



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

July 27, 2016



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, July 27, 2016

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, July 27, 2016, at 4:45 pm.**

The meeting will take place at:

**911 North K. Street
Tacoma, WA 98403**

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 July 27, 2016, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123 email: CityClerk@cityoftacoma.com
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	email: 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 BOARD OF COMMISSIONERS MEETING

July 27, 2016 4:45 PM

911 North K. Street, Tacoma, WA 98403

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of June 22, 2016—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Policy, Innovation and Evaluation
 - 7.3 Administration
 - OpenDoor Demonstration
 - 7.4 Client Services
 - 7.5 Property Management
 - 7.6 Real Estate Development
8. **NEW BUSINESS**
 - 8.1 2016-07-27(1) Ratify Office and Professional Employees International Union (OPEIU) Contract
 - 8.2 2016-07-27(2) Conversion of Subsidy for Hillside Terrace and Salishan Properties from Public Housing to Rental Assistance Demonstration (RAD)
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, June 22, 2016

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:45 PM on Wednesday, June 22, 2016.

1. CALL TO ORDER

Chair Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:52 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Stanley Rumbaugh	
Commissioner Janis Flauding	Vice Chair Arthur Banks
Commissioner Derek Young	Commissioner Minh-Anh Hodge
Staff	
Sha Peterson, Executive Assistant	Michael Mirra, Executive Director
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Barbara Tanbara, Human Resources Director	
Pat Patterson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Greg Claycamp, Client Services Director	Todd Craven, Administration Director
Sandy Burgess, Associate Director for AD & Asset Management	

Chair Rumbaugh arrived at 4:49 pm, declared there was a quorum present at 4:52 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Rumbaugh asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, May 25, 2016. Commissioner Flauding moved to adopt the minutes; Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Chair Rumbaugh asked for any corrections to, or discussion of minutes for the Special Session of the Board of Commissioners for Friday, May 27, 2016. Commissioner Flauding moved to adopt the minutes; Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENT

Metro Parks Tacoma Board President Erik Hanberg, Assistant Executive Director Shon Sylvia, and Project Manager Dave Lewis briefed the board on their congressional visit to Washington D.C. in May to advocate funding for the Eastside Community Center. Tacoma Housing Authority and the Tacoma School District were part of the delegation. The members of the group felt that their message was well received.

Metro Parks hired Paul Breckenridge Consulting Services to provide a guide to new market tax credits. In addition to securing funding through bonds, the City of Tacoma provided additional dollars towards the project. Lewis provided the board a copy of the Eastside Community Center master plan. The Eastside Community Center will be more than just a recreation center; it will address a variety of community needs. Amenities will include a fitness area, music room, community gathering space, aquatic center, zip line, rock wall, and a large social hall.

The Boys and Girls Club signed on as a partner and will operate from 5:00-10:00 pm, with a pledge to do a “late night” similar to that offered by YMCA.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

The Real Estate Development Committee did not meet this month, but Chair Rumbaugh and Executive Director Mirra met and discussed THA reserves. They determined that THA has funds to move forward and that all current projects are on time and on budget.

Finance Committee—Commissioner Hodge and Commissioner Young

There was nothing to report.

Education Committee—Commissioner Hodge

Commissioner Hodge was not in attendance.

Citizen Oversight Committee—Vice Chair Banks

Vice Chair Banks was not in attendance.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra was not in attendance. Deputy Executive Director (DED) April Black reported on his behalf.

DED Black provided the board information regarding her recent trip to Boston with ED Mirra. They learned about a study by Boston University where housing is being looked into as a factor for lowering medical expenses. The matrix compares the cost of housing vis a vis the medical care provided to households prior to being housed. The study is focused on the highest utilizers of the medical system and will use housing as a prescription to measure change.

Finally, DED Black informed the board that Housing and Urban Development (HUD) sent out a notice for public comments regarding small area Fair Market Rates (FMR) for selected markets. Tacoma and Lakewood were included. HUD is proposing that housing authorities serving these markets shift from regional payment standards to zip code-level payment standards. The purpose of the change is to make it easier for voucher holders to afford to live in “areas of opportunity”, which generally have higher rents. This would mean that THA will have to redesign its systems. She noted that THA closely monitors how its participating families do in the various submarkets of our area. We track a variety of metrics for this purpose, including how our present payment standard compares with market rents. For example, our present payment standard matches the average rent in Tacoma’s North End, one of the city’s high rent areas. The national and local media have taken an interest in this topic. DED Black was interviewed by a reporter from The News Tribune.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the agency financials. There is no financial report for the month of June. The next report will be provided in August. Director Shalik discussed the resolution for mid-year budget and an update on the Moving to Work (MTW) commitments requested by HUD.

Tacoma Housing Authority had \$18M in cash at the end of May. The higher level of cash is due from funds received from the Rental Assistance Demonstration (RAD) closing and reimbursement from the pre-development cost for RAD and Bay Terrace II (BTII). Per the budget, the cash level will decrease during the remainder of the year, as THA will be expending funds for IT upgrades, supplemental Housing Assistance Program (HAP) payments for RAD units, rehab loans for unit upgrades on our existing Tax Credit units upon RAD conversion, and increased staffing during the RAD development phase. THA will still end up with a good reserve level at the end of the year. There is \$1M in HUD-held HAP reserves, which will be spent down. HUD news proposed rules on cash management for MTW agencies is in the works. As part of its consideration of its proposal, HUD is asking MTW agencies for information regarding particular invoices, not just a report. Senator Murray and her staff are already aware of this.

Commissioner Flauding moved to ratify the payment of cash disbursements totaling \$4,459,219 for the month of May, 2016. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Client Services

Client Services (CS) Director Greg Claycamp directed the board to his report. Client Services just held its first Advisory Committee meeting in May, which provided an overview of the McCarver Special Housing program and THA's proposed redesign of the program. The next meeting is scheduled for the following week. There will be a total of 4-5 meetings in the summer discussing ways of moving forward with the expansion. Tacoma School District is still engaged and will provide funding for support services.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report. He provided an update on THA's lead testing program. At last month's board meeting, Director Patterson reported that Tacoma Public Utilities (TPU) assured THA that there was no source of lead contamination on its side of the meter for THA properties. It could offer no view on whether THA properties had lead contamination on our side of the meter. After research and consultation, PM staff concluded that there are no lead contaminating pipes or fixtures in any of THA's buildings. Tenants have been duly informed.

PM had a heavy unit-turn month. Several units were rent ready but waiting for tenant applications. THA will see the spike next month in the unit turn times.

Commissioner Janis Flauding asked about PM's 3-day maintenance process. When tenants submit and sign an online work order, PM staff have a three-day permission to enter their units to perform the work. According to Commissioner Flauding, tenants wait three days and sometimes longer to hear back from staff but at that point, permission to enter the tenant's premises would have expired. Other tenants are unsure whether their request was received and end up re-submitting another work order. Director Patterson said staff are required to email tenants within three days of a work order but recent staffing changes could be causing delays. Re-submitted work orders only cause more delays and staff confusion. Commissioner Flauding said she gets complaints from frustrated tenants that work order delays have been an ongoing issue for quite a while now. Director Patterson said this is a customer service issue. He hopes the new tenant portal would provide better communication.

Real Estate Development

Real Estate Development (RED) Director Kathy McCormick directed the board to her report. According to Chair Rumbaugh, the City has been experiencing an upward pressure on rental costs due to economic growth. He asked if this has had an effect in locating potential acquisitions. Director McCormick said prices are going up but there are still not enough properties that can be developed. RED is looking at two properties, one of which is not on the market yet. Rent increases are 10-20 percent higher depending on location. People are moving to Tacoma from Seattle and South King County.

Director McCormick invited the board to THA's Hilltop community rummage sale and clean up on Saturday, June 25, at 10 am, at 1120 S. 11th (former Hilltop Key Bank parking lot). There will be food, music, and an opportunity to sell, donate, or dump unwanted items. Artists and consultants will gather input for THA's future developments.

8. NEW BUSINESS

8.1 Resolution 2016-06-22 (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	Project	Client #	Balance
W-O Collect			
	Section 8		
		00000492	\$2,574.00
		00009721	\$424.00
		000295	\$381.00
		000725	\$250.00
		711438	\$424.00
		714586	\$190.00
		716258	\$140.00
		717088	\$1,141.00
		717125	\$495.00
		717731	\$250.00
		717758	\$140.00
		717797	\$150.00
		Subtotal	\$6,559.00
Collection Status	Project	Client #	Balance

W-O Collect	N G Str		
		00143314	\$24,390.60
	6th Ave		
		00010227	\$3,780.08
	Bergerson Terrace		
		00009567	\$540.95
		00009567	\$40.68
		Subtotal	\$581.63
	Dixon Village		
		00120500	\$331.21
		00143989	\$2,798.96
		Subtotal	\$3,130.17
	S M Str (EB Wilson)		
		00008769	\$1,689.79
		00010387	\$552.77
		00143866	\$221.98
		00144393	\$128.51
		Subtotal	\$2,593.05
*W-O No Collect			
	North K Street		
		00005460	\$107.34
Grand Total Write offs			\$41,141.87

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

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

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

**8.2 Resolution 2016-06022 (2)
Revised Variable Pay Policy**

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

WHEREAS, THA Policy HR-20.35 establishes THA's Variable Pay Policy; and

WHEREAS, the most recent collective bargaining agreement that the Board approved with the Trades Council allows THA to extend this policy to the Maintenance staff making them eligible to receive incentives for excellent job performance; and

WHEREAS, the Variable Pay policy sets forth the criteria and process for such incentives; and

WHEREAS, THA and the Trades Council recognize that this policy covers mandatory subjects of bargaining and thus the content or application of this policy to Trades Council represented employees may be re-opened for bargaining as permitted by applicable law; and

WHEREAS, THA should implement the extension of the Variable Pay program to maintenance staff. Doing so will reinforce the culture, climate and work performance that THA needs in order to be effective; now, therefore, be it

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

The Board authorizes the revision to THA Policy HR-20.35 Variable Pay in substantially the form set forth in the attached redlined version.

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

8.3 Resolution 2016-06-22 (3)
Fiscal Year 2016 Annual Budget

WHEREAS, The Housing Authority of the City of Tacoma (“Authority”) approved a FY 2016 Budget on December 16, 2015; and

WHEREAS, Authority staff determined that the FY 2016 Budget should be revised based upon updated Federal funding levels, RAD closing dates, and internal funding and expenditure needs; and

WHEREAS, Authority staff has prepared, and the Board of Commissioners of the Housing Authority of the City of Tacoma, has reviewed and provided input to the proposed revised Fiscal Year 2016 annual budget; now, therefore, be it

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 revised FY 2016 Agency wide budget and authorizes THA’s Executive Director to implement and execute said budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>		
Executive	\$	879,454
Human Resources		644,094
Finance		1,224,104
Administration		2,008,835
Client Services Overhead		155,932
Rental Assistance		36,259,705
Community Services		2,188,018
Development		3,894,233
Policy, Innovation & Evaluation		897,381
Property Management Overhead		1,092,083
Property Management		<u>5,133,795</u>
Subtotal		54,377,634
<u>Additional Cash Outflows</u>		
Capital Expenditures		12,755,312
Debt Service		<u>67,581</u>
Subtotal		12,822,893
TOTAL APPROVED BUDGET	\$	<u>67,200,527</u>

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

**8.4 Resolution 2016-06-22 (4)
Commitment of Moving to Work Reserves**

WHEREAS, For THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and has assembled reserves for those purposes; and

WHEREAS, The Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2016-07-30(2), and reflects the Authority's current plans for such capital and operational expenditures of MTW reserve's; and

WHEREAS, The Authority intends to include a Schedule of MTW Reserve Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it

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

1. The Board authorizes commitments of the Authority's MTW Reserves as outlined in the attached Schedule of MTW Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes THA's Executive Director to include the latest MTW Reserve Commitments in the annual MTW Report submitted to HUD.

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

Upon roll call, the vote was as follows:

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

Motion Approved: June 22, 2016

Stanley Rumbaugh, Chair

8.5 Resolution 2016-06-22 (5)
Arlington Drive Land Use Proposal for Youth Housing and Services

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

WHEREAS, The City of Tacoma and Pierce County have a growing population of homeless youth without families and homeless young adults; and

WHEREAS, The City of Tacoma and Pierce County are presently without the services necessary to responsibly and effectively serve these young people; and

WHEREAS, As a result these young people face physical and sexual exploitation, lifelong developmental and educational impairments, health and mental health damage, and blighted economic and emotional prospects, and our City and County face increased costs of emergency services, mental health and health services and judicial and jail services; and

WHEREAS, The City and the County over years of planning have identified the continuum of services necessary to address the problem; and

WHEREAS, This a promising and rare occasion to help our community address this problem, for several reasons: the City and the County show a willingness to commit the funds necessary to build and operate these services, they have chosen Community Youth Services, a high capacity service provider, for the purpose; the State of Washington is offering funds for operational expenses; and

WHEREAS, The City, the County and the service provider have asked THA for use of THA's property of Arlington Drive near Salishan, valued at \$1 million, to site a Crisis Residential Center; and

WHEREAS, After two years of looking, the City has not been able to identify other sites; and

WHEREAS, Serving homeless youth without families and homeless young adults fits well within THA's mission and strategic objectives; now, therefore, be it

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

1. THAs Executive Director is directed and authorized to negotiate and if those negotiations are successful, to sign a letter committing the use of Arlington Drive as the site for a Crisis Residential Center. This letter shall state that the commitment is contingent on THA and the City of Tacoma reaching agreement in the form of a contract stating the terms of use for the Arlington Drive site. The letter may be in substantially the form showing in the attached draft.
2. The Executive Director is directed to negotiate a contract with the City of Tacoma and others setting the terms of use for the Arlington Drive site, and if he judges those negotiations to be successful, to submit the agreement to the Board for its review and approval. The terms of the agreement will cover the following:

- ***Lease of the land and Required Uses***

The contract will provide for THA's lease to the City of Tacoma of all 3.5 acres of Arlington Drive. THA would not charge rent for this use. The rent free use of this \$1 million property would be THA's contribution to the effort to serve these homeless and needy young people of our community.

The City will be required to use the land as a campus for services for homeless or needy youth and young adults aged 12-24. The City will be responsible for providing or arranging the finances to build and operate the necessary facilities on a schedule that the contract will direct. The City will own the facilities. These facilities will include the following:

- the first planned use of the site would be approximately one acre for the Crisis Residential Center facility to be built and opened within eighteen (18) months of the execution of the agreement;
- a young adult shelter and daytime drop in center within eighteen (18) months of the execution of the agreement, unless the City, within that time, develops and opens an adequate shelter and drop in center at another site in the City;
- transitional housing for young adults;
- a job training center;

- administrative offices for the service provider(s) at the site.
- *THA shall approve design standards for any structure to be built at Arlington Drive.*
- *THA shall serve as the lead master planner and developer for the entire site.*
- *High Capacity Services Provider*
The City shall contract with and manage a high quality service provider to manage each building, and its services, on the site. The City shall obtain THA's approval of any such provider, which approval THA will not unreasonably withhold. The contract will provide a process that will allow THA or the City to direct a change in providers should either judge that a change is appropriate or necessary to ensure the provision of high quality service to the youth.
- The agreement will provide for a meaningful consultation process to elicit and consider the views of the community for the use of Arlington Drive in both its initial development and in its ongoing operations.
- The City will retain ownership of any building built on Arlington Drive. After the lease terminates for any reason, ownership of any buildings on the site will revert to THA.
- The lease shall provide for an early termination for the City's failure to fulfill its terms, at which time ownership of any buildings on the site will revert to THA.

9. COMMENTS FROM COMMISSIONERS

Commissioner Flauding thanked the board and staff for a card she received. It meant a lot to her and her family.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:23 PM.

APPROVED AS CORRECT

Adopted: July 27, 2016

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: July 18, 2016
Re: Executive Director's Report

This is my monthly report for July 2016. The departments' reports supplement it.

1. THA's HOMELESS YOUTH PROPOSAL FOR ARLINGTON DRIVE

Last month the Board approved an ambitious resolution directing me to negotiate with the City, the County and Community Youth Services for the use of THA's Arlington Drive property for an array of uses to serve homeless youth without families, dependent children and homeless unaccompanied young adults. At the Board meeting, I will have an update on these discussions.

2. INTERLOCAL COOPERATION AGREEMENT BETWEEN THA AND TACOMAO PUBLIC SCHOOLS

I was hoping by now to present to the Board for its approval an agreement between THA and Tacoma Public Schools memorializing and governing their growing partnership. Negotiations continue. I hope to have an agreement to present in August.

3. THA on DISPLAY

Several upcoming events will put THA and its work on prominent display:

- On July 19th THA is hosting a visit from HUD Deputy Secretary Nani Coloretti. She asked to visit to discuss THA's Education Project. TPS Superintendent Carla Santorno, T.C.C. Vice President Mary Chikwinya and T.C.C. Dean of Counselling Shema Hanebutte will help us host the visit.
- Also on July 19th, Congressman Denny Heck will visit. He has requested a tour of Salishan. After the tour, he will convene at Salishan a "housing roundtable" of leaders from housing organizations in Pierce, Thurston and Kitsap County. He seeks to hear from them about the state of housing in those communities.
- In September, in Washington, D.C., the Corporation for Enterprise Development (CFED) will stage its bi-annual national conference on asset building. This conference is the nation's leading convening on ways to help low-income people save. CFED is THA's partner in the design of our Children's Savings Account program for the children of Salishan. Heritage Bank is also our partner, and funder in that program. Jeff Deuel, Heritage Bank's C.O.O., will be presenting about our partnership. CFED has also asked THA to present on our plans to compile rent paying histories of our tenants and report positive histories to credit reporting bureaus.

- In October, in New Orleans, the Association of Community College Trustees will convene in its annual conference. At that conference, I will join T.C.C. President Sheila Ruhland in a presentation about the THA-T.C.C. partnership.
- In September the annual Housing Washington conference will convene in Tacoma. THA has been asked to present about its various innovative programs to serve homeless persons.



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$6,784,211 for the month of June, 2016.

Approved: July 27, 2016

Stanley Rumbaugh, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of June 2016

		Check Numbers				
		From	To	Amount		Totals
A/P Checking Account						
Low Rent Module Checks	Check #'s	2,918	- 2,919	655		
Accounts Payable Checks	Check #'s	87,580	- 87,794			
Business Support Center				376,377		
Moving To Work Support Center				171,450	Program Support	
Tax Credit Program Support Center				13,038		
Section 8 Programs				215,299	Section 8 Operations	
Outrigger				9,284		
SF Non-Assist Housing - 9SF Homes				265		
Salishan 7				71,949	Local Funds	
Tacoma Housing Development Group				1,100		
Prairie Oaks Operations				2,956		
Hillsdale Heights				2,065		
Salishan Developer Fee				1,764		
Development Activity				9,463	Development	
Salishan Area 2B-Dev				936		
Salishan Area 4				685		
Bay Terrace II				7,250		
New Look-Development				1,490		
KeyBank Building				3,458		
Bay Terrace II				557,878		
Renew Tacoma Housing Development				1,680,996		
CS General Business Activities				81		
Community Services MTW Fund				8,250	Community Service	
Gates Ed Proj Grant				54		
WA Families Fund				132		
COT-CDBG-FSS Grant				31		
COT-McCarver Grant				94		
AMP 1 - No K, So M, No G - Subsidy				77,629		
AMP 2 - Fawcett, Wright, 6th Ave - Subsidy				73,205		
AMP 3 - Lawrence, Orchard, Stevens - Subsidy				68,528		
AMP 6 - Scattered Sites				97,620		
AMP 7 - HT 1 - Subsidy				3,880		
AMP 8 - HT 2 - Subsidy				3,577		
AMP 9 - HT 1500 - Subsidy				1,354	Public Housing	
AMP 10 - SAL 1 - Subsidy				21,312		
AMP 11 - SAL 2 - Subsidy				23,718		
AMP 12 - SAL 3 - Subsidy				19,313		
AMP 13 - SAL 4 - Subsidy				21,457		
AMP 14 - SAL 5 - Subsidy				25,136		
AMP 15 - SAL 6 - Subsidy				25,078		
AMP 16 - Bay Terrace - Subsidy				17,089		
Allocation Fund				75,885	Allocations-All Programs	
THA SUBTOTAL				3,691,781		
Hillside Terrace 1 through 1500				1,521		
Bay Terrace 1				1,525		
Renew Tacoma Housing Operations				7,928	Tax Credit Projects - billable	
Salishan I - through Salishan 6				1,414		
Salishan Association - Operations				-		
TAX CREDIT SUBTOTAL (Operations - billable)				12,388		3,704,168
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	481,775	- 481,784	6,405		
	ACH	94,820	- 96,145	2,508,437	\$	2,514,842
Payroll & Payroll Fees - ADP					\$	565,200
Other Wire Transfers						
					\$	-
TOTAL DISBURSEMENTS					\$	6,784,211



TACOMA HOUSING AUTHORITY

Date: July 27, 2016

To: THA Board of Commissioners

From: Ken Shalik
Finance Department Director

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT

I present the June, 2016 disbursement report for your approval.

The next financial report presentation will be in August, 2016, which will include income expenses through June, 2016. This year's financial information will continue to be nuanced based on the timing of the remaining Tax Credit Public Housing units. In reviewing the financials as they currently stand, I do not see any challenges or concerns at the current time.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at .33%. The Washington State Local Government Investment Pool currently provides a return rate of .40%.

3. AUDIT

The Washington State Auditors continue to work on the Financial portion of the audit, which will be wrapped up in time for our September 30th Real Estate Assessment Center (REAC) submission due date to Housing and Urban Development (HUD). They will finish up with the Accountability audit later this year. The entrance conference with the Finance Committee occurred July 25th.

4. BUDGETS

We are in the preparation stages for the 2017 budget process.

5. YEAR END UPDATE

There is no update at this time.

TACOMA HOUSING AUTHORITY

CASH POSITION - June 2016

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	8,282,431	0.33%
Section 8 Checking	2,190,081	0.33%
THA Affordable Housing Proceeds	3,120,379	0.33%
Scattered Sites Proceeds	100	0.33%
Note Fund Account	101	0.33%
Credit Card Receipts	102	0.33%
THA Investment Pool	290	0.33%
THA LIPH Security Deposits	9,295	0.33%
THDG - Tacoma Housing Development Group	159,185	0.33%
Salishan 7	1,120,817	0.33%
Salishan 7 Security Deposit	23,294	0.33%
Salishan 7 Replacement Reserve	179,220	0.33%
Salishan 7 Operating Reserve	199,511	0.33%
Outrigger Operations	52,168	0.33%
Outrigger Security Deposit	22,163	0.33%
Outrigger Replacement Reserve	29,437	0.33%
Prairie Oaks Operations	38,219	0.33%
Prairie Oaks Security Deposit	4,310	0.33%
Prairie Oaks Replacement Reserve	4,382	0.33%
Payroll Account	8,778	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,633,698	0.44%
1. TOTAL THA CASH BALANCE	\$ 17,077,959	
Less:		
2. Total MTW Cash Balance	\$ 1,952,188	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)	65,000	
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.10 Total Minimum Operating Reserves	\$ 791,000	
3. MTW Cash Available (Lines 2-2.10)	\$ 1,161,188	
<i>MTW Reserve Commitments</i>		
3.01 Renovation/Remodel of Salishan FIC Building	\$ 579,500	
3.02 Renovation of Salishan Maintenance Shop	286,500	
3.03 Software Conversion for Operational Platform (VH)	391,269	
3.04 Education Projects - McCarver & Others	310,000	
3.10 Total Reserve Commitments (Lines 3.01 through 3.04)	\$ 1,567,269	
<i>MTW Cash Held By HUD</i>		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 972,318	
3.20 Total MTW Cash Held By HUD	\$ 972,318	

TACOMA HOUSING AUTHORITY

CASH POSITION - June 2016

4. Non MTW Cash Restrictions

Other Restrictions:

4.01 FSS Escrows	\$	105,958		
4.02 VASH, FUP & NED HAP Reserves		331,219		
4.03 Mod Rehab Operating Reserves		(169)		
4.04 Security Deposit Accounts		61,634		
4.05 Salishan Sound Families - 608		38,513		
4.06 Gates Foundation - 615, 616, 617		313,571		
4.07 WA Families Fund - 676, 713		14,986		
4.08 Outrigger Reserves		29,437		
4.09 Salishan 7 Reserves		803,731		
4.10 Prairie Oaks Reserves		4,382		
4.11 THDG - 048		159,185		
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,120,379		
4.20 Total - Other Restrictions			\$	5,194,226

Agency Liabilities:

4.30 Windstar Loan - 042		267,630		
4.40 Total - Agency Liabilities			\$	267,630
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)

\$ 5,531,856

6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)

\$ 9,593,915

7. Agency Current Commitments:

Board Approval

Expended

Obligation
Balance

Salishan Campus (PY exp plus 2016 budget)	\$	196,174	\$	126,174	\$	70,000
¹ Total Current Commitments outstanding					\$	70,000

Agency Advances for Current Development Projects

			\$	-	
Total Agency Advances			\$	-	



TACOMA HOUSING AUTHORITY

**POLICY, INNOVATION, AND
EVALUATION**



TACOMA HOUSING AUTHORITY

DATE: July 27, 2016

TO: THA Board of Commissioners

FROM: April Black
Deputy Executive Director
Director of Policy, Innovation and Evaluation

RE: Policy, Innovation and Evaluation Department Monthly Board Report

1. INTRODUCTION

During the May board meeting, I reported that I would submit a quarterly Policy, Innovation and Evaluation (PIE) board report. I outlined the analyses you could expect to see each quarter through the end of the year. This report includes all of the items planned for this quarter with the exception of the Housing Opportunity Program (HOP) analysis. Staff have been working on the analysis but still lack some important data related to supportive services. We will share the analysis and plan for when the Board might expect recommendations about changes to the program at a board meeting before the next scheduled quarterly PIE report.

In this report you will find:

- A synopsis of the 2015 Moving to Work (MTW) Report
- A preview of the new and planned activities for the 2017 MTW Plan
- An update on Tacoma Housing Authority's (THA's) payment standards
- A status of the redesign and expansion of the Elementary School Special Housing program (formerly called McCarver)

2. 2015 MTW REPORT UPDATE

THA's 2015 MTW Report was submitted in March, 2016. To view the Report in its entirety, it can be found here: <http://tacomahousing.net/content/moving-work-0>. THA has yet to receive feedback from Housing and Urban Development (HUD) on the results of this Report but some highlights are listed below:

2.1 Housing Opportunity Program (HOP):

HOP is a fixed rental subsidy with a five-year time limit for "work able" households. Work able is defined as a household that contains at least one person who is 56 years or younger who does not receive income due to the person being classified as senior and/or disabled. THA began bringing households onto this program in 2013. By the end of 2015, THA was serving 391 households in this

program. Below are some statistics gathered through the Report on how households were fairing in this program in 2015:

Average Earned Income: \$15,619/year (work able households only)

Households with employment (full time or part time): 197 (50% of all HOP households)

Length of Time on Waitlist: 3.04 years

Average Housing Assistance Payment Amount: \$467

The PIE team is working on a more in-depth analysis to understand how HOP is working. This analysis will be shared with the Board when it is available.

2.2 Rapid Rehousing Investment:

Using MTW flexibility and through a partnership with the Pierce County Department of Community Connections, THA invests roughly \$1.3 million into the County's Rapid Rehousing program under two contracts. One contract serves homeless youth (\$288K annually) while the other serves homeless families (\$650K in 2015, \$900K in 2016 and \$1 million in each of 2017 and 2018) in Tacoma and Pierce County. In 2015, the County expended 72% of the youth contract and 74% of the family contract and housed a unit month average of 62 families.

The effectiveness of THA's investment to rapidly rehouse homeless households without needing further assistance is still being evaluated. The board should expect to see a more in-depth analysis of this investment, along with a recommendation about the continued level of THA's investment, at the October board meeting.

2.3 THA's Use of Project Based Vouchers (PBVs) (non-RAD):

Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) of Section 8 dollars toward PBVs. THA received permission through MTW to go above this threshold toward PBVs in projects owned and operated by the agency. THA will maintain the cap in projects not owned or operated by the agency. Below are the percentages of THA's ABA toward both types of PBV subsidy:

PBVs in THA Properties*: 12.3%

PBVs in THA Partner Properties: 5.6%

Together, THA spends roughly eighteen (18) percent of its ABA towards PBVs.

*RAD PBVs are not factored into this calculation as they do not count against the cap.

2.4 Increased Interim Recertifications of Rent:

THA saw an increase in interims processed from 1,279 in 2013 to 1,780 in 2015. A staff time survey completed prior to the implementation of this activity showed that staff spend one hour completing each interim. The reasons for the increase are speculative but it may be a result of easier access to the change of circumstance form, as it is now online. The PIE team will work with the Rental Assistance and Property Management teams to develop a system for continual tracking of the reasons for interim reporting to contemplate improvements to the process.

3. 2017 MTW PLANNING

Throughout the months of May and June, executive leadership, department directors and staff were consulted regarding the 2017 MTW Plan.

3.1 2017 MTW Plan Ideas for public comment

Below is a list of new activity ideas as well as revisions to existing activities:

3.1.1 *Excluding Resident/Key Holder Wages from Calculated Income:*

THA key holders are essential to the function of operating THA properties. When THA initially implemented rent reform for the populations residing in its properties, key holders were told that their income from being a key holder would be excluded from their rent calculation. THA has MTW flexibility to disregard any income from resident stipends, but not to disregard earned income. A legal technicality within employment law has forced THA to characterize the key holder income as wages rather than a stipend. This means the income cannot be excluded. This has made it difficult to retain key holders in THA properties. The activity would seek approval to exclude earned income from work performed as a key holder in the tenant's rent calculation.

3.1.2 *Revising the HCV Portability Policies:*

Current MTW flexibility allows THA to limit the reasons a household may port out of THA's jurisdiction. The allowable reasons are different for HOP and HCV. The following chart shows the differences:

Traditional HCV

- Reasonable Accommodation
- VAWA
- Job opportunities that are 20 hours per week or more and are located 35 or more miles from the Tacoma city limits

HOP

- Reasonable Accommodation
- VAWA
- The receiving housing authority is absorbing vouchers

- At least part time enrollment at a College/University that is located 35 or more miles from the Tacoma city limits
- The household ported in from another housing authority and THA has not absorbed the voucher

Per this policy, staff has had to deny households' port requests to areas such as King County for employment opportunities. With the increased travel time from Tacoma to King County, some staff feel that this policy should be revised to allow for port outs of the Housing Choice Voucher (HCV) program to any jurisdiction if the household meets the initial criteria for job and educational opportunities. This would remove the mileage requirement. Other staff believe that any HCV household should be allowed to port as long as the receiving PHA's payment standards are equal or lesser to THA's payment standards.

3.1.3 *Revising the MTW Policy for Processing Rent Reductions:*

Using MTW flexibility, THA has limited the instances in which interim rent increases and reductions are processed. In order for THA to process a rent decrease, the household must experience a twenty (20) percent decrease in income. As an incentive for households to increase their earned income, THA does not process interim increases in income. Some staff feel that this has provided a loophole for households to report decreases in income at the time of their annual reviews only to report increased income following the recertification, having no impact on the tenant portion. One suggestion from staff is to implement a similar percentage cap on increased income that THA will process. For example, THA would only process increased income if the increase was greater than twenty (20) percent. More data is needed to evaluate the instances in which households might be taking advantage of this policy. Once this data is collected, Property Management and Rental Assistance will discuss the pros and cons of implementing such a change in policy to make a recommendation. This will happen in the coming weeks.

3.1.4 *Revising the Family Self-Sufficiency (FSS) Pay Points:*

The Community Services team is analyzing the utility of the current FSS pay points. Caseworkers have been canvassing participating households to determine what additional pay points might be more meaningful in increasing participants' escrow amounts. Community Services is continuing this research and would like to include additional pay points in the 2017 MTW Plan.

3.2 MTW Ideas on Hold

The following list contains ideas that came up during the MTW consultation process that will not go into the draft Plan. Research is either underway or needed before making a recommendation to implement these ideas.

3.2.1 *Rental Assistance for Formerly Incarcerated Individuals:*

HUD has encouraged PHAs to implement housing programs for individuals being released from prison that do not have a return address. Tacoma Community College (TCC) recently began receiving Department of Corrections funding to serve formerly incarcerated individuals. In their application materials, TCC will ask questions regarding housing stability to gain a better understanding of the need. Depending on their findings, TCC might be a potential partner. Another potential community partner is New Connections. New Connections offers reintegration housing and case management services to women exiting prison. Staff will analyze the community need, possible solutions, metrics and appropriate program partner(s) through the end of this year. Staff will submit a recommendation to the board in January and make a MTW Plan amendment at a later date, if necessary.

3.2.2 *Increasing the Percentage of the Payment Standard Given to HOP Households:*

Households receiving a HOP subsidy currently receive fifty (50) percent of the payment standard associated with their bedroom size based on THA's occupancy standards. While THA is still evaluating the effectiveness of HOP subsidies in Tacoma's rental market, one suggestion from staff was to increase the percentage of the payment standard given to HOP households. Some staff suggested that this policy only apply to incoming households. Others suggested that any increase in the subsidy should also apply to HOP households at the time of the next annual recertification. We plan to wait until the HOP analysis is complete and all possible program modifications are identified before we recommend any major changes.

3.2.3 *Expansion of the College Housing Assistance Program (CHAP):*

The expansion of CHAP, whether within TCC or to another local college, was included in the 2015 MTW Plan and does not need further HUD approval. This item is being kept on the list of new activity ideas until the current program is evaluated and it is better understood how the program is working before making a decision to expand. The board can expect to see a recommendation in the January, 2017 PIE report.

3.3 Additional Feedback from Planning Sessions

Community Services, Property Management and Rental Assistance teams were consulted about the 2017 MTW Plan at department specific meetings. Many of the suggestions that surfaced from these discussions would not require MTW flexibility, but staff had significant input on what they would like to see THA working towards. Each department voiced the interest in the following areas:

1. Bringing a landlord liaison position in house;
2. Increasing landlord outreach and incentives;
3. Advocating for Section 8 as a protected class;
4. Encouraging implementation of a resident council in unrepresented buildings; and
5. Strengthening the onboarding process for new staff with a special attention to THA's MTW flexibility.

3.4 Recommendation

I recommend including all of the new activity ideas and revisions to the existing MTW policies in the public comment process. Results of further research and public feedback should guide whether new activities and revisions are submitted to HUD in the final draft of the plan. Public comment will begin August 8th. Final proposed activities will be submitted to the board September 28th. The MTW Plan will be submitted to HUD October 15th.

4. THA PAYMENT STANDARDS

THA receives a report from Dupre & Scott (D&S) semi-annually regarding the region's rental market. At the time of receiving this report in September 2015, we updated the payment standards appropriately and they were in effect as of January, 2016. In March 2016, D&S conducted their spring report and this document details the analysis of the rental market in comparison with our current payment standards.

4.1 Summary of Analysis

Staff analyzed the data from 2015, prior to implementing the new payment standards in January, with the first quarter of 2016 using the following factors:

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

The analysis showed that:

- The average shelter burden has decreased by 1% (to an average of 26%) for voucher holders and by 4% (to an average of 33%) for HOP clients;
- Vacancy rates Citywide still hover around 3%;
- Units are passing Housing Quality Standards (HQS) 14% more frequently (84% of the time);
- Over 22% of vouchers and HOP subsidies are expiring before they can be leased;
- There were 45 port outs that quarter.

The table below shows a comparison of THA's payment standards to average market rents as of March 2016:

	Current THA payment standard	Payment Standard as Percent of FY2016 FMR	Actual Average Rent Amount	Payment Standard as Percent of Actual Rents
Studio	\$668	91%	\$829	81%
1 bedroom	\$863	91%	\$882	98%
2 bedroom	\$1113	100%	\$1124	99%
3 bedroom	\$1622	100%	\$1523	107%

4.2 Recommendations

It is my recommendation after review of these metrics, that we maintain our current payment standards until the September D&S report is released. This timeframe should coincide with the HUD release of the 2017 fair market rents.

In the meantime, an internal working group will be developing strategies to help participants in this ever-tightening rental market. We are seeing participants struggle to find housing with their vouchers and if the payment standards are not the issue, we need to help identify what else is contributing to the difficulties and how THA might be able to intervene.

5. ELEMENTARY SCHOOL SPECIAL HOUSING PROGRAM: PROGRAM REDESIGN AND EXPANSION UPDATE

As you will recall, in September of 2015 THA and the Tacoma Public Schools (TPS) made the judgement to end the pilot status of the McCarver Special Housing Program, and make it a permanent offering of the school based on positive results measured in the first three year's program evaluations. THA and TPS also made the decision to modify the program based on what we learned from the pilot and expand the program to other schools in the district beginning in the 2016-2017 school year.

Evaluation findings pointed to a need for us to rethink the following:

- The complexity of the relationship between student mobility and academic achievement;
- Expectations for how quickly families would make progress to reaching economic self-sufficiency;
- Expectations for families impacted by mental illness, drug or alcohol dependency or trauma from family violence; and
- The challenges associated with finding affordable, safe, decent housing in the school catchment area.

For the last six months the PIE team has been working to engage staff internally, our community partners and expert consultants at the Urban Institute to puzzle through program design questions that have arisen from the evaluation of our pilot program. The sections below summarize our progress to date.

5.1 Internal staff consultation

As the Education Project has expanded in recent years so too has the number of staff across the agency whose work on a daily basis is integral to ensuring the project's success. The success of the Elementary School Special Housing Program for example, is dependent on staff in Community Services, Rental Assistance, and PIE all coming to a shared understanding about the program goals, challenges and opportunities.

To that end, in March the PIE team began convening a meeting of staff from each of these departments to reaffirm the program goals, make recommendations for expanding the metrics we use to measure the program's success, and to troubleshoot operational challenges. This group will continue to meet periodically in order to ensure a smooth transition to and implementation of the redesigned and expanded program model.

5.2 Community advisory group

In May THA and TPS convened an advisory group to help answer the questions that arose from the pilot evaluation. Its members include parents who participate in the McCarver program, social service providers, staff from the city and the county, our program manager from the Gates Foundation and community leaders.

The advisory group has met three times, and a fourth meeting is planned for August. The group has provided valuable feedback with regard to our supportive services delivery model, program eligibility, and our policy regarding student mobility. They will also provide us with input on the program's rent structure and time limits. A summary of the group's feedback will come to the board in an expansion plan proposal at the end of the summer or early fall.

5.3 Identifying new school sites

The PIE team is in the process of working with our TPS liaison to identify new school sites at which to expand the program. Some of the criteria we are considering include the school's homeless student enrollment, mobility rate, student achievement, and the interest and enthusiasm from school leadership and staff in collaborating closely with THA to implement the program. THA is deferring to our partners at the district to select schools for expansion, and we hope to have them identified by the end of the summer.

5.4 Expanding our reach

In the course of consulting with staff about the reach of the program we identified an opportunity to expand the special housing program to include not only cohort families, but also other THA families that attend the program schools. At McCarver for example, we know that there are other voucher holders and Bay Terrace tenants with students who attend McCarver. In the past we have not had data sharing agreements in place sufficient to allow us to identify these students and reach out to their families in order to engage them in any service, but we hope to change that in the future.

Moving forward our plan is to continue to work with the district to expand the scope of our data sharing agreement through an expanded inter-local cooperation agreement, so we can then expand the reach of the program.

5.5 Next Steps

5.5.1 *Urban Institute*

The PIE team is in the process of negotiating a letter of engagement with the Urban Institute. THA hopes that Urban will draw on research and the input of our community advisory group to make recommendations regarding our final program design. THA also hopes that Urban will propose an evaluation design; and data collection and reporting structure that we can use to monitor the outcomes of the program in real time.

5.5.2 *Timeline*

The PIE team had initially hoped that we would have identified new schools to expand to and all of the program design decisions would have been made in time for a full launch of the redesign in the fall of 2016. Given that schools have yet to be selected and our expanded inter-local cooperation agreement has not been finalized, staff are in the process of reassessing the timeline for a full launch. We will update the board when we have a better sense of what is feasible in the near term.



TACOMA HOUSING AUTHORITY

ADMINISTRATION



TACOMA HOUSING AUTHORITY

DATE: July 27, 2016

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. SALESFORCE IMPLEMENTATION PROJECT – OPENDOOR

Attached to this month's board report is a copy of the project outline for the Salesforce Implementation Project. The outline contains all of the major milestones needed to complete the project. At a high level, it is broken into two distinct tracks, Track I and Track II. We went live with the majority of Track I on March 1st of this year and are currently working on Track II.

The outline is included in the packet for two reasons:

1. **To remind ourselves of all of the work that has been done.** Most of the items on the outline are marked complete. This is an example of a project that touches every individual within the agency in order to achieve something great. The project would not be a success without the continuous input and engagement from staff throughout the agency. Very few projects we have taken on in the agency have the scope or breadth as this one in terms of staff commitment throughout the agency, and to see it come together as a success, on time and on budget, is a credit to all of those involved.
2. **To remind ourselves of the work yet to do.** The bulk of the work that is left is listed on the last page of the outline. We are in a phase of the project right now where our Salesforce consultant, eightCloud, has disappeared to go and build us what we asked them to build. Staff offered their input, we negotiated our way through which processes to include and how they should work, and in the end we feel like we have a fairly comprehensive design of the new system that will get us to the next level.

Below is a list of the major items we are working on and the status for each one:

- **Finance System Integration:** one major component of Track II is to implement a fully-integrated financial system. Designing the integration has been a major undertaking; it is a tedious process of determining what triggers an integration, what fields to integrate, and then creating a map of the fields we integrate between the two systems.

Here is a short example of an integration being created:

- In OpenDoor, staff perform a work order at a unit that results in tenant charges;
 - When they close the work order, they indicate there are charges and the property manager approves the charges;
 - The approval of the charge creates an Accounts Receivable charge on the tenant ledger;
 - The information related to the charge is then sent automatically to Intacct and creates an Accounts Receivable (AR) invoice;
 - When payment is received from the tenant, staff will log it in OpenDoor and the payment information will update the ledger line and this information will be sent to Intacct to close out the invoice.
-
- **Build Phase:** as mentioned, eightCloud is busy taking the requirements we provided them to build the next track of functions in OpenDoor. This includes housing, voucher, maintenance, inventory, purchasing, and the financial components we are building. As eightCloud progresses, they schedule build review sessions with the staff involved in the requirements gathering to ensure they are on the right track. So far, we have had these sessions for inventory, waitlist management, Housing Assistance Program (HAP) contract creation, and violations.

 - **Maintain Track I Functions:** in June, we hired a Salesforce Administrator! Her name is Sandra Peterson and a major part of her role will be to maintain what we have built in Salesforce. Her role replaces our IT Systems Administrator role, which became vacant when Aaron Tripp moved into the IT Manager role. With the addition of Sandra, I feel very confident in our ability to maintain our systems and continue to improve them into the future.

This concludes the Administration and Asset Management report for July, 2016.



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: July 27, 2016

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

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

2. DIRECTOR'S COMMENT

The Rental Assistance Division and Policy are undertaking three actions to improve efficiency for our site-based waitlists. These changes fall within our routine authority to manage waitlists, and do not require Housing and Urban Development (HUD) approval.

Updating the Waitlists

Current waitlists include thousands of households, with the oldest entries dating back to 2008. Our current policy requires us to fill vacancies based upon place on the list, so updating information is crucial to fill vacancies in a timely manner. Through the updating process, we are removing households who do not respond or can no longer be reached by letter, phone or email. We are also updating household information and portfolio preferences. Under current practice, removed households have a twelve month window to appeal and be reinstated.

Because of the longevity of the current list, updating is a largely manual process. That said, we are contacting about 500 households per week. 4,000 households have been contacted so far, beginning with those on the list longest. About 25% of households are responsive. We expect this rate to improve as we reach more recent applicants. The process should complete in late summer or early fall.

Closing the Waitlists

THA will close our portfolio waiting list on July 31st. Notification of the closure was widely advertised in the preceding month. We believe there are enough eligible households on the current list to fill vacancies for some time. Filling vacancies from the updated list should become very efficient because all applicant information will be current.

Modifying Waitlist Management

Three major improvements move THA from simply having a portfolio waitlist to actually managing site lists. We hope these changes will result in substantial time and cost savings to THA, and provide a better, more engaging service to prospective tenants.

Application Process. Applicants will be required to update contact and household information every 90 days. Applicants who do not update will be placed on “hold” status for another 90 days. Applicants will receive periodic notice of their status during this period. Applicants who do not update within this combined 180-day period will exit the waitlist. There will be an exceptions policy for applicants with extraordinary circumstances.

This process will allow us to maintain the currency of information that we are establishing by updating and closing the current waitlist. We hope that applicants will remain engaged with us through updating, and that lease-up will be less labor-intensive for THA staff.

Lease Up. When a vacancy at a specific site is anticipated within 90 days, 3-5 candidate applicants will be notified. If applicants respond to the notification, their applications will be updated and moved to “ready to house” status. Rental Assistance will review with the applicant the steps necessary to be ready when the unit becomes available, including obtaining deposits and clearing any background obstacles to leasing. These applicants will be fully screened, and determined to be income eligible prior to the actual vacancy.

A More Reasonable Wait. All site lists will extend no more than two years. This dramatically reduces from our current wait time of up to 8 years. Applicants on a waitlist can expect to be housed within a reasonable period of time. With the changes in application and leasing outlined above, we hope to create a more active engagement with applicants.

Next Step

Concurrent with these changes to waitlist management, Policy in consultation with Client Services will research direct marketing options. Adoption of direct marketing would entail eliminating waitlists altogether. We will consult with other Housing Authorities and nonprofit housing providers who have adopted a direct marketing practice.

3. COMMUNITY SERVICES: Mia Navarro, Associate Director of Community Services Division

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

June 2016	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing	8	2	31	67
Families in Transition (FIT)	0	2	17	22
Family Self Sufficiency (FSS)	4	0	138	143
General Services	10	5	12	80
Hardship	1	0	1	7
Housing Opportunity Program (HOP) Case Management	0	0	3	3
Children's Savings Account (CSA) K – 5 th Grade Stage	1	0	18	19
CSA 6 th – 12 th Grade Stage	0	0	21	21
McCarver	3	1	41	42
Senior & Disabled	18	15	50	170
DEPARTMMENT TOTAL	45	25	332	574

3.2 PROGRAM UPDATES

3.2.1 Education Project Update

The McCarver Special Housing Program has closed its application process until the fall. If every family currently in process leases up, there will be 45 families in the cohort by the end of the summer.

THA staff members Andrea Cobb and Mia Navarro are co-facilitating a series of meetings with an Advisory Committee that will advise THA on the Special Housing Program Redesign Process. The first meeting on May 31, 2016, provided an overview of the program and our proposed process for its

redesign. The next three meetings will produce recommendations regarding the service model, mobility, and the duration and amount of rental assistance. The Committee is highly engaged, and a fifth meeting may be added.

The Children's Savings Account (CSA) will begin making initial deposits into the savings account for the first Kindergarten and 6th grade cohorts this month.

3.2.2 General Services Program Update

THA executed a contract with Sound Outreach to provide Financial Empowerment Services to THA residents and voucher holders. A Sound Outreach employee is embedded at THA full-time at the Family Investment Center at Salishan. This exciting new partnership with Sound Outreach invests in our community partner, and provides THA households dedicated access to the financial capabilities services Sound Outreach does best in our community. Financial planning and management, credit building and repair, homebuyer education, linkages to banking, microloans and low-interest car loans are among these services.

Property Management staff at our senior and disabled buildings are collaborating with Client Services to increase participation numbers in tenant meetings and other building activities. We are connecting eligible tenants with the Aging and Disability Resource Center (ADRC) to access in-home care services that will allow them to better age in place. We are more formally connecting to activities at Lighthouse Senior Activity and Beacon Senior Centers. Client Services will be coordinating with Mercy Housing to plan an event for National Night Out that will showcase programs at New Tacoma Senior Apartments. SAFE's annual banquet will be held July 29th at People's Park, from 12pm-3pm. All staff are welcome to attend.

4. RENTAL ASSISTANCE AND LEASING: Julie LaRocque, Associate Director of Rental Assistance

Housing Choice Voucher utilization is reported at 98.5% for the month of June 2016. Rental Assistance continues to pull names from the 2015 Housing Opportunity Program (HOP) waiting list and to issue HOP vouchers. Rental Assistance is continuing to update the portfolio waiting list. In addition to sending letters to the last known address, we are also reaching out by email when we have email addresses.

Rental Assistance staff is also involved in a Landlord Engagement group which includes representatives from Pierce County Housing Authority (PCHA), Pierce County, City of Tacoma and Metropolitan Development Council (MDC) Landlord Liaison Program. The group continues to meet and plans to present our recommendations to the Continuum of Care (COC). At this point the group plans to recommend an area-wide Landlord

Liaison/Housing Counselor program to service Tacoma and Pierce County. Updates will follow when more information is available.

On June 17, 2016, Rental Assistance managers attended an area wide meeting with many other local housing authorities. A large part of the meeting addressed the concerns of rising rents in all of our jurisdictions. All of the attending agencies are working toward ways to engage landlords and to make the voucher programs more attractive. Many are moving toward adding an internal Landlord Liaison position. Agencies that have this position are reporting some success engaging landlords. King County Housing Authority (KCHA) and PCHA are both considering adding this position to their staffs. THA is considering this position and other options to assist voucher holders in an increasingly challenging rental market. Below is a breakdown of the utilization of THA's special programs and project based vouchers:

Program Name	Units Allocated	Units Leased and Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	161	91%
NED (Non Elderly Disabled) Vouchers	100	94	94%
FUP (Family Unification Program)	50	45	90%
CHOP (Child Welfare Housing Opportunity Program)	20	19	95%
McCarver Program	50	41	82%
CHAP (College Housing Assistance Program)	25	25	100%
TOTAL	422	385	91%

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	19	95%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	11	79%
Guadalupe Vista	40	38	95%
Harborview Manor	125	125	100%
Hillside Gardens	8	8	100%
Hillside Terrace	9	9	100%
Nativity House	50	49	98%
New Look Apts.	42	40	95%
Pacific Courtyards	23	22	96%
New Tacoma Phase II	8	8	100%
Salishan 1-7	340	334	98%
Tyler Square	15	14	93%
TOTAL	704	687	98%



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: July 27, 2016

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Monthly Board Report

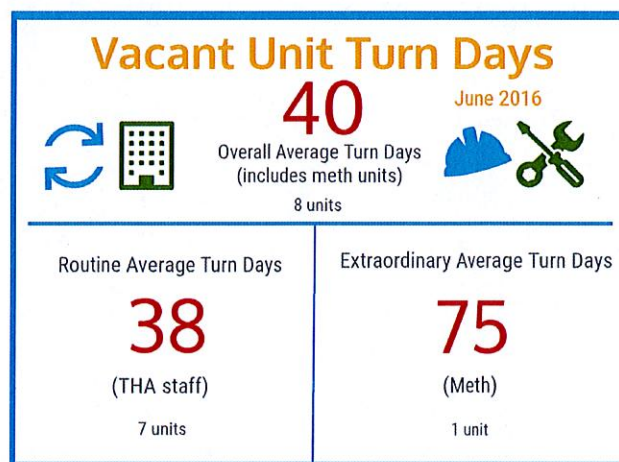
1. OCCUPANCY OVERVIEW

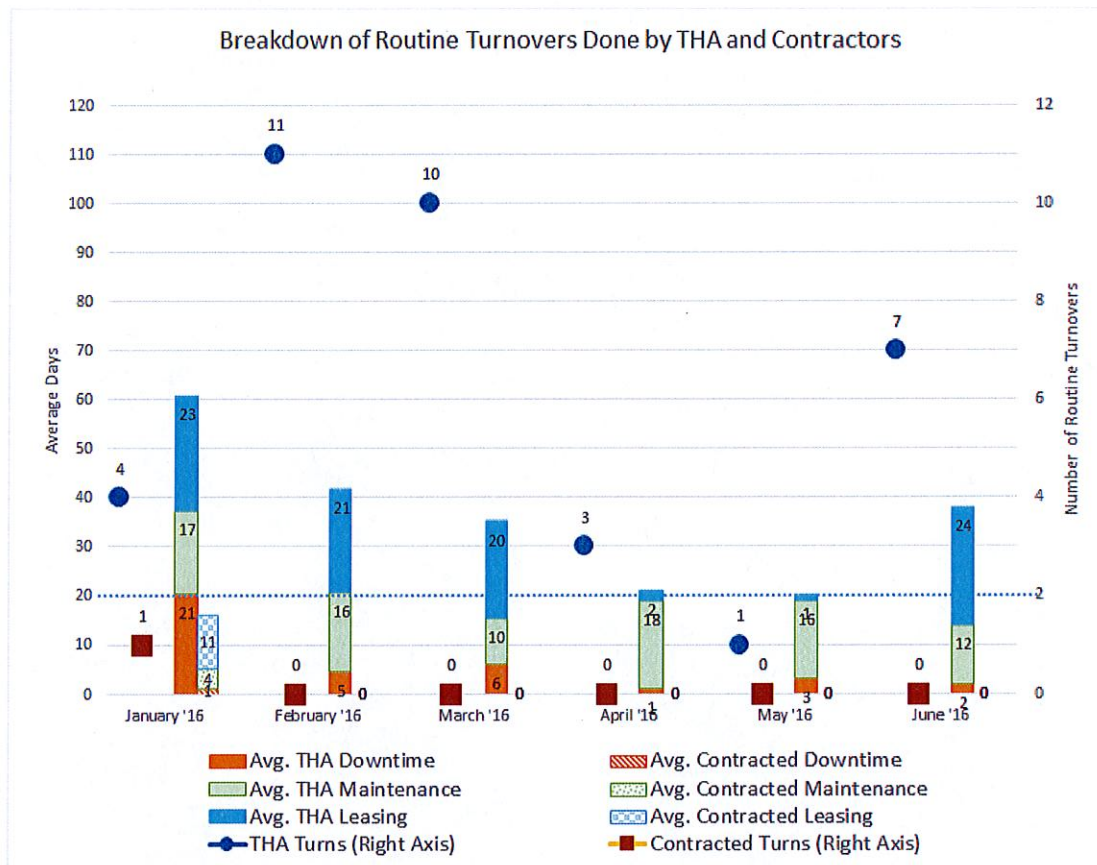
1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	7	0	125	94.70%	97.88%
Family Properties	138	23	13	115	83.33	85.07%
Salishan	631	7	0	624	98.59%	99.43%
Senior/Disabled	353	16	1	337	95.47%	96.26%
All Total	1,254	53	14	1,201	95.77%	96.62%

Unit occupancy is reported for the first day of the month. This data is for the month of June. The high vacancy rate in the family properties is attributable to units being held for the Rental Assistance Demonstration (RAD) rehabilitation and the sale of our remaining Public Housing scattered sites.

1.2 Vacant Clean Unit Turn Status





Routine Turns - Performed by THA and Contractors

Today's Date 7/12/2016

Ending Month: June 2016

Beginning Month: January 2016

		Routine THA Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	June	7	37.6	1.9	12.0	24.0
2016	May	1	20.0	3.0	16.0	1.0
2016	April	3	21.0	1.0	18.0	2.0
2016	March	10	35.2	5.9	9.6	19.7
2016	February	11	41.9	4.6	15.9	21.3
2016	January	4	60.8	20.5	17.0	23.3
		Routine Contracted Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	June	0	0.0	0.0	0.0	0.0
2016	May	0	0.0	0.0	0.0	0.0
2016	April	0	0.0	0.0	0.0	0.0
2016	March	0	0.0	0.0	0.0	0.0
2016	February	0	0.0	0.0	0.0	0.0
2016	January	1	16.0	1.0	4.0	11.0

The average unit turn time for the month of June was **40** days for eight (8) units turned by Tacoma Housing Authority (THA) staff. 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 and casualty loss that can't be repaired within 20 days.

Routine THA Maintenance Turns:

Hillside 1500 #190 (45) days: Unit was in downtime for 3 days. Maintenance work was completed in 7 days. 35 days were attributed to leasing efforts. This unit is unsubsidized and advertised on the open market as affordable. Unit was shown to 5 applicants before being accepted.

Salishan 4 - 1703 E 46th St (27) days: Unit was in downtime for 1 day. Maintenance work was completed in 16 days. 10 days were attributed to leasing efforts.

Salishan 5 - 3901 Everett Ave (23) days: Unit was in downtime for 1 day. Maintenance work and leasing was completed in 22 days.

Salishan 7 - 4804 E Q St (36) days: Unit was in downtime for 1 day. Maintenance work was completed in 17 days. 18 days were attributed to leasing efforts. Unit was offered to two applicants before being accepted.

Bay Terrace #203 (42) days: Unit was in downtime for 5 days. Maintenance work was completed in 13 days. 24 days were attributed to leasing efforts. This unit is unsubsidized and advertised on the open market as affordable. Unit was shown to 4 applicants before being accepted.

Bay Terrace # 411 (83) days: Unit was in downtime for 1 day. Maintenance work was completed in 1 day. 81 days were attributed to leasing efforts. This unit is unsubsidized and advertised on the open market as affordable. Unit was shown to 8 applicants before being accepted.

Extraordinary THA Turns:

Salishan 4 - 4453 E R St (75) days- Meth unit.

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.

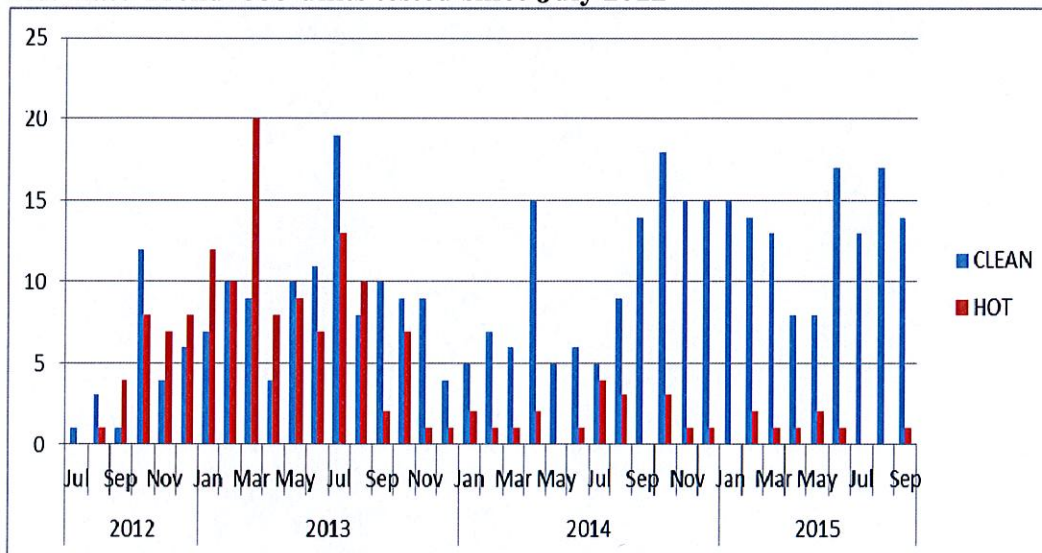
- ✓ Procure contractors who will respond to request for service if needed that have the appropriate staff to assign multiple units.
 - ✓ Increase inspections to deter heavy damage at move out.
 - ✓ Unit work every working day. Unit is the sole priority by assigned staff.
 - ✓ Use of charts to chart projected 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.
 - ✓ THA staff will undergo training to better lease our units that are not subsidized. THA is competing with the open market in some cases and having better tools and tactics will be helpful for us to attract applicants that will accept the units in a timelier manner.

Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

1.3 THA Meth Data Trends

Hot Rate Trend- 533 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
- 2016- 3 units tested, 3 hot 100% Hot Rate

As of June 1 2016, 158 of the 533 units that have been tested for contamination have tested positive for methamphetamine. The hot rate for 2016 is 100%. This rate is based on only testing the unit when suspicious activity was discovered. The overall hot rate from 2012 is 30%.

1.4 Work Orders

Work Order Summary by Portfolio For the Month of June, 2016

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		# Completed	Avg Completion Days	Month		YTD	
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)			# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
All Hillside										
BAY TERRACE	0	0.0%	2	100.0%	0		7	2.71	86	5.16
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	0		2	7.50	22	6.27
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		2	0.00	43	4.21
HILLSIDE TERRACE PH II	0	0.0%	1	100.0%	0		2	1.00	19	2.53
	0	0.0%	4	100.0%	0		13	2.77	170	4.77
Family Properties										
BERGERSON TERRACE	5	100.0%	13	100.0%	9	0.33	15	2.00	116	4.60
DIXON VILLAGE	0	0.0%	7	100.0%	1	1.00	3	5.67	55	4.29
SCATTERED SITES	1	100.0%	7	100.0%	1	4.00	7	0.86	52	3.92
	6	100.0%	27	100.0%	11	0.73	25	2.12	223	4.37
Salishan										
SALISHAN I	0	0.0%	3	100.0%	12	6.58	35	19.14	198	9.21
SALISHAN II	0	0.0%	5	100.0%	8	5.63	10	9.50	169	10.67
SALISHAN III	0	0.0%	1	100.0%	4	14.25	24	15.13	240	9.43
SALISHAN IV	0	0.0%	4	100.0%	9	3.89	29	14.59	146	12.40
SALISHAN V	0	0.0%	4	100.0%	10	3.30	46	18.96	194	11.60
SALISHAN VI	0	0.0%	2	100.0%	6	1.67	20	8.05	145	9.71
SALISHAN VII	1	100.0%	5	100.0%	7	6.57	12	16.50	119	12.31
	1	100.0%	24	100.0%	56	5.45	176	15.81	1,211	10.59
Senior / Disabled Properties										
6TH AVE	0	0.0%	8	100.0%	1		2	0.50	87	7.28
E.B. WILSON	0	0.0%	7	85.7%	0		17	1.65	120	69.58
FAWCETT APARTMENTS	1	100.0%	4	100.0%	0		1	4.00	32	1.34
LUDWIG APARTMENTS	2	100.0%	7	100.0%	0		6	4.33	49	3.84
NORTH G ST	0	0.0%	11	100.0%	0		3	0.00	51	19.67
NORTH K ST	0	0.0%	7	100.0%	0		8	10.13	66	14.73
WRIGHT AVE	1	100.0%	2	100.0%	2	0.50	1	3.00	49	3.31
	4	100.0%	46	97.8%	3	0.33	38	3.76	454	25.00
Agency Totals:										
	11	100.0%	101	99.0%	70	4.49	252	11.96	2,058	12.62

In the month of June, 100% of emergency work orders were completed within 24 hours. In June, maintenance staff completed 252 non-emergency work orders with a total of 2,058 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 12.62.

Open Work Order Summary by Portfolio For the Month of June, 2016

Portfolio	Emergency		Urgent		Non Emergency		
	Opened Emergency WO	Days Open	Open Urgent WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside							
BT BAY TERRACE (TC)	0	0	0	0	14	6	8
HT1 HILLSIDE TERRACE PH I	0	0	1	0	3	1	2
HT1500 HILLSIDE TERRACE 1500 Block	0	0	0	0	3	2	1
HT2 HILLSIDE TERRACE PH II	0	0	0	0	5	3	2
	0	0	1	0	25	12	13
Family Properties							
020 BERGERSON TERRACE	5	0	0	0	7	7	0
022 LOW RENT SCATTERED SITES (19)	1	0	0	0	5	2	3
023 DIXON VILLAGE	0	0	0	0	0	0	0
	6	0	0	0	12	9	3
Salishan							
SAL1 SALISHAN ONE LLC (PH)	0	0	0	0	41	40	1
SAL2 SALISHAN TWO LLC (PH)	0	0	1	6	22	22	0
SAL3 SALISHAN THREE LLC (S8)	0	0	0	0	8	8	0
SAL4 SALISHAN FOUR LLC (S8)	0	0	0	0	33	32	1
SAL5 SALISHAN V LLC (S8)	0	0	2	3	32	13	19
SAL6 SALISHAN SIX LLC (PH)	0	0	1	3	20	20	0
SAL7 SALISHAN SEVEN	1	0	0	0	16	15	1
	1	0	4	12	172	150	22
Senior / Disabled Properties							
008 NORTH K ST	0	0	0	0	2	1	1
008 E.B. WILSON	0	0	0	0	4	4	0
009 FAWCETT APARTMENTS	1	0	0	0	1	1	0
010 WRIGHT AVE	0	0	0	0	6	6	0
012 LUDWIG APARTMENTS	2	0	1	27	1	1	0
013 NORTH G ST	0	0	0	0	8	6	2
014 6TH AVE #2	0	0	0	0	9	7	2
	3	0	1	27	31	26	5
Agency Totals:	10	0	6	39	240	197	43

The open work orders that are greater than 25 days is 43 in June 2016. Preventive Maintenance work orders in Salishan 5 and Bay Terrace are contributing to the + 25 day work order report. These repairs are scheduled to be completed in the next 30 days. Property Management (PM) continues to bring down the number of outstanding work orders and is trying to improve customer service. Processes that PM is trying to improve are as follows:

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

1.5 Salishan Fire Update

As reported to the board earlier this month, we experienced a fire in Salishan 3 that affected 3 units. The fire is still under investigation but the early reports point to a baseboard heater in the living room being the cause. Our insurance company has been contacted and we will start the remediation in the next few weeks.

The good news is that there were no injuries to any of the residents, except for the death of a puppy. The residents are currently staying with family until they can be transferred to new units. One of the units will result in a total loss of their belongings. Red Cross has been assisting the residents with their needs.



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: July 27, 2016

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 Eastside Community Center is complete. Staff has issued a Request for Proposal (RFP) from firms for a Commercial Market study. Two (2) proposals were received by the due date of May 9, 2016. Staff is completing the evaluation of the proposals.

1.1.2 Area 3 Lot Sales

DR Horton has completed all sales at Salishan.

1.1.3 Area 2B Property Sale to Metro Parks

Housing and Urban Development (HUD) approved the disposition of the two lots. Real Estate Development (RED) is waiting for HUD approval for the remaining 16 acres. Once this approval is received, the property will be sold to Metro Parks.

2. NEW DEVELOPMENT

2.1 Bay Terrace – Phase II

Construction is approximately 11% complete. The contractor has excavated, formed and concrete is being poured for Buildings G, H and J foundations. Waterproofing of subterranean concrete is in progress. Under slab utilities have been completed for Buildings G & H. In the upcoming month the contractor will be installing the remaining underground utilities for Building J and pouring concrete for the ground floor slabs.



Excavation Buildings G & H Townhomes



Building J Foundation and Basement Wall Concrete

BTII has not encountered any unusual problems or issues. Contractor is preparing a change order identifying cost related to changes between the bid set and final issuance of City comments from the permit plan review. This change will be covered through the owner's contingency.

2.2 Construction Budget Progress: Through Draw 3

% complete	10.8%		
Budget	Total budget	Expended	Outstanding
Soft Costs	\$ 4,861,258	\$2,172,585	\$ 2,688,672
Construction	\$16,100,410	\$ 801,204.	\$15,299,205
Owners contingency	\$ 880,000	0	\$ 880,000

3. OTHER PROJECTS

3.1 Public Housing Scattered Sites

Homesight and THA staff have finalized the deed restriction language for these homes. The homes will be sold at market value and THA will retain a restriction for the difference between market value and the effective sales price. The effective sales price is what a buyer earning 30% to 80% of the Area Median Income (AMI) can afford. The value of the difference between the market value and effective sales price will be captured in the deed restriction and will be forgiven after the buyer lives in the home for five years. This is the procedure outlined in the disposition application to Housing and Urban Development (HUD). Current THA residents and clients will be given first priority to purchase.

Staff is exploring the use of the scattered site properties for housing homeless youth. CYs has identified a property they are interested in and Amara has also indicated they would like to use one of these properties for a similar purpose. Amara expects to find a suitable house to purchase once their fund raising campaign is complete.

	TOTAL	# of Units in Rehab	# of Units Sold	# of Units Remaining
Number of Units	34	10	0	*34
Financial	(To be completed as homes are sold)	Rehab Cost	Sales Price	Net Gain

***unsold units**

Rehabilitation Work on Scattered Site Units and Sold

The remaining 26 homes will be remodeled as they become vacant.

Relocation activities have begun and households who are interested in purchasing are being provided with information and assistance in the home buying process. This

project is being managed collaboratively with Community Services, which is working to identify and support residents who may be interested in purchasing these homes. The Policy, Innovation, and Evaluation (PIE) department has also been instrumental in navigating internal policy decisions and the RED relocation team has done an excellent job of following Housing and Urban Development (HUD) relocation procedures. 90-day notices have been distributed for those families who wish to have a voucher and need to relocate over the summer months while school is not in session.

3.2 Consulting and Community Engagement

RED staff submitted a proposal to the Salvation Army to provide development consulting and related work for the redevelopment of their Sixth Avenue property. Conceptually, this project will offer 69 rental units for families and individuals experiencing homelessness. A food bank and space for entities providing supportive services is also planned.

Meetings with the local Salvation Army representatives have been positive. The next step is to meet with the representatives from Seattle and finalize an agreed upon scope of work. Ideally, this project will be ready for a 9% tax credit submission in 2018.

3.3 New Look Capital Planning

THA selected Buffalo Design to plan the capital work for the New Look Apartments so that refinancing for this property will begin in early 2017, with capital improvements completed at the end of 2017. At the request of RED, Brawner and Associates completed a preliminary financial feasibility assessment that compared a re-syndication of tax credits versus a refinancing using a Federal Housing Administration (FHA) loan product. The re-syndication is more favorable for THA. Staff will provide additional information for the board, along with the appropriate resolutions in the fall. The façade will integrate with the design guidelines developed as part of the Hilltop Master Development Plan.

3.4 Community Youth Services: Arlington Drive Property

CYS is a well-regarded organization that provides emergency and longer term housing for youth experiencing homelessness. The organization is located in Olympia. This group has been providing overnight shelter services in Tacoma, under a contract with the City of Tacoma.

For several years the City has provided a commitment for funding that would pay for a Crisis Residential Center (CRC) and a Youth Drop-In Center. The challenge has been identifying a site that could accommodate a 5,000 square foot building; zoning and location have been a roadblock. To facilitate the development of this project, THA offered the 3.5 acre Arlington Property. This property is on Portland Avenue and is part of the original Salishan development. The board adopted Resolution 2026-06-22(5).

Staff are negotiating with the City of Tacoma about the use of the Arlington property and to ensure their commitment to fund the development of the CRC. Staff are also procuring an Architect to prepare a final design and master plan. THA will negotiate with CYS regarding payment for these services. Planning is expected to start in the next 60 days. This is the time it typically takes to procure an Architect and finalize an agreement for services.

Due to the anticipated time it will take to plan the site, complete construction documents, bid the construction work and build the project, THA has offered the use of one of the scattered site public housing units. CYS found a home that would work for this interim purpose. This is an important step, as it will allow CYS to make an application for funds to support its operations. Staff are following up with HUD at this time to identify its review and approval process for the interim use of this property. Once the new site is developed, the home will be sold as outlined in the approved Section 32 plan.

4. DEVELOPMENT PIPELINE PROJECTS

4.1 Intergenerational Housing at Hillsdale Heights

The Many Lights Foundation (MLF) continues work on this project and is interested in executing an agreement with THA to partner in the development of intergenerational project which will house families adopting children out of foster care and seniors. We are analyzing the parameters for such an agreement through the THA Asset Management process. RED submitted a Housing Trust Fund (HTF) Stage 1 application requesting \$3 million on March 1, 2016, for an intergenerational project. We need to finalize the programming and agreements by late summer, 2016. This project was identified as a medium priority for HTF and is unlikely to receive any funds from this source. Because of this, and shifting priorities, RED is recommending that this development slow down and focus on preparing for a tax credit submission in 2018.

4.2 Hilltop Lofts and THA Owned Properties Master Development Plan

THA and the City extended the timeline by two years for THA to develop the Hilltop Lofts project. Council approved the extension request at its November 3, 2015, meeting.

The community engagement process has launched. Representatives of local businesses, faith-based groups, the arts and area residents have attended the two of the five planning meetings. The first sessions resulted in important conversations for the neighborhood and important information to inform THA's development process.

The first community event was June 25th and included a rummage sale and donation drop-off, music, food and learning more about resident's vision for the Hilltop.



Participants were encouraged by the attendance and THA's non-traditional approach to understanding neighborhood opportunities and constraints. Information was gathered through interviews with and surveys from attendees. Movie Night was held on July 16th. The films "Home", and "Akeelah and the Bee" were shown. Fred Meyer donated ribs, ice cream, popcorn

and other food. Movie night was well attended, with over 75 people participating. GGLO and THA staff invited attendees to participate in an asset mapping exercise and distributing surveys and learning through conversations. More details of the planning process will follow as meetings and events occur. There will be two additional weekend events held in the Hilltop, designed to bring together residents and businesses to learn more about the project and opportunities in the Hilltop. These events will include food, music, art and other activities that will be of interest to the neighborhood.

Below is a schedule of planned community engagement activities:

Homework Group:

1. June 15, 2016, 12-2 pm - Hilltop History and Planning
2. July 6, 2016, 12-2 pm - Asset Mapping and Linkages
3. July 27, 2016, 12-2 pm - Property Programming
4. August 17, 2016, 12-2 pm - Building Materials and Heights
5. August 31, 2016, 12-2 pm - Reporting Back

Outreach Events:

1. June 25 and 26, 2016 - Rummage Sale
2. July 16, 2016 - Movie Night
3. August 13, 2016 – Outdoor Activities
4. August 27, 2016 – Hilltop Street Fair

4.3 Acquisition

RED and its brokers are seeking new acquisition possibilities along the Hilltop's coming light rail line, near Tacoma Community College (TCC) in West Tacoma, and some possibilities in South Tacoma.

5. Renew Tacoma

5.1 Construction

Property	Construction start	Construction schedule complete	Units complete	Units underway	Units remaining
Bergerson	5/4/2016	12/31/2016	49	7	16
M Street	5/4/2016	12/31/2016	31	6	40

Dixon Village is anticipated to start construction mid-September, 2016. Staff are working on identifying unit work scopes and planning relocation.

5.2 Relocation

As of July 8, 2016 at E.B. Wilson there have been thirty-one units completed and six currently under construction. Forty units are remaining for construction and relocation. Residents who are relocated over-night are provided a meal stipend based on the number of days they are out of their units along with a lodging stipend if they choose not to stay at a hotel that has been located for the RAD Relocation. Some residents chose to stay at a hotel, with either family or friends or to locate temporary housing on their own. At E.B. Wilson, there are no day moves.

As of July 8, 2016 at Bergerson Terrace thirty-two units have been completed (49 units projected through July 27, 2016). These were vacant units, day moves and some overnight moves. Currently, three households have been fully moved out of their units and staying at hotels or with friends and family. There were issues with the flooring and the three residents have been out of their units for over a month, however, relocation staff has been in constant communication with these residents. Nine more full-moves are to be completed. The residents receive stipends for the time they have had to remain out of their units. Residents are provided the options to stay at a hotel, either with friends or with family, on site (if a unit is available), or to locate temporary housing on their own. Residents who are relocated over-night are provided a meal stipend based on the number of days they are out of their units along with a lodging stipend if they choose not to stay at a hotel that has been located for the RAD Relocation. Residents that are only out of their units for the day also receive a day stipend to for inconvenience.

The next Site that relocation activities have started on is Dixon Village. Dixon Village is set for construction in September 2016. Relocation will begin having RAD Relocation informational meetings for the residents at Dixon sometime in August 2016. On June 22, 2016, the construction conducted the sixty-day unit walk to gather information on each of the units for the scope work. Relocation is waiting for the scope of work to begin scheduling initial intake appointments with each of the residents. Dixon Village units are to have the majority of the resident's

household items in storage due to the amount of work anticipated. Replacement roofing has already begun on some of the units at Dixon Village as well as bed-bug assessments through *Stop Bugging Me*.

5.3 Watch list

Environmental - Awaiting Department of Ecology final approval of Voluntary Clean-up plans for G, Wright and 6th. (Note: Informal update from Ecology is that the Sixth Avenue has been approved. We expect Ecology to approve the recommendations for Wright and G Street in the very near future).

5.4 Problems Encountered

5.4.1 Description

Elevator turnover time is tight and could affect tax credit equity.

Resolution

There will be labor on one of the elevators that spills over into 2017. This is due to timing for delivery of elevator materials (14 weeks), timing of labor (minimum 10 weeks), limited crews and balancing relocation costs against shutting down both elevators. We will be able to draw down on materials in 2016; however, some labor may be charged in 2017; eliminating access to tax credit equity to pay for that work.

5.4.2 Description

E.B. Wilson – Reduced to one working elevator.

Resolution

In order to relieve the burden on the one working elevator, Walsh is pre-stocking and storing construction materials on-site.

5.4.3 Description

Citi Bank is requiring the seismic bracing at G Street to align with their engineering's directive versus the project architect and engineer's design. This will be an increased cost to the project.

Resolution

Walsh's Good Manufacturing Practice (GMP) includes an estimate for doing the work in the manner recommended by THA's Architect and Architect's engineer. Prior to closing a budget adjustment was made to pay for the additional cost; however, until final engineering is complete, the full cost is unknown. Any additional cost will be covered through contingency.

5.4.4 Description

Walsh is seeking compensation for increased costs due to the delays in closing.

Resolution

RED staff are reviewing Walsh's claim and are negotiating the amount of compensation Walsh is requesting. Staff is also consulting with Brawner regarding source of payment and how it may affect the 50% test for the bond portion of the financing.

5.4.5 Description

There was a lack of clarity regarding the work completed by Walsh in vacant units under RAD and the requirement to meet THA's standard for preparing units for leasing. The "unit turn" standards are different. The RAD budget and scope of work does not allow Walsh to perform additional tasks, such as complete painting, new flooring, etc.

Resolution

At this time, there are 13 vacant units. Property Management will devise a schedule for completing work to meet the unit turn standards. This will have a minimal impact on the Property Management budget.

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$5,690,682	\$18,332,816
Construction**	\$33,312,529	\$4,943,235	\$28,369,294
Owner's contingency	\$ 3,343,026	\$89,739***	\$ 3,253,287

NOTE: Budget through Draw #2

*Excludes \$30,640,000 Site/Building Acquisition Expended at Closing Draw

**Includes \$3,500,000 Environmental Escrow

***\$27,000 of which is due to a 1% Increase in Tacoma Sales Tax.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-07-27(1)

Date: July 27, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Ratify OPEIU Contract

This Resolution would authorize the Executive Director to sign the new Office and Professional International Union (OPEIU) collective bargaining agreement.

Background

On July 7, 2016, THA staff who constitute the bargaining unit represented by OPEIU voted to ratify the new collective bargaining agreement (CBA) that representatives of OPEIU and THA negotiated. This is a 2-year contract that expires on June 30, 2018.

I attach the new CBA with changes from the last contract shown in black bold. The notable features of the new CBA are as follows:

- a. We have a Memorandum of Understanding on convening a Benefit Committee to examine THA's overall benefit package with the goal of achieving high-quality benefits at a fair, reasonable and sustainable cost. It is unlikely that THA's benefit costs will be reduced substantially; however the goal of maintaining a strong benefit package and containing costs is our goal.
- b. We agreed upon a definition of a Sunset employee that does not include the ability to "bump-back" at the end of the sunset period.
- c. We agreed to establish a method by which OPEIU employees can donate voluntarily to an OPEIU Employee Hardship fund.
- d. We revised the Severe Weather policy to allow greater flexibility for times when conditions require an office closure.
- e. We agreed to a 3% across-the-board increase and a 2% budget for the Variable Pay budget for 2016 and 2017.

Recommendation

Approve Resolution 2016-7-27(1).



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-07-27 (1) (Ratify OPEIU Contract)

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

WHEREAS, The collective bargaining agreement between the Tacoma Housing Authority (THA) and the Office and Professional Employees International Union (OPEIU) expired on June 30, 2015; and

WHEREAS, THA and OPEIU signed two Contract Extension Agreements on March 17, 2015, and September 29, 2015, respectively, extending the contract to end on February 29, 2015; and

WHEREAS, THA and OPEIU reached a tentative agreement on a new collective bargaining agreement; THA staff in the OPEIU bargaining unit have voted on July 7, 2016; and

WHEREAS, The Board of Commissioners finds that the collective bargaining agreement is fair and reasonable and that it would serve THA's interests; now, therefore, be it

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

The Board authorizes THA's Executive Director to execute the collective bargaining agreement with the Office and Professional Employees International Union.

Approved: July 27, 2016

Stanley Rumbaugh, Chair

BETWEEN

OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION
LOCAL **238**

AND

HOUSING AUTHORITY OF THE CITY OF TACOMA

~~July 1, 2012 – June 30, 2015~~
July 1, 2016 – June 30, 2018

OFFICE AND PROFESSIONAL EMPLOYEES
INTERNATIONAL UNION, LOCAL **238**
2602 N. Proctor St.
Suite 203
Tacoma, WA 98407
(253) 472-8712
2800 First Avenue #304
Seattle, WA 98121
(800) 600-2433

TACOMA HOUSING AUTHORITY
902 South L Street
Tacoma, WA 98405
(253) 207-4422

~~Section x: Shared Vacation/Sick Leave~~

~~The Employer agrees to implement a shared sick and vacation leave policy, subject to state and federal requirements. To be eligible, the individual must be a regular employee who has completed his/her probationary period, has exhausted all paid leave, and has suffered from a serious medical hardship, or illness, injury, impairment, or suffer from a physical or mental condition of a severe nature. Employees and/or Employees with immediate family members who have a serious medical hardship, or illness, injury, impairment, or suffer from a physical or mental condition of a severe nature, who do not meet the eligibility requirements described in this subsection may seek an exception to the eligibility requirements through the Joint Committee. In no event, however, are temporary or probationary employees eligible for shared vacation/sick leave under this policy.~~

TA – 6/17 – revisit as part of the benefit committee

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AGREEMENT

THIS AGREEMENT is made and entered into at Tacoma, Washington, this ____ day of _____, 201**26**, by and between THE HOUSING AUTHORITY OF THE CITY OF TACOMA, its successors and assigns, hereinafter referred to as the Employer or Authority, and the OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION LOCAL **238**, hereinafter referred to as the Union, for the purpose of fixing the wage scale, schedule of hours, and general rules and regulations between the Employer and the Union, and to clearly define mutual obligations between the parties hereto. Therefore, it is mutually agreed as follows:

ARTICLE 1

DEFINITIONS AND CONSTRUCTION

As used in this Agreement:

1.1 "Employee" means, except as specifically provided otherwise, any regular, full-time, part-time, probationary and conditional employee, but does not include any temporary employee.

1.2 "Regular full-time employee" means any employee who has successfully completed the probationary period in his/her position, ~~who has received a minimum 2.8 probationary evaluation rating~~ and who is regularly scheduled to work 40 hours per week. For healthcare benefit eligibility, see definition of full time on Appendix A. TA 1/27/16

1.3 "Regular part-time employee" means any employee who has successfully completed the probationary period in his/her position, ~~who has received a minimum 2.8 probationary evaluation rating~~, and who has an established work schedule of less than 40 hours per week. All regular part-time employees shall receive the following benefits of this Agreement pro-rated to the proportion of hours worked versus full-time hours: sick leave, vacations, and holidays. For healthcare benefit eligibility, see definition of full time on Appendix A. TA 1/27/16

1.4 "Probationary employee" means any employee who has:

- (a) completed less than 120 calendar days of continuous employment as a new hire; or,
- (b) completed less than 120 calendar days of continuous employment in a new, different, or promotional position; and
- (c) has not yet received and signed their probationary performance evaluation.

The Employer may extend the probationary period in any case by mutual agreement with the Union. The Union shall not unreasonably withhold consent to such extensions. However, if the Employer has not made such request to the union and has not provided the employee with their probationary evaluation prior to the end of the 120-day probationary period, the employee will be moved to regular status.

1.5 "Conditional Employee" means an employee hired, transferred, or promoted into a position for which the employee does not have all certifications or licenses required for that position. A

conditional employee must obtain all required licenses or certifications within 270 days after hire, transfer, or promotion. This 270-day time period may be extended by an additional 180 days if the employee is unable to obtain the required licenses and certifications through no fault or action of the employee and may be further extended by the mutual written consent of the employee and the Authority. A conditional employee who does not obtain all required licenses and certifications within the above specified time period (or extensions thereof), shall be terminated. Tacoma Housing Authority shall pay for the cost of training, travel, and testing necessary for each required certification. If the employee does not pass the first time, he/she shall be responsible for all such costs of any and all subsequent attempts. In any event, the employee must obtain licenses and/or certification within the 270-day time limit.

1.6 "Temporary employee" means any employee hired for a limited period of time, not to exceed 120 days or mutually agreed upon extension. See Section 12.3.

1.7 "Sunset employee" means any employee who is considered regular, but whose position has an expressly defined termination date. Any employee hired for an OPEIU sunset position may not bump at the end of the sunset position. TA 1/27/16

~~1.78~~ "Inactive" status means that an employee who has been placed on inactive status because THA has determined that the employee is:

- (a) unable to perform the essential functions of the job for an indefinite and uncertain period of time and has exhausted all statutory or contractual leave entitlements or;
- (b) not suitable to perform services for THA for an indefinite and uncertain period of time for reasons such as a pending criminal matter, pending investigation, or a personal situation in which the employee has exhausted all statutory or contractual leave entitlements.

Although an inactive employee remains a THA employee and thus retains his/her seniority date should he or she ever resume employment, THA will not hold a position open for an employee on inactive status. An inactive employee does not earn compensation or accrue benefits while on inactive status. Inactive status may not continue longer than six months. If an employee is to be restored to active employment status, the employee will be returned to the first vacant THA position for which the employee is qualified, has applied, and is selected in competition with other applicants. Inactive status does not confer any entitlement or preference for future employment.

- (c) Nothing in this section 1.7 shall require THA to place any employee on inactive status. Rather, THA shall have the sole discretion to place an employee on inactive status under the circumstances for this paragraph 1.7.

1.89 "Dependent" means (1) the lawful spouse of an employee; (2) any state registered domestic partner of an employee as the term "state registered domestic partnership" is defined in RCW 26.60.030; (3) any natural or adopted child or stepchild who

is primarily dependent on the employee or (4) any minor for whom the employee has legal custody and who is primarily dependent on the employee. TA 2/23/16

1.910 "Continuous employment" means continuous employment from the most recent date of hire or rehire.

1.4011 "Anniversary date of service" means the same date each year as the date on which the employee first began work.

1.4112 "Promotion" means a move from a job title on Schedule A to another job title with a higher pay grade set forth in Schedule A.

1.4213 "Transfer" means a lateral move from one job title to another of the same pay grade.

Unless a different meaning is clearly required by the subject matter of a particular section, the singular form includes the plural, and the masculine pronoun includes the feminine, and vice versa.

ARTICLE 2

SCOPE OF AGREEMENT

SECTION 2.1 Union Recognition

The Authority recognizes the Union as the exclusive collective bargaining agent for the employees covered by this Agreement.

SECTION 2.2 Coverage

This Agreement applies to the employees holding the job titles set forth in Schedule A to this Agreement. Any positions not covered by Schedule A or any positions which may be established during the life of this Agreement, except those traditionally associated with management and administration, shall be subject to negotiations between the Employer and the Union. In the event the parties are unable to agree on the job title and rate of pay for the job in question, the dispute shall be resolved by the arbitration procedure in this Agreement. In the event that there is a substantial change in the job duties of any bargaining unit employee, the Authority and the Union shall meet to discuss these changes and the appropriate action to be taken.

SECTION 2.3 Management Rights

Except as expressly restricted or abridged by a specific provision of this Agreement, the Employer shall have and retain all rights to manage and direct the business of the Authority, including but not limited to the right to (i) hire, assign, determine the qualification and competence of, promote, demote, transfer, discipline, suspend, discharge and lay off employees; (ii) implement and enforce reasonable rules and regulations, and safety, production and performance standards; (iii) assign and direct employees and the methods, processes and schedules of doing work; and (iv) subcontract work not covered by this Agreement according to the business needs of the Authority.

The foregoing recitation of specific management rights shall not be deemed to waive, limit or impair any rights of the Employer—not so enumerated. The exercise of management rights is the exclusive

prerogative of the Employer, and its decisions in such matters shall not be subject to contest or review by the Union except to the extent inconsistent with the specific provisions of this Agreement.

ARTICLE 3

BARGAINING UNIT WORK

SECTION 3.1 General Provision

Except as allowed by Section 12.3 concerning temporary work and Section 3.2 regarding light duty work, bargaining unit work shall not be performed by non-bargaining unit employees unless both Employer and the Union agree. Any such mutually agreed assignment of bargaining unit work to a non-bargaining unit employee will be for a mutually agreeable limited time. The Union will reasonably consider any such proposal. PROVIDED THAT, nothing in this agreement shall preclude the Employer's use of work-study students or interns as long as such use does not displace or replace any regular employee or preclude any hiring of additional regular employees or temporary employees that would otherwise have occurred. Prior to such use, the Employer shall inform the Union of the proposed use and duration of the position.

SECTION 3.2 Light Duty Work

THA may assign work that might otherwise be performed by a bargaining unit employee to an employee in a position outside the bargaining unit and who has an open industrial insurance claim for the purpose of offering light duty work to such non-bargaining unit employee for a period not to exceed 90 days.

ARTICLE 4

UNION BUSINESS

SECTION 4.1 Union Security and Membership

- (a) Union Membership. Subject to RCW 41.56.122, all employees shall become members of the Union within 31 days of the date of hire or rehire and maintain union membership in good standing during the term of this Agreement. The Employer shall suspend an employee within 31 working days of receipt of notice from the Union of the failure of the employee to maintain union membership in good standing. Continued failure of an employee to maintain union membership in good standing shall be grounds for termination; provided, that the Union shall hold harmless and indemnify the Employer from any liability which the Employer may incur because of the suspension or discharge of an employee pursuant to this section. A temporary employee may work subject to a union permit fee paid by such employee.
- (b) Deduction of Union Dues. Subject to RCW 41.56.122, the Employer shall deduct monthly union dues from the pay of each employee giving the Employer prior written authorization to do so, and forward all dues so deducted to the local office of the Union. The employee shall give the authorization in a form acceptable to the Employer prior to the preparation of the payroll for the first pay period for which the deduction is to be made, and the authorization shall remain in effect until revoked in writing by the

employee. The Union shall give the Employer at least thirty (30) calendar days written notice of any change in the amount of dues to be deducted. The Employer shall not be required to submit any amounts to the Union under this Agreement for members who are on layoff, leave of absence without pay or other status in which they receive no pay for the pay period normally used by the Employer to make such deductions.

- (c) Indemnification: The Union shall indemnify, defend and hold the Employer harmless against any and all claims, suits, orders or judgments that arise out of or by reason of the Employer's compliance with this Section.

SECTION 4.2 Union Representatives and Activity

The Union shall advise the Authority in writing of the names of all business representatives, agents, and stewards authorized to represent the Union in dealings with the Authority. The Union shall also provide the Employer with written notice of any change in such business representatives, agents and stewards within a reasonable time of a change.

The Business Representative of the Union shall have access to the Authority's premises, at reasonable times and upon reasonable prior notice to the Human Resource Director or designee to investigate specific employee complaints or grievances relating to this Agreement; except that union business, other than the adjustment of grievances directly between the Human Resource Director and the Business Representative, shall not involve the Authority's employees during their hours of work, and union meetings shall not be conducted on the Authority's premises unless mutually agreed upon between the Union and the Authority.

A bulletin board shall be made available to the Union for the purpose of posting notices pertaining to union business, provided that such notices shall be submitted to the Human Resource Director of the Authority or his/her designee for approval before being posted, which approval shall not be unreasonably withheld.

SECTION 4.3 Hardship Fund Check-Off

The Employer agrees to deduct a sum in \$5 increments from the pay of each bargaining unit employee who voluntarily executes an valid OPEIU Local 8 Hardship Fund Check-Off Authorization form. To be valid, the Check-Off Authorization form must include language, acceptable to THA, providing that the Employee will hold THA harmless from any and all claims, demands, suits or other liability that may arise or relate to the OPEIU Local 8 Hardship Fund for pay deductions for that fund. An Employee may make no more than two changes to the Hardship Fund deduction in any calendar year. The amount deducted, payable as directed by OPEIU Local #8 for inclusion in the Hardship Fund, and a roster of each Employee authorizing the deduction of wages for the Hardship Fund will be transmitted to the Union on a monthly basis. The Union agrees to defend, indemnify and hold harmless THA from any and all claims, demands, suits, or other liabilities that may arise from or relate to the OPEIU Local 8 Hardship Fund, any Employee Check-Off Authorization form and/or any wage deduction for the OPEIU Local 8 Hardship Fund. TA 2/29

SECTION 4.4 Rosters

Each month the Employer shall send the Union a list of all employees covered by this Agreement including their address, classification, department, rate of pay and gross pay, FTE status and starting date. This list will include information on new hires and terminations that have occurred since the previous list was provided. TA 4/5

ARTICLE 5

WORK SCHEDULE

SECTION 5.1 Workweek - Workday

- (a) The standard workweek of regular full-time employees shall be forty (40) hours to be scheduled by an appropriate Supervisor or Department Director and normally worked on five (5) consecutive 8-hour workdays, Monday through Friday ~~Saturday~~, between the hours of 7:00 a.m. and 5:30 p.m.
- (b) Non-standard work schedules, such as a 4 x 10 schedule, may be established for certain jobs or individuals to meet long-term business or personal requirements. Either the Authority or the employee(s) may initiate a request for a non-standard work schedule. Non-standard work schedules must be reviewed and pre-approved in writing using THA Form 25.10(1) Non-Standard Work Schedule Application.
- (c) Occasional non-standard workweeks may be established for certain jobs or individuals to meet short term business or personal requirements provided that the business needs of THA can be met. Non-standard flexible schedules may occur within a given workday or workweek but in no case shall an employee work more than forty (40) hours in a workweek as a result of a non-standard flexible schedule. Workweek changes are intended to be infrequent and must be pre-approved by the supervisor.

TA to retain current language 3/17/16

SECTION 5.2 Lunch and Break Periods

Each workday shall include one unpaid lunch period of 30 minutes approximately midway through the workday, and one paid break period of 15 minutes in the morning and one paid break period of 15 minutes in the afternoon. One additional paid break period of 15 minutes may be taken during each three-hour overtime period. The Authority may schedule lunch and break periods to accommodate its business needs. The Authority will provide bargaining unit employees with an additional ½ hour paid lunch (at straight time) on payday.

SECTION 5.3 Overtime

The Authority may require overtime work according to its business needs. Any hours required by the Authority to be worked by an employee in excess of 40 hours in any workweek shall be compensated at a rate one and one-half times the employee's hourly base rate, and any hours required by the Authority to be worked on a Sunday shall be compensated at a premium rate twice the employee's hourly base rate. No overtime will be authorized unless it has been specifically approved in advance by the

employee's supervisor. For the purposes of this section 5.3, "hours worked" includes hours worked only. TA to return to current language with one word change to correct error 4/5

SECTION 5.4 Minimum Reporting Pay

An employee who is ordered to report to work, whether or not on overtime status, shall be entitled upon reporting to a minimum of two hours' pay, whether or not actually worked.

SECTION 5.5 Inclement Severe Weather or Emergency Closure Conditions

The Tacoma Housing Authority provides an array of critical public services and is responsible for the safety of its residents. It is THA's policy to remain open during normal business hours including during periods of severe weather and emergency conditions unless it is physically impossible for employees to travel. Employees should be prepared for severe weather during winter months. Unless the Executive Director declares an Emergency, all employees are expected to report to work. There may be times, however, that an employee may feel that for personal safety reasons, they may need to arrive late to work, depart early, or not come in at all. See THA Policy HR-10.40.

~~An employee is expected to report to work regardless of weather conditions. An employee who is unable to get to work or who has approval to leave work early because of weather conditions shall charge the time missed against accrued vacation leave. In the event no vacation leave is accrued, time missed shall be charged to leave without pay. Tardiness due to an employee's inability to report for scheduled work because of severe weather or conditions caused by such weather may be allowed up to one hour at the beginning of the work day, at the sole discretion of the Authority; inclement weather tardiness in excess of that allowed by the Authority shall be charged as provided above.~~

- a. In the event of inclement weather or other emergency closure, the Executive Director or designee will make all determinations concerning the work status of the Employer, including if the Employer will be closed or if employees will be dismissed early. If the Employer decides to close the facility due to severe weather conditions or other emergency, employees will have the option of requesting pre-authorization to work from home, using accrued leave, or requesting Leave Without Pay (LWOP) for the period the agency is closed.
- b. If no decision has been made to close the facility during inclement weather or other emergency, but an employee believes that coming to work and/or a delay to leave work early would be a risk to personal safety, the employee may use accrued vacation, personal holiday time, Leave Without Pay (LWOP) or make-up for the work time missed without incurring overtime. An employee may make-up to four (4) hours within the same workweek to be approved by the Employer.
- c. Under severe weather conditions or other emergency, up to one (1) hours travel time with pay will be allowed if an employee makes a good faith effort and arrives at work late. TA 2/29
- (d) If THA closes the work site or announces an early dismissal after an employee has arrived at the work site and started work, the employee may, but is not required to, complete the

remainder of the scheduled work shift, provided that if emergency circumstances make it unsafe to stay in the work site (e.g. an earthquake that compromises the stability of a building), all employees are required to leave the work site. TA 3/16/16

ARTICLE 6

MAINTENANCE OF BENEFITS AND COLLABORATIVE EFFORTS

Except as provided in Article 8, the benefits now being extended to a bargaining unit employee shall remain in force and shall not be rescinded during the life of this Agreement. However, and in addition to the provisions in Article 8, the parties agree that if there is any substantial adverse change in the costs of benefits or THA's financial position, the Authority and Union shall meet to discuss such changes and the appropriate action, if any, to be taken. The Employer provides benefits to eligible employees as defined in Appendix A.

ARTICLE 7

COMPENSATION

1. All bargaining unit employees will be eligible to receive an across the board salary increase effective the first full pay period of July each year of this contract based on the following factors:

- A. All regular employees not covered by (b) or (c) will receive a 3.0% pay increase.
- B. An employee who was hired or promoted between April 1, 2016 and June 30, 2016, will receive a 1.5% pay increase.
- C. Employees hired on or after July 1, 2016 will not be eligible for a salary increase in 2016.

Note—4/11 OPEIU proposal

2. Remove ability for employees to receive merit and special recognition awards and instead implement a step system where employees will advance one step (receive a 2.5% increase) on their anniversary date. See chart. 2/23 union changed proposal from 2.5% to 2% Valarie will provide a new chart Union withdraws this part of proposal TA 3/17/16

2. Variable Pay will consist of possible Merit Increases to base pay and Special Recognition Award lump sum payments.

Merit Increases will be based on an employee's overall score on the performance evaluation.

<u>Employee Performance Evaluation Score</u>	<u>Merit Increase Amount</u>
<u>0.0-2.9</u>	<u>0%</u>
<u>3.0-3.5</u>	<u>1.0%</u>
<u>3.6-4.3</u>	<u>1.5%</u>
<u>4.4-5.0</u>	<u>2.0%</u>

<u>Employee Performance Evaluation Score</u>	<u>Merit Increase Amount</u>
<u>0.0-3.0</u>	<u>0%</u>
<u>3.1-3.5</u>	<u>.5%</u>
<u>3.6-4.0</u>	<u>1.0%</u>
<u>4.1-4.5</u>	<u>1.5%</u>
<u>4.6-5.0</u>	<u>2.0%</u>

TA 6/17 – included in Schedule A

SECTION 7.1 Base Rates of Pay

All bargaining unit employees hired before the date of this Agreement will receive the wage rate applicable such employee was receiving on the date of this Agreement plus any wage increase as provided in Schedule A including the Salary Compressions Chart, up to a maximum of 10% in 2012. A bargaining unit employee transferred to another bargaining unit position after the effective date of this Agreement shall receive, at a minimum, either the applicable rate for the new position or the employee's then current rate of pay, whichever is greater.

SECTION 7.2 Pay Periods

Employees shall be paid on a bi-weekly basis (every two weeks).

SECTION 7.3 Temporary

A temporary employee shall be compensated for each hour worked at the minimum starting salary for the position as set forth in Schedule A.

SECTION 7.4 Promotions

When promoted, an employee other than a conditional employee, will receive the minimum rate for the new position or a 5% promotional increase, whichever is greater.

SECTION 7.5 Wages for Bumping Employees

As a result of a layoff, an employee bumping into another job title at the same wage range shall receive his/her present wage. An employee bumping into another job title at a higher range shall receive his/her present wage or the minimum of the higher range of the new position, whichever is higher. An employee bumping into another job title at a lower range shall receive that wage calculated as follows: the minimum wage level for the new position increased by the cumulative cost of living increases granted by the agency during the years that account for the employee's seniority PROVIDED that the wage for the new position shall not exceed the top of the range for the new position.

ARTICLE 8

INSURANCE, RETIREMENT AND DEFERRED COMPENSATION

SECTION 8.1 Health Insurance

The Employer will maintain current benefits and cost/share structure for duration of 2016. TA

2/23/16

Any future annual increases over the duration of the Agreement in the premium amount required to maintain insurance coverage will be paid as follows:

(a) The Employer will pay the first five percent (5%) increase;

(b) The next ten percent (10%) increase will be split equally between the Employer and the employee and;

(c) If insurance rates increase by greater than fifteen percent (15%) this section of the contract may be reopened with regard to bargaining. The fifteen percent (15%) rate increase can either be a combination of 2017 and 2018 or in one year alone.

• Employee Only coverage THA pays 97.5% of the premium

• Dependent (spouse, child(ren) coverage THA pays 81% of the premium

- ~~(a) For the remainder of 2012, the Employer shall provide full family group health insurance coverage under UEBT Plan A5, which includes medical and vision coverage.~~
- ~~(b) Beginning January 1, 2013, bargaining unit employees will be offered the option of (a) a traditional insurance plan with coverage substantially similar to the current plan, or (b) a high deductible insurance plan supplemented by a HRA account. During 2012, the Employer will form a Benefits Committee to review insurance options for the two plans and will invite bargaining unit members to participate on that committee. Although the Employer will consider any recommendation from the Benefits Committee, the Employer reserves the right to select the insurance company(s) and plan design for the two plans. All regular, full time THA employees, except those included in the Building Trades bargaining unit, will be included in the two plans developed under this Section 8.1(b).~~
- ~~(c) The parties agree to re-open this Agreement effective October 1, 2013 (upon sixty days prior written notice by either party of an intent to re-open) for the sole purpose of (a) negotiating any substantial changes to the insurance coverage as described in Section 8.1(b) to be effective January 1, 2014 and (b) negotiating the cost sharing of insurance benefits for 2014. Notwithstanding the foregoing, the Employer shall have the right to select that insurance company(s) and final plan design by which insurance benefits will be provided in 2014.~~
- ~~(d) The Employer will offer a Health Savings Account ("HSA") or a Health Reimbursement Account ("HRA") to bargaining unit employees who are eligible to participate in such account. The Employer has the right to determine whether an HSA or HRA will be offered and to discontinue one plan by substituting the other plan.~~
- ~~(e) For 2015, the benefits provided herein shall be provided through a self insured plan or under one or more group insurance policy or policies issued by an~~

~~insurance company or insurance companies selected by Employer. "Insurance Company[s]" includes one or more regular line insurance company[s] and/or non-profit organizations providing hospital, surgical, or medical benefits. If these benefits are insured by an insurance company, all benefits are subject to the provisions of the policies between Employer and the insurance company as may be changed from time to time. Employer will offer bargaining unit employees an insurance option that provides a level of benefits substantially similar to the then current level of benefits.~~

SECTION 8.2 Cost Sharing

~~Bargaining unit employees cost share amount will not change for the remainder of 2012. For 2013, the cost share for bargaining unit employees selecting the high deductible plan will be a composite rate of \$145.00. For employees selecting the traditional insurance plan, the employee cost share for 2013 will be:~~

- ~~• \$200.00/month for Employee Only, Employee + Spouse & Employee + Children~~
- ~~• \$250.00/month for full Family coverage (Employee + Spouse + Children)~~

~~(a) Provisions for cost sharing for the 2014 plan year are described in Section 8.1 (c).~~

~~(b) The parties agree to re-open this Agreement effective October 1, 2014 (upon sixty days prior written notice by either party of an intent to re-open) for the sole purpose of negotiating the cost sharing of insurance benefits for 2015.~~

See MOU for cost sharing.

SECTION 8.3 Dental Insurance

The Employer shall provide a dental plan, including orthodontics for children and adult, for eligible employees and dependents.

SECTION 8.4 Life Insurance and AD&D

The Employer shall provide and pay for a Life and AD&D insurance policy for all eligible employees. The amount of coverage shall be up to one times annual salary.

SECTION 8.5 Disability Insurance

The Employer shall provide and pay for short and long term disability insurance policy for all eligible employees. The amount of short-term coverage shall be up to two-thirds of weekly compensation not to exceed \$ 2,000 per week. The amount of long-term coverage shall be up to two-thirds of monthly compensation not to exceed a monthly benefit of \$ 7,500.

SECTION 8.6 Employee Assistance Program

The Employer shall provide and pay for an Employee Assistance Program for all eligible employees and families during the term of this Agreement.

SECTION 8.7 Social Security

All employees shall receive social security coverage.

SECTION 8.8 Deferred Compensation Program

All eligible employees shall be eligible to participate in any deferred compensation program implemented by the Authority.

SECTION 8.9 OPEIU Supplemental Retirement 401K Plan

Effective upon ratification of the contract, the Employer hereby agrees to allow employees covered under this Agreement to participate in the OPEIU Local 8 Supplemental Retirement 401(k) Plan. The Employer agrees to and shall be bound by all terms, conditions and provisions of the Plan Document and the Trust Agreement and any changes, additions, amendments or modifications, which are made by the Trustees of the OPEIU Local 8 Supplemental Retirement 401(k) Plan. Should the plan experience changes which alter the Employer's responsibility, the parties agree to meet and bargain over the impact of those changes.

The Employer agrees to recognize pre-tax wage deferral elections made by employees covered under this Agreement to the Office and Professional Employees Retirement Trust, a 401(k) plan and to transmit the amounts withheld from such employees' wages on a pre-tax basis as soon as the funds can be transmitted and not later than the 15th business day of the following month to the depository designated by the administrator of the Plan. Employees may elect to divert any amount up to the maximum threshold set by IRS rules governing 401(k) plans. The Employer acknowledges that if its pre-tax wage deferrals are determined to be delinquent, it is responsible under Department of Labor guidance for interest on the amounts paid untimely. The Employer agrees to provide employee information as may be needed by the administrator of the Office and Professional Employees Retirement Plan including information that may be needed to complete any required IRS discrimination tests. Union withdraws proposal 2/29

SECTION 8.9 Health Care and Dependent Care Flexible Spending Accounts

The Employer will offer Health Care and Dependent Care Flexible Spending Accounts for all eligible employees who choose to participate. Employee eligibility for the Health Care Flexible Spending Account may be impacted in the event that IRS regulations forbid its use when other IRS impacted accounts are used.

ARTICLE 9

HOLIDAYS, VACATION AND LEAVE

SECTION 9.1 Holidays

- (a) Authority observed Holidays. Employees are eligible for all Authority observed holidays in (a) or as designated by the Authority. The Authority shall observe the following holidays:

New Year's Day

Martin Luther King Day

Presidents' Day

Memorial Day

Independence Day

Labor Day

Veterans Day

Thanksgiving Day

Day after Thanksgiving

Christmas Day

(2) Two Floating Holidays. Only eligible employees may take floating holidays. Newly hired employees will not be entitled to use Floating Holidays until after the successful completion of their probationary period. Floating holidays shall be taken with prior arrangement and approval of the Employer. Floating holidays do not carry over from one calendar year to the next.

- (b) Holiday Pay. An eligible employee shall be compensated for each Authority holiday, which occurs while the employee is on the payroll, whether or not worked by the employee, at the employee's regular daily base rate. An eligible part-time employee shall be compensated for each such Authority holiday at the proportion of hours normally worked versus full-time hours. Any hours required by the Authority to be worked on an Authority holiday (except for employee's individually scheduled floating holiday) shall be compensated at the employee's hourly base rate, in addition to holiday pay.

Holidays for Non-Standard Workweeks. No employee is eligible for more than 8 hours of holiday pay per holiday. For an employee working a non-standard work schedule, if a holiday falls on an employee's regularly scheduled 10 hour work day, the employee will be credited with 8 hours of holiday pay for that day. The employee, if they wish to maintain full pay status for that week may apply accrued vacation time to the 8 hours of paid holiday (to complete the total hours normally worked and paid), or work the additional hours sometime within that workweek to complete the 40-hour week.

If a holiday falls on regularly scheduled work day off for employees on a non-standard work schedule, the employee will switch to a regular 5x8 schedule that week.

- (c) No Charge Against Vacation Credit. A holiday occurring during an employee's scheduled vacation shall not be charged against accrued vacation credits.
- (d) Holidays falling on Saturday shall be observed the preceding Friday unless otherwise designated. Holidays falling on Sunday shall be observed the following Monday unless otherwise designated.
- (e) If the employee calls in sick the day before or the day after a holiday, the employee will not be paid for the holiday unless the employee's absence[s] are due to a bona fide

medical condition. The Employer has the right to request by written medical verification that such absence was due to a bona fide medical condition.

SECTION 9.2 Vacations

- (a) With the exception of the single currently grandfathered OPEIU employee, all eligible employees will accrue vacation under the following schedule:

	Length of Service	Total Annual Vacation Days
1)	Employees with 0 to 5 years' service	14 days
2)	Employees with over 5 to 9 years' service	16 days
3)	Employees with over 9 to 14 years' service	18 days
4)	Employees with over 14 to 20 years' service	22 days
5)	Employees with over 20 years' service	24 days

- (b) All vacation time must be earned/accrued. Employees in each department may make initial vacation selections by January 31 for that calendar year. THA will respond to such vacation requests by February 15 of that year. Employees are encouraged to take vacation a week at a time. In cases of scheduling conflicts, vacation time will be approved based on bargaining unit seniority. Employees are encouraged to take vacations to the amount of earned annual vacation. Employees may not carry over more than forty (40) days of vacation time from one calendar year to the next

An Employee with 200 or more accrued vacation hours may cash out up to a maximum of forty (40) hours of accrued vacation once during each calendar year of the term of this Agreement. Cash-out requests must be submitted to the Human Resources department to be paid out the following full pay period after submission and processing is complete. Employees may only cash out once per calendar year. Employees must have the minimum of 200 accrued vacation hours on the date of the submission and have a minimum of 160 accrued vacation hours on the date the cash-out is paid. Upon retirement or departure, the Authority shall pay no more than 40 days of accrued vacation time.

- (c) Vacation time shall not be taken in units of less than one-half hour.
- (d) Subject to Section 9.2(b), an employee who is separated from employment with the Authority shall be paid his/her accrued vacation time at his/her current rate of pay in a lump sum at the time of separation, except for instances when the employee is separated for cause, in which event the employee shall not be reimbursed for accrued, unused vacation time. No employee may elect to take unpaid time off of work when leave time of any type is available to him/her.
- (e) Newly hired employees will accrue vacation days during their probationary period but

will not be entitled to use vacation leave until after the successful completion of the probationary period. If the newly hired employee does not successfully complete probation and is terminated, he or she is not entitled to a cash-out of any vacation leave.

- (f) All vacations and leave must be approved in advance by the employee's supervisor in writing.
- (g) Employees shall make their requests for vacation use in advance with proper notice to their supervisor. Proper notice will constitute at least one-day notice for each day requested, except in the case of a catastrophic event.

SECTION 9.3 Sick Leave

- (a) Employees shall accrue sick leave at the rate of one day per month or 12 days per year. All sick time must be accrued prior to taking it. Newly hired employees may use their accrued sick leave days during their probationary period. If the new employee does not successfully complete probation and is terminated, he or she is not entitled to a cash-out of any sick leave. In the event that any employee is sick and has no approved sick time, vacation time shall be charged. In the event that the employee has no accrued sick or vacation time, the employee shall not be paid for time missed. No employee may elect to take unpaid time off of work when any leave time of any type is available to the employee.
- (b) Sick leave shall not be taken in increments of less than one-half hour.
- (c) An employee who is unable to report to work as scheduled because of illness, injury, accident or due to state or federal family and medical leave reasons shall notify the employee's immediate supervisor or designee prior to the start of their workday. An absence not reported as required by this subsection shall be recorded as an absence without pay, although the Authority in its sole discretion may waive this requirement for good cause shown. The Authority may require a physician statement or other proof of the medical necessity for any absence for which sick leave has been used.
- (d) Employees may use sick leave for reasons of illness, injury, accident, medical or dental appointments or in accordance with State or Federal Family Leave Acts provided that the employee's maximum compensation for any workday in which sick leave is used will equal the employee's regularly scheduled workday.
- (e) The State and Federal Family Leave Acts are part of the Authority's sick leave policy and shall apply to employees covered under this Agreement.
- (f) An Employee who is separated from employment due to retirement for disability or length of service or death shall be compensated to the extent of 50% of his/her accrued sick leave, up to a maximum of 960 hours (480 hours paid). An employee who is separated from employment for reasons other than retirement or death shall be compensated to the extent of 25% of his/her sick leave accrued up to a maximum of 960 hours (240 hours paid). In the event that separation results from the employee's death, the Employer shall pay this same compensation to the employee's estate or successor as provided by law.

- (g) An extension of a medical leave of absence for a period not to exceed total leave of six (6) months may be granted if mutually agreed between the Authority and employee.

SECTION 9.4 Sick and Vacation Leave Accrual during Unpaid Absences

Paid Sick and Vacation Leave shall not accrue during a leave of absence without pay or while an employee is on suspension. Where an employee is on a disability leave and is using THA paid sick time, he/she will continue to accrue leave only for the hours paid by THA. Where the employee has exhausted all sick time and other paid leave and is on unpaid leave of absence, regardless of whether workers compensation or disability insurance leave may be paying benefit to the employee, he/she will not continue to accrue leave.

SECTION 9.5 Death in Employee's Family

Employees shall be granted four days' Administrative Leave with Pay upon the death of an immediate family member.

Immediate Family Member: Spouse, registered domestic partner, father, mother, stepparent, mother-in-law, father-in-law, foster parent, brother, sister, stepchild, child, foster child, adopted child, child for whom the employee has parenting responsibility, grandparents, or grandchild of employee.

For the purpose of attending the funeral a maximum of one days' Administrative Leave with pay may be granted for the death of son-in-law or daughter-in-law of the employee or the death of the employee's-spouse's or employee's registered domestic partner's foster parent, brother, brother-in-law, sister, sister-in-law, stepchild, child, foster child, grandparents or grandchildren.

SECTION 9.6 Jury and Witness Duty

An employee who is subpoenaed for jury duty or as a witness shall be granted a leave of absence. Immediately upon receipt of a subpoena, and prior to the leave of absence, the employee shall provide a copy of the subpoena to the immediate supervisor. An employee who is granted leave for jury duty shall be compensated at the regular rate for each hour absent from work for such duty, not to exceed the employee's regularly scheduled workday, less all compensation other than reimbursement for travel expenses received for jury duty. The status of a probationary employee shall be extended an hour for each hour absent due to jury and witness duty. The Authority may require written documentation of the dates of duty and the compensation received.

SECTION 9.7 Military Duty

State and Federal Law will apply to define benefits to employees fulfilling military duty to the government.

SECTION 9.8 Leave of Absence Without Pay

The Authority may grant leaves of absence without pay for purposes other than medical leave for a period not to exceed four (4) months. However, the terms of such leaves of absence, including a specific return date, must be in writing.

An employee on an approved leave of absence without pay shall retain all seniority rights and shall be

entitled to the same or a comparable position upon returning to employment. An employee on leave of absence without pay shall not be entitled to or accrue any of the benefits of this Agreement; provided, however, that employees on leave of absence without pay may self-pay insurance premiums if permitted by the policies of the provider and in accordance with then current law.

ARTICLE 10

EDUCATION/TRAINING

SECTION 10.1 Educational and Training Programs

Each regular employee who is in a pay status is encouraged to participate in educational programs, which will mutually benefit the Employer and employee.

Management reserves the right to identify an appropriate training schedule/program for all newly hired, transferred or promoted employees.

SECTION 10.2 Orientation Sessions

The Employer shall provide a new employee orientation session. It will include introduction to shop stewards.

SECTION 10.3 Education Assistance

- (a) The Authority encourages and assists regular, full-time employees to further their education at approved institutes to improve ability in current positions or increase potential to be promoted within the Authority.
- (b) Subject to availability of funds, regular, full-time employees who have completed one year of employment are eligible to apply for education reimbursement pursuant to this Section.
- (c) The requested courses must be related to an employee's present position, enhance an employee's worth to the Authority, fulfill a degree requirement, be specifically applicable to other positions within the Authority and be pre-approved on a case by case basis by the Department Director and Human Resource Director.
- (d) Courses may be taken at approved colleges, universities, technical schools, or other programs as pre-approved by the Authority.
- (e) The Authority reserves the right to use its discretion in approving individual courses or programs for reimbursement.
- (f) Subject to the availability of funds, and based on the calendar year, the maximum assistance to be provided to an eligible employee is \$2,500 per year. With proper documentation, the employee will receive an advance up to \$1,250 prior to enrollment in a course. Any remaining reward amount will be reimbursed to the employee upon successful completion of the course. THA will reward eligible employees:

- Up to 75% of tuition and/or registration fees

- 100% of books
 - 100% of lab fees
- (g) Employees must be employed full-time by the agency at the time the reimbursement is paid. Should an employee fail to successfully complete or pass a course or choose to leave the Authority for any reason prior to course completion, s/he will be required to repay the course and other fees cost through an automatic payroll deduction as agreed upon when the assistance is granted.
- (h) In some cases, education assistance may be considered compensation and be taxable.
- (i) Employees who are granted financial aid, grant(s) or scholarship(s) may request the difference between course costs, less financial aid, grant(s) or scholarship(s) or 75% of cost, whichever is smaller.

ARTICLE 11

DEFINITION OF SENIORITY

SECTION 11.1 Definition of Seniority

Seniority shall be defined as an employee's length of continuous full time employment with the Employer in a bargaining unit position.

SECTION 11.2 Accrual of Seniority

For the purpose of continuous employment, the original date of hire shall be observed, unless broken as referred to in Section 11.3 "Loss of Seniority", but seniority shall not accrue during either (a) time of separation of one year or less due to layoff (See Section 15.2 Recall.) or (b) time of temporary promotion or temporary transfer to nonbargaining unit positions. (See Section 11.3). Seniority accrual will resume when the employee resumes the bargaining unit position.

SECTION 11.3 Loss of Seniority

Seniority shall be lost upon resignation, retirement, discharge, layoff (after one year in case of layoff only), failure to report to work within five working days after notice by registered mail of recall from layoff, or a temporary transfer or promotion to a nonbargaining unit position for a period that exceeds 120 days, provided that Employer and Union may extend this 120-day period for a particular employee by written agreement.

ARTICLE 12

JOB VACANCIES

SECTION 12.1 Vacancy Posting

- (a) The Executive Director has the primary authority for the recruitment and screening of applicants for vacant positions as well as for transfers or promotional opportunities. The Executive Director, or designee, shall decide the relative qualifications, skills,

abilities, attendance record and discipline record of an applicant for a position. First consideration for vacant bargaining unit positions shall be given to bargaining unit employees, provided that such employees have the qualifications, skills, abilities, attendance record, and discipline record, for the position in question. When these factors for two or more applicants for a given position are substantially equal, as determined by the Employer, seniority shall be the determining factor.

- (b) The goal of the job posting policy is to ensure that all employees are made aware of and have the opportunity to apply for open OPEIU positions either before or concurrent with the Agency's consideration of external candidates for employment.
- (c) While the Agency favors promotion from within, business conditions could cause a position to be posted internally while simultaneously recruiting from the outside. The business conditions that could cause this decision include, but are not limited to: organizational restructuring; urgency of filling the position; position requirements that include skills, education, and/or experience that are not known to match any existing employee; critical operational needs; etc. The decision to recruit from the outside at the same time as posting requires approval of a Human Resources representative and the Department Director.
- (d) Employees who wish to apply for posted positions must apply online through the THA website at www.tacomahousing.org.
- (e) In the event that an employee applies for a position that results in upward mobility and his/her performance is unsatisfactory and he/she is unable to meet the essential tasks of the position, the employee has no right to bump back to his/her old position.
- (f) New hires and personnel in new positions may not apply for promotions, transfers, etc. for six months; unusual circumstances may be open for discussion.

SECTION 12.2 Notification of Union

The Employer has the final choice as to whom he hires, and it shall notify the Union within 72 hours of hire of a new employee, Saturday, Sunday and holidays excepted.

SECTION 12.3 Temporary Employment

The Employer may hire temporary employees or contract for temporary workers from temporary service agencies to perform bargaining unit work for peak workloads, positions contemplated to be eliminated, temporary work pending regular hire, or replacement of employees on leave. Such temporary employment shall not exceed four months except that extensions of temporary employment or work may be extended by mutual agreement between the Employer and the Union. The Union will attempt to meet the temporary employment needs of the Employer. If the Union is unable to meet these needs, the Employer may hire or contract from outside sources. All temporary employees or workers performing bargaining unit work shall not be paid less than the minimum hourly wage as set in schedule A. Temporary employees or workers performing bargaining unit work shall pay work permit fees required by the Union.

When a temporary employee is hired as a regular employee with no break in service, the vacation, sick

leave and seniority for the employee shall be calculated using the date of hire as a temporary employee. As used in this Section, "break in service" means an absence from employment with the Employer of 30 calendar days or more.

ARTICLE 13

PERFORMANCE EVALUATIONS

To ensure the success and growth of our employees and our agency, performance evaluations are conducted with each employee on an annual basis. The performance evaluation system shall accord each regular employee an adequate opportunity to participate in the evaluation and to comment on the Employer's final evaluation of his/her work performance. This shall include the right to discuss the evaluation with the Department Director and have the right to have a shop steward present during any such discussion. ~~If an employee is still not satisfied with their performance evaluation they can proceed to the grievance procedure.~~ In devising or modifying this system, the Employer shall consult with the Union pursuant to Article 19. Performance evaluations are used to implement THA's Variable Pay program. THA will endeavor to complete all evaluations within 60 days from the end of the due month. The parties agree that an employee's compensation for a time period after the evaluation due date is intended to include any compensation adjustment based on the evaluation and thus agree that any compensation adjustment as a result of the evaluation will be effective with the start of the second pay period in the month in which the evaluation is due, regardless of when the evaluation is completed. Nothing in this Article 13 obligates THA to make any compensation adjustment based on a performance evaluation.

~~Unless otherwise agreed upon, all evaluations will be completed within thirty (30) days of the employee's anniversary date. If the Authority fails to conduct a timely performance evaluation the impacted employee will automatically receive a 1.5% merit increase. Upon completion of annual evaluation, employees may be considered for merit increases based on their performance level, except that nothing in this sentence obligates the Employer to grant a merit increase and provided further, nothing in this paragraph directs any consequence for missing the annual evaluation.~~

ARTICLE 14

DISCIPLINE AND TERMINATION OF EMPLOYMENT

SECTION 14.1 Discipline and Discharge of Regular Employees

- (a) All disciplinary actions against regular employees shall be conducted in a fair manner, and shall be consistent with the infractions for which disciplinary action is being taken. All ~~suspensions and discharges disciplinary actions~~ shall be stated in writing and the reason stated. For suspensions and discharges, and a copy will be given to the employee within five (5) working days of the date of said suspension at the time of issuance. For documented oral warnings and written reprimands, a copy will be given to the employee within five (5) working days. Appropriate due process shall apply. TA 2/23/16
- (b) Disciplinary actions will normally be taken in the following order:

- 1) Documented Oral warning
- 2) Written reprimand
- 3) Probation or suspension without pay
- 4) Discharge

The above sequence need not be followed if an infraction is sufficiently severe to merit immediate written warning, probation, suspension or discharge. No regular employee shall be penalized, discharged, or suspended without just cause.

- (c) An employee shall have the right to have a shop steward present at all disciplinary meetings and shall be so informed when summoned to such meetings.
- (d) The Authority shall not pay any compensation other than salary for hours actually worked to any employee discharged for just cause.

SECTION 14.2 Discipline and Discharge of Other Employees

The provisions of Section 14.1 do not govern the Employer's discipline or discharge of probationary or temporary employees, ~~or other employees.~~ apply to Regular full time and Regular part time bargaining unit employees and do not apply to other categories. TA 1/27/16

SECTION 14.3 Resignation

An employee may resign, including for retirement or medical disability, upon advance written notice of not less than two calendar weeks to his immediate supervisor. The Authority shall not pay any compensation other than salary for hours actually worked to any employee who resigns without giving such notice. No employee will be discharged without two (2) weeks' notice or two (2) weeks' pay (including holiday pay when applicable) in lieu of the two (2) weeks' notice unless such discharge is for just cause.

ARTICLE 15

LAYOFFS

SECTION 15.1 Reduction in Force

The Employer has the primary authority for the selection of positions or personnel to be separated due to a reduction in force. In the event of a reduction in force, the Employer shall first determine how many positions of each job title(s) to eliminate. The Employer shall attempt to accomplish the lay-off by volunteers within the job title. If there are no or insufficient volunteers, the Employer will assess the then current relative existing qualifications, skills, abilities, attendance record, and discipline record. If the Employer determines that these factors are substantially equal, the selection for lay-off shall be made in reverse seniority. If the Employer determines that these factors are not substantially equal, then it may make the selection for lay-off without regard to seniority.

A displaced employee may bump an employee in another job title covered by this Agreement if: (1) the Employer determines that the bumping employee has substantially equal qualifications, skills, abilities,

attendance record, and discipline record to perform the job function; and (2) the bumping employee has more seniority than the bumped employee. Such employee shall bump the least senior person in that other job title. To calculate wages of bumping employees see Section 7.5.

An employee shall be given two weeks' notice of lay-off or two weeks' pay in lieu thereof.

SECTION 15.2 Recall

Any regular employee laid off shall be placed on a recall list for a period of one year. A regular employee recalled and reinstated within that time to the employee's former or comparable position shall receive the former rate of pay as adjusted by wage increases applicable to the job title during the period the employee was on the recall list. Recall shall occur by job title according to the same factors set forth in Section 15.1.

Any notice of re-employment to a laid-off employee shall be by certified mail, return receipt requested, to the last known address of such laid-off employee. It is the responsibility of each employee to keep the Employer advised of any changes in telephone number or address.

On rehire of a laid-off employee, he or she shall be granted the option of paying back annual leave at time of reinstatement.

SECTION 15.3 ~~Severance Benefits~~

~~In the event of a layoff, severance benefits will consist of severance pay and extended medical benefits. Employees will receive four (4) weeks of severance pay plus an additional week of severance pay for each year of service up to a maximum of 12 weeks. The employer will also pay for three months of COBRA benefits following the date on which their medical coverage would otherwise have terminated because of the termination of their employment with Tacoma Housing Authority.~~ TA- 4/5/16 Union agrees to withdraw their proposal

ARTICLE 16

SERVICE FILES

- (a) The Authority maintains personnel files for all of its employees. Upon written request to the Employer, an employee will be provided with reasonable opportunity to review his/her personnel file during normal business hours.
- (b) A service record shall be maintained for every employee and shall contain all information pertinent to his/her employment.
- (c) It is the employee's responsibility to report promptly all changes regarding name, address, telephone number, marital status, number of dependents, or other pertinent information to the Employer.
- (d) An employee shall have an opportunity to submit written comments or material placed in his/her file by the Employer. This shall be done by sending such comment to the Employer with a copy to the employee's supervisor.

ARTICLE 17

AFFIRMATIVE ACTION AND DISCRIMINATION

The employer will not discriminate against an employee for union activity. It is agreed and recognized by the Tacoma Housing Authority and the Office and Professional Employees International Union that the Tacoma Housing Authority is an equal opportunity employer, and that the Tacoma Housing Authority and said Union will not discriminate against any employee or job applicant because of race, creed, color, national origin, sex, age, marital status, familial status, disability, ancestry, sexual orientation, gender identity or any other status protected by applicable law. To the extent permitted by law, THA and the union will take affirmative action to ensure that applicants are employed and employees are treated during their employment without regard to race, creed, color, national origin, sex, age, marital status, familial status, disability, ancestry, sexual orientation, gender identity or other protected characteristic.

In accordance with 24 CFR Part 135, Section 3 and any other applicable law or regulation, the Employer will, to the greatest extent feasible and consistent with this Agreement, give opportunity for training and employment to lower income residents of THA programs.

Employees shall have the right to present grievances individually, as a group, or through their designated representatives. In so doing, employees shall be assured of freedom from restraint and interference.

ARTICLE 18

DISPUTE RESOLUTION

Employees are encouraged to meet with their immediate supervisor to solve any questions, misunderstandings or complaints which may arise from time to time. Any dispute between an employee and the Employer concerning the interpretation and applications of this Agreement shall be resolved as follows:

SECTION 18.1 Informal Settlement of Complaints

An employee is encouraged to discuss any complaint with such employee's immediate supervisor, if appropriate, as soon as possible after the occurrence or circumstances giving rise to the complaint. Any settlement, withdrawal or disposition of the complaint at this informal settlement stage shall not be a binding precedent in the settlement of similar complaints or grievances. The employee's immediate supervisor, if applicable, shall respond to such complaints within five (5) working days.

SECTION 18.2 Grievance Defined

"Grievance" as used for the purposes of this Article is limited to matters that involve an allegation by a bargaining unit member that the Employer has violated a specific provision of this Agreement, which has not otherwise been excluded from the grievance procedure.

SECTION 18.3 Steps

Step 1: A grievance shall be reduced to writing and presented by the shop steward or the union, to the Employer's Human Resource Office, within ten (10) working days from the date of the occurrence of the events or actions giving rise to the grievance. Grievances not so referred shall no longer be considered in dispute. The written grievance shall include:

1. The name and position of the employee by or on whose behalf the grievance is brought.
2. The date of the circumstances giving rise to such grievance and the date of the employee's first knowledge thereof, if later.
3. A summary of the actions precipitating the grievance in enough detail to clearly define employee's position.
4. The specific provision or provisions of this contract alleged to control the proper resolution of this grievance.
5. The remedy or relief sought by the employee.
6. The signature of the person submitting the grievance on behalf of the employee and such person's name and position if other than the aggrieved employee.

Thereafter, the department head, HR representative, Shop Steward, Business Representative, and/or employee will attempt to settle the grievance by communicating within fifteen (15) working days of the delivery of the written grievance to the Employer's Human Resource Office (the Step 1 meeting). The HR department shall respond in writing within 15 (fifteen) working days of the Step 1 meeting. If the grievance is not resolved at Step 1, the grievance may proceed to Step 2.

Step 2: Grievances not settled at Step 1 shall be submitted by the Shop Steward, Business Representative, and/or employee to the Human Resource Director or designee within ten (10) working days from the date the HR department has provided the Step 1 response. Grievances not so referred shall no longer be considered in dispute. The Executive Director, or his/her designee, shall investigate the grievance and shall respond in writing within twenty (20) working days.

Step 3: If the grievance is not resolved pursuant to Step 2, the Business Representative, Shop Steward and/or employee and the Executive Director or designee shall meet within ten (10) working days from the date of the Executive Director's written Step 2 response. Grievances not so referred shall no longer be considered in dispute. The Executive Director shall respond in writing within twenty (20) working days. If the grievance is not resolved at Step 3, the grievance may be submitted to binding arbitration.

The above time frames can be modified by mutual written agreement of the Union and the Employer.

SECTION 18.4 Binding Arbitration

Any grievance not settled, withdrawn or otherwise resolved by the grievance settlement procedure may be submitted to arbitration. A demand for arbitration shall be served in writing within 100 calendar days of the occurrence or circumstances giving rise to the grievance, signed by both the affected employee(s) and the Business Representative.

The parties may select the arbitrator by agreement. If they are unable to do so within ten (10) working days after submission of the demand for arbitration, the parties shall jointly request the Public Employment Relations Commission (PERC) or the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven persons from which the parties shall select an arbitrator by the process of elimination, each party, in turn, striking a name from the panel until one remains. The right to strike the first name from the panel shall be determined by lot. The parties shall request the agency to appoint as the arbitrator the person whose name remains. The parties shall share equally the arbitrator's fee. All other costs, including legal fees, shall be borne by the party incurring them.

SECTION 18.5 Arbitrator Authority

The arbitrator's decision shall be based solely on the evidence submitted at the hearing. The arbitrator shall have authority only to interpret the applicable provisions of this Agreement and to order an appropriate remedy, which does not conflict with its terms. The arbitrator shall not have authority to award a remedy for a grievance if the procedures outlined in this Article have not been followed, or to award a remedy which is punitive in nature or which affects any employees other than those submitting the grievance.

SECTION 18.6 Untimely Action

Failure to file a grievance, process the grievance as set forth in this section, or demand arbitration within the time limits prescribed by this Article shall constitute a waiver of the grievance and the right to arbitration.

SECTION 18.7 Grievance Termination

A grievance may be terminated at any time upon ~~receipt of a signed statement from the employee or~~ notification from a duly authorized union representative stating the matter is no longer at issue. TA 1/27/16

ARTICLE 19

UNION-MANAGEMENT COMMITTEE

- (a) A Union-Management Committee is hereby established. This Committee will consist of two Employer representatives and two Union representatives. It shall convene as mutually agreed upon at the Tacoma Housing Authority. The Committee may discuss the following topics:
- 1) administration of the contract;
 - 2) problems which may affect bargaining unit members;
 - 3) dissemination of items of a general interest to the parties;
 - 4) training needs for Employer employees.

Either the Union or the Employer may convene a meeting of the Committee with reasonable notice to the other.

- (b) Prior to the meeting, subject matters may be submitted by both parties. A written agenda shall be prepared. The Committee shall select a chairperson. The agenda may be supplemented as agreed to by both parties.
- (c) Minutes shall be taken by a representative designated by the chair. Topics discussed and disposition of each shall be recorded. Copies of minutes will be sent to the Union office and the Employer.
- (d) The Authority will pay the regular salary of the employee-union-representatives participating in these meetings. The meetings will be held during regular working hours.
- (e) This committee shall have no power to bind either party. It is set up for informal discussion only.
- (f) This committee is not intended to prevent the parties' practice of informal discussions.

ARTICLE 20

STRIKES, WORK STOPPAGES AND LOCKOUTS

During the term of this Agreement, there shall be no lockouts, and the Union and its members shall not cause, sanction, condone or take part in any strike; except that it is not a violation of this Agreement for an employee to refuse to pass a bona fide picket line established by any union.

ARTICLE 21

SAFETY

All employees shall be provided safe, sanitary and healthful working conditions.

ARTICLE 22

EFFECT OF OTHER LAWS

If any part or provision of this Agreement is determined by a court or other tribunal acting within its jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in effect. The Authority shall have the right to modify any term or condition of employment in order to comply with an order of such court or tribunal or to conform to any other applicable legal requirement, and such modification shall not be deemed a breach of this Agreement.

ARTICLE 23

SUCCESSORS

In the event the Employer shall, by merger or consolidation, enter into an agreement with an entity or individual, which in whole or in part, affects the existing appropriate collective bargaining unit, then such successor shall be bound by each and every provision of this Agreement. The Employer shall have an affirmative duty to call this provision of the Agreement to the attention of any group with which it seeks to make such an agreement as aforementioned.

ARTICLE 24

CONTRACT TERM AND TERMINATION

This Agreement shall become effective ~~July 1, 2012~~ **July 1, 2016** and shall remain in effect until ~~June 30, 2015~~ **June 30, 2018**.

Either party shall give sixty (60) days written notice prior to the Agreement's expiration date of its desire to negotiate the next Agreement. Upon such notice, the parties shall proceed to negotiate a new Agreement.

[Signatures follow]

HOUSING AUTHORITY OF THE CITY OF
TACOMA

OFFICE & PROFESSIONAL EMPLOYEES
INTERNATIONAL LOCAL 8

Michael Mirra

Executive Director

Date: _____

~~Allan Jacobson~~ Valarie Peaphon

Business Representative

Date: _____

SCHEDULE A

<u>Pay Grade</u>	<u>Job Titles</u>	<u>July 1, 2012 Pay Grades</u>	<u>July 1, 2013 Pay Grades</u>	<u>July 1, 2014 Pay Grades</u>
J	Senior Accountant	49,333 – 69,066	49,333 – 69,066	TBD
I	No positions	46,540 – 65,157	46,540 – 65,157	TBD
H	Procurement Specialist	43,906 – 61,468	43,906 – 61,468	TBD
G	Inspector	41,421 – 57,989	41,421 – 57,989	TBD
F	L & O Specialist	39,076 – 54,707	39,076 – 54,707	TBD
	Accounting Specialist			
	Case Worker			
E	Senior Office Assistant	36,864 – 51,610	36,864 – 51,610	TBD
D	Property Management Assistant	34,778 – 48,869	34,778 – 48,869	TBD
C	Office Assistant	32,809 – 45,933	32,809 – 45,933	TBD
B	No Positions	30,952 – 43,333	30,952 – 43,333	TBD
A	Receptionist	29,200 – 40,880	29,200 – 40,880	TBD

<u>Pay Grade</u>	<u>Job Titles</u>	<u>Effective July 4, 2016</u>	
J	Senior Accountant	<u>52,293</u>	<u>73,210</u>
I	No positions	<u>49,333</u>	<u>69,066</u>
H	Procurement Specialist	<u>46,540</u>	<u>65,157</u>
G	Inspector	<u>43,906</u>	<u>61,468</u>
F	<u>Property Specialist</u>	<u>41,421</u>	<u>57,989</u>
	<u>L & O Specialist</u> <u>Housing Specialist</u>		
	Accounting Specialist		

	Case Worker		
E	Senior Office Assistant	<u>39,076</u>	<u>54,707</u>
D	Property Management Assistant	<u>36,864</u>	<u>51,610</u>
C	Office Assistant	<u>34,778</u>	<u>46,689</u>
B	No Positions	<u>32,809</u>	<u>45,933</u>
A	Receptionist	<u>30,952</u>	<u>43,333</u>

1. 2016 Pay Grade Adjustments and Wage Increase

In the first full pay period in July 2016, the Pay Grade adjustments will be made and all then current, regular bargaining unit employees will be eligible for the across-the-board salary increase as listed below. The parties have agreed on the following terms.

- (a) **Effective the first full pay period in July 2016, current bargaining unit employees will be eligible for a wage increase based on the following factors:**
- (b) **All regular employees not covered by (c), (d) or (e) will receive a 3.0% pay increase.**
- (c) **An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.**
- (d) **An employee who was hired or promoted between April 1, 2016 and June 30, 2016 will receive a general wage increase of 1.5%.**
- (e) **Employees hired or promoted on or after July 1, 2016 will not be eligible for a salary increase in 2016.**
- (f) **THA temporary employees are not eligible for this increase.**
- (g) **After all salary increases described above are computed, any employee whose new salary remains below the new Pay Grade will be brought up to the bottom of the new Pay Grade.**

2. 2016 One-Year Variable Pay Pool

In addition to the above salary increase, Employer will create a twelve (12) month 2016 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the current THA Policy HR-20.35 Variable Pay. Employer reserves the right to distribute this pool in the forms determined by the THA Policy HR-20.35 Variable Pay.

The funding for the 2016 Variable Pay pool will equal 2% of the revised 2016 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2016 whether positions are filled or unfilled.

3. 2017 Wage Increase

In the first full pay period in July 2017, all then current, regular bargaining unit employees will be eligible for the across-the-board salary increase as listed below. The parties have agreed on the following terms.

- (a) Effective the first full pay period in July 2017, current bargaining unit employees will be eligible for a wage increase based on the following factors:
- (b) All regular employees not covered by (c), (d) or (e) will receive a 3.0% pay increase.
- (c) An employee whose salary, with the addition of the pay increase, would reach or exceed the top of their position's Pay Grade will receive an increase to their salary that is the lesser of (i) to the top of the new range; or (ii) their eligible percentage. They will receive the difference between their eligible percentage increase and their actual percentage increase in a lump sum.
- (d) An employee who was hired or promoted between April 1, 2017 and June 30, 2017, will receive a general wage increase of 1.5%.
- (e) Employees hired or promoted on or after July 1, 2017 will not be eligible for a salary increase in 2017.
- (f) THA temporary employees are not eligible for this increase.

4. 2017 One-Year Variable Pay Pool

In addition to the above salary increase, Employer will create a twelve (12) month 2017 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the revised THA Policy HR-20.35 Variable Pay. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay.

The funding for the 2017 Variable Pay pool will equal 2% of the 2017 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2017 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions.

6. 2018 Six Month Variable Pay Pool

Employer will create a six (6) month 2018 Variable Pay Plan pool. Bargaining unit employees who are employed in a regular classification are eligible for Variable Pay according to the terms of the revised THA Policy HR-20.35 Variable Pay. Employer reserves the right to distribute this pool in the forms determined by the revised THA Policy HR-20.35 Variable Pay.

The funding for the 2018 Variable Pay pool will equal 2% of the 2018 OPEIU salary budget. That budget will be established and approved by the Board of Commissioners and will remain the same for CY 2018 whether positions are filled or unfilled. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions.

TA 6/17

1. 2012 Wage Adjustments and Increases

A. 2012 Salary Compression Adjustment*

2012 Salary Compression Adjustment

If hired or promoted to current position between:	The employee will be placed, at a minimum at:
Jan 1, 2011 to Mar 31, 2012 Up to ~18 mths	Level 1** of the July 2012 Pay Grade***
July 1, 2009 to Dec 31, 2010 Over ~18 mths to ~3 yrs	Level 2** of the July 2012 Pay Grade***
July 1, 2005 to June 30, 2009 Over ~3 yrs to ~7 yrs	Level 3** of the July 2012 Pay Grade***
July 1, 2002 to June 30, 2005 Over ~7 yrs to ~10 yrs	Level 4** of the July 2012 Pay Grade***
On or before June 30, 2002 Over ~10 yrs	Level 5** of the July 2012 Pay Grade***

* Salary Compression Adjustment: The employee's wage adjustment based on time in current position that reduces salary compression due to July 2012 Pay Grades

**Levels: The July 2012 Salary Pay Grades have 15 levels—see Appendix B

*** Pay Grade: the new July 2012 salary ranges are based on Pay Grades

B. Wage Increase and/or Salary Compression Adjustment within July 2012 Pay Grades

Upon ratification and on the first full pay period in September, all then current bargaining unit employees hired before March 31, 2012 will be eligible for a wage increase and/or salary compression adjustment retroactive to the first full pay period in July 2012 based on the following factors:

(a) An employee whose current salary is at or above the employee's level within their position's pay grade (based on the Salary Compression Adjustment chart above) will receive a general wage increase of three percent (3.0%).

(b) An employee whose current salary will be below the employee's level within their position's pay grade (based on the Salary Compression Adjustment chart above), will receive the greater of

1) an increase to the employee's level in the 2012 pay grade based on the Salary Compression Adjustment or

2) up to a ten percent (10%) wage increase, provided that the minimum wage increase for such an employee will be not less than three percent (3.0%).

(c) An employee whose current salary, with the addition of the pay increase, would reach or exceed the top of their position's pay grade will receive

1) a wage increase, if any, to the top of the applicable pay grade and

~~2) a lump sum equal to three percent (3.0%) less the percentage amount of the wage increase to take the employee to the top of the pay grade for that employee's position.~~

~~(d) An employee, whose salary is within their position's pay grade, and who was hired between April 1, 2012 to June 30, 2012, will receive the greater of~~

~~1) an increase to the employee's level in the 2012 pay grade based on the _____ Salary Compression Adjustment or~~

~~2) a general wage increase of 1.5%.~~

~~(e) Employees hired on or after July 1, 2012 will not be eligible for a salary increase in 2012.~~

~~(f) Each bargaining unit employee who was on the payroll on both December 31, 2011 and the date of ratification will receive a lump sum payment equal to three percent (3%) of the employee's wage rate as of January 1, 2012 times 1040. Standard and required taxes and withholdings will be deducted from such payment. Such payment was specifically negotiated by the parties in lieu of a greater wage increase starting from the expiration of the prior collective bargaining agreement.~~

C. Jan 1, 2013 Six Month Performance Based Pay Pool

~~In addition to the above salary increase, Employer will create a target six (6) month Performance Based Pay Pool. Bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay beginning January 1, 2013. Employer reserves the right to distribute this pool in the forms determined by the new Performance Based Pay Plan that will be designed in partnership with OPEIU.~~

~~Pre-established business and operational factors will determine the size of the pool, up to a maximum of \$22,800. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.~~

2. 2013 Wage Increase

A. Wage Increase and/or Salary Compression Adjustment within July 2012 Pay Grades

~~Employer reserves the right to decrease the percentage of the 2013 wage increase should Employer incur a significant revenue shortfall as a result of state or federal budget reductions. Should Employer deem, in its sole discretion, that a shortfall has occurred and upon 30 days prior written notice, Employer may reopen this Agreement effective June 1, 2013 for the purpose of negotiating a salary adjustment for July 2013.~~

~~Effective on the first full pay period in July, all then current bargaining unit employees hired before March 31, 2013 will be eligible for a wage increase and/or salary compression adjustment based on the following factors:~~

~~(a) An employee whose current salary is within their position's pay grade will receive a general wage increase of up to three percent (3.0%).~~

(b) ~~An employee who received a maximum 10% increase in 2012 will receive the greater of~~

~~1) an increase to the employee's 2012 level in the 2012 pay grade based on the 2012 Salary Compression Adjustment or~~

~~2) a general wage increase of up to three percent (3.0%).~~

(c) ~~An employee whose current salary, with the addition of the pay increase, would reach or exceed the top of their position's pay grade will receive~~

~~1) a wage increase, if any, to the top of the applicable pay grade and~~

~~2) a lump sum equal to three percent (3.0%) less the percentage amount of the wage increase to take the employee to the top of the pay grade for that employee's position.~~

(d) ~~An employee, whose salary is within their position's pay grade, and who was hired between April 1, 2013 to June 30, 2013, will receive a general wage increase of 1.5%.~~

(e) ~~Employees hired on or after July 1, 2013 will not be eligible for a salary increase in 2013.~~

B. ~~July 1, 2013 One-Year Performance Based Pay Pool~~

~~In addition to the above salary increase, Employer will create a target twelve (12) month Performance Based Pay Pool. Bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible for performance based pay beginning July 1, 2013. Employer reserves the right to distribute this pool in the forms determined by the new Performance Based Pay Plan that will be designed in partnership with OPEIU.~~

~~Pre-established business and operational factors will determine the size of the pool, up to a maximum of \$45,600. Employer reserves the right to decrease the size of this target pool should Employer incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.~~

3. ~~2014 Wage Increase~~

~~Upon 60 days prior written notice, either party may reopen this Agreement effective July 1, 2014 for the purpose of negotiating a salary adjustment for the period July 1, 2014 through June 30, 2015.~~

**~~NEW COMPENSATION STRUCTURE AND
PERFORMANCE-BASED~~**

~~The parties agree to confer during 2012 over the terms of a plan potentially based on information from the performance reviews.~~

**LETTER OF UNDERSTANDING
ADDITIONAL PROPERTIES**

The parties agree to continue in full force and effect the THA-PCWBCTC-OPEIU Agreement dated December 2006 pertaining to additional properties.

MEMORANDUM of UNDERSTANDING

Tacoma Housing Authority

And

Office and Professional Employees International Union, Local 8

The Employer and the Union recognize that it is our mutual interest to work collaboratively in areas of shared interest. Therefore, the parties agree as follows:

A Joint Committee will be formed to study benefit options (including health insurance carriers, plan designs, costs, shared sick leave, parental leave, etc. and other benefits listed or proposed to be included in Article 8) for coverage starting with benefit year 2017. The agency and union have a mutual interest to ensure employees receive high-quality benefits at a fair, reasonable and sustainable cost. The Committee may also consider other benefit changes in connection with meeting this mutual interest. The Committee shall consist of four (4) members appointed by the Union and four (4) members appointed by the Employer, plus one or more non-voting benefit consultants. This Committee will meet at least monthly beginning in July, 2016. Any recommendation by the Committee shall require a majority of the voting members – i.e. 5 or more affirmative votes.

The Committee shall present its recommendation, if any, for 2017 health insurance coverage (and any other associated benefit changes) by October 31, 2016. If the Committee cannot agree on a recommendation, the Committee shall so report by October 31, 2016.

The Employer and the Union shall commence bargaining over the Committee's recommendation (or if there is no recommendation over 2017 health insurance coverage) as soon as practicable after October 31, 2016. If such bargaining results in an agreement for health insurance and other benefits, such agreement shall be memorialized and when signed by both parties shall supersede this MOU. If such bargaining for 2017 health insurance benefits and other benefits has not reached an agreement by November 1, 2016, the coverage for 2017 will be renewed under the 2016 health insurance plan or substantial equivalent and other benefits listed in Article 8 of the CBA will be renewed under the 2016 plan or substantial equivalent with each renewal to be effective January 1, 2017. In that case, the cost of the 2017 health insurance will be paid as follows:

- Employee Only coverage – THA pays 97.5% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.
- Dependent (spouse, child(ren) coverage – THA pays 81% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.

If bargaining for 2018 health insurance benefits and other benefits has not reached an agreement by November 1, 2017, the coverage will be renewed under the current health insurance plan or substantial equivalent and other benefits listed in Article 8 of the CBA will be renewed under the 2016 plan or substantial equivalent, with each such renewal to be effective January 1, 2018. In that case, the cost of the 2018 health insurance will be paid as follows:

- Employee Only coverage- THA pays 96.5% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.

- **Dependent spouse, child(ren) coverage- THA pays 80% of the premium for the base plan. The employee will be responsible for the cost differential between the base and the buy-up plan.**

TA 6/17

APPENDIX A

	Newly Hired Probationary Employees*	Regular employees 40-hrs. Full-time	Temporary Employees
Holiday	<ul style="list-style-type: none"> • Eligible for Company-paid • Not Eligible for Floating 	Eligible	Not Eligible
Vacation	Accrues but Not Eligible to use until end of Probation	Eligible	Not Eligible
Medical Leave and Other Leaves	Eligible to use Accrued Leave	Eligible	Not Eligible
Medical Insurance Including Vision***	Eligible	Eligible	Not Eligible
Dental Insurance**	Eligible	Eligible	Not Eligible
Life Insurance**	Eligible	Eligible	Not Eligible
Accidental Death and Dismemberment**	Eligible	Eligible	Not Eligible
Short Term Disability**	Eligible	Eligible	Not Eligible
Long Term Disability**	Eligible	Eligible	Not Eligible
Medical Flexible Spending Account**	Eligible	Eligible	Not Eligible
Dependent Care Flexible Spending Account**	Eligible	Eligible	Not Eligible
Employee Assistance Program**	Eligible	Eligible	Not Eligible
Public Employees Retirement System (PERS)	Eligible	Eligible	Not Eligible
Deferred Compensation	Eligible	Eligible	Not Eligible

An employee's eligibility to participate in employee benefits is based upon their employment status.

*Note: Newly promoted probationary employees do not have the same restrictions on benefit eligibility. Newly promoted probationary employees are eligible based on their hours worked per above chart.

**Note: The actual terms for employee eligibility are defined in the insurance plan Summary Plan Description.

***For healthcare insurance eligibility, employees who work at least 30 hours per week or whose service hours equal at least 130 hours a month for more than 120 days in a year are considered full-time. TA 1/27/16

**APPENDIX B
OPEIU Pay Grades**

	Position Title	Min 1	2	3	4	5	6	7	8	9	10	11	12	13	14	Max 15
J	RANGE	49,333	50,743	52,152	53,562	54,971	56,381	57,790	59,200	60,609	62,019	63,428	64,838	66,247	67,657	69,066
J	Sr. Accountant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I	RANGE	46,540	47,870	49,200	50,529	51,859	53,189	54,519	55,848	57,178	58,508	59,838	61,168	62,497	63,827	65,157
I	No Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H	RANGE	43,906	45,160	46,415	47,669	48,924	50,178	51,433	52,687	53,941	55,196	56,450	57,705	58,959	60,214	61,468
H	Procurement Spec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G	RANGE	41,421	42,604	43,788	44,971	46,155	47,338	48,522	49,705	50,888	52,072	53,255	54,439	55,622	56,806	57,989
G	Inspector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
F	RANGE	39,076	40,193	41,309	42,426	43,542	44,659	45,775	46,892	48,008	49,125	50,241	51,358	52,474	53,591	54,707
F	Accounting Spec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
F	Case Worker	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
F	L&O Specialist	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E	RANGE	36,864	37,917	38,971	40,024	41,077	42,130	43,184	44,237	45,290	46,344	47,397	48,450	49,503	50,557	51,610
E	Sr Office Assistant-NEW TITLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D	RANGE	34,778	35,772	36,765	37,759	38,753	39,746	40,740	41,734	42,727	43,721	44,714	45,708	46,702	47,695	48,689
D	Property Management Assistant-NEW TITLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	RANGE	32,809	33,746	34,684	35,621	36,559	37,496	38,434	39,371	40,308	41,246	42,183	43,121	44,058	44,996	45,933
C	Office Assistant-NEW TITLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	RANGE	30,952	31,836	32,721	33,605	34,489	35,374	36,258	37,142	38,027	38,911	39,796	40,680	41,564	42,449	43,333
B	No positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A	RANGE	29,200	30,034	30,869	31,703	32,537	33,371	34,206	35,040	35,874	36,709	37,543	38,377	39,211	40,046	40,880
A	Receptionist	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-07-27(2)

Date: July 27, 2016

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Conversion of Subsidy for Hillside Terrace and Salishan Properties from Public Housing to RAD

This resolution will authorize Tacoma Housing Authority (THA) to execute all documents related to the conversions of any or all of the Rental Assistance Demonstration (RAD) Projects to project-based Section 8 projects under the RAD program, and the *de minimis* reduction of four public housing units at the Hillside Terrace 1500 Project. HT1500 will not be converting to RAD.

Background

THA and the U.S. Department of Housing and Urban Development ("HUD") are parties to that certain Consolidated Annual Contributions Contract (ACC) (Form HUD-53012A and Form HUD-53012B) Number SF169, dated June 15, 2000, relating to public housing activities administered by THA.

THA is the general partner of Hillside Terrace Phase I Limited Partnership, a Washington limited partnership ("HTI Partnership"). HTI Partnership developed an affordable rental housing project located on the 2300 Block of South G Street in Tacoma, Washington (the "HTI Project"), on property owned by THA that was leased by THA to HTI Partnership. All of the 21 units of rental housing in the HTI Project currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated December 15, 2002, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of December 18, 2002, between THA and HTI Partnership. The initial development of the HTI Project was financed with capital contributed by the partners of HTI Partnership, a loans made by the State of Washington Department of Community, Trade and Economic Development, Office of Community Development ("Commerce"), a loan from the Tacoma Community Redevelopment Authority ("TCRA"), a loan from THA funded by proceeds of a HUD public housing capital grant, and a loan from THA funded by proceeds of bonds issued by THA.

THA is the general partner of Hillside Terrace Phase II Limited Partnership, a Washington limited partnership ("HTII Partnership"). HTII Partnership developed an affordable rental housing project located on the 2300 Block of South G Street in Tacoma, Washington (the "HTII Project"), on property owned by THA that was leased by THA to HTII Partnership. Of the 25

units of rental housing in the HTII Project, 12 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated March 4, 2003, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of March 4, 2003, between THA and HTII Partnership. The initial development of the HTII Project was financed with capital contributed by the partners of HTII Partnership, a loan made by Commerce, and a loan from THA funded by proceeds of a HUD public housing capital grant.

THA is the general partner of Hillside Terrace 1500 Block Limited Partnership, a Washington limited partnership ("HT1500 Partnership"). HT1500 Partnership developed an affordable rental housing project located at 2330 South G Street, Tacoma, Washington (the "HT1500 Project"), on property owned by THA that was leased by THA to HT1500 Partnership. Of the 16 units of rental housing in the HT1500 Project, 4 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated May 5, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of May 5, 2005, between THA and HT1500 Partnership. The initial development of the HT1500 Project was financed with capital contributed by the partners of HT1500 Partnership and loans from THA funded with grants from Pierce County, Sound Families and HUD.

THA is the managing member of Salishan One LLC, a Washington limited liability company. Salishan One LLC developed an affordable rental housing project located at 1724 East 44th Street, Tacoma, Washington (the "Salishan One Project"), on property owned by THA that was leased by THA to Salishan One LLC. Of the 90 units of rental housing in the Salishan One Project, 55 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated January 13, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of January 13, 2005, between THA and Salishan One LLC. The initial development of the Salishan One Project was financed with capital contributed by the members of Salishan One LLC, a permanent loan from ARCS Commercial Mortgage Co., L.P. ("ARCS"), a loan made by Commerce, and a loan from THA funded by proceeds of a HUD public housing capital grant.

THA is the managing member of Salishan Two LLC, a Washington limited liability company. Salishan Two LLC developed an affordable rental housing project located at 1725 East 44th Street, Tacoma, Washington (the "Salishan Two Project"), on property owned by THA that was leased by THA to Salishan Two LLC. Of the 90 units of rental housing in the Salishan Two Project, 55 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated January 13, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of January 13, 2005, between THA and Salishan Two LLC. The initial development of the Salishan Two Project was financed with capital contributed by the members of Salishan Two LLC, a permanent loan from ARCS, a loan made by Commerce, a loan from THA funded with Federal Home Loan Bank Affordable Housing Program ("AHP") loan proceeds, and a loan from THA funded by proceeds of a HUD public housing capital grant.

THA is the managing member of Salishan Three LLC, a Washington limited liability company. Salishan Three LLC developed an affordable rental housing project located at 1726 East 44th

Street, Tacoma, Washington (the “Salishan Three Project”), on property owned by THA that was leased by THA to Salishan Three LLC. Of the 90 units of rental housing in the Salishan Three Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated November 3, 2005, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of November 2, 2005, between THA and Salishan Three LLC. The initial development of the Salishan Three Project was financed with capital contributed by the members of Salishan Three LLC, a permanent loan from ARCS, a loan made by Commerce, a loan from THA funded with AHP loan proceeds, and a loan from THA funded by proceeds of a HUD HOPE VI grant.

THA is the managing member of Salishan Four LLC, a Washington limited liability company. Salishan Four LLC developed an affordable rental housing project located at 1727 East 44th Street, Tacoma, Washington (the “Salishan Four Project”), on property owned by THA that was leased by THA to Salishan Four LLC. Of the 90 units of rental housing in the Salishan Four Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated June 28, 2007, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of June 28, 2007, between THA and Salishan Four LLC. The initial development of the Salishan Four Project was financed with capital contributed by the members of Salishan Four LLC, a permanent loan from Bank of America, N.A., a loan made by Commerce, a loan from THA funded by proceeds of a HUD HOPE VI grant, and loans from THA funded with THA program income, TCRA loan proceeds, and Pierce County loan proceeds.

THA is the managing member of Salishan Five LLC, a Washington limited liability company. Salishan Five LLC developed an affordable rental housing project located at 1728 East 44th Street, Tacoma, Washington (the “Salishan Five Project”), on property owned by THA that was leased by THA to Salishan Five LLC. Of the 90 units of rental housing in the Salishan Five Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated June 25, 2008, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of June 26, 2008, between THA and Salishan Five LLC. The initial development of the Salishan Five Project was financed with capital contributed by the members of Salishan Five LLC, a permanent loan from Citicorp Municipal Mortgage Inc., a loan made by Commerce, and loans from THA funded with HUD Neighborhood Initiative grant proceeds, THA program income, United Way grant proceeds and Pierce County loan proceeds.

THA is the managing member of Salishan Six LLC, a Washington limited liability company. Salishan Six LLC developed an affordable rental housing project located at 1729 East 44th Street, Tacoma, Washington (the “Salishan Six Project”), on property owned by THA that was leased by THA to Salishan Six LLC. Of the 90 units of rental housing in the Salishan Six Project, 45 units currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract dated October 14, 2008, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of October 15, 2008, between THA and Salishan Six LLC. The initial development of the Salishan Six Project was financed with capital contributed by the members of Salishan Six LLC, a permanent loan from Washington Community Reinvestment Association, a loan made by

Commerce, and loans from THA funded with THA program income, HUD capital funds, United Way grant proceeds, and TCRA loan proceeds.

THA has applied to HUD to allow the HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project, the Salishan Three Project, the Salishan Four Project, the Salishan Five Project and the Salishan Six Project (collectively, the “RAD Projects”) to be converted from a public housing project to a project-based Section 8 project under HUD’s Rental Assistance Demonstration (“RAD”) program, and HUD has approved of such conversions, subject to the meeting of certain conditions by the various limited partnerships and limited liability companies and by THA. One of such conditions is the requirement that certain rehabilitation improvements be made to each project. THA expects to make loans to the limited partnerships and limited liability companies to finance their rehabilitation expenditures. THA staff anticipates that the Section 8 rental subsidy paid to each limited partnership or limited liability company will enable the rehabilitation loans to be repaid.

The four public housing units located at the HT1500 Project will be removed from THA’s public housing inventory as a *de minimis* reduction through the RAD program.

In connection with the conversion of the RAD Projects from public housing projects to project-based Section 8 projects, and the *de minimis* reduction of public housing units at the HT1500 Project, certain provisions of partnership agreements, operating agreements, project leases, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered.

Resolution 2016-07-27(2) will authorize THA to execute all documents related to the conversions of any or all of the RAD Projects to project-based Section 8 projects under the RAD program, and the *de minimis* reduction of four public housing units at the HT1500 Project.

Recommendation

Approve Resolution 2016-07-27(2).



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-07-27(2)

(Conversion of Subsidy for Hillside Terrace and Salishan Properties from Public Housing to RAD)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority's participation in HUD's Rental Assistance Demonstration program with respect to the Hillside Terrace Phase I, Hillside Terrace Phase II, Salishan One, Salishan Two, Salishan Three, Salishan Four, Salishan Five and Salishan 6 Projects; authorizing the Authority to loan money to various limited liability companies and limited partnerships to finance improvements to such projects; authorizing the *de minimis* reduction of public housing units at the Hillside Terrace 1500 Block Project; authorizing the amendment of agreements to address requirements of HUD's Rental Assistance Demonstration program; and determining related matters.

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, RCW 35.82.070 authorizes the Housing Authority of the City of Tacoma (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," "make and execute contracts and other instruments, including but not limited to partnership agreements," and "make . . . loans for the . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income"; and

WHEREAS, The Authority is the general partner of Hillside Terrace Phase I Limited Partnership ("HTI Partnership"), which limited partnership developed a 21-unit affordable rental housing project commonly known as Hillside Terrace Phase I (the "HTI Project"), on property located on the 2300 Block of South G Street in Tacoma, Washington, that was leased to HTI Partnership by the Authority; and

WHEREAS, To finance the HTI Project, HTI Partnership incurred loans from the State of Washington Department of Community, Trade and Economic Development, Office of Community Development ("Commerce"), the Tacoma Community Redevelopment Authority ("TCRA"), and the Authority; and

WHEREAS, The Authority is the general partner of Hillside Terrace Phase II Limited Partnership ("HTII Partnership"), which limited partnership developed a 25-unit affordable rental housing project commonly known as Hillside Terrace Phase II (the "HTII Project"), on property located on the 2300 Block of South G Street in Tacoma, Washington, that was leased to HTII Partnership by the Authority; and

WHEREAS, To finance the HTII Project, HTII Partnership incurred loans from Commerce and the Authority; and

WHEREAS, The Authority is the general partner of Hillside Terrace 1500 Block Limited Partnership (“HT1500 Partnership”), which limited partnership developed a 16-unit affordable rental housing project commonly known as Hillside Terrace 1500 Block (the “HT1500 Project”), on property located at 2330 South G Street, Tacoma, Washington, that was leased to HT1500 Partnership by the Authority; and

WHEREAS, To finance the HT1500 Project, HT1500 Partnership incurred loans from the Authority; and

WHEREAS, The Authority is the managing member of Salishan One LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan One Project”) on property located at 1724 East 44th Street, Tacoma, Washington, that was leased to Salishan One LLC by the Authority; and

WHEREAS, To finance the Salishan One Project, Salishan One LLC incurred loans from the ARCS Commercial Mortgage Co., L.P. (“ARCS”), Commerce and the Authority; and

WHEREAS, The Authority is the managing member of Salishan Two LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Two Project”) on property located at 1725 East 44th Street, Tacoma, Washington, that was leased to Salishan Two LLC by the Authority; and

WHEREAS, To finance the Salishan Two Project, Salishan Two LLC incurred loans from the ARCS, Commerce and the Authority; and

WHEREAS, The Authority is the managing member of Salishan Three LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Three Project”) on property located at 1726 East 44th Street, Tacoma, Washington, that was leased to Salishan Three LLC by the Authority; and

WHEREAS, To finance the Salishan Three Project, Salishan Three LLC incurred loans from the ARCS, Commerce and the Authority; and

WHEREAS, The Authority is the managing member of Salishan Four LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Four Project”) on property located at 1727 East 44th Street, Tacoma, Washington, that was leased to Salishan Four LLC by the Authority; and

WHEREAS, To finance the Salishan Four Project, Salishan Four LLC incurred loans from the Bank of America, N.A., Commerce and the Authority; and

WHEREAS, The Authority is the managing member of Salishan Five LLC, which limited liability company developed a 90-unit affordable rental housing project (the “Salishan Five Project”) on property located at 1728 East 44th Street, Tacoma, Washington, that was leased to Salishan Five LLC by the Authority; and

WHEREAS, To finance the Salishan Five Project, Salishan Five LLC incurred loans from Citicorp Municipal Mortgage Inc., Commerce and the Authority; and

WHEREAS, The Authority is the managing member of Salishan Six LLC, which limited liability company developed a 90-unit affordable rental housing project (the "Salishan Six Project") on property located at 1729 East 44th Street, Tacoma, Washington, that was leased to Salishan Six LLC by the Authority; and

WHEREAS, To finance the Salishan Six Project, Salishan Six LLC incurred loans from Washington Community Reinvestment Association, Commerce and the Authority; and

WHEREAS, The HTI Project, the HTII Project, the Salishan One Project, the Salishan Two Project, the Salishan Three Project, the Salishan Four Project, the Salishan Five Project and the Salishan Six Project (collectively, the "RAD Projects" and, together with the HT1500 Project, the "Projects") and the HT1500 Project currently support the Authority's public housing activities; and

WHEREAS, THA applied to the U.S. Department of Housing and Urban Development ("HUD") to allow the RAD Projects to be converted from public housing projects to project-based Section 8 projects under HUD's Rental Assistance Demonstration ("RAD") program, and HUD has approved of such conversions, subject to the meeting of certain conditions by the Authority and by HTI Partnership, HTII Partnership, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC and Salishan Six LLC (collectively, the "RAD Entities" and, together with HT1500 Partnership, the "Owner Entities"); and

WHEREAS, One of such conditions of the RAD program is the requirement that certain rehabilitation improvements be made to each RAD Project; and

WHEREAS, Pursuant to the authority provided by RCW 35.82.070, to THA expects to lend money to the RAD Entities to finance such rehabilitation improvements; and

WHEREAS, In connection with the conversion from public housing subsidies to project-based Section 8 subsidies for the RAD Projects, certain provisions of the RAD Entities' partnership agreements, operating agreements, project leases, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered; 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, In connection with the *de minimis* reduction of four public housing units at the HT1500 Project, certain existing public housing agreements relating to the HT1500 Project must be terminated; and

WHEREAS, The period during which federal low-income housing tax credits can be allocated to the partners of HT1500 Partnership has expired, and HT1500 Partnership's limited partners have offered to transfer their limited partnership interests to the Authority or its affiliate; and

WHEREAS, Based on the consideration of funding sources available for the Projects, 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. Organizational Documents. The Authority's Executive Director and the Authority's Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority an amendment to the existing limited partnership agreement or operating agreement, as applicable, of each RAD Entity to remove references to public housing requirements, to insert references to RAD program requirements, to provide for additional capital contributions by the Authority (to the extent necessary or desirable to finance rehabilitation and other costs) and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of each RAD Entity's Project from a public housing project to a project-based Section 8 project.
2. Amendments to Project Leases. The Authorized Officers (and each of them acting alone) are authorized to negotiate, execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable): (i) an amendment to each existing Lease Agreement between the Authority and a RAD Entity, in each case to remove references to public housing requirements, to insert references to RAD program requirements, and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the RAD Project from a public housing project to a project-based Section 8 project; and (ii) an amendment to the Memorandum of Lease Agreement between the Authority and each RAD Entity to reflect amendments made to such Lease Agreement.
3. Existing Loan Documents and HUD Documents. The Authorized Officers (and each of them acting alone) are authorized and directed to negotiate, 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 in its capacity as general partner or managing member of each Owner Entity, as applicable): (i) those documents described in Exhibit A under the headings "Existing Loan Documents" and "HUD Documents" as they apply to each Owner Entity and Project (provided, not all of such HUD Documents will be applicable to the HT1500 Project); (ii) such other documents relating to each Owner Entity's existing loans as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Owner Entity's Project from a public housing project; and (iii) any document not described in Exhibit A under the heading "HUD Documents" that HUD requires in connection with such conversion.
4. Approval of Rehabilitation Loan Documents. The Authority is authorized to lend each RAD Entity money necessary to fund rehabilitation improvements to the Project operated by such RAD Entity; *provided*, the aggregate principal amount of all such loans made to the RAD Entities shall not exceed \$11,000,000. The Authority shall cause

each such loan to be evidenced by the documents described in Exhibit A under the heading "Rehabilitation Loan Documents". The Authorized Officers (and each of them acting alone) are authorized and directed to take all actions required of the Authority in connection with the rehabilitation loan to be made by the Authority to each RAD Entity. In particular, the Authorized Officers (and each of them acting alone) are authorized to negotiate, execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each RAD Entity, as applicable): (i) the Rehabilitation Loan Documents; and (ii) any other documents reasonably required to be executed by the Authority or a RAD Entity to evidence and secure said rehabilitation loan.

5. Certain HT1500 Transactions. In addition to the actions authorized by Section 3 of this resolution, the Authorized Officers (and each of them acting alone) are authorized to negotiate, execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner of HT1500 Partnership): (i) an amendment to the Lease Agreement and Memorandum of Lease Agreement between the Authority and HT1500 Partnership to remove references to public housing requirements and to make other revisions to such agreement as any Authorized Officer determines to be necessary or desirable in connection therewith; (ii) such agreements, certificates, documents and instruments that are necessary or appropriate in any Authorized Officer's discretion to consummate the transfer of limited partnership interests in HT1500 Partnership to the Authority and or an affiliate of the Authority (such as Tacoma Housing Development Group), including agreements to indemnify the current limited partners from adverse tax consequences occurring as a result of such transfer and/or the operations of the HT1500 Project during the remainder of such project's tax credit compliance period; and (iii) an amended and restated limited partnership agreement for HT1500 Partnership reflecting the substitution of limited partners and the removal of public housing requirements.
6. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or in its capacity as general partner or managing member of each Owner Entity, as applicable) 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 any Owner Entity not to execute or deliver such document; (ii) negotiate, 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 (iii) cause the Authority and/or any Owner Entity 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.
7. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person's absence, be

taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.

8. 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.
9. 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.
10. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: July 27, 2016

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

EXHIBIT A

TRANSACTION DOCUMENTS

Existing Loan Documents

- A new priority and subordination agreement for each Project listing the relative priorities of HUD's Rental Assistance Demonstration Use Agreement, existing encumbrances, and the deed of trust for the deed of trust securing the Authority's rehabilitation loan for the Project;
- Amendments to the existing loan documents with Commerce, TCRA, the Authority, ARCS, Bank of America, N.A., Citicorp Municipal Mortgage Inc., Washington Community Reinvestment Association and any other lender with an outstanding loan relating to a Project, all as necessary or desirable to remove references to public housing requirements and to insert references to RAD program requirements;
- Amendments to the loan or grant agreements, and related documents, for loans and grants underlying the Authority's various loans to the Owner Entities, all as necessary or desirable to remove references to public housing requirements and, where applicable, to insert references to RAD program requirements;

Rehabilitation Loan Documents

- Rehabilitation Loan Agreement between each RAD Entity and the Authority;
- Promissory Note by each RAD Entity in favor of the Authority;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from each RAD Entity in favor of the Authority;
- Rehab Escrow Agreement or Letter of Agreement between each RAD Entity and the Authority;
- General Depository Agreement (Form 51999) between each RAD Entity and the Authority;

HUD Documents

- Rental Assistance (RAD) Conversion Commitment (Public Housing and Section 8 Moderate Rehabilitation (Mod Rehab) Program Conversions; First Component) between each Owner Entity and HUD, together with any necessary or desirable amendments thereof;

- Rental Assistance Demonstration Use Agreement among the Authority, each Owner Entity and HUD, together with the Rider to Use Agreement Relating to Foreclosure (for PBV and PBRA RAD conversions from Public Housing) among the Authority, each Owner Entity and HUD;
- PBV Housing Assistance Payments Contract New Construction or Rehabilitation between each Owner Entity 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 each Owner Entity and the Authority, the LIHTC Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among each Owner Entity, the Authority and HUD, and the Lender Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among each Owner Entity, the Authority and HUD;
- Consolidated Owner Certification – Rental Assistance Demonstration by the Authority and each Owner Entity;
- Certification and Assurances by the Authority and each Owner Entity;
- Termination of Mixed Finance Amendment to Annual Contributions Contract with respect to each Project between the Authority and HUD; and
- Termination of Regulatory and Operating Agreement between the Authority and each Owner Entity.



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 2016-07-27(2) (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 July 27, 2016, and duly recorded in the minute books of the Authority; and

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

IN WITNESS WHEREOF, I have hereunto set my hand on July 27, 2016.

Michael Mirra, Secretary and Executive Director of
the Authority