – Rental Assistance Demonstration by the Authority and the Partnership;
- Certification and Assurances by the Authority and the Partnership;
- HUD Form 92458 Rental Schedule Low Rent Housing by the Partnership;
- Owner’s/Management Agent’s Certification (HUD Form 9839) by the Partnership and the Authority;

Real Estate Documents

- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership; and
- Assignment and Assumption of Leases, Security Deposits and Service Contracts between the Partnership and the Authority.



TACOMA HOUSING AUTHORITY

CERTIFICATE

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

1. That the attached copy of Resolution No. 2015-12-16(9) (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 December 16, 2015, and duly recorded in the minute books of the Authority;

2. That written notice specifying the time and place of the meeting and noting the business to be transacted was given to all members of the Board of Commissioners by mail, fax, electronic mail or personal delivery at least 24 hours prior to the meeting, a true and complete copy of which notice is attached hereto as Appendix I;

3. That the written notice described above was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's administrative office at 901 South L Street, Tacoma, Washington 98405 and at the meeting site, if different, at least 24 hours prior to the meeting;

4. That the written notice described above was given to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

5. 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 16th day of December, 2015.

Michael Mirra, Secretary and Executive Director of
the Authority