



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

September 28, 2016



Michael Mirra
Executive Director

TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

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

REGULAR MEETING Board of Commissioners

WEDNESDAY, September 28, 2016

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, September 28, 2016, at 4:45 pm.**

The meeting will take place at:

**Ludwig
5425 S. Lawrence Street
Tacoma, WA 98409**

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 September 28, 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

September 28, 2016 4:45 PM

Ludwig, 5425 S. Lawrence Street, Tacoma, WA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of August 24, 2016—Regular Session
 - 3.2 Minutes of August 24, 2016—Annual Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Client Services
 - 7.3 Property Management
 - 7.4 Real Estate Development
8. **NEW BUSINESS**
 - 8.1 2016-09-28 (1) Approval of Tenant Account Receivable Write-Offs
 - 8.2 2016-09-28 (2) Approval of THA's 2017 Moving to Work Plan
 - 8.3 2016-09-28 (3) Redevelopment of 1800 Court F Hillside Terrace
 - 8.4 2016-09-28 (4) A&E Services Crisis Recovery Center
 - 8.5 2016-09-28 (5) Authorization to Acquire Limited Partner and Investor Member Interests in Certain Existing THA-Controlled Entities
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, August 24, 2016

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 1724 East 44th Street, Tacoma, WA at 4:45 PM on Wednesday, August 24, 2016.

1. CALL TO ORDER

Vice Chair Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:50 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Stanley Rumbaugh	
Vice Chair Arthur Banks	
Commissioner Janis Flauding (by phone)	
Commissioner Minh-Anh Hodge	
	Commissioner Derek Young
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
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
Todd Craven, Administration Director	
Greg Claycamp, Client Services Director	
Sandy Burgess, Associate Director for AD & Asset Management	

Vice Chair Banks declared there was a quorum present @ 4:50 pm and proceeded. Chair Stanley Rumbaugh arrived at 5:05 pm.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Banks asked for any corrections to, or discussion of minutes of the Regular Session of the Board of Commissioners for Wednesday, July 27, 2016. Commissioner Flauding moved to adopt the minutes, Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Susan Harmon Payne—Tenant at 2302 6th Avenue, Unit 124

Ms. Payne addressed the board. She wanted to thank THA for hiring new Property Manager Eric Owens for 6th Avenue. According to Ms. Payne, he has made a difference at 6th Avenue; he is helping with security concerns at the property and also helping with the overall look of the property. Property Management Director Pat Patterson will inform Eric of the wonderful comments from Ms. Payne.

Ms. Payne also shared that she heard a rumor that THA will be turning the 6th Avenue property into a commercial building. Executive Director Michael Mirra told her that Tacoma Housing Authority (THA) does not have plans to do that.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

Finance Committee—Commissioner Hodge and Commissioner Young

Nothing to report.

Education Committee—Commissioner Hodge

Nothing to report.

Citizen Oversight Committee—Vice Chair Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra's report was in the board packet provided to the board.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. He reviewed the anticipated schedule for closing the RAD refinancing deals and what those deals will do to THA's budget. He commented on some line items, including the expenses for consultants and lawyers that THA has incurred that have not yet hit the books. He said that HA is in a healthy position and will end up this year under budget. He reviewed THA's cash reserves, which he declared to be adequate. He see no financial challenges for the remainder of 2016.

He led a discussed of HUD's new rules on "cash management". Under those new rules, THA's HUD reserves sit on HUD's shelf until we draw it down. Although the money sits with HUD, MTW agencies need the ability to show the funds on their books as accounts receivable. This is necessary to allow us to appaer credit worthy and financially healthy to lenders and investors. HUD has agreed not to offer an opinion on whether these funds can show on our books. Instead, it will defer to the MTW agencies and their auditors and accountants. Director Shalik said that the Finance Directors of the state's MTW agencies will be conferring on this question with state audtiors.

Commissioner Hodge moved to ratify the payment of cash disbursements totaling \$6,494,802 for the month of July 2016. Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Services

Client Services (CS) Director Grey Claycamp addressed the board and asked for questions regarding his report. There were none.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report and asked for questions regarding the report. He noted that a Salishan tri-plex had a fire. It is boarded. Reconstruction will start this month.

Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick was not in attendance. Associate Director Sandy Burgess addressed the board for questions. Chair Rumbaugh asked for RED to report periodically on the record on Bay Terrace construction for contracting with firms owned by Minorities and Women. Associate Director Burgess will relay the request to Director McCormick and RED project managers.

The City of Tacoma has found what it hopes to be the site for the shelter and day center for homeless youth and young adults. The City is quite intent not to accept THA's offer to put it at Arlington Drive because the City believes it belongs in a commercial area and not a residential one.. This would allow THA to focus Arlington Drive on the Crisis Residential Center, rental housing services.

Human Resources

Human Resources (HR) Director Barbara Tanbara introduced THA's new HR Director Toby Kaheiki. Director Tanbara had filled that role for the last 12 years. Toby worked at Seattle Housing Authority and has proven to be innovative and dedicated to THA's mission and its employees. Chair Rumbaugh thanked Director Tanbara for her years of service to the agency and to the board. Director Kaheiki thanked the board and cabinet for their support and confidence in him. In particular, he thanked Director Tanbara for being a great mentor to him. Director Kaheiki hopes to focus on three areas: customer service, HR processes, and aligning HR with THA operations.

8. OLD BUSINESS

None.

9. NEW BUSINESS

8.1 RESOLUTION 2016-08-24(1) (Authorize Investment Institutions and Authorized Signers)

WHEREAS, The Board selects its chair and vice chair at its annual meeting. When these board officers change, THA needs a resolution changing the authorized signatures for its accounts at its various financial institutions; and

WHEREAS, This resolution does that and replaces Resolution 2014-08-27(1), which had authorized previous office holders as signers; and

WHEREAS, The Board of Commissioners needs to formally authorize the financial institutions and the authorized signers on the accounts; now, therefore, be it

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

The funds of THA are hereby authorized by the laws of the State of Washington and the regulations of the Department of Housing and Urban Development to be utilized, held and invested and that said funds may be deposited with any or all of the following institutions:

BANK OF AMERICA
HERITAGE BANK
KEY BANK
J.P. MORGAN CHASE BANK
U.S. BANK
THE BANK OF NEW YORK MELLON TRUST CO.
WASHINGTON STATE INVESTMENT POOL

Or such other institutions as may be found to provide the highest interest rate.

Be it further resolved that any of the below designated individuals are authorized to enter into any and all transactions relating to the above mentioned institutions as they exist now or may be created in the future upon signature of any two (2) of the following designated individuals:

Arthur Banks, Chair	_____
Janis Flauding, Vice Chair	_____
Michael Mirra, Executive Director	_____
Kenneth Shalik, Director of Finance	_____
Duane Strom, Finance Manager	_____

Be it further resolved that this resolution replaces any and all previous resolutions designating authorized financial institutions and signers.

Be it further resolved that the authorized signers acknowledge and accept Heritage Bank's policy of accepting any check with one authorized signature.

Chair Rumbaugh motioned to approve the resolution. Commissioner Hodge seconded the motion.

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.2 RESOLUTION 2016-08-24(2)
(Updating THA's Administrative Plan)

WHEREAS, The Administrative Plan relates to the administration of the Housing Choice Voucher program and is required by HUD; and

WHEREAS, The Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the THA's Moving to Work Plan; and

WHEREAS, Changes to the Administrative Plan must be approved by THA Board of Commissioners; 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 staff to adopt the following updates to the Administrative Plan: Topic	Revision
Violence Against Women Act (VAWA) Policies	<ul style="list-style-type: none">➤ Adds "sexual assault" to the list of allowable reasons someone can claim protection under VAWA➤ Provides protections for Domestic Violence (DV) victims in the event of a family break-up➤ All households must be provided a HUD form 50066 at the time of admission, denial or termination➤ Adds "mental health professional" to the list of authorized persons who might assist a DV victim and provide documentation vouching for the victim
Discrimination Complaints	<ul style="list-style-type: none">➤ Within 10 business days, THA must send written notice to alleged violators, as well as a letter to the complainant telling of such notice, as well as how to complete and submit a discrimination form to Fair Housing Equal Opportunity (FHEO)➤ THA must conduct an investigation into all allegations of discrimination➤ THA must keep all records of such complaints as well as any corrective actions
Limited English Proficiency (LEP) Requirements	<ul style="list-style-type: none">➤ Utilization of a language line (telephone service that provides interpretation services), free of charge

The Board authorizes THA staff to adopt the following updates to the Administrative Plan: Topic	Revision
Definition of Extremely Low-Income	<ul style="list-style-type: none"> ➤ A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, adjusted for family size, whichever number is higher
Arrest Record Policies	<ul style="list-style-type: none"> ➤ Clarifies that arrest records alone are not cause for eviction, termination or denial
Briefing Packets	<ul style="list-style-type: none"> ➤ Include portability policies in oral briefings and briefing packets ➤ Include materials on selecting a unit ➤ Include "Is Fraud Worth It"? ➤ Include "What You Should Know About Enterprise Income Verification (EIV)"?
Suspensions of Voucher Term	<ul style="list-style-type: none"> ➤ Clarifies language in the Administrative Plan on the suspension of voucher terms during shopping and leasing periods. THA offers up to 120 days for shopping. "Suspension" of these days would mean excluding days counting toward the shopping time at certain times during the process. An example is the days it takes THA to schedule and complete a move-in inspection.
Additional Exclusions from Annual Income	<ul style="list-style-type: none"> ➤ Adds 11 sources of income to the list of additional exclusions from annual income
Housing Quality Standards (HQS) Inspection Protocol	<ul style="list-style-type: none"> ➤ Revises minimum space standards to reflect a person per bedroom occupancy standard.
Portability Policies	<ul style="list-style-type: none"> ➤ Revises sections to address how PHAs must assist households wishing to port for allowable reasons ➤ Clarifies PHA and RHA (receiving housing authority) roles in portability, including notification, billing deadlines and voucher extensions or suspensions
Registered Sex Offenders	<ul style="list-style-type: none"> ➤ At annual reexaminations, PHAs are encouraged to ask whether the tenant or any household member is subject to a lifetime sex offender registration in any state
Rental Assistance Demonstration Policies	<ul style="list-style-type: none"> ➤ Adds policies that pertain to Rental Assistance Demonstration Project Based Vouchers

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Chair Rumbaugh led a discussion about the use of criminal convictions. In particular, he was concerned that THA would use a conviction to terminate or deny assistance if the conviction was later vacated. Executive Director noted that THA may make its decisions upon a preponderance of the evidence even if such evidence would not support a criminal conviction. Chair Rumbaugh noted, however, that if THA is relying on a conviction to make that judgment without a separate assessment of the evidence, that reliance is no longer appropriate when the conviction is vacated. He asked staff to propose a process to allow for a review of terminations or denials in such cases.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.3 RESOLUTION 2016-08-24(3)
(Stable of Financial Advisors)

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

WHEREAS, On July 28, 2016, Tacoma Housing Authority (THA) staff issued a Request for Proposals (RFP) from firms interested to provide Financial Advisor Service for THA's Real Estate Development and Asset Management; and

WHEREAS, The RFP was posted on the Washington Electronic Business Solutions and THA's websites on July 28, 2016; and

WHEREAS, Two firms submitted proposals by the deadline of August 12, 2016, both were deemed responsive and responsible; and

WHEREAS, An evaluation team, comprised of three (3) THA staff reviewed and scored the proposals according to evaluation criteria listed in the RFP; and

WHEREAS, The evaluation team voted unanimously in favor of awarding contracts to the firms of CSG Advisors and Brawner and company; now, therefore, be it

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

The Executive Director is authorized to negotiate, and if those negotiations are successful, to execute separate contracts for the finance advising services with CSG Advisors for \$200,000 and Brawner & Company for \$300,000. Each will have an initial three (3) year term and the potential for two (2) twelve month extensions.

Commissioner Flauding motioned to approve the resolution. Vice Chair Banks seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

**8.4 RESOLUTION 2016-08-24(4)
(Purchase and Sale Agreement for the Klatt Building)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to enter into negotiations to purchase a property located at 1307 South 11th Street, Tacoma, WA.

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

WHEREAS, THA is interested in acquiring property in the Hilltop to meet short and long term financial and community goals; and

WHEREAS, THA will be a partner agency in the Center for Strong Families; and

WHEREAS, THA believes time is of the essence and that support of the Center for Strong Families will strengthen the Hilltop Neighborhood and provide needed services to THA residents; and

WHEREAS, There is potential that future development in the Hilltop Neighborhood will impact affordably priced rental housing in the future and acquisition of this property will preserve a future redevelopment project; now, therefore, be it

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

Authorizing THA's Executive Director to negotiate, and if those negotiations are successful to execute a purchase and sale agreement for THA's purchase of the Klatt Medical Building consistent with the terms discussed during closed session, including a contingency that the final purchase is subject to final approval by the THA board.

Vice Chair Banks motioned to approve the resolution. Commissioner Flauding seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

**8.5 RESOLUTION 2016-08-24(5)
(Purchase and Sale Agreement for 613 S. 19th Street and 617 S. 19th Street)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing THA's Executive Director to finalize negotiations to purchase the property at 613 S. 19th Street and 617 S. 19th Street

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

WHEREAS, THA is interested in completing the final phase of Bay Terrace; and

WHEREAS, Acquisition of the property will result in a better site plan and additional affordable units; and

WHEREAS, Time is of the essence as THA plans to finalize a development strategy and seek tax credit equity for the project in 2017; and

WHEREAS, There is potential that development in the Hilltop Neighborhood will impact affordably priced rental housing in the future and there will be a growing need for affordably priced rental housing; now, therefore, be it

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

1. Ratify the purchase and sale agreement executed by the Executive Director to acquire 613 S. 19th Street and authorize THA's Executive Director to enter into further negotiations as needed to consummate the purchase of this property; and,
2. Authorize THA's Executive Director to negotiate, and if those negotiations are successful to execute an agreement to purchase the property at 617 S. 19th Street.

Commissioner Hodge motioned to approve the resolution. Vice Chair Banks seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

**8.6 RESOLUTION 2016-08-24(6)
(THA Hilltop Related Planning Events for THA Properties Master Plan)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Executive Director to make decisions about THA involvement in community events and activities that the agency will participate in and fund as part of its consultation process for development projects.

WHEREAS, The Tacoma Housing Authority is committed to authentic community engagement and consultation; and

WHEREAS, Community events are a proven way to solicit feedback and ideas from local residents, neighbors, businesses and others; and

WHEREAS, Community events hosted by the Tacoma Housing Authority are open to the general public; and

WHEREAS, THA consistently seeks input from a cross section of residents, neighbors and business; and

WHEREAS, Leading community events is in keeping with the Tacoma Housing Authority's mission of supporting neighborhoods to be attractive places to live, work, attend school, shop and play; now, therefore, be it

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

THA's Executive Director has the authority to approve community events that THA may sponsor as part of its community engagement and consultation processes for its programs, services and new development.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.7 RESOLUTION 2016-08-24 (7)
(Extension of Project Based Voucher Contract: Flett Meadows)

WHEREAS, THA has been providing project based voucher assistance to LASA's Flett Meadows property since 2004; and

WHEREAS, Flett Meadows houses formerly homeless families; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; 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 negotiate, and if those negotiations are successful to execute, a ten (10) year extension to the LASA Flett Meadows Project Based Voucher Housing Assistance Payment Contract and add one additional unit to the contract, for a total of fourteen (14) units. The contract will have the conditions set forth in the cover memo to this resolution.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.8 RESOLUTION 2016-08-24(8)
(Alternative Use of Public Housing Homes)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to negotiate with HUD regarding the alternative use of two public housing units.

WHEREAS, THA owns and manages single family public housing; and

WHEREAS, THA is interested intervening in the crisis of unhoused foster and other unaccompanied youth; and

WHEREAS, THA will partner with high-capacity partners for services; 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 THA's Executive Director to seek HUD approval to use two (2) scattered site public housing homes for use by community partners to provide housing to unaccompanied youth for up to three years.

Vice Chair Banks motioned to approve the resolution. Commissioner Flauding seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.9 RESOLUTION 2016-08-24(9)
(Project Based Rental Assistance for MLK New Look, LLC)

WHEREAS, the present project based voucher contract subsidizing the rents at New Look Apartments will expire at the end of August;

WHEREAS, THA and HUD are discussing the transfer to the New Look Apartments of the Project Based Rental Assistance (non-voucher) contract from the Enclave Property (formerly Wedgewood). This transfer will free up the present voucher subsidy from New Look and allow its use to serve other households and keep the Enclave subsidy in the City;

WHEREAS, those discussions with HUD may not conclude by the end of August and we need a continuation of the project-based subsidy in the meantime to protect the tenants;

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

Authorize THA's Executive Director to execute the agreements necessary to continue the project based voucher subsidy in the New Look Apartments pending the transfer to New Look of the alternative non-voucher Project Based Rental Assistance contract.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.10 RESOLUTION 2016-08-24(10)
(Project Based Voucher Contract Approval – Hillside Terrace 1500 Block)

WHEREAS, The effective date of each contract will be up to the discretion of the Executive Director; and

WHEREAS, Each contract will be negotiated with the property and will be in effect for up to fifteen (15) years; now, therefore, be it

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

Authorize THA's Executive Director to execute a Housing Assistance Payment (HAP) contract with Hillside Terrace 1500 Block.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.11 RESOLUTION 2016-08-24(11)
(Project Based Voucher Contract Approval – Hillside Terrace 2300 Block)

WHEREAS, The effective date of each contract will be up to the discretion of the Executive Director; and

WHEREAS, Each contract will be negotiated with the property and will be in effect for up to fifteen (15) years; now, therefore, be it

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

Authorize THA's Executive Director to execute a Housing Assistance Payment (HAP) contract with Hillside Terrace 2300 Block.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.12 RESOLUTION 2016-08-24(12)
(Tacoma Public Schools Interlocal Cooperation Agreements)

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

WHEREAS, Since 2006 the Tacoma Housing Authority and the Tacoma Public School District (TPS) have collaborated to improve outcomes for the children and community they serve in common; and

WHEREAS, This collaboration has grown in scope and elaboration and promises continued growth; and

WHEREAS, A successful collaboration between a school district and a housing authority requires the following elements:

- a shared acknowledgement that they serve the same children and families for complementary purposes;
- a shared commitment to work together for those purposes;
- an agreement on performance measures for their common efforts;
- an effective way to exchange the data necessary to design, implement and evaluate their efforts.

WHEREAS, THA and TPS seek agreements that in an authoritative way memorialize these elements for the DISTRICT and THA collaboration; now, therefore, be it

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

The executive director is authorized to sign the following agreements in substantially the form of the attached drafts:

- Interlocal Cooperation Agreement – Partnership
- Interlocal Cooperation Agreement – Contract for Services

Commissioner Flauding motioned to approve the resolution. Vice Chair Banks seconded the motion.

Executive Director Mirra introduced Superintendent Carla Santorno of Tacoma Public Schools (TPS). He did so as part of the discussion about Resolution 2016-8-24(12) approving two Interlocal Cooperation Agreements between the school district and THA. He reviewed the history of the partnership between THA and TSP. He recounted how it has grown in elaboration and has attracted national attention. He outlined the proposed agreements and, in particular, how they will

further strengthen the partnership by the authoritative commitments of the Boards of the two organizations. Superintendent Santorno addressed the Board and expressed her own appreciation for the partnership. She discussed the importance of stable housing for students' success. She too noted the national attention the partnership has received. She thanked the Commissioners for their support.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

8.13 RESOLUTION 2016-08-24(13)
(New Security Services That Serve THA, Renew Tacoma, Hillside and Bay Terrace)

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

WHEREAS, Tacoma Housing Authority (THA) staff issued a Request for Proposal (RFP) from firms interested in providing unarmed security services at all of the properties owned and/or managed by THA on June 2, 2016; and

WHEREAS, The proposals were due June 30, 2016; and

WHEREAS, THA received six (6) proposals and all six proposals were scored by the review committee; and

WHEREAS, The top five scoring proposals were called for the oral interview with the two top scoring firms were called back for a 2nd interview to demonstrate their security reporting software; and

WHEREAS, Based on the final presentation of security reporting software, the review committee presented final scores. The final scoring and winning proposal was Pacific Security; and

WHEREAS, THA has provided budget authority within each of the Properties to allow for unarmed security services; now, therefore, be it

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

1. Authorize THA's Executive Director to negotiate, and if those negotiations are successful, award and execute a contract with Pacific Security for unarmed security services at properties managed and/or owned by THA in an amount not to exceed \$400,000 for a period of three (3) years with an option to extend the contract an additional two (2), 12 month extensions. If those negotiations are not successful, the Executive Director is authorized to negotiate, and execute, such a contract with the ranked proposers in turn as reflected in the scoring.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

**8.14 RESOLUTION 2016-08-24(14)
(Purchase and Sale Agreement for Parcels Along M Street)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to enter into negotiations to purchase lots located on S. M Street, adjacent to the Klatt Medical Building;

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

WHEREAS, THA is interested in acquiring property in the Hilltop to meet short and long term financial and community goals; and

WHEREAS, THA is contemplating the purchase of the Klatt building which has redevelopment potential; and

WHEREAS, Three lots located on M Street are adjacent to the Klatt Medical Building which could enhance future redevelopment; and

WHEREAS, There is potential that future development in the Hilltop Neighborhood will impact affordably priced rental housing in the future and acquisition of this property will preserve a future redevelopment project; now, therefore, be it

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

Approve Resolution 2016-08-24(14) authorizing THA's Executive Director to make an offer to purchase the lots adjacent to and enter into negotiations that are consistent with the terms discussed during closed session.

Vice Chair Banks motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion Approved: August 24, 2016

Dr. Arthur C. Banks, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

The board went into executive session at 6:35 pm and came back to regular session at 6:59 pm.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 7:06 PM.

APPROVED AS CORRECT

Adopted: September 28, 2016

Dr. Arthur C. Banks, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES

ANNUAL SESSION

WEDNESDAY, August 24, 2016

The Commissioners of the Housing Authority of the City of Tacoma met for an Annual Session at 1724 East 44th Street, Tacoma, WA at 4:45 PM on Wednesday, August 24, 2016.

1. CALL TO ORDER

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

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Arthur Banks	
Vice Chair Janis Flauding (by phone)	
Commissioner Stanley Rumbaugh	
Commissioner Minh-Anh Hodge	
	Commissioner Derek Young
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
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
Todd Craven, Administration Director	
Greg Claycamp, Client Services Director	
Sandy Burgess, Associate Director for AD & Asset Management	

Chair Rumbaugh declared there was a quorum present @ 6:00 pm and proceeded.

3. DESIGNATED EXECUTIVE DIRECTOR TO BE TEMPORARY CHAIRPERSON

Chair Rumbaugh called for a motion to designate Executive Director Michael Mirra to be temporary Chair for the nomination of Chair.

4. NOMINATION OF CHAIRPERSON

Temporary Chair Mirra called for nominations for the office of Chair of the Board of Commissioners. Chair Rumbaugh nominated Vice Chair Banks to serve as Chair. Commissioner Hodge seconded the motion. Vice Chair Banks accepted the nomination.

Upon roll call, the vote was as follows:

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

Motion approved.

5. EXECUTIVE DIRECTOR MIRRA RETURNS CHAIR TO CHAIRPERSON

Executive Director Mirra turned the chair over to Chair Banks.

6. NOMINATIONS AND VOTE FOR VICE CHAIR

Chair Banks called for nominations for the office of Vice Chair for the coming year. Commissioner Rumbaugh nominated Commissioner Flauding to serve as Vice Chair. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

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

Motion approved.

7. APPOINTMENT TO STANDING COMMITTEES

The board by unanimous vote appointed the following:

Real Estate Development Committee—Commissioner Rumbaugh
Finance Committee—Commissioner Hodge and Commissioner Young

Education Committee—Commissioner Hodge
Citizen Oversight Committee—Vice Chair Banks

8. BY-LAWS REVIEW AND RECOMMENDATION

There were no changes to the By-laws.

9. COMMISSIONER ANNUAL CERTIFICATION

In accordance with section 5.4 of the By-laws, Board Secretary and Executive Director Mirra acknowledged receipt of Conflict of Interest certification from all commissioners in attendance. No conflicts existed in the reported year 2015-2016.

9. ADJOURNMENT

There being no further business to conduct at the Board of Commissioners Annual Meeting, Chair Banks moved to adjourn. All votes were in favor of adjournment.

The Board of Commissioners Annual Reorganization meeting adjourned at 6:20 pm.

APPROVED AS CORRECT

Adopted: September 28, 2016

Dr. Arthur C. Banks, Chair



TACOMA HOUSING AUTHORITY

Real Estate Development Committee

Commissioner Stanley Rumbaugh

Finance Committee

Commissioner Minh-Anh Hodge

Commissioner Derek Young

Citizen Oversight Committee

Chair Arthur C. 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: September 22, 2016
Re: Executive Director's Report

This is my monthly report for September 2016. The departments' reports supplement it. Please note that I will miss the Board meeting. [I will be in Washington, D.C. at the conference on asset building hosted by the Corporation for Enterprise Development (CFED). I will make two presentations: one about our Children Savings Account program, and the other about our plan to report our tenant's positive rent paying history to credit agencies.] April will fill in for me.

1. RAD

Staff will have an important walk-on resolution for the Board to consider. It will authorize THA to buy-out the interest of our tax-credit investor, Boston Financial, in five tax-credit partnerships: Salishan 1, 2 and 3 and Hillside Terrace 1 and 2. We propose this as an alternative to the renegotiation of Boston Financial's financing. We have been trying to renegotiate Boston Financial's interest in those partnerships as part of the RAD refinancing. Those negotiations have not been going too well. Buying out its interest now appears far preferable. I hope before the Board meeting to send the Board a memo from the Asset Management Committee explaining why this buy-out is an advantage. Sandy will also have the details at the Board meeting. I apologize for not having all this in the Board packet. However, that was not possible because this buy-out option did not emerge until recently in the negotiations and the details continue to evolve. Once the possibility arose, I alerted Stan, as the Board's real estate development committee, and outlined the emerging deal.

Staff and THA's financial advisors strongly favor the buy-out option. In advance of Sandy's more detailed memo and her presentation at the Board meeting, I can offer the following cursory analysis. It shows the advantage of the buy-out over keeping Boston Financial in the deals (The numbers are roughly right but are subject to Sandy's correction.):

	Keeping Boston Financial in the Deals		Buying Out Boston Financial	
Cost	Cost to THA of paying Boston Financial's exit taxes in 4 years when Boston Financial would leave the partnerships on the normal schedule at the end of its 15 year compliance period.	\$350,000	Cost to THA of buying out its interest early.	\$528,400
	Cost to THA of paying to Boston Financial the 20% of the properties' cash flow that Boston Financial is insisting on receiving as a condition of the RAD refinance.	\$506,000	Cost to THA of a performance bond Boston Financial insists THA purchase to cover Boston Financial's loss of tax credits over the next 4 years that might result should THA mismanage the properties' tax credit compliance.	\$250,000
	Total	\$856,000	Total	\$778,400
Risk of Losing HUD Sec. 8 Fees	If we kept Boston Financial in the deal, we would have to complete the negotiations of its terms. We must complete the deal by the end of the year or we loss over \$200,000 in HUD Section 8 administrative fees for 2016. This would be a real concern because those negotiations are not easy.		If we buy out Boston Financial, we avoid this risk because we would not need to undertake the prolonged negotiations of keeping it in the deal.	

	Keeping Boston Financial in the Deals	Buying Out Boston Financial
Other Factors	Keeping Boston Financial in the deal prolongs the administrative, auditing and reporting costs of having a tax-creditor investor.	Buying out Boston Financial means that THA or its partnerships would own the properties free and clear, except for lingering loans from the city and the state. This will make the properties available again as collateral for loans or refinancing for further tax credit investments should THA need the cash.
Opportunity Costs	Paying \$778,400 now rather than \$856,000 in four years is an advantage from a cash perspective. We must be mindful, however, that paying the money now means we preclude its use over the next four years. That is an opportunity cost. There are two opportunities to keep in mind. Foregoing either of them is worth the advantages of buying out Boston Financial. First , we lose the time value of \$778,400 that we would get if we kept it in the bank. However, we get less than 1% interest on that money. It is not a factor. Second , and more seriously, and as Stan reminds us, we would not have that money to purchase other properties. We indeed are shopping. Yet, THA has ample reserves for this purpose. Also, if necessary, we can raise money by the new found collateral value of the properties once Boston Financial is out of the deal.	

While the entire RAD project has been a challenging, this negotiation and analysis with Boston Financial has been particularly complex. We are very grateful to Sandy and Ken and their team for managing it with such attention and skill.

2. SOFTWARE CONVERSION

The software conversion project is steaming ahead toward a deadline of New Year's Eve. By that date, in time for the new fiscal year on January 1st, we have to "go live" with OpenDoor (our version of Salesforce). For reasons that Todd and Ken can explain in more detail, we would have problems if we continued to entered data into the new year using our old system and then had to convert that data to the new system. Instead, we must start fresh with the new system and the new year's financial data. Because the financial part of OpenDoor is linked with the rest of the system, we must go live with all parts on January 1st.

3. EDUCATION PROJECT: UPDATE

I have some news about THA's Education Project:

3.1 Andrea Cobb's Departure

I regret to report that our Education Project manager, Andrea Cobb, has left THA to return to the Office of the Superintendent of Public Instruction. She is leaving, however, for a very good reason. The Superintendent has appointed her the state's Director for the Center for the Improvement of Student Learning. I hope and expect that in her new position we will have occasions to work with her. We are negotiating with the Superintendent for the three first round draft picks he now owes THA.

We will shortly begin our search for Andrea's successor. We seek someone with strong skills in project management, the use of data, and the nurturing of community partnerships. If any Commissioner knows of someone who would be a good fit for us, please send him or her my way. In meantime, I expect some delays in some of our educational initiatives.

3.2 Children's Savings Account Project for the Children of Salishan

We are beginning our second school year of the Children's Savings Account Project for the Children of Salishan. We have some notable progress and disappointments to report from the first year. I enclose a September 9, 2016 memo from staff to me describing the state of the project's implementation. Here are some of the highlights:

- Our enrollment remains at about 34% of all eligible families. While this is disappointing, we learn from other programs around the nation that this is about normal for the first year of a new program of this sort. The attached memo describes what we will do and what changes to the program we will consider to increase enrollment. These changes may include allowing a family to enroll all its school-age children in the program, not just the child in kindergarten or 6th grade. We learned from parents that they are hesitant to join the program for the benefit of their one child if they cannot enroll the other children as well.
- We did not open bank accounts for enrolled families until July, after the first school year ended. This no doubt deterred enrollment as well. We expect to overcome the problems that make this hard. Part of the solution will come when Heritage Bank opens its branch bank at Salishan. That will eliminate the need for parents to travel across town to open an account.
- Our partner at First Creek Middle School did not create the individualized

plans for the 6th graders that would have them earn cash deposits by meeting academic milestones in the plan. This too deterred enrollment.

- We have not yet arranged for the third party evaluation by the Urban Institute. Those negotiations turned out to be harder than we expected. I hope we have this in place shortly.

Staff will turn a renewed focus to fix these problems. We have also increased staff responsible for implementation.

3.3 McCarver Program Expansion

We had hoped to expand the McCarver program to more elementary schools at the start of this school year. We will delay that expansion. The school district did not wish to choose the new schools until their new principals settled in. In addition, we are not ready with the program redesign. Also, the Urban Institute is not yet set up for its third party evaluation. Progress may have to await the selection of Andrea's successor.

3.4 THA-TPS Interlocal Cooperation Agreement

At its meeting last month, the Board authorized me to sign the two Interlocal Cooperation Agreements with the Tacoma Public School District. We were honored to have Superintendent Santorno attend to help me explain why these agreements are a notable step forward in the THA-TPS partnership. The day after, the TPS School Board authorized the Superintendent to sign them. I attended that meeting and addressed the School Board on THA's behalf.

3.5 College Housing Assistance Programs

- The Tacoma Community College Housing Assistance Program is beginning its third year. The outcomes to date are very encouraging.

	Homeless/Near Homeless TCC Students Receiving Housing Assistance (47)	Homeless/Near Homeless TCC Students Receiving No Housing Assistance (154)	General TCC Student Population
Graduated or Remaining Enrolled	60%	16%	Data point not available
Grade Point Average	3.05	2.75	2.97

We will spend this year considering whether to ask the Board to approve some changes to the program, including the following:

- Expand program to all homeless TCC students

- Extend duration of housing assistance for program participants who graduate from TCC and then transfer to University of Washington Tacoma for a 4-year degree
- Special housing assistance for TCC's program serving students coming out of prison

In October, I will join Dr. Sheila Ruhland, TCC President, and the TCC Board Chair, at the annual conference of Association of Community College Trustees. We will present this program and its outcomes to date.

- We are also shortly to begin discussions with Bates, UWT and Clover Park Technical College each of which would like a similar partnership with THA.

4. CONGRESS: BUDGET PROSPECTS

I do not have much clarifying news about next year's federal budget and what it means for us. The full Senate and the House Appropriation Committee passed a version of a HUD budget. I attach NAHRO's summary of both. You will note that the Section 8 programs do better than the public housing program. This has been the case for the past 30 years. Our expectation that this pattern will continue is one of the reasons we decided to do the RAD refinancing that has us trade in public housing dollars for Section 8 dollars. These proposed budgets from the House and the Senate appear to justify that judgment.

The more important question is whether Congress will even have a budget, and when. It must pass spending authority of some sort by October 1st or the government will shut down on that date. We understand from Len Simon and our congressional friends that Congress will not likely pass a real budget for the full year. A governmental shut-down, however, is also not likely. Instead, Congress will probably pass a continuing resolution to keep funding at 2016 levels. The main uncertainty is how long will the continuing resolution last. The possible durations of a continuing resolution include: until after the election; until after the new Congress convenes in January; for the full 2017 fiscal year. In recent years, budget negotiations were entangled in funding or defunding for Planned Parenthood, funding or not to fight the spread of the zika virus. Those issues remain. This year, the budget is also entangled in whether Congress will or will not fund repairs to local water systems contaminated by lead.

By any accounts, the next big budget news for us will be the election results: who will be president, which party will control the House and which party will control the Senate.

5. THA's PACE OF WORK

In past reports, I have explained that staff is very busy. These accounts for delays in some important work, including:

- strategic planning and the board setting of targets for its strategic performance measures
- business process improvement project
- document management system

The present preoccupations for staff are the RAD refinancing and the software conversion. This work is about to get even busier between now and the end of year. By December 31st we must complete the RAD refinancing, we must get tenants signatures on the new RAD leases, and we must go live with the new software conversion, requiring extensive testing and staff training. That work is on top of the annual year-end effort to close the books on the fiscal year that is ending, and the regular work of the agency. I attach my September 11, 2016 email to all staff. In this email, I acknowledge the strain we all feel from the work and its pace.

In this email, I also announce that on October 10th at 12:30 PM we will host a lunch for all staff at the FIC. The lunch will be a chance to explain the work ahead and the help THA and staff will need from all their colleagues. It will also be a chance to thank staff for what has been quite splendid performance to date.

I hope the Commissioners will join us for that lunch. That would be a chance for you to add your own thanks. Also, the food will be exceptional. We know that because Sha is in charge and she has prevailed on Pat Patterson to do the barbecuing. You know Pat as our director of property management. You may not know that he is a world-class student of barbecuing. I hope you can join us!

Thank you.

NAHRO News

Direct News - Washington Update

House Committee, Senate Pass T-HUD Bills

May 25, 2016

Both the House and the Senate made significant progress recently in finalizing FY 2017 Transportation, Housing and Urban Development (T-HUD) spending. The Senate voted to approve the bill 89-8 on Thursday and the House Appropriations Committee passed its bill unanimously yesterday.

House

The House Appropriations Committee approved its T-HUD bill after debate on several housing- and transportation-related amendments, though only a manager's amendment making technical changes to the bill was ultimately approved.

Notably, Rep. Jose Serrano (D-N.Y.) introduced an amendment to set aside \$25 million within the Public Housing Capital Fund to remedy lead and mold health hazards in public housing. His amendment was withdrawn after accepting an offer from the T-HUD Subcommittee Chairman Mario Díaz-Balart (R-Fla.) to work together on the issue moving forward.

NAHRO supports the increase of Capital Fund spending to improve health conditions within public housing and has worked with the New York City Housing Authority to secure additional funds, but NAHRO does not support set-asides within the Capital Fund. NAHRO will work with both Rep. Serrano and Chairman Diaz-Balart as the proposal moves forward.

The House T-HUD bill received a robust \$48.2 billion allocation, which is \$1.7 billion higher than the Senate allocation. However, because of a difference in accounting tactics, the Senate bill provides higher funding levels for most housing and community and development programs than the House bill, the notable exception being the Choice Neighborhoods program.

The House bill provides:

- Public Housing Operating Fund: \$4.5 billion, which is level to current funding and is \$175 million lower than the Senate bill
- Public Housing Capital Fund: \$1.9 billion, which is level to current funding and is \$25 million lower than the Senate bill. Specifically, the House bill does not include the \$25 million in additional funding for the Public Housing Capital Fund for lead abatement that was provided for above and beyond the formula funding levels in the Senate bill.

- Section 8 Housing Assistance Payment Renewals: \$18.311 billion, which is \$630 million more than current levels and is \$44 million less than the Senate bill
- Section 8 Ongoing Administrative Fees: \$1.65 billion, which is \$10 million higher than current levels and is \$119 million less than the Senate bill
- CDBG: \$3 billion, which is equal to both current funding levels and the Senate bill
- HOME: \$950 million, which is equal to both current funding levels and the Senate bill
- Choice Neighborhoods: \$100 million, which is \$25 million less than current funding levels and is \$20 million more than the Senate bill

Additionally, the House declined to increase the RAD cap and to create a Public Housing replacement reserve, both of which were included in the Senate bill.

The House could consider its T-HUD bill on the floor following the Memorial Day recess, though disputes over the Energy and Water spending bill that is currently on the House floor could complicate the appropriations process.

Senate

The Senate vote followed a week of floor debate on the bill and amendments. In all, 46 amendments were approved, largely through en bloc votes without lengthy formal debate, a strategy to move quickly through non-controversial proposals. Of the amendments approved en bloc, several focused on REAC inspections and response times to inspection failures, proposed by Sen. Marco Rubio (R-Fla.).

Also approved en bloc was an amendment introduced by Sen. Dianne Feinstein (D-Calif.) and Sen. Rob Portman (R-Ohio) that would allow communities that participate in the HOME program to maintain access to federal funds that would otherwise expire under HUD's 24-month commitment timeline. Under current law, participating jurisdictions have 24 months to commit HOME funds to specific projects (which generally also require them to line up every other source of financing within this period as well). If a jurisdiction does not commit its funds within 24 months, the funds revert back to HUD. The amendment was supported by NAHRO.

Immediately prior to final passage of the bill, two amendments on Affirmatively Furthering Fair Housing were debated: one proposed by Sen. Mike Lee (R-Utah) to prevent funding for implementation of the rule and another by T-HUD Subcommittee Chairwoman Susan Collins (R-Maine), Ranking Member Jack Reed (D-R.I.) along with Senator Thad Cochran (R-Miss.), Chairman of the Senate Appropriations Committee. The Collins-Reed-Cochran amendment would prohibit HUD from intervening in local zoning decisions. The Collins-Reed-Cochran amendment was approved 89-9 and the Lee amendment was tabled, a signal that it could be brought up again in the future in the Senate. It remains to be seen if an amendment such as this is offered when the House T-HUD bill goes to the floor.

NAHRO will provide a comprehensive analysis of the amendments approved by the Senate.

Looking Forward

The passage of the Senate T-HUD bill and the possibility of the passage of the House bill raises the possibility that T-HUD could be passed under regular order, avoiding the need for a continuing resolution (CR) for T-HUD on October 1. If the House does manage to approve its bill, a conference committee will be formed to negotiate the differences

between the two bills. The final bill will then be brought before the House and the Senate and then sent to the President for his signature. Given the tight Congressional calendar prior to their departure for an early August recess on July 15, it is more likely that T-HUD will be included in a CR that almost certainly will be necessary prior to the beginning of the next fiscal year.

FY 2017 Appropriations Cycle

Discretionary Programs (\$ Millions)	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Proposed	FY 2017 NAHRO	FY 2017 Senate	FY 2017 House
Public Housing Operating Fund	\$4,440	\$4,500	\$4,569	\$5,464	\$4,675	\$4,500
Public Housing Capital Fund	\$1,875	\$1,900	\$1,865	\$5,000	\$1,925	\$1,900
<i>Resident Opportunities and Self-Sufficiency</i>	[\$45]	[\$35]	--	[\$35]	[\$35]	[\$35]
<i>Emergency Capital Needs</i>	[\$23]	[\$22]	[\$20]	\$20	[\$21.5]	[\$20]
<i>Jobs Plus Pilot</i>	[\$15]	[\$15]	[\$35]	\$15	[\$15]	[\$15]
<i>ConnectHome Initiative</i>	--	--	[\$5]	--	--	--
<i>PH Financial and Physical Assessment Activities</i>	[\$5]	[\$3]	[\$10]	\$3	[\$10]	[\$10]
Rental Assistance Demonstration (RAD)	--	--	\$50	--	--	--
Choice Neighborhoods Initiative	\$80	\$125	\$200	\$200	\$80	\$100
Tenant-Based Rental Assistance	\$19,304	\$19,629	\$20,854	--	\$20,432	\$20,189
<i>Section 8 Housing Assistance Payment Renewals</i>	[\$17,486]	[\$17,681]	[\$18,447]	\$18,447	[\$18,355]	[\$18,312]
<i>Ongoing Administrative Fees</i>	[\$1,520]	[\$1,640]	[\$2,067]	\$2,122	[\$1,759]	[\$1,640]
<i>Special and Ongoing Administrative Fees</i>	[\$10]	[\$10]	[\$10]	\$20	[\$10]	[\$10]
<i>Tenant Protection Vouchers</i>	[\$130]	[\$130]	[\$110]	Fully Fund	[\$110]	[\$110]
<i>Restoration Vouchers</i>	[\$75]	[\$60]	[\$88]	\$424	[\$57]	[\$7]
<i>Administrative Fee for Restoration Vouchers</i>	--	--	--	\$52	--	--
<i>Mobility Demonstration</i>	--	--	[\$15]	\$15	\$11	--
Family Self-Sufficiency (FSS)	\$75	\$75	\$75	\$85	\$75	\$75
Section 8 Project-Based Rental Assistance	\$9,730	\$10,620	\$10,816	\$10,839	\$10,901	\$10,901
Community Development Block Grant	\$3,000	\$3,000	\$2,800	\$3,300	\$3,000	\$3,060
HOME Investment Partnerships Program	\$900	\$950	\$950	\$1,200	\$950	\$950
Housing Opportunities for Persons with AIDS	\$330	\$335	\$335	\$375	\$335	\$335
Homeless Assistance Grants	\$2,135	\$2,250	\$2,664	\$2,664	\$2,330	\$2,487

Notes:

The "restoration" vouchers category includes all incremental vouchers (HUD-VASH, Family Unification Program, etc.). See full coverage below for additional details.



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

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

To: Michael Mirra
April Black
Greg Claycamp

From: Mia Navarro
Caroline Cabellon
Trisha Mozo

Date: September 9, 2016

Re: Children's Savings Account Update and Recommendations to Increase Enrollment

1. Purpose

This memo reports the results of our efforts to enroll students in the Salishan Children's Savings Account (CSA) during the program's first year in 2015-16. We attempt to evaluate these results relative to those achieved by other opt-in CSAs during their initial year.

We then present our proposed suite of recruitment activities for the 2016-17, using evidenced-based practices where we found precedent. In addition to this marketing plan, we make some recommendations to increase enrollment in the Salishan CSA.

2. Background

In the fall of 2015 Tacoma Housing Authority (THA) launched an ambitious and innovative Children's Savings Account program for the children of Salishan. The Salishan CSA seeks to help children and their families aspire to college, prepare for it, pay for it and feel they belong when they go. It seeks to get unbanked families banked. It also seeks to unite the region's most diverse community by opening enrollment to all children in Salishan, including homeowners who receive no other assistance from THA. THA does this in partnership with the Tacoma Public Schools, the Corporation for Enterprise Development (CFED) and financial sponsors.

There are two savings account types in the Salishan CSA. Kindergarteners can enroll in the matched savings portion of the program. Families deposit \$50-\$400 per year, and THA will match their contributions throughout elementary school. When students reach 6th grade the match stops. Sixth graders can enroll in the scholar incentive portion of the program. Students earn pay point incentives as they reach milestones from 6th grade through high school graduation. These milestones include improved attendance, improved GPA, enrolling in the

College Bound Scholarship Program, and other activities designed to support preparation for post-secondary education. Both students and parents receive access to financial literacy training. Students who complete the full K-12 program will graduate with as much as \$9,700 for post-secondary education expenses not covered by grants and scholarships.

THA's CSA is an opt-in program, meaning that families must apply to enroll their children. Alternatively, an opt-out program automatically enrolls eligible families. A family actively opts-out if they did not want to participate. Nationally, examples of both models exist. In general, opt-out programs have higher enrollment rates, but actual participation in both models seems to depend upon other elements of program design.

3. Efforts and Enrollment to Date

Table 3.1 shows the results of enrollment efforts to date, the timeline for each, and the resulting number of enrollments.

Table 3.1

Activity/Effort	Timeline	Number of Students Enrolled
Printed marketing materials	Summer 2015	0
Building relationships with kindergarten and 6 th grade teachers	Summer 2015	0
Andrea Cobb conducted multiple school-based Events. She asked students to return applications to their school, and Andrea picked the applications up from the schools.	Fall 2015	K-5: 14 6-12: 13
Doorbelling to all age-eligible households in Salishan (Approx. 130 students)		
Cold Calling Eligible Families (Approx. 130 students)	March 2016	0
Trish incented THA staff to refer families	April 2016	K-5: 5 6-12: 7
Chronicle Article	April/May 2016	0
Presence at kindergarten and 6 th grade enrollment events	Spring 2016	0
Instituting a caseworker referral process	Spring 2016 and ongoing	K-5: 3 6-12: 0
Lister Jump Start	August 2016	K-5: 1
East Side Farmers Market	June – August 2016	Too soon to tell
National Night Out Sponsorship	August 2, 2016	Too soon to tell
Other/Unknown	N/A	K-5: 1 6-12: 3

From this chart, we draw the conclusion that face-to-face interactions and relationship building are our most successful methods of engagement to date.

4. Current Status of the CSA Program

Table 4.1 shows CSA enrollment to date.

Table 4.1

CSA Program Component	Total Families Enrolled	Families Enrolled as of August 30, 2016	Total Eligible Families	Enrollment Rate
Elementary Matched Savings Program	24*	22	80	30%
Scholar Incentive Program	23	23	60	38%
TOTAL	47	45	140	34%

**Two kindergarteners have exited the program because they moved out of Salishan and became ineligible.*

In addition to these students enrolled in 2015-16, we are now completing the application process with 24 children referred by THA staff who are entering kindergarten or sixth grade this Fall.

Community outreach for 2015-16 is already underway. We gathered 6 interest cards from eligible families at Lister and First Creek back-to-school events on September 6th. We are scheduling application sessions.

Table 4.2 shows THA's CSA enrollment compared to opt-in programs located across the country. Trisha Mozo contacted seventeen opt-in programs. Nine of these programs responded with enrollment data. Some commented on enrollment strategies they found successful. We also requested but did not receive this information from CFED.

Table 4.2

Program	Year Started	Eligible Population	Universe of Eligible Students	Annual Capacity/ Goal	First Year Rate of Enrollment	Most Recent Rate of Enrollment	Annual Goal as a Percent of Universe of Eligible Students
THA	2015	Kindergarteners in Salishan; Sixth graders in Salishan <i>and</i> First Creek Middle School.	140	140	34%	34%	100%
	See description above.						
Acorn Fund College Savings Accounts , Salem City, NJ	2016	Any child who lives in Salem City, NJ, and all students living in a sending district attending a public school in Salem City, NJ.	1250	1250	N/A	TBD	100%
	Acorn is currently at 12% of their target in month three of enrollment. Successful strategies have included mailers to homes, tables at events, and Facebook.						
Caldwell Saves 1st Caldwell, ID	2015	First graders from six elementary schools in the Caldwell School District	240-360	25	68%	68%	7-10%

Program	Year Started	Eligible Population	Universe of Eligible Students	Annual Capacity/ Goal	First Year Rate of Enrollment	Most Recent Rate of Enrollment	Annual Goal as a Percent of Universe of Eligible Students
		20 families enrolled and 17 completed the requirements of financial literacy classes. The pilot generated 17 accounts. Caldwell Saves 1st seeks to help Idaho families become financially proficient and to begin saving for higher education in 1st grade. The program engages the community to support children in their journey to college and beyond. Created and driven by Caldwell Mayor Garret L. Nancolas, the Caldwell Saves 1 st program brings together the Caldwell School District, local financial institutions, financial educators, Idaho's higher education institutions, local businesses, community organizations, and IDEal, "Idaho's College Savings Program." The program is funded entirely by community contributions and fundraising efforts. This is a small, highly focused program.					
Centsible Families , AHEAD, Inc., Coos county, New Hampshire	2015	First through 3 rd graders in four elementary schools.	480-720	35	71%	71%	5-7%
		Centsible Families had success with using the teacher as the conduit to the home, setting up tables at open houses, performances, etc. The program reports parent engagement has been difficult. This is a small, highly focused program.					
Children Savings Account (CSA) Program , Community Action Agency of Southern New Mexico	2014	Children aged 0-12 within 125% of the Federal Poverty Line in 5 counties.	Unknown	30	67%	TBD	Unknown
		This program had success partnering with a school, but found that going to events, people do not seem interested. They reduced their annual goal from 30-25, and have 4 enrolled so far this year.					

CollegeBoundbaby, Rhode Island	2010	All births in Rhode Island	12,000 per year	12,000	1%	52%	100%
	From 2010-2015 they were stuck at 1% enrollment. In 2015, they redesigned the program by making it much simpler to enroll. Families simply check a box on the discharge worksheet from the hospital, asking if they would like a \$100 CollegeBoundbaby Grant for their child. Since 2015, 52% of families are opting-in to the redesigned program. The program enjoys support and encouragement from politicians statewide. Advocates in hospitals inform and enroll families. Billboards by the birthing center in the hospital advertise the program. The program outreaches to OBGYN offices and Medical Clinics, distributing welcoming kits that include program info, a bumper sticker and baby bib. This program is supported by Rhode Island's 529 College Savings provider (formerly AllianceBernstein, currently Ascensus College Savings).						
Juma Ventures College Set Program, San Francisco, Oakland, Santa Clara, Seattle, New Orleans	1998	Youth ages 16-24 from low income households that are in high school and first in family to go to college OR out of school and out of work for the last 6 months. Must be enrolled in the Juma Program to be eligible.	645	161	Unknown	107%	27%
	<i>Response from Juma:</i> "Juma works with local partner organizations and schools at our sites with IDAs (SF, Oakland, Santa Clara, Seattle, New Orleans) to identify program participants. In some sites funding is our limitation, in others we find it difficult to find eligible students for our overall program (and IDAs specifically, as well). Juma offers a comprehensive program, including a job, academic support services, financial literacy education and training, in addition to its matched savings accounts. Best to look to the landscape you operate in and find partners who work in that space and engage them in bringing youth to your program. We work with many different partners to create a successful network of interdependent services for our students."						

Promise Indiana , Wabash County YMCA	2013	14 counties. Larger schools K-3; smaller schools K-5.	Unknown	10,000	30%	64%	Unknown
	This program makes seed deposits in a 529 plan, and has additional programming for low income families. Promise streamlined its application process, replacing a more complicated 529 application. Promise encourages schools to incorporate the program into their regular messaging. Promise established a steering committee that includes key players to support the program (local colleges, banks, etc.)						
Prosperity Kids , New Mexico	2014	Birth to 11 years old, South Valley of Albuquerque.	Unknown	500	106%	106%	Unknown
	This pilot program began September of 2014 and ended December of 2015. The program enrolled 32 children over goal as additional funders stepped up. Prosperity used rolling enrollment based on parent completion of "Abriendo Puertas," Opening Doors , a national evidence-based comprehensive parenting program developed by and for Latino parents. Participation in the classes increased as word got out about the opportunity. Successful engagement strategies included using trusted community partners to provide parent education, and as liaisons with parents.						
Viking Advantage Program , St. Louis, MO	2008	12 th graders at Normandy High School	Approx. 300	5-45	100%	100%	2-15%
	In-person presentations have been successful in enrolling families, but email campaigns have not.						

This is a limited sample for comparing enrollment success. It is difficult to compare our enrollment rates with these other programs because program structures vary so broadly.

Some of the programs above target a broad population, while others, including ours, target low-income families specifically. According to Behavioral Economics, income levels make a huge difference for marketing strategies and successful engagement. Lower income households are focusing so much on survival in the moment, they don't have enough cognitive "bandwidth" to make future-oriented financial decisions—even decisions that seem obviously beneficial like saving for college. Middle and upper income families likely already have saving for college on their radar even if they haven't yet begun, while low income families may not even be thinking of college as an option for their child.

That said, a couple of observations stand out.

First, programs with year-one enrollment percentages higher than the Salishan CSA tend to be more modest. They focus on smaller cohorts, and do not attempt to serve a fuller (and likely more culturally and economically diverse) universe of potentially eligible students.

Second, the absolute number of students recruited is strikingly similar to the result achieved by Salishan CSA. Acorn Fund CSA, Caldwell Saves, Centsible Families, Southern NM CSA, and Viking Advantage all conform to this pattern, recruiting similar or **fewer** absolute numbers of participants than Salishan CSA.

Both of these observations are highly provisional. However, they lead us to conclude that year-one recruitment for the Salishan CSA roughly conforms to that experienced by other CSAs not attempting to recruit at a state or district level.

5. Recommendations to Increase Enrollment and Participation

Comments by other CSAs also reinforce our impression that face-to-face contact and time-intensive relationship building are effective in recruitment. Broader marketing techniques may be most valuable when targeted to households that have already indicated interest in the CSA or educational achievement for their children.

After one year of operation, consultation with families and additional research, we have developed the following recommendations to address the challenges we are experiencing to enrollment and active participation in the program. These recommendations rely heavily on feedback from families, our partners, other CSAs, and the field of Behavioral Economics. A growing body of empirical evidence, developed by organizations like [Ideas42](http://www.ideas42.org/)¹ and the [Behavioral Interventions to](#)

¹ Ideas42, <http://www.ideas42.org/>

Advance Self-Sufficiency (BIAS) Project,² is showing that the following interventions (from the article "Developing SIMPLER Solutions"³ by BIAS) result in increased engagement of low-income households:

- Social influence
- Implementation prompts
- Mandated deadlines
- Personalization
- Loss aversion
- Ease, and
- Reminders

By adopting recruitment strategies that incorporate these interventions, we hope to engage more families in 2016-17. We are unable to reliably estimate a percentage increase.

² Behavioral Interventions to Advance Self-Sufficiency Project, <http://www.mdrc.org/project/behavioral-interventions-advance-self-sufficiency-project#overview>

³ "Developing SIMPLER Solutions," BIAS Project, April, 2016, <http://us5.campaign-archive1.com/?u=295769bc0cff000404328b697&id=82488c1b94&e=9084bed399>

Table 5.1 outlines each strategy and timeline for implementation.

Table 5.1

Recommendation	Timeline
<p>1. Behavioral Economics-Informed Marketing</p> <ul style="list-style-type: none"> 1.1. Conduct a mailing and/or door-to-door campaign as a follow up to Families engaged at National Night Out. 1.2. Hire a local marketing firm to assess current CSA marketing materials and strategies and provide feedback and recommendations for how to improve. 1.3. Hire a local web design firm to create a stand-alone website for the CSA. 1.4. Hire a local marketing firm to create marketing materials centered on the future community impact* of the Children's Savings Account program. We recommend different marketing materials aimed at the following populations: <ul style="list-style-type: none"> 1.4.1. Salishan Stakeholders: We recommend a marketing strategy aimed at Salishan stakeholders (community members, financial investors, parents of children enrolled in the CSA) visualizing the future leaders of East Tacoma. 1.4.2. Salishan Youth: We recommend a marketing strategy aimed at Salishan youth asking them to visualize their future self. <p>* Using the technique of visualization to make the future appear more vivid and relatable is an evidence-based practice outlined in the Ideas42 behavioral science-informed white paper: Using Behavioral Science to Increase Retirement Savings.⁴ This paper provides Behavioral Economics-informed recommendations to improve retirement savings rates.</p> 1.5. Increase THA staff presence at target schools.	<p>Now through October, 2016 and Ongoing</p>

⁴ "Using Behavioral Science to Increase Retirement Savings," Ideas42, October, 2015, http://www.ideas42.org/wp-content/uploads/2015/11/I42_571_MexicoPensionsReport_ENG_final_digital.pdf

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<p>3. Behavioral Interventions</p> <p>The science of Behavioral Economics tells us that when it comes to future economic decision-making, we, and especially low-income individuals whose cognitive capacity is taxed by current survival decisions, do not always make future-oriented decisions. Behavioral Economics Interventions use our bias to choose what will benefit us most now, to help us make more future-oriented decisions. Here are some examples for us to consider that will make enrollment as easy and painless as possible, and perhaps attractive in the near term:</p> <p>3.1. Automate enrollment and saving like CollegeBound<i>baby</i> and Promise Indiana.</p> <p>3.1.1. Bundle CSA enrollment with other School and/or THA paperwork touch-points such as:</p> <p>3.1.1.1. Kindergarten and Sixth Grade enrollment</p> <p>3.1.1.2. Lease-signing appointments</p> <p>3.1.1.3. Annual reviews with the household's L&O</p> <p>3.1.1.4. FSS orientation, enrollment and follow-up appointments</p> <p>3.1.2. Create an electronic application with pre-filled household information, only requiring minimal additional information from the head of household, as well as an electronic signature. This application can be signed at one of the touch-point appointments above, or brought to homes during a door-to-door enrollment campaign, eliminating the need for paperwork to be filled out, signed and returned.</p> <p>3.1.3. Consult and/or hire LockBox and/or Heritage Bank to come up with a way for households to contribute to their child's savings account at the same time they pay their rent electronically. Eliminating the barrier to making easy deposits is vital to the matched savings account process.</p> <p>3.2. Lessen the feeling of loss associated with making savings deposits with short-term incentives for families. We will work to create and market a reward system for families who make deposits, entering families into a monthly raffle drawing for deposits of a designated amount.</p>	<p>Q3-4, 2016</p> <p>Q3-4, 2016</p> <p>Q1, 2017</p> <p>Q3-4, 2016</p>
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<p>4. Long-Term Engagement Strategies</p> <p>4.1. Create a referral pipeline from our partnership with Sound Outreach and the Center for Strong Families, and our financial literacy classes with Goodwill. Prosperity Kids in New Mexico has had success with this strategy by enrolling graduates of their "Abriendo Puertas" parenting program.</p> <p>4.2. Deepen the relationship with the parent through a referral to the FSS program, maximizing the family's savings potential, and promoting self-sufficiency.</p> <p>4.3. Revise the current FSS pay point incentives to include additional pay points for families who complete identified financial management and educational goals. See Attachment A for a proposed list of pay point revisions, made with the input of current and interested FSS participants.</p> <p>4.4. Provide opportunities for ineligible families to be engaged in programming (to be developed) while waiting until they become eligible.</p> <p>4.5. Enhance banking opportunities in Salishan and/or the east side.</p> <p>4.6. Strengthen and sustain relationships with key staff at target schools.</p>	<p>Currently happening Currently happening</p> <p>Underway</p> <p>TBD</p> <p>TBD Ongoing</p>
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6. Programmatic Changes to Consider

We also present some programmatic changes to consider in order to increase enrollment. These recommendations come from Salishan residents (including a homeowner), school staff, THA staff, and other partners.

- 6.1. Develop a “catchy” brand name similar to other programs.
- 6.2. **Create a stand-alone CSA website.**
- 6.3. Expand eligibility to more grades. Salishan families have been consistent in voicing the concern that the grade level eligibility requirement is problematic. Many families have children in many grades. Families are not as interested in the program if all of their children are not eligible. Possible solutions include:
 - 6.3.1. Allow grades K-3 to enroll in the elementary school program.
 - 6.3.2. Allow rolling enrollment. If a student who was a kindergartener or sixth grader did not sign up during the first year of the program, allow them to sign up later.
- 6.4. Consider an opt-out model. According to our partner CFED, opt-in programs require extensive outreach and marketing resources, and even then, do not result in high enrollment rates. Indeed, CFED recommends the opt-out model over the opt-in model in their technical assistance materials. (http://cfed.org/programs/csa/investing_in_dreams.pdf)

7. Conclusion

The Salishan CSA is an ambitious and important program that supports THA's Education Project goals. While it has no exact counterpart, year one recruitment appears to be roughly as successful as that achieved by other programs not attempting enrollment at a full state or district level. Our experience and that of other opt-in programs help us to formulate a more robust and sophisticated set of recruitment strategies to try going forward. Behavioral Economics give us helpful tools for designing these strategies.

We consider incorporating voices and activism within the Salishan community to be essential to the program's success. We will also work to make connections among the CSA, FSS and other asset building programs provided by THA and its partners, to incentivize parental interest in participation.

Finally, we recommend expansion of the program to include all grades, and consideration of an opt-out model if enrollment continues to lag after adoption of the strategies outlined above.

Michael Mirra

From: Michael Mirra
Sent: Sunday, September 11, 2016 3:36 PM
To: THA All
Cc: Mark Martinez; Troy Andrews (Troy@laborerslocal252.org); (MHODGE@Tacoma.K12.Wa.US); Derek Young; Derek Young (derek@seasonalview.com); drart6651@aol.com; Janis Flauding; Stan Rumbaugh
Subject: A Call for All Hands, Staff Lunch and Some Other Things

Dear All THA Staff:

I write because THA and your colleagues at THA will need your help this Fall and in a special way. As we all know, work at THA has been very busy. Between now and the end of the year, it is about to get busier, for two main reasons you will recognize: the OpenDoor software project, and the RAD project. These projects are on top of the normal year-end business. To get this work done, we may need staff to adjust their vacation schedule during November and December (except we do not mean any interruption to Veterans Day, Thanksgiving Week, November 21 to 25, and Christmas Week, December 25 to New Year's). Outside those holiday times, we have a request and a requirement that we hope you will understand:

- *Request:* We ask all staff if possible to be at work during these times. We certainly would understand if you cannot come to work because of important family obligations or because you have already planned a vacation that you cannot reschedule. But we ask you to try.
- *Requirement:* During these times, each department will schedule some of us to test the new OpenDoor software. In addition, Todd will schedule all of us, in shifts, to be trained on the new software. Also, the RAD project will require spurts of work from some of us. We must require all staff to be at work during their assigned times for these purposes or if necessary to cover for others who are doing this work. In scheduling and assigning this work, the departments will try to accommodate people's personal needs, but this may not always be possible. When that happens, we hope everyone will understand the need.

To help explain the need and answer questions, we will have an All Staff lunch at the FIC on Monday, **October 10th** at 12:30 PM. Sha will arrange this lunch with her customary style, so we know that the food will be good. It is important that each one of us comes to that lunch. It will give us a chance to explain and understand our situation further and why and how THA and your colleagues need your help. I also plan to announce some ways that THA will thank you for stepping up in this way. As one token of thanks, we will close the agency after the lunch so everyone can have the rest of that day off.

Although we will learn more at the lunch, here is some information in the meantime to explain our situation:

- *OpenDoor Software Conversion:* As you know, we are in the middle of an ambitious software conversion to a program of our own design that we call OpenDoor. Many of you have already devoted many hours and much effort to its design. By all accounts that I have heard, OpenDoor is turning out well. We are already using some parts of it. Here is the challenge. The rest of OpenDoor must go live on **January 1, 2017**. That date is important because it is the start of our fiscal year. If we delay its full use until later next year, we will end up with 2017 data recorded in the old software system. We would then have to convert that 2017 data from the old system to OpenDoor. In ways I do not quite understand, that will cause a lot of problems and extra work that we do not wish on ourselves. All this affects other parts of OpenDoor because they are related to the financial part. This means that the whole new system must be ready to go live on January 1st. At the lunch, Todd will be able to explain in further detail why this is so important. I ask that you trust that it is.

To go live by January 1st and to make sure it works we must thoroughly test OpenDoor and its “interface” to the Financial platform called Intacct. Each department will designate staff to be testers. Also, all of us then need to be trained on the new software. Todd will arrange for our training in shifts.

- *RAD and the RAD Lease- Up:* We are well into our big RAD refinance and fix-up of our entire portfolio. To get this done, we have to renegotiate the financing with tax credit investors, lenders, the State of Washington and HUD for each of our existing tax credit partnerships. We are managing the actual construction work with our contractor, Walsh Construction. We have to do the hard and detailed work of relocating residents around the construction. We also have to sign up residents with their new leases by the tax credit deadlines. Property management will bear the main burden of getting those leases signed but it will likely need help from the rest of us.

This software and RAD work are on top of other important work that is straining us. Here is a partial list: Bay Terrace Phase 2, the McCarver Project and its expansion, the Children’s Savings Account and its implementation, the 2017 budget and year-end closing of the financial books, unit repairs, unit turns, lease enforcement, voucher issuances, voucher rule enforcement, recertifications, inspections, audits, reports to funders, reports to investors, reports to the THA Board, planning for the Center for Strong Families, procurement, recruitment, performance reviews, negotiations and shopping for health insurance, and the hundreds of other things it takes to run a complicated organization like a public housing authority, especially an ambitious one like THA.

Before we complain too loudly about what OpenDoor and RAD are requiring of us, let us remember that THA chose to do these two projects and to do them at the same time, understanding the significant effort both would take. Choosing to do both projects was yet another occasion to feel proud of THA, its staff and your high standards. The choice is another example of your ambitions and high standards. OpenDoor, for example, was not the only option we had when we shopped for our new software system. We could have chosen an off-the-shelf product designed for the average PHA. Such a product may have been easier to install. It may have been easier to convert the data from the old to the new system. We at least would not have needed to design the new system. Yet an

off-the-shelf product would have done only about 75% of what we needed. And we would have had to curtail our programmatic ambitions to its limitations. Instead, we need software to follow our ambitions and make them possible. This is why we chose the Salesforce platform to design our own system. We chose to do RAD to help ensure the financial health of our portfolio and to fix it up. We had to do RAD at the time we did in order to compete for the limited number of RAD units that Congress made available. We chose to do these projects knowing that, while they would save us work later and make us more effective, they would require more work from us on the front end, including the designing, testing and training we now must do.

In ways I hope to express at the staff lunch, I am very grateful for your ambitions and your willingness to work at them. It is one way that you make THA special among housing authorities.

Thank you.

Michael

Michael Mirra

Executive Director

Tacoma Housing Authority

902 South L Street, Tacoma, WA 98405

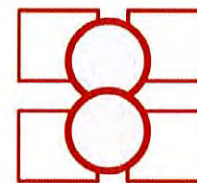
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"Housing Tacoma Forward"



**Promoting Successful Mixed-Income Communities
Tacoma Housing Authority**

Strategic Assessment Memo

Triple Aim Impact Consulting
August 2016

Thank you again for the extensive effort you put into organizing our visit with your staff and partners last week. We learned a tremendous amount about your local context and all that has been accomplished thus far. We are impressed by the successful redevelopment journey you and your partners have traveled thus far and inspired by your commitment to taking the work to another level as you move into the next phase of mixed-income occupancy and sustainability. We are gratified for your feedback that our presentations and discussions were valuable and came at an opportune time for the local work.

This memo supplements the summary memo that we have produced for all three housing authorities that hosted our visit. In this strategic assessment memo we focus on your specific context, opportunities and challenges and make recommendations about action steps for your to consider and ways that our Triple Aim Impact team might support you moving forward.

Particular nature of your moment of opportunity and challenge

At Salishan, the massive redevelopment project is moving into its final phases and the housing authority's attention can shift to the opportunities and demands of promoting a vibrant and inclusive mixed-income community.

Key characteristics of this moment:

- An increasing critical mass of homeowners with the resultant benefits and challenges
- Early recognition that the conventional structure and expectations of a homeowners association will likely not promote the desired sense of community at the development
- Broadened interest from city council members in the evolving community

- Growing questions among THA leaders about the appropriate role for THA's stewardship of the completed community and whether it should "pull back"?

Areas of good momentum

We noted many areas of strong momentum that provide wonderful assets for you to build on, including:

- On-site amenities
 - The expansion of health clinic
 - A bank locating on the site
- Burgeoning efforts for youth and education
 - children's savings accounts
 - new childcare center
 - improving school performance
- The successful work of the 18 community health advocates, both for the community members and as a supportive peer network among themselves, and the enduring support of the Foundation for Healthy Generations
- The strong work of the Community Builder and her partners, evidenced by, for example, the increasing scope of and participation in National Night Out
- The improvement of a major area amenity with the revitalization of Swan Creek Park
- The increasing stewardship displayed by community residents around Pea Pod community garden areas

Other key assets you have to build on

In addition to those areas of momentum, there are other key assets, some that you have already "activated" and others that could perhaps warrant more attention and be better leveraged.

Assets being activated

- Marty's commitment to the neighborhood and role with the homeowners association and city council
- Janice's role as a resident weaver

Assets that are possibly underutilized

- As she herself expressed, your Community Builder Nicole feels underutilized
- Better use of Swan Creek Park to engage youth, not only for their own enjoyment and recreation, but as volunteers, guides and ambassadors for this neighborhood amenity

- Community gatherings that could be used more effectively to build neighboring networks and practices
- Local entrepreneurial spirit among the residents, particular immigrants

Key questions we have

We are left with a few unanswered questions, including:

- What does it mean for THA to be a “social justice agency”? How deeply and widely - beyond Director Mirra, is this characterization used, understood and embraced within the TCA? How might this social justice framing be used to help explain the enduring role of the housing authority in the Salishan mixed-income community and ways it needs to shift?
- How would you assess the quality of property management at Salishan, their areas of strength and areas for improvement, and the readiness and capacity of that team to engage in the paradigm and operating culture shift required to be a strong strategic partner in this next phase?
- How can the interest of the city council representatives best be leveraged?
- At what point might the community be ready for a “quality of life covenant” process, where collective decisions and statements are made by residents and staff together about expectations and commitments for mixed-income community life?
- What forms – outside of the current association – are or will be needed to support the mission and imperative of ‘activating the mix’ and cultivating neighboring and stewardship across lines of difference

Key short-term threats/limitations

In our assessment, some of the key short-term threats and limitations to mixed-income success at Salishan include:

- The lack of resident voice and participation, the sense among renters that “my voice doesn’t count”
- The dominance of homeowners and the conventional legalistic (and thus exclusionary) approach to decision-making about the community
- The lack of communication and coordination among the staff teams: THA community services, community health advocates and community builder (and property management)
 - We noticed a lovely Vision of Salishan diagram (in the form of a tree) in the community health advocates office and wondered if that was just the advocates’ Vision or had it been generated and shared with community services, the community builder and property management as well?

- The underutilization of your Community Builder and your existing community gatherings
- The dominance of a “service provision/client orientation” to the support strategy for residents, rather than a “stewardship”, “co-investment”, empowerment approach
- The gap between Director Mirra and Deputy Director Black’s evolving conception of the necessary paradigm shift and the rest of the agency. Questions about vertical alignment and horizontal alignment among staff members and partners regarding the nature of mixed-income enterprise
- The need for THA leaders to re-conceptualize what they are seeing as a time to “pull back” as rather a time to aggressively “lean in” to a new role around cultivating stewardship among other partners and community members

Critical questions you must answer/decisions you must make

We recommend that several key questions should be considered and answered by THA leadership, staff and partners, including:

- What would it mean for THA to take a more aggressive and intentional role in promoting a new operating culture/paradigm shift?
- Who should be in the initial small group of “Sparking Stewards” to meet, plan and launch a new mindset and mode of operating and engaging?
- What new “forms” of collaborating and network building are needed as a platform for sparking and sustaining this paradigm shift?
- What is the relevance and role of race in this shift? In a community with such high ethnic and cultural diversity, what is the enduring relevance of race? How can racial disparities and stigma be acknowledged and addressed and how can the community diversity be leveraged as an advantage?

Specific action steps you should consider taking

We propose the following specific action steps:

- Determine how to operationalize co-investment and synergy among the community health advocates, THA community service, community builder and property managers. Consider the formation of regularly scheduled “synergy meetings” among this team. This group should consider ways to launch a “movement” for a different kind of operating culture at Salishan.
- Replace the Town Hall format with a monthly Network Night
- Hold quarterly Community Assemblies for all residents, designed to provide more participatory decision-making opportunities

- Initiate more block-by-block neighbor connections using the Neighborcircles format (three successive meals among neighbors)
- Used the initiation of the Children's Saving Accounts program to launch a high-energy high-profile integrative campaign around promoting the success of all children in neighborhood – design it to engage homeowners as well as renters as well as teachers and other community stakeholders
- Consider launching a Young Stewards Program in Salt Creek Park
- Consider ways to catalyze local economic marketplace activity around the community gardens and other local entrepreneurial activity – to promote microenterprise exchange and also an opportunity to build stewardship, resident integration, and capacity building

Potential roles Triple Aim Impact could play

There are a number of roles that Triple Aim Impact could play to support the next phase of work by THA, including:

- Coaching of agency executives and other key initiative leaders
- Facilitate the process of defining “mixed-income success” at Salishan
- Support the development of metrics and measurement strategies to track and document progress toward goals
- Coaching of the “Sparking Stewards” team of staff, partners and residents
- Site visit(s) to co-implement network organizing activities: Network Night, Neighborcircles and the Community Assembly
- Best practice scans of the field for information specific to initiatives and strategies being launched at Salishan



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$8,413,285 for the month of August, 2016.

Approved: September 28, 2016

Dr. Arthur C. Banks, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of August 2016

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,921	- 2,925	1,964	
Accounts Payable Checks	Check #'s	88,005	- 88,248		
Business Support Center				446,946	Program Support
Moving To Work Support Center				114,227	
Tax Credit Program Support Center				67,844	
Section 8 Programs				370,074	Section 8 Operations
Salishan 7				48,089	Local Funds
Tacoma Housing Development Group				3	
Hillsdale Heights				500	Development
Salishan Developer Fee				1,071	
Development Activity				55,317	
Salishan Area 2B-Dev				2,436	
Salishan Area 4				485	
Bay Terrace II				1,050	
Hillside Terrace 1800 Court G Development				2,000	
New Look-Development				24,024	
KeyBank Building				10,183	
Bay Terrace II				1,789,154	
Renew Tacoma Housing Development				1,698,995	
CS General Business Activities				10,939	Community Service
SAFE				2,049	
Community Services MTW Fund				21,702	
Gates Ed Proj Grant				55	
WA Families Fund				84	
COT-McCarver Grant				95	Public Housing
AMP 1 - No K, So M, No G - Subsidy				66,714	
AMP 2 - Fawcett, Wright, 6th Ave - Subsidy				60,691	
AMP 3 - Lawrence, Orchard, Stevens - Subsidy				63,742	
AMP 6 - Scattered Sites				39,606	
AMP 7 - HT 1 - Subsidy				4,722	
AMP 8 - HT 2 - Subsidy				2,647	
AMP 9 - HT 1500 - Subsidy				1,303	
AMP 10 - SAL 1 - Subsidy				12,378	
AMP 11 - SAL 2 - Subsidy				13,776	
AMP 12 - SAL 3 - Subsidy				11,216	
AMP 13 - SAL 4 - Subsidy				12,462	
AMP 14 - SAL 5 - Subsidy				14,618	
AMP 15 - SAL 6 - Subsidy				14,584	
AMP 16 - Bay Terrace - Subsidy				15,089	
Allocation Fund				38,997	Allocations-All Programs
THA SUBTOTAL				5,041,829	
Hillside Terrace 1 through 1500				1,331	Tax Credit Projects - billable
Bay Terrace 1				1,414	
Renew Tacoma Housing Operations				50,859	
Salishan I - through Salishan 6				1,395	
Salishan Association - Operations				-	
TAX CREDIT SUBTOTAL (Operations - billable)				54,999	5,096,828
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	481,797	- 481,810	8,589	
	ACH	97,434	- 98,762	2,533,802	\$ 2,542,390
Payroll & Payroll Fees - ADP					\$ 620,625
Other Wire Transfers					
Purchase of 613 S 19th Street (White Estate) - 1800 Block				153,442	
					\$ 153,442
TOTAL DISBURSEMENTS					\$ 8,413,285



TACOMA HOUSING AUTHORITY

Date: September 28, 2016

To: THA Board of Commissioners

From: Ken Shalik
Finance Department Director

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT

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

The next financial report presentation will be in November, 2016, which will include income expenses through September 2016. This year's financial information will continue to be nuanced based on the timing of the remaining Tax Credit Public Housing units, along with any costs associated with the transaction(s). In reviewing the financials as they currently stand, I do not see any challenges or concerns at the current time that will affect our financial status at the end of the year.

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 have completed both the single and financial audits, and are currently working on the accountability audit. An interim exit conference was held with Michael and me on September 6. The document associated with the conference is enclosed in the board packet. There are no findings or issues of concerns in the two areas they have completed. There will a final exit conference in the latter part of October, early November with the Finance Committee.

4. BUDGETS

We have officially commenced the 2017 budget process, and are awaiting information from departments to see where we stand.

5. YEAR END UPDATE

There is no update at this time.



Washington State Auditor's Office

Government that works for citizens

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Interim Exit Conference: Tacoma Housing Authority

About our Office

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

The purpose of this meeting is to share our audit results and draft reporting. We value and appreciate your participation.

Audit Highlights

- We would like to thank Duane Strom and Authority staff for their cooperation and timely response to our requests during the audit.
- We would like to thank Authority staff for their support during the federal grant compliance audit. The audit work was extensive and required contact with multiple staff. We appreciate the Authority remaining patient throughout the course of the audit and congratulate them on ensuring compliance with grant requirements.

Audit Scope

We performed the following audits for your Tacoma Housing Authority:

- **Financial statement audit for 2015** See draft report.
- **Federal grant compliance audit for 2015** See draft report.

Financial Statement required communications

In relation to our report, we would like to bring to your attention:

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.

Concluding Comments

Report Publication

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/saoportal/Login.aspx>

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$63,300. Based on the completion of the financial statement and federal grant compliance audits, we believe actual audit costs will approximate this amount.

Audit Survey

When your report is released you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit
Report

**Housing Authority of the City of
Tacoma**

Pierce County

For the period January 1, 2015 through December 31, 2015

Published
Report No.





Washington State Auditor's Office

Issue Date – (Issued by OS)

Board of Commissioners
Housing Authority of the City of Tacoma
Tacoma, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Housing Authority of the City of Tacoma's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Housing Authority's financial condition.

Sincerely,

Signature Here (Please do not remove this line)

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

S-1

Housing Authority of the City of Tacoma

Pierce County

January 1, 2015 through December 31, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Housing Authority of the City of Tacoma are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the business-type activities and the aggregate discretely presented component units in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Housing Authority’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs:

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
14.881	Moving to Work Demonstration Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$1,369,466.

The Housing Authority qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

I-1

Housing Authority of the City of Tacoma

Pierce County

January 1, 2015 through December 31, 2015

Board of Commissioners
Housing Authority of the City of Tacoma
Tacoma, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 6, 2016. As discussed in Note 1 to the financial statements, during the year ended December 31, 2015, the Housing Authority implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Our report includes a reference to other auditors who audited the financial statements of the Hillside Terrace Phase I LP, Hillside Terrace Phase II LP, Hillside Terrace 1500 LP, Salishan One LLC, Salishan Two, LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, Salishan Six LLC, 2500 Yakima LLLP, and MLK New Look LLC, as described in our report on the Housing Authority's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Hillside Terrace Phase I LP, Hillside Terrace Phase II LP, Hillside Terrace 1500 LP, Salishan One LLC, Salishan Two, LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, Salishan Six LLC, 2500 Yakima LLLP, and MLK New Look LLC were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Hillside Terrace Phase I LP, Hillside Terrace Phase II LP, Hillside Terrace 1500 LP, Salishan One LLC, Salishan Two, LLC, Salishan Three

LLC, Salishan Four LLC, Salishan Five LLC, Salishan Six LLC, 2500 Yakima LLLP, and MLK New Look LLC.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we **and the other auditors** consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests **and the report of the other auditors** disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Signature Here (Please do not remove this line)

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

September 6, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

S-2

Housing Authority of the City of Tacoma

Pierce County

January 1, 2015 through December 31, 2015

Board of Commissioners
Housing Authority of the City of Tacoma
Tacoma, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of the Housing Authority of the City of Tacoma, Pierce County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended December 31, 2015. The Housing Authority's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

F-1

**Housing Authority of the City of Tacoma
Pierce County
January 1, 2015 through December 31, 2015**

Board of Commissioners
Housing Authority of the City of Tacoma
Tacoma, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page { }.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hillside Terrace Phase I LP, Hillside Terrace Phase II LP, Hillside Terrace 1500 LP, Salishan One LLC, Salishan Two, LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, Salishan Six LLC, 2500 Yakima LLLP, and MLK New Look LLC which represents 98.8 percent, of the assets and net position, and 100 percent of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hillside Terrace Phase I LP, Hillside Terrace Phase II LP, Hillside Terrace 1500 LP, Salishan One LLC, Salishan Two, LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, Salishan Six LLC, 2500 Yakima LLLP, and MLK New Look LLC is based solely on

the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Hillside Terrace Phase I LP, Hillside Terrace Phase II LP, Hillside Terrace 1500 LP, Salishan One LLC, Salishan Two, LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, Salishan Six LLC, 2500 Yakima LLLP, and MLK New Look LLC were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Tacoma, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2015, the Housing Authority adopted new accounting guidance, Governmental Accounting Standards Board *Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages [page # to be inserted by OS] through [page # to be inserted by OS], and information on postemployment benefits other than pensions on pages [page # inserted by OS] through [page # inserted by OS] be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We **and the other auditors** have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accompanying Financial Data Schedule and HUD form are supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America **by us and other auditors**. In our opinion, **based on our audit, the procedures performed as described above, and the report of the other auditors**, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2016 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Signature Here (Please do not remove this line)

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

September 6, 2016

FINANCIAL SECTION

**Housing Authority of the City of Tacoma
Pierce County
January 1, 2015 through December 31, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2015

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2015

Statement of Revenues, Expenses and changes in Net Position – 2015

Statement of Cash Flows – 2015

Notes to Financial Statements - 2015

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability PERS Plan 1 - 2015

Schedule of Proportionate Share of Net Pension Liability PERS Plan 2/3 - 2015

Schedule of Employer Contributions PERS Plan 1 – 2015

Schedule of Employer Contributions PERS Plan 2/3 - 2015

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes - 2015

Financial Data Schedule – 2015

Actual Comprehensive Grant Cost Certificate – WA19C00550111

Actual Comprehensive Grant Cost Certificate – WA19P00550111

Actual Comprehensive Grant Cost Certificate – WA19R00550213

TACOMA HOUSING AUTHORITY

CASH POSITION - August 2016

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	8,568,589	0.33%
Section 8 Checking	1,619,052	0.33%
THA Affordable Housing Proceeds	3,122,123	0.33%
Scattered Sites Proceeds	100	0.33%
Note Fund Account	101	0.33%
Credit Card Receipts	104	0.33%
THA Investment Pool	290	0.33%
THA LIPH Security Deposits	9,300	0.33%
THDG - Tacoma Housing Development Group	182,675	0.33%
Salishan 7	1,233,590	0.33%
Salishan 7 Security Deposit	27,310	0.33%
Salishan 7 Replacement Reserve	185,409	0.33%
Salishan 7 Operating Reserve	199,622	0.33%
Outrigger Operations	70,461	0.33%
Outrigger Security Deposit	23,600	0.33%
Outrigger Replacement Reserve	36,806	0.33%
Prairie Oaks Operations	49,960	0.33%
Prairie Oaks Security Deposit	4,312	0.33%
Prairie Oaks Replacement Reserve	4,385	0.33%
Payroll Account	11,385	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,635,050	0.48%
1. TOTAL THA CASH BALANCE	\$ 16,984,225	
Less:		
2. Total MTW Cash Balance	\$ 680,798	
<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)	\$ -	
<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)	247,465	
3.04 Education Projects - McCarver & Others	310,000	
3.10 Total Reserve Commitments (Lines 3.01 through 3.04)	\$ 1,423,465	
<i>MTW Cash Held By HUD</i>		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 2,094,975	
3.20 Total MTW Cash Held By HUD	\$ 2,094,975	

TACOMA HOUSING AUTHORITY

CASH POSITION - August 2016

4. Non MTW Cash Restrictions

Other Restrictions:

4.01 FSS Escrows	\$	102,781		
4.02 VASH, FUP & NED HAP Reserves		290,777		
4.03 Mod Rehab Operating Reserves		82,967		
4.04 Security Deposit Accounts		57,934		
4.05 Salishan Sound Families - 608		34,638		
4.06 Gates Foundation - 615, 616, 617		268,048		
4.07 WA Families Fund - 676, 713		8,902		
4.08 Outrigger Reserves		36,806		
4.09 Salishan 7 Reserves		810,031		
4.10 Prairie Oaks Reserves		4,385		
4.11 THDG - 048		182,675		
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,122,123		
4.20 Total - Other Restrictions			\$	5,213,467

Agency Liabilities:

4.30 Windstar Loan - 042		268,288		
4.40 Total - Agency Liabilities			\$	268,288
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)

\$ 5,551,756

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

\$ 10,751,672

7. Agency Current Commitments:

Board Approval

Expended

Obligation
Balance

Salishan Campus (PY exp plus 2016 budget)	\$	211,924	\$	141,924	\$	70,000
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¹ Total Current Commitments outstanding

\$ 70,000

Agency Advances for Current Development Projects

			\$	-	
Total Agency Advances			\$	-	



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: September 28, 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

THA continues to work with United Way of Pierce County, Sound Outreach, the Tacoma Urban League and other partners to site a Center for Strong Families (CSF) in the Hilltop neighborhood.

In August, the Board authorized Michael Mirra to enter negotiations to purchase the Klatt Building at 1307 S. 11th Street as a prospective site. However, a physicians' group subsequently made a near-asking price offer for the property. THA and its realtor estimate this offer to be approximately \$200,000 over market value. We will monitor the status of this sale, but not make a competing offer.

We have renewed focus on the former Key Bank at 1120 S. 11th. In early September, the CSF partnership members walked the site with Buffalo Architects. We are now awaiting proposed scopes for tenant improvements at \$250,000 and \$500,000 price points. The partners are aware and express comfort with a 3-5 year anticipated window for occupancy.

3. COMMUNITY SERVICES

Mia Navarro, Community Services Division

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

August 2016	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing	2	0	37	73
Families in Transition (FIT)	1	3	13	23
Family Self Sufficiency (FSS)	10	2	107	152
General Services	8	0	31	102
Hardship	0	0	0	7
Housing Opportunity Program (HOP) Case Management	5	0	7	11
Children's Savings Account (CSA) K – 5 th Grade Stage	3	0	22	23
CSA 6 th – 12 th Grade Stage	2	0	25	25
McCarver	3	2	42*	45
Senior & Disabled	16	40	87	196
DEPARTMMENT TOTAL	50	47	371	657

* Count includes 10 households on extension or hardship.

3.2 PROGRAM UPDATES

3.2.1 Education Project Update

McCarver Elementary School Housing Assistance Program

On August 17, Client Services; Policy, Innovation and Evaluation (PIE); and Tacoma Public Schools proposed a plan for appropriately ending the rental assistance and supportive services for participants in the McCarver Elementary School Housing Assistance Program. The proposal offered provisions for households whose five-year time-limited assistance is set to expire at various times throughout the coming year.

The purpose of the proposed plan is to achieve the following:

- Appropriately implement the five-year time limits for households who have reached the limit and will no longer have children at McCarver during the 2016-2017 school year.
- Ensure that households who will have children at McCarver during the 2016-2017 school year will not lose rental assistance in the middle of the school year, alleviating disruption to the child's learning and school attendance.
- Provide assistance to participants who may need more time through a hardship extension.

Executive Director Mirra accepted the proposal with slight modifications. 10 families are positively impacted by this extension, with 32 other participant families currently not impacted and in good standing. We are working with Tacoma Public Schools to identify new eligible families to replenish the cohort to 50 participant families, excluding the 10 who will exit when these extensions or hardships expire.

Currently, 22 families are shopping. This is unfortunately consistent with the experience of new households entering Housing Opportunity Program (HOP) as well. The housing market is very challenging. Policy and Client Services are working to identify landlord incentives and other forms of client assistance to aid subsidy recipients in securing housing.

Next month, we will report on the emerging partnerships that will support participants in tenancy, asset building, workforce development and behavioral health.

Children's Savings Account (CSA) Program Update

Trisha Mozo, the Education Program Specialist, led an active and prolific Children Savings Account (CSA) outreach campaign within Salishan in August. The largest event was an investment by the CSA to co-sponsor the Salishan National Night Out (NNO) in order to boost name recognition with the community. The CSA sponsored two crowd favorites at NNO: a blow-up obstacle course and a two-person hamster wheel race. Children accessed the rides by coming to the CSA information tent to receive a CSA bracelet. Inside the CSA tent, they played educational games, received free books, and of course information about the CSA. Next to the CSA tent, they viewed a local artist perform live graffiti art with a theme of "dreaming of higher education." Children were also encouraged to attend the CSA-sponsored photo booth, where they took individual and group pictures while dreaming big about their future professions. Children proudly smiled for the camera while holding signs displaying their goals of "Doctor," "Policeman," and "President." Families received pictures to display and keep the visual of their children's aspirations prominent in their homes.



3.2.2 General Services Program Update

Community Services is proud to announce Families in Transition and General Services Case Worker Bridgette Johnson. Bridget received her License Social Work Associate Independent Clinical (LSWAIC) license in August. Bridgette adds this credential to her new Masters of Social Work (MSW) degree and Chemical Dependency Professional (CDP) licensure.

McCarver Case Worker Samantha Iverson also obtained her MSW degree. Samantha and Bridgette both graduated from University of Washington-Tacoma's School of Social Work this summer.

4. RENTAL ASSISTANCE AND LEASING

Julie LaRocque, Associate Director of Rental Assistance

Housing Choice Voucher utilization is reported at 97.9% for the month of August, 2016. We are happy to report the VA made 18 referrals recently. The VA filled protractedly vacant positions, increasing their case management capacity for making referrals.

Rental Assistance continues to pull names from the 2015 HOP waiting list and issue HOP vouchers. Rental Assistance continues to update the site-based waiting list and anticipates completing this substantial task this fall.

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	171	97%
NED (Non Elderly Disabled) Vouchers	100	97	97%
FUP (Family Unification Program)	70	46	92%
CHOP (Child Welfare Housing Opportunity Program)	20	19	95%
McCarver Program	50	42*	84%
CHAP (College Housing Assistance Program)	25	24	96%
TOTAL	422	399	94.5%

**Count includes 10 households on extension or hardship.*

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	18	90%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	11	79%
Guadalupe Vista	40	37	93%
Harborview Manor	125	123	98%
Hillside Gardens	8	6	75%
Hillside Terrace	9	9	100%
Nativity House	50	50	100%
New Look Apts.	42	40	95%
Pacific Courtyards	23	20	87%
New Tacoma Phase II	8	6	75%
Salishan 1-7	340	332	98%
Tyler Square	15	13	87%
TOTAL	704	675	96%



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: September 28, 2016

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Monthly Board Report

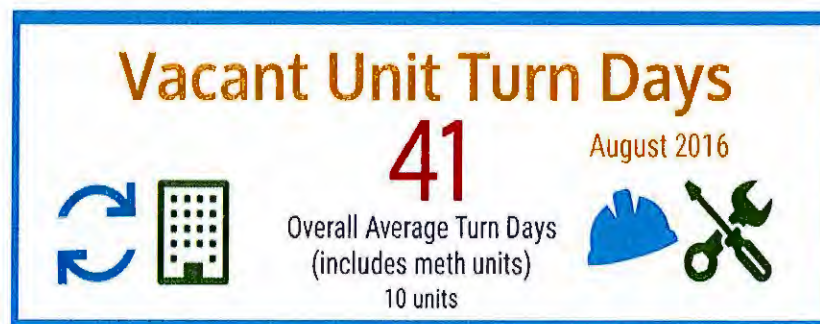
1. OCCUPANCY OVERVIEW

1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	6	0	126	95.45%	97.03%
Family Properties	138	28	14	110	79.71%	83.07%
Salishan	631	9	0	622	98.57%	99.19%
Senior/Disabled	353	24	1	329	93.20%	95.54%
All Total	1,254	67	15	1,187	94.66%	96.23%

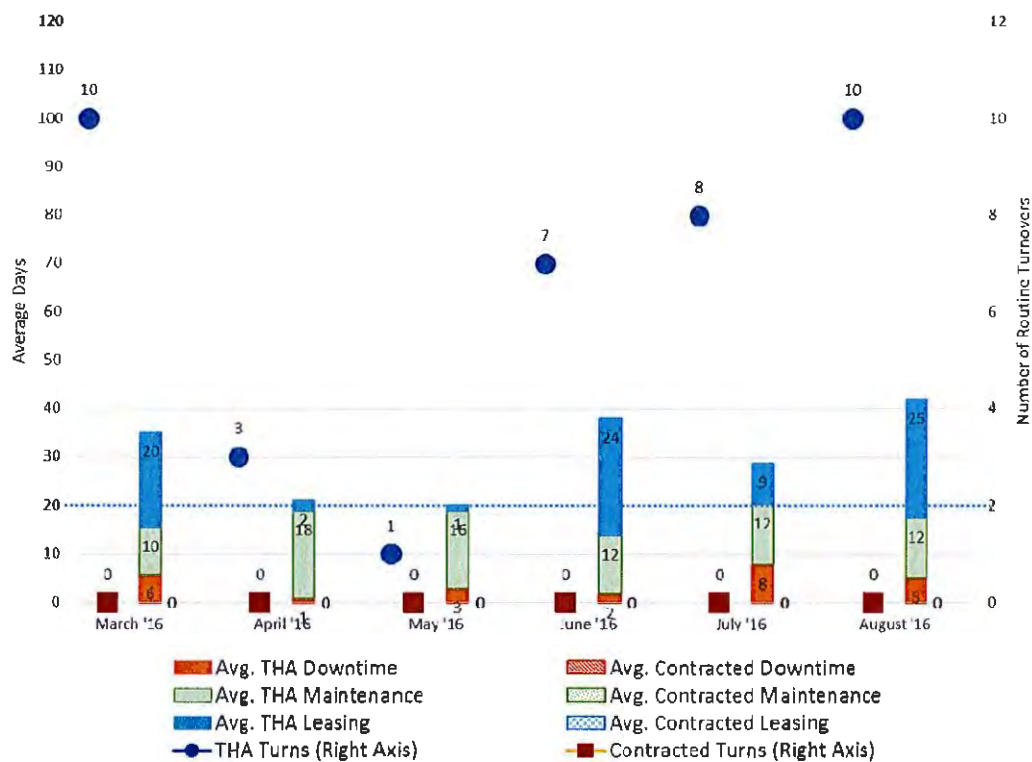
Unit occupancy is reported for the first day of the month. This data is for the month of August. The high vacancy rate in the Senior/Disabled and Family properties is attributable to units being held for the Rental Assistance Demonstration (RAD) rehabilitation and the sale of our remaining Public Housing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

1.2 Vacant Clean Unit Turn Status



September 2016 Board of Commissioners Meeting
PROPERTY MANAGEMENT DEPARTMENT MONTHLY REPORT
Page 2

Breakdown of Routine Turnovers Done by THA and Contractors



Routine Turns - Performed by THA and Contractors

Today's Date 9/13/2016

Ending Month: August 2016

Beginning Month: March 2016

		Routine THA Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	August	10	41.9	5.1	12.3	24.5
2016	July	8	27.3	7.9	12.4	8.5
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
		Routine Contracted Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	August	0	0.0	0.0	0.0	0.0
2016	July	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of August was **41** days for ten (10) 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:

Bergerson Terrace #22 (24) days: Unit was in downtime for 10 days. Maintenance work was completed in 14 days. Unit was leased up the same day of completion.

Hillside 1500 #179 (94) days: Unit was in downtime for 2 days. Maintenance work was completed in 13 days. 79 days were attributed to leasing efforts. Unit was offered to 7 applicants before being accepted.

Salishan 1 4012 Q Street (24) days: Unit was in downtime for 2 days. Maintenance work was completed in 22 days. Unit was leased up the same day of completion.

Salishan 4 4467 Q Street (31) days: Unit was in downtime for 8 days. Maintenance work was completed in 11 days. 12 days were attributed to leasing efforts.

Salishan 7 4834 Q Street (43) days: Unit was in downtime for 6 days. Maintenance work was completed in 13 days. 24 days were attributed to leasing efforts.

Bay Terrace # 105 (56) days: Unit was in downtime for 1 day. Maintenance work was completed in 13 days. 42 days were attributed to leasing efforts. Unit was held for a Reasonable Accommodation (RA) tenant transfer.

Bay Terrace #309 (92) days: Unit was in downtime for 11 days. Maintenance work was completed in 3 days. 78 days were attributed to leasing efforts. Unit was offered to 6 applicants before being accepted.

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 tracking charts to monitor projected progress.

- **Leasing**

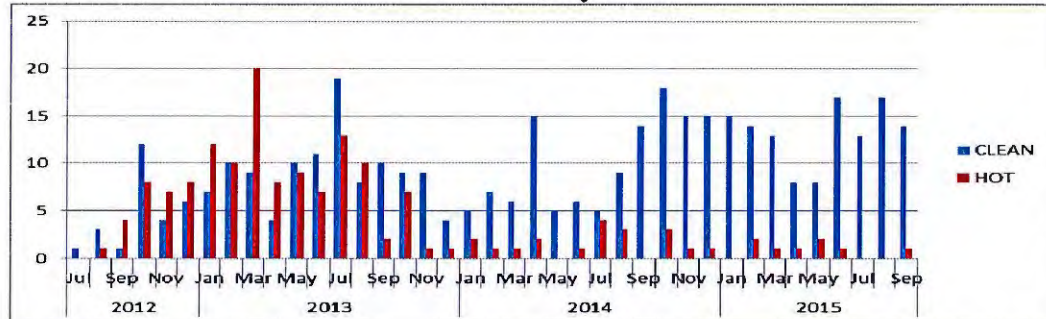
- ✓ Prescreen to identify ready applicants.
- ✓ Site-based leasing. Concentrated efforts on units. Each property staff will be responsible for the leasing efforts to fill their units.
- ✓ THA staff will undergo training to better lease our units that are not subsidized. THA is competing with the open 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 August, 2016

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		Month		Month		YTD	
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
All Hillside										
BAY TERRACE	0	0.0%	2	100.0%	1		4	0.50	117	4.15
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	0		2	0.50	30	4.87
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		3	2.00	52	3.73
HILLSIDE TERRACE PH II	0	0.0%	1	100.0%	0		2	1.00	28	2.54
	0	0.0%	4	100.0%	1	0.00	11	1.00	227	3.85
Family Properties										
BERGERSON TERRACE	2	100.0%	16	100.0%	10	0.20	23	3.39	206	3.68
DIXON VILLAGE	1	100.0%	11	100.0%	1		9	4.00	68	4.07
SCATTERED SITES	0	0.0%	7	100.0%	1	2.00	8	4.75	66	3.80
	3	100.0%	34	100.0%	12	0.33	40	3.80	340	3.78
Salishan										
SALISHAN I	0	0.0%	3	100.0%	4	0.56	6	7.33	259	9.47
SALISHAN II	0	0.0%	5	100.0%	7	3.00	37	6.68	270	8.97
SALISHAN III	0	0.0%	1	100.0%	5	4.40	6	2.87	271	8.81
SALISHAN IV	0	0.0%	4	100.0%	5	1.80	13	5.32	193	10.58
SALISHAN V	0	0.0%	4	100.0%	4	2.25	10	5.80	243	11.12
SALISHAN VI	0	0.0%	2	100.0%	6	2.17	9	8.33	185	8.75
SALISHAN VII	0	0.0%	5	100.0%	4	4.25	12	7.92	153	11.56
	0	0.0%	24	100.0%	35	2.66	93	6.50	1,574	9.78
Senior / Disabled Properties										
6TH AVE	0	0.0%	8	100.0%	4		17	1.12	128	6.28
E.B. WILSON	0	0.0%	8	87.5%	0		32	3.31	179	47.56
FAWCETT APARTMENTS	1	100.0%	5	100.0%	1		7	7.43	44	2.36
LUDWIG APARTMENTS	1	100.0%	8	100.0%	3		2	0.50	63	3.11
NORTH G ST	0	0.0%	12	100.0%	2		6	7.33	75	17.41
NORTH K ST	1	100.0%	8	100.0%	3	2.33	11	23.82	94	13.31
WRIGHT AVE	0	0.0%	2	100.0%	0		9	3.11	84	2.80
	3	100.0%	51	98.0%	13	0.54	84	6.10	667	18.60
Agency Totals:	6	100.0%	113	99.1%	61	1.71	228	5.61	2,808	10.68

In the month of August, 100% of emergency work orders were completed within 24 hours. In August, maintenance staff completed 228 non-emergency work orders with a total of 2,808 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 10.68.

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

		Emergency		Urgent		Non Emergency		
Portfolio		Opened Emergency WO	Days Open	Open Urgent WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside								
BT	BAY TERRACE (TC)	0	0	1	12	9	8	1
HT1	HILLSIDE TERRACE PH 1	0	0	0	0	1	1	0
HT150C	HILLSIDE TERRACE 1500 Block	0	0	0	0	0	0	0
HT2	HILLSIDE TERRACE PH II	0	0	0	0	3	0	3
		0	0	1	12	13	9	4
Family Properties								
020	BERGERSON TERRACE	2	0	0	0	18	15	3
022	LOW RENT SCATTERED SITES (19)	0	0	0	0	0	0	0
023	DIXON VILLAGE	1	0	0	0	1	1	0
		3	0	0	0	19	16	3
Salishan								
SAL1	SALISHAN ONE LLC (S8)	0	0	1	16	56	55	1
SAL2	SALISHAN TWO LLC (PH)	0	0	2	14	82	78	4
SAL3	SALISHAN THREE LLC (S8)	0	0	0	0	28	28	0
SAL4	SALISHAN FOUR LLC (S8)	0	0	0	0	51	47	4
SAL5	SALISHAN V LLC (S8)	0	0	1	7	53	53	0
SAL6	SALISHAN SIX LLC (S8)	0	0	3	11	48	48	0
SAL7	SALISHAN SEVEN	0	0	1	8	35	33	2
		0	0	8	58	351	340	11
Senior / Disabled Properties								
006	NORTH K ST	1	0	0	0	1	1	0
008	E.B. WILSON	0	0	0	0	9	8	1
009	FAWCETT APARTMENTS	1	0	0	0	0	0	0
010	WRIGHT AVE	0	0	0	0	1	1	0
012	LUDWIG APARTMENTS	1	0	0	0	1	1	0
013	NORTH G ST	0	0	0	0	3	2	1
014	8TH AVE #2	0	0	0	0	2	1	1
		3	0	0	0	17	14	3
Agency Totals:		6	0	9	68	400	379	21

The open work orders that are greater than 25 days is 21 in August, 2016. 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.



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (1)

Date: September 28, 2016

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Approval of Tenant Account Receivable Write-Offs

This resolution will authorize Tacoma Housing Authority (THA) to write off bad debts associated with tenant accounts in the amount of \$10,934.37

Background

THA has established a process of writing off tenant accounts receivable bad debt. THA incurs this bad debt when a program participant leaves the Public Housing or Housing Choice Voucher program owing a balance. The debt may arise from excessive damage to a unit, unpaid rent, or tenant fraud/unreported income. There are also instances where a property owner is overpaid rental assistance payments and the owner has not repaid THA for this amount.

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

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

Some accounts included in this resolution will not be sent to collections because the tenants have passed away, discharged the debt in bankruptcy proceedings or have a balance owing of less than \$30.00. Those accounts are indicated with asterisks (*) below.

Recommendation

Authorize THA staff to write off tenant accounts totaling \$10,934.37.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (1)

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:

Authorize 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		
		00000990	\$6,291.00
		00014297	\$1,280.00
		717797	\$150.00
		Subtotal	\$7,721.00
	Salishan VII		
		XX001034	\$1,393.47
		XX001076	\$1,396.96
		Subtotal	\$2,790.43
* W-O No Collect			
	S Wright Str		
		00131534	\$422.94
Grand Total			\$10,934.37

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

Approved: September 28, 2016

Dr. Arthur C. Banks, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (2)

Date: September 28, 2016
To: Board of Commissioners
From: Michael Mirra
Executive Director
Re: Approval of THA's 2017 Moving to Work Plan

This resolution would authorize the Executive Director to submit to HUD THA's Fiscal Year 2017 Moving to Work (MTW) Plan. The Plan proposes no new initiatives and a revision to an existing activity.

Background

Each year, Tacoma Housing Authority (THA) proposes new MTW activities intended to meet the statutory goals of the MTW program:

- Reduce costs and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

MTW "activities" are best described as new things THA wishes to do that require waiving Housing and Urban Development (HUD) regulations. Staff has gone through a community and staff consultation. This year THA is not proposing any activities for FY2017. It does propose a revision to an existing activity.

This year, Sheryl Stansell met with each department director and executive staff to understand the agency's MTW needs and priorities. She consulted with the staff of Rental Assistance, Property Management and Community Services teams. Results of the consultation process informed which new activity ideas and/or revisions to existing activities would be included in the MTW Planning memo to THA's Cabinet for inclusion in the 2017 planning process.

While many of staff's suggestions would not require further MTW flexibility, staff voiced the desire to take another look at many of THA's existing activities and their policy implications. Examples include portability policies, when THA will and will not process rent reductions based on interim income changes, the Housing Opportunity Program payment standard amount and the Family Self-Sufficiency program pay points. Revisions to these policies will require further research. Staff does not propose any such revisions this year. Each policy will be evaluated separately. The Board should expect to see proposals on any revisions to these policies in the coming months.

New activities were suggested from executive leadership but the proposed plan does not include them because staff does not have the time to conduct the research necessary to deploy such programs. This includes an expansion of the College Housing Assistance Program and the development of a rental assistance program for formerly incarcerated individuals. We will work on both of these programs in 2017. If MTW authority is necessary for either of these programs, THA may submit an MTW plan amendment in 2017.

2017 MTW Plan

The 2017 MTW Plan does not include any new activities but does include one revision to an existing activity. The revision is to the “Local Income and Verification Policies” activity.

THA key holders are essential to the proper functioning of THA’s properties. They provide a reassuring and very useful presence and supervision to each senior building. THA pays each key holder a wage. When THA initially implemented rent reform for the populations residing in its properties, we told key holders that we would exclude their key holder wage from their rent calculation. This turned out to be more complicated than we thought. THA does have MTW flexibility to disregard any income from resident stipends but the income earned by key holders is not technically a stipend. We could not exclude it from the rent calculation without a further change to the MTW plan. In this proposed plan, we would make that change to exempt earned income from the key holder’s rent calculation. This will make the Key Holder position more appealing to residents.

Any changes to the MTW Plan that are approved by the board and HUD will be updated in THA’s Administrative Plan.

The draft plan can be viewed by following this link: <http://tacomahousing.net/content/moving-work-0>

Community and Staff Consultation

During the planning process, there has been staff input and attempts to consult the community. Staff brainstorming sessions were held and recommendations for the FY 2017 Plan were submitted to the Cabinet. After receiving approval from the cabinet to go through the public hearing process, THA has taken the following actions to receive feedback:

- Executive leadership consultation.
- Staff planning sessions.
- Public comment notice and draft MTW Plan made available on THA’s website.
- Public Hearing for current residents and all interested parties on August 31st.

No public comments were received during the public comment period.

Recommendation

Authorize THA’s Executive Director to submit the Housing Authority of the City of Tacoma’s Fiscal Year 2017 Moving to Work (MTW) Plan.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (2)

Certifications of Compliance

**Annual Moving to Work Plan
Certifications of Compliance**

**U.S. Department of Housing and Urban
Development, Office of Public and Indian
Housing**

Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan*

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

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.

7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the City of Tacoma WA005

PHA Name

PHA Number/HA Code

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

Arthur Banks

Chair

Name of Authorized Official

Title

Signature

Date

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

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (3)

Date: September 28, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Redevelopment of 1800 Court F Hillside Terrace

Purpose

The purpose of this resolution is to authorize THA's Executive Director to:

1. Form a limited liability limited partnership (Court F LLLP);
2. To prepare, execute and submit to the Washington State Housing Finance Commission any agreements and other documents necessary to secure the proper approval of the LLLP's use of low income housing tax credits for the project;
3. To execute, deliver and/or file, on behalf of the Authority in its own behalf and in its capacity as the LLLP's general partner, as applicable, any other affidavits, certificates, letters, government forms, documents, agreements and instruments that the Executive Director determines to be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein and/or in connection with the application for low income housing tax credits or other financing for the project; and
4. To expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Background

THA demolished the 1800 block of Hillside Terrace during the Bay Terrace Phase I redevelopment. Staff is considering options to develop up to 75 new affordable units on that site. Staff expect that the new units will be affordable to households with incomes between 30% and 60% of area median income. Staff will likely propose one and two bedroom units located in a single mid-rise elevator building.

THA expects to lease the land and improvements to the LLLP for up to 99 years.

Staff expect the financing structure to include, but not be limited to, the following sources of funding: tax credit equity, City of Tacoma/TCRA funding, private debt, bonds and THA funds.

Recommendation

Authorize THA's Executive Director to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



TACOMA HOUSING AUTHORITY

RESOLUTION NO 2016-09-28 (3)

1800 Court F Hillside Terrace Authorizing Resolution

A **RESOLUTION** of the Housing Authority of the City of Tacoma authorizing (i) the formation of a limited liability limited partnership of which the Authority will be the sole general partner in connection with the acquisition, construction and operation of an affordable multifamily rental housing project located at 1800 Court F in the City of Tacoma, Washington; (ii) the submission of applications for funding and credit enhancement for such housing project; and (iii) the disposition by sale or lease of all or portions of the project site to the partnership; and providing for other matters properly related thereto.

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

WHEREAS, The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof" (RCW 35.82.070(2)); (ii) "lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project" (RCW 35.82.070(5)); (iii) "make and execute contracts and other instruments, including but not limited to partnership agreements" (RCW 35.82.070(1)); (iv) "delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper" (RCW 35.82.040); and (v) "make . . . loans for the . . . acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing persons of low income" (RCW 35.82.070(18)); and

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

WHEREAS, The Authority expects to develop an affordable multifamily rental housing project consisting of up to 75 dwelling units, to be located at the 1800 Court F in the City of Tacoma (the "Project"). The total financing for the project will require the use of various funding sources, which may include low-income housing tax credits, the issuance of tax-exempt bonds, loans from public and private lenders, and/or grants. Certain of those sources will require the creation of a limited partnership or limited liability company to maximize the benefits and minimize the risks to the Authority; and

WHEREAS, The Board finds and determines that both the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City; and

WHEREAS, Based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Authority's Board of Commissioners (the "Board") has deemed it necessary to 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. The Authority is authorized to: (i) participate in the formation of, and become the sole general partner in, a Washington limited liability limited partnership (the "Partnership"), which Partnership shall have an initial limited partnership agreement (the "Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership") substantially in the forms on file with the Authority's Executive Director (the "Executive Director"), with such changes as the Executive Director may deem necessary or advisable (and not inconsistent with the terms of this resolution). The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith.
2. The Executive Director and his designee (each, an "Authorized Officer" and, together, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, and cause the Authority to perform its duties under, the Partnership Agreement, the Certificate of Limited Partnership, all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) approve any changes to the Partnership Agreement and the Certificate of Limited Partnership, including any material changes, that any Authorized Officer may deem necessary or advisable (and not inconsistent with the terms of this resolution); (iii) determine the name of the Partnership (it being understood that the words "Court F" should appear in the name to the greatest extent feasible); and (iv) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited partnership, partnership agreement, general partner, limited partner, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, and certificate of formation, respectively.
3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, an allocation of private activity bond volume cap from the Washington State Department of Commerce (if it is determined that tax-exempt bonds should be issued to finance the Project), Washington State Housing Trust Fund grant(s) and/or loans(s), and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance

Commission for an allocation of (or approval of the use of) low income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue "9%" or "4%" tax credits), prepare, execute and enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation, and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation is initially made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) prepare all appropriate resolutions for Board review and approval; (viii) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (ix) negotiate contracts relating to the use, management and naming of Project buildings; (x) take all necessary and appropriate actions to dispose of the Project by sale or lease to the Partnership (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xi) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiii) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xiv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Project; and (xv) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

4. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.
5. The Authority is authorized to expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend up to \$1.5 million

to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% *per annum*).

6. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.
7. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: September 28, 2016

Dr. Arthur C. Banks, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (4)

Date: September 28, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Architectural and Engineering Services Crisis Recovery Center and Master Plan
Arlington Drive

This Resolution would authorize THA's Executive Director to negotiate and execute a contract for architectural and engineering services for the Crisis Recovery Center and master plan for Arlington Drive property to SMR Architects.

Background

Pursuant to Board Resolution 2016-09-28, THA will explore the development of a Crisis Residential Center at Arlington Drive. Staff and its partners are presently consulting with neighbors and community representatives. It will carefully consider community comment before any final commitment. It will also convene advisory committees of community members to consult about design and operations of the facility.

The City of Tacoma and Pierce County will be the primary source of funds for this development, including the design expenses. THA and the City are negotiating a development agreement to provide this funding. THA will not sign a contract with the architect until that agreement is signed.

On August 5, 2016, THA staff issued a Request for Proposals (RFP) from firms interested in providing architectural and engineering services for the Crisis Recovery Center and to master plan the Arlington Drive properties.

We posted the Request for Proposals on Washington Electronic Business Solutions (WEBS) and THA's website on August 5, 2016.

Five (5) firms responded to the RFP by the date of August 29, 2016. All proposals were responsive and responsible. A review team comprising of THA staff, staff from the City of Tacoma and community stakeholders reviewed and scored the proposals. The committee completed the first stage of the review process and determined that three (3) firms would advance to the second stage of the review with oral interviews. A maximum of 100 points were available. Points were organized into four primary sections, with proposals scored on several factors, including:

- Scoring point 1 is Organizational and Staff Capacity (30 Points)
- Scoring point 2 is Relevant Experience and Past Performance/Community and Mission Sensitivity (25 Points)
- Scoring point 3 is Approach and Response to Scope of Services (25 Points)
- Scoring point 4 is Interview and references (20 Points)

After the oral interviews, the evaluation team voted unanimously in favor of proceeding with contract negotiations with the firm of SMR Architects. The evaluation scores are as noted below:

Firm	Panelist 1					Panelist 2					Panelist 3					Panelist 4					Panelist 5					Average				
	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T	1	2	3	4	T
SMR	25	22	22	19	88	25	22	20	20	87	30	18	20	20	88	25	25	25	20	95	25	25	20	18	88	26	22	21	19	89
Buffalo	26	20	22	19	87	25	20	20	15	80	25	15	15	15	70	25	20	20	15	80	25	20	20	17	82	25	19	19	16	80
GGLO	24	21	22	10	77	25	20	15	5	65	30	18	15	5	68	25	25	20	5	75	25	15	20	5	65	26	20	18	6	70
RFM	28	23	21	0	72	25	18	18	0	61	25	20	17	0	62	20	15	15	0	50	20	15	20	0	55	24	18	18	0	60
Helix	25	21	20	0	66	20	15	15	0	50	20	15	18	0	53	20	15	15	0	50	20	20	15	0	55	21	17	17	0	55

Recommendation

Based on the above scores, staff recommends awarding a contract to the firm of SMR Architects to perform architectural and engineering services for the Crisis Recovery Center and master plan for Arlington Drive in the amount not-to-exceed \$300,000. If staff is unable to negotiate a contract with the highest ranking firm of SMR Architects, authorize THA's Executive Director to negotiate and award a contract with the second highest ranking firm of Buffalo Design.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (4) (Architectural and Engineering Services Crisis Recovery Center and Master Plan Arlington Drive)

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

WHEREAS, On August 5, 2016, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) from firms interested in providing architectural and engineering services for the Crisis Residential Center Project and to master plan the Arlington Drive property; and

WHEREAS, The RFP was posted on the Washington Electronic Business Solutions and THA's websites on August 5, 2016; and

WHEREAS, Five firms submitted proposals by the deadline of August 29, 2016, all were deemed responsive and responsible; and

WHEREAS, An evaluation team, comprised of THA staff and community stakeholders reviewed and scored the proposals according to evaluation criteria listed in the RFQ; and

WHEREAS, The evaluation team voted unanimously in favor of awarding contracts to the firm of SMR Architects;

WHEREAS, THA and the City of Tacoma are negotiating development agreement by which the City will cover the costs of development of the Crisis Residential Center, including the costs of design, now, therefore, be it

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

Once THA and the City of Tacoma execute a development agreement by which the City will cover the costs of development of the Crisis Residential Center, including the costs of this contract for architectural and engineering services, THA's Executive Director is authorized to negotiate, and if those negotiations are successful, execute a Contract with SMR Architects for architectural and engineering services for the Crisis Residential Center at Arlington Drive in an amount not-to-exceed of \$300,000. If staff is unable to negotiate a contract with that firm, authorize THA's Executive director to negotiate and award a contract with the second highest ranking firm of Buffalo Design.

Approved: September 28, 2016

Dr. Arthur C. Banks, Chair

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (5)

DATE: September 28, 2016

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Authorization to acquire limited partner and investor member interests in certain existing THA-controlled entities

This resolution would authorize Tacoma Housing Authority (THA), acting together with Tacoma Housing Development Group (THDG) to acquire the investor interests of Boston Financial Investment Management or its affiliate in Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three LLC (each a "LIHTC Entity").

Background

THA formed each LIHTC Entity for the purpose of owning and developing a low-income housing project that would qualify for federal low-income housing tax credits ("LIHTCs"). Each LIHTC Entity has developed and operates an affordable rental housing project located in Tacoma, Washington, on property owned by THA that is leased by the LIHTC Entity. THA is the general partner or the managing member of each LIHTC Entity. Boston Financial Investment Management or an affiliate (BFIM), owns all of the investor limited partner (or investor member) interests in each LIHTC Entity. The periods during which LIHTCs can be allocated to BFIM have either expired or will expire by December 31, 2016. THA has been advised that BFIM is willing to transfer its interests in each LIHTC Entity to THA, or a THA affiliate, so long as THA commits to comply with existing regulatory agreements applicable to each project.

Board Resolution

The subject resolution seeks Board approval to authorize the Executive Director and the Deputy Executive Director to each negotiate and execute documents on behalf of THA relating to the withdrawal of BFIM from each LIHTC Entity at the lowest cost reasonably possible.

Recommendation

Authorize THA's Executive Director and Deputy Executive Director to each negotiate and execute documents with BFIM regarding the Authority's acquisition of BFIM's interests in each LIHTC Entity.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (5)

(Authorization to acquire limited partner and investor member interests in certain existing THA-controlled entities)

A **RESOLUTION** authorizing the Authority to acquire the investor interests in Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC, and Salishan Three, LLC; authorizing the execution and delivery of certain agreements and other documents with respect to the acquisition of such interests; and providing for other matters properly related thereto.

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

WHEREAS, The Authority is the general partner or managing member of Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC (each, a "LIHTC Entity"), each of which developed and operates an affordable rental housing project on property leased to such LIHTC Entity by the Authority; and

WHEREAS, Boston Financial Investment Management and/or its affiliates (collectively, "BFIM") owns all of the limited partner interest and investor member interest in the LIHTC Entities; and

WHEREAS, BFIM is willing to transfer its investor interests in the LIHTC Entities to the Authority (or an affiliate of the Authority), so long as the LIHTC Entities continue to comply with exiting regulatory agreements applicable to each project; and

WHEREAS, The Board finds and determines that the Authority can obtain greater control of the various projects owned by the LIHTC Entities if it acquires such investor interests from BFIM, and that such greater control is in the best interests of the Authority and the persons it serves; now, therefore, be it

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

1. The Authority's Executive Director and Deputy Executive Director (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to negotiate with BFIM regarding the Authority's acquisition of BFIM's interests in each LIHTC Entity.

2. Subject to the limitation specified in Section 5 of this resolution, the Authority is authorized to acquire all of BFIM's interests in each or any of the LIHTC Entities. Each Authorized Officer is delegated the authority to determine the order in which BFIM's interests are to be acquired; which BFIM's interests, if any, are to be acquired and the amount (subject to the limitation specified in Section 5 of this resolution) the Authority will pay to (or reimburse) BFIM with respect to any such acquisition.
3. Each Authorized Officer is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as each LIHTC Entity's general partner or managing member) with respect to any acquisition to be made pursuant to this resolution to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, such agreements, certificates, documents and instruments as are necessary or appropriate in each Authorized Officer's discretion to give effect to this resolution and to consummate such acquisition; and (ii) take any other action that each Authorized Officer deems necessary and advisable to give effect to this resolution and consummate the transactions contemplated herein.
4. If the Authority acquires the interests of BFIM in any LIHTC Entity, each Authorized Officer is authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the LIHTC Entity's general partner or managing member) to cause BFIM to transfer all of its interests in each LIHTC Entity to the Authority and/or an affiliate of the Authority, including but not limited to Tacoma Housing Development Group.
5. The Authority is authorized to expend available Authority funds in a total amount that is the lowest cost reasonably possible in connection with the acquisition of BFIM's interests in the LIHTC Entities, including payments to and reimbursements of BFIM, as well as payment of any applicable filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
6. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
7. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: September 28, 2016



Dr. Arthur C. Banks, Chair



TACOMA HOUSING AUTHORITY

CERTIFICATE

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

1. That the attached Resolution No. 2016-09-28 (5) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on September 28, 2016, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on September 28, 2016.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director



TACOMA HOUSING AUTHORITY

**WALK-ON RESOLUTION
2016-09-28 (6)**



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (6)

Date: September 28, 2016

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Amendment to Initial Program and Income Certification and Leasing Services with Allied Residential

This resolution would authorized the executive director to increase the maximum contract amount for the income certification and leasing services we need for the Rental Assistance Demonstration (RAD) project from \$175,000 to \$186,000.

Background

The expended amount on this contract has reached its limits of \$175,000. Due to the extended closing date of the RAD program, some of the initial certifications that were done in October/November 2015 and April of 2016 had expired and had to be re-qualified. In order to be in compliance and have the files completed by the schedule date of July 17, 2016, we had to accelerate the schedule in order to meet that deadline, resulting in additional costs that exceed our contract amount. THA is recommending the contract dollar amount be increased an additional \$11,000. This will cover the expedited work and finish the contract with payment of the last invoice.

This resolution will give THA's executive director authorization to sign Amendment No. 3, which will increase the contract by an additional \$11,000 to cover additional income re-certifications through October, 2016 when the contract expires.

Recommendation

Authorize THA's Executive Director to amend the Initial Program and Income Certification and Leasing Services contract with Allied Residential increasing the dollar amount be increased an additional \$11,000, making the total amount of the contract of \$186,000.00.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-09-28 (6) **(Amend the Initial Program and Income Certification and Leasing Services** **with Allied Residential)**

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

WHEREAS, Tacoma Housing Authority (THA) signed a Contract with Allied Residential dated for initial program and income certification and leasing services in preparation for RAD. The purpose of this contract is to assist THA in preparing the resident files to qualify for tax credit requirements; and

WHEREAS, On January 27, 2016, under Resolution No. 2016-01-27 (5) THA received board approval increasing the contract an additional \$50,000 to cover re-certification of tenant files due to the RAD delay in closing; and

WHEREAS, On April 27, 2016, under Resolution No. 2016-04-27 (1), THA received board approval to increase the contract Amendment No. 2 for an additional \$25,000 for the additional work on the re-certification. At the time the 1st amendment was prepared, it was not known how many re-certifications had to be done; and

WHEREAS, The accumulative budget from services rendered are near the contract limit of \$175,000, authorized by the Executive Director; and

WHEREAS, Due to the RAD financing closing being extended, some of the certifications had to be re-certified to meet RAD requirements by July 17, 2016; therefore causing Allied Residential to work expeditiously to complete the work by the schedule due date; and

WHEREAS, The amended contract amount with Allied Residential will be a Not to Exceed \$186,000 for the Initial Program and Income Certification and Leasing Services Contract; now, therefore, be it

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

The Executive Director be authorized to amend the existing Initial Program and Income Certification and Leasing Services contract to increase the contract value to a Not Exceed \$186,000.

Approved: September 28, 2016

Dr. Arthur C. Banks, Chair