



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

November 16, 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, November 16, 2016

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, November 16, 2016, at 4:45 pm.**

The meeting will take place at:

**2302-6th Avenue
Tacoma, WA 98403**

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

I, Sha Peterson, certify that on or before November 16, 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

November 16, 2016 4:45 PM

2302-6th Avenue, Tacoma, WA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of October 26, 2016—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Administration
 - 7.3 Client Services
 - 7.4 Property Management
 - 7.5 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.2 2016-11-16 (1) Agency-wide Leave Adjustment
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any.**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, OCTOBER 26, 2016

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 602 South Wright Avenue, Tacoma, WA at 4:45 PM on Wednesday, October 26, 2016.

1. CALL TO ORDER

Chair Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:49 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Arthur Banks	
	Vice Chair Janis Flauding
Commissioner Stanley Rumbaugh (arrived at 5:03 pm)	
Commissioner Minh-Anh Hodge (arrived at 5:31 pm)	
Commissioner Derek Young	
Staff	
	Michael Mirra, Executive Director
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, 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 Banks declared there was a quorum present at 5:03 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Banks asked for any corrections or discussion of the minutes of the Regular Session of the Board of Commissioners on Wednesday, September 28, 2016. Commissioner Rumbaugh moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Danette Percival, 602 S. Wright Street, Unit 313

Ms. Percival addressed the board regarding rumors that THA would pay tenants \$50 each day they are not in their apartments to allow for renovations. She was informed that THA will discuss relocation and details with tenants prior to renovation, but will not pay tenants.

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

Commissioner Hodge was not in attendance.

Citizen Oversight Committee—Vice Chair Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

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

THA held an all-staff meeting on October 10 to discuss the high volume of work that must be done by the end of the year. THA is making plans for Rental Assistance Demonstration (RAD) closing and will also be training and testing the new THA software. To ensure that work is done as planned, THA asked staff to limit the amount of vacation they take at the end of the year. In turn, staff will receive additional days off in December.

THA received an award from the Affordalbe Housing Coalition. ED Michael Mirra also received the Margaret M. Sevy Affordable Housing Lifetime Achievement Award, recognizing and celebrating his sustained work, exceptional vision and unwavering commitment to promoting affordable housing in Washington State.

Policy, Innovation and Evaluation (PIE) department had a meeting with Community Services. THA is working closely with Community Services regarding the house on Bismark. Community Services raised 132k. They are on schedule to open on November 2. This was a two-month turn around request. THA Board Commissioners are welcome to visit the facility.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to his report.

The next report will be in November. There are no challenges currently. One thing that keeps changing is the closing of RAD. There are also legal and financial expenses on the tax credit side.

The audit for 2015 is over. There was a preliminary exit conference a month ago and there were no problems or challenges at that time. Another exit conference is scheduled for October 28, 2016, and Director Shalik is hoping to discuss the 2017 budget and plans on how to proceed. 2017 will be a lean year with RAD and IT Conversion expenses; there will be no cash back until 2018. Director Shalik has not had a chance to discuss the 2017 Budget with ED Mirra. The November Board Study Session will be re-scheduled for December.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$7,160,543 for the month of September, 2016. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Services

Client Services (CS) Director Grey Claycamp directed the board to his report.

Associate Director for Community Services Mia Navarro submitted her resignation. Mia's last day will be Friday, November 4. Director Claycamp is contemplating whether or not to fill the position. A little over a year ago, the Community Services division reorganized with the idea of eliminating the associate director position. Client Services (CS) will complete this review next week. The department is currently strong enough to go forward without the associate director position. Duties will be parceled out among the CS leadership team. CS is also considering developing a Section 3 Specialist position.

CS just received funding recommendation from the City of Tacoma. This will be a 4-year cycle for housing stabilization. Funding will go towards the elementary school housing program formerly known as the McCarver program. An important piece on the application was funding for mental health services. Services will be provided by Hope Sparks.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report.

Last month, Commissioner Flauding requested that a representative from the new Salishan security address the board. Director Patterson will reschedule the visit. There have been no complaints regarding the new security company. The new reporting matrix has been top notch.

Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick directed the board to her report.

THA is moving toward taking sole ownership of New Look. To do this Tacoma Housing Development Group (THDG) will have to exit partnership and transfer ownership to THA. There will be no transfer of funds, just interest.

8. NEW BUSINESS

8.1 RESOLUTION 2016-10-26 (1) (Adoption of 2017 Payment Standards)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to increase THA's payment standards to 100% of the 2017 HUD fair market rents.

WHEREAS, HUD sets fair market rents annually; and

WHEREAS, The housing authority sets payment standards based on market and participant data; and

WHEREAS, New payment standards will go into effect January 1, 2017; 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 increase THA's payment standards to 100% of the 2017 HUD fair market rents.

Approved: October 26, 2016

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

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

Motion Approved: October 26, 2016

Dr. Arthur C. Banks, Chair

8.2 RESOLUTION 2016-10-26 (2)
(Choice Mobility Options for Project Based Voucher Households)

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

WHEREAS, The Tacoma Housing Authority (THA) is converting its 809 Public Housing units to the Rental Assistance Demonstration (RAD) with Project Based Voucher (PBV) assistance; and

WHEREAS, HUD requires THA to offer Choice Mobility vouchers to the tenants these units; and

WHEREAS, THA had used its MTW flexibility to withhold the Choice Mobility option for the tenants of its 411 PBV-funded units that had never been public housing units and THA can continue to withhold this option from these tenants or it can confer the option on them; and

WHEREAS, THA had also used its MTW flexibility to withhold the Choice Mobility option for the tenants of PBV units owned by other organizations;

WHEREAS, THA's Asset Management Committee recommends that THA confer the Choice Mobility option on tenants of THA PBV units that had never been public housing units and that it confer with its partner organization to discuss whether to do the same for their PBV tenants;

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

Direct THA's Executive Director to extend the Choice Mobility option to all THA owned and operated Project Based Voucher (PBV) funded units and to confer with the community partners with PBV contracts to discuss whether to extend CM eligibility to PBV households in partner units.

Approved: October 26, 2016

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

Upon roll call, the vote was as follows:

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

Motion Approved: October 26, 2016

Dr. Arthur C. Banks, Chair

**8.3 Tacoma Housing Authority 2016-10-26 (4)
(MLK New Look, LLC – Alberta J. Canada LLLP)**

A **RESOLUTION** authorizing the Authority to accept the gift of the New Look Apartments from MLK New Look, LLC, and to form a limited liability limited 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, MLK New Look, LLC (the "Company") owns and operates a 49-unit low-income housing apartment building, that includes ground floor commercial space, located at 1102 South 11th Street in Tacoma, Washington, and commonly known as the New Look Apartments (the "Apartment Complex"); and

WHEREAS, On September 29, 2015, the Authority, Tacoma Housing Development Group ("THDG") and Oregon Equity Fund IV Limited Partnership (the "Investor") entered into a Second Amended and Restated Operating Agreement and other related documents pertaining to the Company, and the Authority lent the Company \$1,200,000 to refinance certain existing debt and pay for certain improvements to the Apartment Complex; and

WHEREAS, The Investor has consented to the Authority's request that the Company transfer the Apartment Complex to the Authority, for no consideration, on or shortly after December 1, 2016; and

WHEREAS, The Apartment Complex is in need of repairs and renovations, the total financing for which will require the use of various funding sources, including low-income housing tax credits, commercial loans, and state and local grants and loans, and certain of these funding sources will require the formation of a limited liability limited partnership to maximize the benefits and minimize the risks to the Authority; and

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

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

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

WHEREAS, The Board finds and determines that both the Partnership (as defined below) and the Apartment Complex will provide for the necessary support of the poor within the City, and that any financing provided by the Authority for the Apartment Complex is important for project feasibility and is necessary to enable the Authority to carry out its powers and purposes under chapter 35.82 RCW; and

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

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

1. The Authority, as the Company's special member, approves the transfer of the Apartment Complex from the Company to the Authority for no consideration. The Authority's Executive Director, the Authority's Deputy Executive Director and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as the Company's special member) to cause the Company to transfer the Apartment Complex to the Authority and, in connection therewith, to cause the Authority and the Company to enter into such assignment and assumption agreements, and to make amendments to such agreements, as are necessary to properly evidence the transfer of the Apartment Complex and the assumption by the Authority of the Company's obligations in connection with the Apartment Complex. Without limiting the foregoing authority, the Authority is authorized to enter into (i) assignment and assumption agreements with any lender that has made a loan to the Company that is outstanding; and (ii) an agreement with the Washington State Housing Finance Commission assuming responsibility for complying with the extended use agreement for the Apartment Complex.
2. Once the transactions described in Section I are completed, the Authority is authorized to assist THDG with actions necessary to unwind the Company and cause liquidating distributions to be made to the Authority and the Investor. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as the Company's special member) to execute, deliver and, if applicable, file (or cause to be delivered and/or filed) any and all documents necessary to liquidate and terminate the Company.
3. The Authority is authorized to participate in the formation of, and become a partner in, a Washington limited liability limited partnership (the "Partnership"). The Board intends that the Partnership will acquire and rehabilitate the Apartment Complex and receive low-income housing tax credits in connection therewith. 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, a partnership agreement, a certificate of limited partnership and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership; and (iii) 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 liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.

4. 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 Apartment Complex as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce, 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 Apartment Complex (depending on whether the Authorized Officers determine to pursue "9%" or "4%" tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation (or approval), and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation initially is 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 Apartment Complex; (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) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Apartment Complex) may be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of the Apartment Complex; (xi) take all necessary and appropriate actions for the Partnership to acquire the Apartment Complex by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Apartment Complex site); (xii) apply for bond insurance and other credit enhancement for any bonds

to be issued by the Authority for the Apartment Complex (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) 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 Apartment Complex, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Apartment Complex (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Apartment Complex; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Apartment Complex.

5. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. 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 money 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. 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 Apartment Complex, contracts with architects, engineers and other consultants, and construction contracts.
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.

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

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None

Abstain: None
Absent: 2

Motion Approved: October 26, 2016

Dr. Arthur C. Banks, Chair

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. 2016-10-26 (4) (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 October 26, 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 October 26, 2016.
HOUSING AUTHORITY OF THE CITY OF TACOMA

By: _____
Michael Mirra, Executive Director

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 5:31 pm.

APPROVED AS CORRECT

Adopted: November 16, 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: November 12, 2016
Re: Executive Director's Report

This is my monthly report for November 2016. The departments' reports supplement it. I will again miss the Board meeting. This is the third meeting in a row that I will miss because of a combination of family reasons and THA related conferences I needed to attend. In November I will be at a CLPHA meeting in D.C... April will attend the same conference and so too will miss the Board meeting. Ken will lead the staff presentations. Thank you for your understanding.

THE ELECTION RESULTS, CONGRESSIONAL BUDGETING AND THA's BUDGET FOR 2017

The results of the national elections this week mean that Donald Trump (of Queens) will be President in January and the House and the Senate will remain under Republican control. It is hard to know in ways pertinent to our work what this will mean. I append some email messages from Len Simon, our D.C. consultant. As you can read, even the most experienced and astute observers are quite uncertain. I have no informed notion of my own to offer that can synthesize the many factors at play. I list some of them below. Perhaps they are the beginning of an understanding of what may happen, especially on budget matters that affect us.

The immediate puzzle for THA is to write its own 2017 budget. We must do this without a clear understanding of what the election results will mean for the federal 2017 budget. The present Continuing Resolution Congress passed to keep the government open expires December 9th. Congress must pass some budget appropriation by then or the government will shut down on December 10th. The THA Board must adopt a budget in December as well. Perhaps by then things will clarify a bit. April and I may learn something useful at CLPHA next week.

However, based upon the best advice available to us now, I propose that we persist with drafting the budget we have been working on and that I have discussed with Derek, Stan and Arthur. That is certainly Len Simon's advice. I append his email to me on this very question. He reports that the lame duck Congress will pass a budget in December based upon the versions its leadership has already written earlier this year. That is what we have been presuming. Len's judgment seems very plausible since that same leadership will still control the House in December and next year. Using the House Republican version means that our budget will essentially be a flat line budget from last year with modest increases in Section 8 appropriations. These days that counts as a victory.

If we learn something clarifying between now and the time the Board has to adopt a budget in December, we will adjust accordingly.

Note that the main budget uncertainly pertains to the 2018 budget. Our new president will write the first draft of that budget!

The more significant consequences of the election may be still longer term. Here are some factors and considerations that may suggest what to anticipate and how to bear it:

- President-Elect Trump revealed very little if anything about his policy on housing related topics. Indeed, housing did not factor in any notable way in any of the campaigns for the Presidency.
- President-Elect Trump seemed to reveal little interest in the details of any policy pertinent to our work. In the housing area, as in most others, he is quite an unknown.
- This likely means that the Congress and president-Elect Trump's cabinet appointments will have the leading influence.
- Our experience with Congress is that Republican budgets for our programs are less generous than what we could expect from Democrats. However, we also have experienced that Republicans generally favor more local PHA flexibility than do the Democrats. For example, the Republican House leadership more than the Democratic House leadership has supported our MTW flexibility.
- It is possible that the Trump victory and the continued Republican control of Congress and the associated Republican exultation will revive some more radical Republican proposals. For example, we may see a revival of a periodic Republican proposal to abolish HUD. It was never clear what this would mean. Perhaps it would mean an abolition of HUD and its programs. That would be a disaster of the first order. More likely, it may mean a transfer of those programs to other departments. For example, perhaps housing funding would transfer to the Federal Housing Administration or the Department of the Treasury. HUD's civil rights enforcement responsibility might go to the Department of Justice.
- We have heard no speculation about Trump's nominee for HUD Secretary. Our experience has been that the Secretary's influence has been limited by the ministerial powers and intransigence of HUD's career staff. This has been frustrating to us when we see a Secretary with ambitions and plans that we favor. We might be thankful for this same bureaucratic resilience if it blunts the influence of a HUD Secretary we regard as destructive.
- The most likely result of the election will be the much greater chance that the Republican Congressional leadership will enact some of its long standing priorities. These priorities include a repeal of the Affordable Care Act (ObamaCare). The Congress will likely seek tax changes that favor the rich worsening the tax code's contribution to the nation's inequality of income and

wealth. The Congress will likely seek to weaken consumer and environmental protections that can be the only safeguard our clients have against abuse and pollution. In general, we can expect a continued withdrawal of public investments that benefit our clients.

- I also note, however, that consequences of such political shifts can be hard to anticipate. The history of the nation's housing policy offers some interesting examples that might give us some reason to hope. At least they mean that we should be alert to possibilities even amid a conservative ascendancy. The first example is the United States Housing Act of 1937. This was the nation's first major investment in housing for poor people. Its main impetus was not necessarily to house poor people but instead to provide construction jobs during the Great Depression. Yet it created the nation's public housing program. That program came under conservative attack during the Nixon Administration. Amid that controversy arose the Section 8 program in 1974, which today is the nation's main source of operational dollars for programs to house poor people. The Section 8 program also greatly expanded the constituencies for this work to include private landlords, who benefit from the rental subsidy. That expanded constituency helps explain the relative budgetary stability of the Section 8 program in comparison with the public housing program. Under the first Reagan Administration, in another conservative attack on housing programs for the poor, the nation curtailed its investment in public housing and Section 8. Amid those budget controversies, in 1985, arose the Low Income Housing Tax Credit Program (LIHTC). This program may have serious problems. It may count as a privatization of federal housing programs. It is as much a tax break for rich people as it is a housing program for poor people. Yet, LIHTC is now the nation's premier source of capital dollars to build and rebuild affordable housing. THA relies on these dollars for nearly all of its construction. These dollars built Salishan, Hillside Terrace, and Bay Terrace. These dollars are paying for the major RAD fixup now underway of our seven senior buildings, Bergerson Terrace and Dixon Village. These dollars will finance anything else THA seeks to build. The LIHTC program also greatly expanded the constituency for affordable housing to include tax credit investors. Partly because of that expanded constituency, there has not been a serious threat to the LIHTC program or its budget through Republican and Democratic administrations and Congresses. I mention these examples to show that progress can come at unexpected times and in ways that we cannot foresee. A Trump Administration and a reinvigorated Republican Congress may surprise us.
- If there are surprise gains to come they will only be modest gains amid what is likely to be an overriding defeat of hopes for a more just and rational national tax and budget policy. And the chances for those small victories depend on a continuing emphatic insistence that the work we do and the people we serve are important. Nothing in the election results changes that. (We can remember that Clinton won the popular vote.) Yet, some interpretations of the election increase

the importance of what we do. If federal policy will now worsen the nation's growing inequality of income and wealth, much of it based upon race, we must intensify our efforts to soften its edges. It is our housing programs that chip away at the nation's racial and income segregation in housing and schools. Perhaps as importantly, if the prospects for national progress are dimming, let us focus on what we can accomplish locally for our state, our county, our city, our neighborhoods, and our developments, and for the people we serve. Public housing authorities may emerge or re-emerge as an important outpost of progressive thought, policy and action.

- If so, it will require a flexibility, imagination and nerve that has characterized THA. THA has been good at finding its way.
- Whatever we will face and however much challenging it may be, let us remember that we have some notable assets and advantages. Here are some of them:

First, we have the best Congressional delegation we could wish for. Senators Patty Murray and Maria Cantwell and Representatives Denny Heck, Derek Kilmer and Adam Smith are well equipped for the struggle ahead. They are smart. They take the work very seriously. They work very hard at a very hard job. They are problem solvers. They know how to lower the temperature of a discussion, and to engage a wide variety of persons and audiences across the aisle in search of a solution. They seem to have the stamina and patience the situation will need of them. And they know THA and its work well and have been wonderfully supportive.

Second, Tacoma and Pierce County is a congenial environmental for THA and its work. We enjoy strong support from our city and county leadership. We have strong partners for our work, both for-profit and non-profit. All this is critical. The work we do is decidedly local. And we cannot do it alone.

Third, THA has the advantage of its wonderful Board and staff. They are the repository for an insistence about the importance of our work, our clients and our communities. The Board and staff give us this clarity about our work. This shows in the vision and mission statements they wrote. That clarity will serve us well in the political confusion that may be ahead. I attach a copy of our vision and mission statements. I ask you to reread them. I ask that we rededicate ourselves to them. Perhaps most importantly, the Board and staff wrote our statement of eight values. I attach a copy of them as well. If we keep them front and center and well lit, they will light the way through whatever political darkness may be in store.

- Finally, it may sustain us to note that our statements of vision and mission put THA on a long road to make our nation more just. The road began well before THA joined it in 1945. It is filled with defeats and challenges. Yet it shows flashes of progress and inspiration. This road stretches back to the founders' inspired vision of 1776 that "all men [and women] are created equal". In 1787 they drafted a constitution on behalf of "We the People" "to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity . . ."

Since then, the American experiment has challenged a slave society to grow into these words. The work has been hard and disappointing. Yet the moments of triumph seem to have elicited the stamina necessary to bear the work until the next victories. Those moments can indeed be inspiring: the end of slavery in 1865; the 14th Amendment's promise in 1868 of "equal protection of the law"; the gradual legal liberation of women; the Social Security Act of 1933; in 1935 the National Labor Relations Act; the United States Housing Act of 1937, *Brown v Board of Education* in 1955, the Civil Rights Act of 1964; Medicare and Medicaid in 1964; the Fair Housing Act in 1968; and *Obergefell v. Hodges* in 2015. Perhaps knowing that we are part of this longer journey may sustain us on the part of the road assigned to us, especially knowing that by no means is our stretch harder than what our predecessors in this work had to travel. We can also note that the road will not end with us. Maybe that is what we can understand Lincoln to mean when at Gettysburg in 1863, with the nation and its vision in peril, he referred "to the unfinished work".

And as our statement of values tells us, this work is honorable. "We will do it honorably, effectively, efficiently, with pride, compassion and respect." It also says we will show "a good humor." No doubt, that will be important too in the years ahead.

Michael Mirra

From: Len Simon <len.simon@simoncompany.com>
Sent: Friday, November 11, 2016 8:56 AM
To: Michael Mirra
Subject: FY17 HUD Budget

Michael –

I'm sorry I missed your call ! Your message and question was right on point – here's a response I hope is useful:

As of this writing, the election should not have any impact on the FY17 HUD budget. The "lame-duck" session of the Congress will convene on Tuesday and there is every indication that they are going to try to wrap-up the budget and then get out of town very quickly by enacting an Omnibus Appropriation containing a number of bills, including the FY17 THUD appropriation. The budget work already undertaken by the House and Senate individually will guide the process, with compromises between the two typical in most areas.

On balance, the FY17 budget probably will not look substantially different from FY16. One of the challenges, though, in the year ahead, will be to see how the new Administration *implements* a budget they had no responsibility for developing. And whether they use discretionary authority to make changes in line with their viewpoints. We'll have to see on that. We'll also have to watch that closely.

In addition, the FY18 budget will be submitted by President Obama before he departs, with the understanding that President Trump will propose very substantial amendments to it subsequently. So there should be concerns for the FY18 budget proposal for HUD , but I believe we'll be ok for FY17. We'll update as soon as we learn more after the lame duck convenes.

I hope that's helpful. Let me know if I can assist further-

Talk with you soon,

Len

All the best,

Len

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Michael Mirra

From: Len Simon <len.simon@simoncompany.com>
Sent: Friday, November 11, 2016 11:46 AM
To: len.simon@simoncompany.com
Subject: Presidential Transition and New Congress Report, November 11, 2016 #2



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**Presidential Transition
and New Congress Report**



Friends –

More interesting news on the transition front, courtesy of our friends at Politico – we'll forward you the actual Transition Office press release and related materials when they're available:

Pence to take over Trump's transition effort from Christie

By [Glenn Thrush](#) and [Louis Nelson](#)

11/11/16 02:35 PM EST

President-elect Donald Trump has shaken up his transition team just days after winning the White House, announcing that he is replacing New Jersey Gov. Chris Christie with Vice President-elect Mike Pence at the helm of the effort that will shape his administration when it begins in January.

While Christie has long been a high-profile surrogate and member of Trump's inner circle, his viability as part of the team was thrown into question when two of his close allies were convicted on charges of fraud and conspiracy related to the Bridgegate scandal.

A source close to Trump said Christie “will still be around”—hardly a ringing endorsement.

Christie issued a statement Friday afternoon, thanking Trump for the opportunity to continue in the transition effort. “As we now enter the post-election phase, I look forward to working with Vice-President Elect Pence and the rest of the leadership team to implement that template as we prepare for January 20, 2017,” he said, adding, “I want to thank President-Elect Trump for the opportunity to continue to help lead in this next phase and thank all of the pre-election leadership team for the outstanding work they have done over the six months leading up to Election Day.”

In his own statement, Trump also announced that some of his most prominent surrogates will serve as vice chairs of his transition team’s executive committee. Ben Carson, Newt Gingrich, Michael Flynn, Rudy Giuliani and Sen. Jeff Sessions will formally take on those roles. Christie will also serve as a vice chair.

Sessions' chief of staff, Rick Dearborn, will help run the day-to-day operations of the rapidly expanding transition effort.

"Together this outstanding group of advisors, led by Vice President-elect Mike Pence, will build on the initial work done under the leadership of New Jersey Gov. Chris Christie to help prepare a transformative government ready to lead from day one," Trump said in a statement. "The mission of our team will be clear: put together the most highly qualified group of successful leaders who will be able to implement our change agenda in Washington. Together, we will begin the urgent task of rebuilding this nation - specifically jobs, security and opportunity. This team is going to get to work immediately to Make America Great Again."

Christie, one of the first prominent Republicans to endorse Trump, had been rumored to be under consideration for the position of attorney general. Giuliani, another staunch Trump supporter, has also been discussed as a possibility to fill that role.

Trump had hinted earlier on Friday about an announcement related to his transition effort, tweeting, that he had a "busy day planned in New York. Will soon be making some very important decisions on the people who will be running our government!"

The statement also included a list of people who will join the transition team's executive committee:

Congressman Lou Barletta
Congresswoman Marsha Blackburn
Florida Attorney General Pam Bondi
Congressman Chris Collins
Jared Kushner
Congressman Tom Marino
Rebekah Mercer
Steven Mnuchin
Congressman Devin Nunes
Anthony Scaramucci
Peter Thiel
Donald Trump Jr.
Eric Trump
Ivanka Trump
RNC Chairman Reince Priebus
Trump Campaign CEO Stephen K. Bannon

And Trump announced the following staff leadership for his transition team:

Kellyanne Conway, Senior Advisor
David Bossie, Deputy Executive Director
Stephen Miller, National Policy Director
Jason Miller, Communications Director
Hope Hicks, National Press Secretary
Dan Scavino, Director of Social Media
Don McGahn, General Counsel
Katie Walsh, Senior Advisor

President-elect Donald Trump has shaken up his transition team just days after winning the White House, replacing New Jersey Gov. Chris Christie with Vice President-elect Mike Pence at the helm of the effort that will shape his administration when it begins in January, according to a source close to Trump.

While Christie has long been a high-profile surrogate and member of Trump's inner circle, his viability as part of the team was thrown into question when two of his close allies were convicted on charges of fraud and conspiracy related to the Bridgegate scandal.

The source said Christie "will still be around"- hardly a ringing endorsement - and that Sen. Jeff Sessions's chief of staff, Rick Dearborn, will help run the transition effort, especially the day-to-day operations.

Read more: <http://www.politico.com/story/2016/11/pence-to-take-over-trumps-transition-effort-from-christie-231251>

All the best,

Len

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Michael Mirra

From: Len Simon <len.simon@simoncompany.com>
Sent: Friday, November 11, 2016 10:14 AM
To: len.simon@simoncompany.com
Subject: Presidential Transition and New Congress Report, November 11, 2016



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***Presidential Transition
and New Congress Report***



Friends –

Warm wishes and thanks to all of our Veterans out there, including my own dad, Corporal Robert Simon, 93 years and five months young, and a WWII Army Air Corps vet!

Here's some interesting weekend reading for you, three days after Tuesday's game-changer.

The Transition Begins with the First Meeting

If words and tone matter, and they do, great credit goes to President Obama and President-elect Trump for the conciliatory approach they both presented to the nation yesterday afternoon following their first meeting in the White House. There are 70 more days to go until the steps of the Capitol on January 20, but the tenor of the transition process is at least off to a good start. Substance to follow. Click on [The President and the President-Elect](#) for the official White House Transcript of their remarks following their meeting - which was the first time they had ever met!

The First 100 Days

If the President-elect's campaign is a reliable guide, the first 100 Days of the Trump Administration are going to be a busy time of Executive Orders, legislative initiatives and discretionary actions. Will the transition process and changed circumstances alter plans put together in a campaign setting? That's very possible. But for now, it's worth looking very closely at the First 100 Days plan that was put together during the campaign. To see what the plan of action may be starting January 20, click on [The First 100 Days of the Trump Administration](#).

How Does the President-Elect Work?

How an executive thinks, makes decisions, absorbs information, manages time, relates to colleagues, recruits subordinates, sets goals and determines priorities are all key elements to the ultimate success of the enterprise they oversee. That has been true for the head of the Trump Organization. And it will soon be true for the 45th President of the United States. This fascinating story from today's *Washington Post* provides a great glimpse into how the President-elect actually works. Click on [How Trump Works](#) for more.

A Hand Extended on Infrastructure

On Capitol Hill, there is no more respected voice on infrastructure issues, than Congressman Bill Shuster of Pennsylvania, the Chairman of the House Transportation and Infrastructure Committee. He has consistently delivered on big measures for surface transportation, water resources, airports and other infrastructure initiatives. It was good to see him reach out in partnership to the President-elect and pledge his support to work with him on an infrastructure package. Click on [Chairman Shuster Statement on Tuesday's Election](#) to see what he had to say.

What Happened?

It's never too early for thought-provoking post-election analysis. Chris Cillizza of "The Fix" does a pretty good job of analyzing reams of exit poll information and coming up with 13 conclusions that are worth considering, including these: (1) Trump won the white vote by a record margin; (2) There was no surge of female voters; (3) There was no surge of Latino voters; (4) Education level mattered hugely in your vote choice; (5) Trump did better with white evangelicals than Romney; (6) Trump didn't bring lots of new voters to the process; (7) The economy was the big issue — and Clinton won it; (8) This was a change election. And Trump was the change candidate; (9) Obamacare was a wind beneath Trump's wings; (10) Trump's personal image was and is horrible; (11) Clinton's email hurt her; (12) This was a deeply pessimistic electorate; and (13) People didn't think Trump lost the debates as badly Chris did. Click on [The 13 most amazing findings in the 2016 exit poll](#) for his timely analysis.

...to be continued!

Have a great weekend and all the best,

Len

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Michael Mirra

From: Len Simon <len.simon@simoncompany.com>
Sent: Thursday, November 10, 2016 9:20 AM
To: 'Len Simon'
Subject: Presidential Transition and New Congress Report, November 10, 2016



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Presidential Transition and New Congress Report

Friends –

Welcome to Day Two of "The Day After.....". Here's some more news and analysis for you on the Presidential Transition and New Congress.

The President- Elect's Transition

The website for the President-Elect's transition is up and running. Click on www.Greatagain.gov for more. Information is still emerging on how the transition structure is organized, but this [Trump Transition Action Team Chart](#) gives a partial glimpse. It shows the action teams organized around different policy clusters. One of them is "Domestic Policy", which is headed up by **Ken Blackwell**, the former Mayor of Cincinnati.

Names We're Hearing

Among the interesting names we are hearing for various posts within the forthcoming Trump Administration for a variety of posts: (1) Senator **Jeff Sessions**, General **David Petraeus**, and House Homeland Security Committee Chairman **Mike McCaul** for national security positions; (2) Senator **Bob Corker**, Chairman of the Senate Foreign Relations Committee and former Mayor of Chattanooga for Secretary of State; (3) former Mayor **Rudy Giuliani** for Attorney General or Homeland Security Secretary; (4) Governor **Chris Christie** for Attorney General or White House Chief of Staff; and (5) RNC Chairman **Reince Priebus** for White House Chief of Staff; (6) former campaign rivals Governor **Bobby Jindal** of Louisiana for Secretary of Health and Human Services and Dr. **Ben Carson** as Secretary of Education. We expect **Kellyanne Conway**, strategist for the President Elect's campaign to be on board in some capacity as well. *We'll continue to update.*

Mayor de Blasio Speaks

Mayor Bill de Blasio of New York City had some kind comments about the victory of his fellow New Yorker Tuesday: *"I commit to working with the new administration, positively and constructively, to rebuild our infrastructure, create more jobs, protect our residents and preserve the liberties that New Yorkers enjoy ... I take solace in the fact that the president is a dyed-in-the-wool New Yorker."*

By the way, when President Trump is sworn in on January 20, New York State will lead the nation with seven U.S. President's throughout our history. New York was previously tied with Ohio at six presidents (*information supplied by Len Simon of the Bronx and Yonkers, NY*)

Perspectives on the Clinton Campaign

The greatest of all Clinton biographers is **David Maraniss** of the Washington Post, who wrote the award winning book *"First in His Class"* about President Clinton. His front page story in the Post this morning *"The Clintons Were Undone by the Middle-American Voters They Once Knew So Well"* <http://wapo.st/2fziXqA> is a very thoughtful analysis of what went wrong in the Clinton campaigns approach to voters this year. Though just one author's opinion – and there will be many opinions on this subject in the days, weeks and years ahead – we recommend it for your review.

House Democratic Leaders to Stay

No changes are anticipated in House Democratic Leadership positions: Minority Leader **Nancy Pelosi**, Minority Whip **Steny Hoyer** and Assistant Minority Leader **James Clyburn** are also expected to stay in place.

Statements of Unity and Purpose

We thought you would find useful a quick wrap up of the key statements made by the President's-Elect, Secretary Clinton, President Obama and Speaker Ryan following the election. Here's the highlights and a link to their full statements:

(1) The President-Elect

- o *"Now it's time for America to bind the wounds of division..."*
- o *"For those who have chosen not to support me in the past, of which there were a few people...I'm reaching out to you for guidance and your help so that we can work together and unify our great country."*
- o *"Working together, we will begin the urgent task of rebuilding our nation and renewing the American dream"*

<http://www.nytimes.com/2016/11/10/us/politics/trump-speech-transcript.html>

(2) Secretary Clinton

- o *"This is not the outcome we wanted or worked so hard for, and I'm sorry we did not win this election for the values we share and the vision we hold for our country."*
- o *"I know how disappointed you feel, because I feel it too. And so do tens of millions of Americans who invested their hopes and dreams in this effort. This is painful and it will be for a long time."*
- o *"We have seen that our nation is more deeply divided than we thought. But I still believe in America, and I always will. And if you do, then we must accept this result and then look to the future."*

- o "We owe him an open mind and the chance to lead."
- o "The loss hurts, but please never stop believing that fighting for what's right is worth it."
- o "I know we still have not shattered that highest and hardest glass ceiling, but someday someone will – and hopefully sooner than we might think right now."

<http://fortune.com/2016/11/09/hillary-clinton-concession-speech-transcript/>

(3) President Obama

- o "We are all now rooting for his success in uniting and leading the country. The peaceful transition of power is one of the hallmarks of our democracy. And over the next few months we are going to show that to the world."
- o "We're not Democrats first, we're not Republicans first, we're patriots first. We all want what's best for this country."

"Don't get cynical. Don't ever think you can't make a difference."

<http://www.vox.com/2016/11/9/13575676/obama-election-speech-trump-video-transcript-2016>

(4) Speaker Ryan

- o "This is the most incredible political feat I have seen in my lifetime"
- o "Donald Trump heard a voice out in this country that no one else heard... And now, Donald Trump will lead a unified Republican government."
- o "Donald Trump provided the kind of coat tails that got a lot of people over the finish line so that we could maintain our strong House and Senate majorities."
- o "This needs to be a time of redemption, not a time of recrimination. We all need to rededicate ourselves to making America great and making it a more perfect union."

<http://time.com/4564832/paul-ryan-speech-donald-trump-election/>

Congressional Committee Shifting and Shuffling

Starting next week, Congress will begin the organizational meetings for the 115th Congress convening in January – here's what's being reported:

(1) Sen. Mike Crapo of Idaho is the favorite to take over the Banking Committee since current chairman **Richard Shelby** of Alabama has served the maximum six years (under GOP rules) in the top post.

(2) Sen. **John Barrasso** of Wyoming is expected to lead the Senate Environment and Public Works Committee since current chairman Senator **Jim Inhofe** of Oklahoma is term-limited.

(3) Senate Homeland Chairman **Ron Johnson** of Wisconsin and Intelligence Committee Chairman **Richard Burr** of North Carolina are both expected to keep their top spots after winning reelection

(4) Democrats will have to fill the ranking member post on the Appropriations Committee with Sen. **Barbara Mikulski's** (MD) retirement. Sen. **Patrick Leahy** (VT) is next in line but could stay on as ranking Democrat on the Senate Judiciary Committee. Sen. **Patty Murray** (WA) is behind Leahy on Appropriations but she could choose to stay in the top Dem spot on the HELP Committee. If that's the case, Sen. **Dianne Feinstein** (CA) is next, but she'd

have to give up her vice chairman post on the Senate Intel Committee. Democrats behind Feinstein on Appropriations: Sens. **Dick Durbin (IL)**, **Jack Reed (RI)** and **Jon Tester (MT)**;

(5) On the House side-, Reps. **Greg Walden (OR)** and **John Shimkus (IL)** are vying for the House Energy and Commerce gavel. Rep. **Rodney Frelinghuysen (NJ)** is expected to lead the House Appropriations Committee next Congress since current chairman Hal Rogers is term-limited

More on these congressional musical chairs soon.

The President-Elect on Infrastructure

In his victory speech Tuesday night, the President-elect said: *"We are going to fix our inner cities and rebuild our highways, bridges, tunnels, airports, schools, hospitals. We're going to rebuild our infrastructure, which will become, by the way, second to none. And we will put millions of our people to work as we rebuild it."* His campaign outlined a plan last month to leverage taxes on repatriated corporate profits into up to \$1 trillion of infrastructure spending. Funding under that program would go toward projects that have built-in revenue streams, like toll roads. This program – which has some similarity to initiatives backed by President Obama and Secretary Clinton – could enjoy bipartisan support.

We'll continue to update you on the Presidential Transition and New Congress.

All the best,

Len

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Michael Mirra

From: Len Simon <len.simon@simoncompany.com>
Sent: Wednesday, November 09, 2016 5:07 AM
To: 'Len Simon'
Subject: Presidential Transition and New Congress Report - November 9, 2016



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Presidential Transition & New Congress Report

Dear Friends –

Welcome to the inaugural edition of our **Presidential Transition and New Congress Report**. We'll use this report to keep you up to date on how the President-elect is putting together the new Administration and how the elections will impact the 115th Congress. You'll be receiving this from us as often as we have something interesting and helpful to tell you!

For our first report, here's the best observations we can give you right now on what happened last night, what it means and what might come next.

- (1) Last night was a political earthquake – an American equivalent of Brexit – on steroids! The great New Yorker film critic Pauline Kael was supposed to have said in 1968 something along the lines of *"I can't believe Nixon won – I don't know anybody who voted for him"*. Lots of people voted yesterday who nobody knew or counted on in advance, and they have made an enormous impact on national politics for the next four years and beyond.
- (2) It brings to the steps of the Capitol on January 20, 2017 President-elect Donald J. Trump, who will be, at 70, the oldest American ever inaugurated as President, and the first of 45 Presidents of the United States who has not previously served in government or the military;
- (3) All year, analysts have been asking: *will there be a wave?* The answer is, there most certainly was one last night – it was about class and income, alienation and opportunity, and not party – it swept the President-elect to an Electoral College victory and sustained GOP control of the Congress;

- (4) The election also underscored that Americans don't want one party in control too long – except for FDR and President Truman's five terms in a row and President Reagan's two terms followed by the one term of George H.W. Bush, our country has mostly desired to rotate parties after one or two terms, as they did last night;
- (5) Polling was disastrously wrong and the concept of "micro-targeting" – perfected by the Obama re-elect campaign in 2012 and adapted by some of the same people for the Clinton campaign in 2016 – is discredited, because while it can fine tune a get out-the vote effort it cannot find a "hidden vote" such as President -Elect Trump delivered last night;
- (6) The grand coalition put together by President Obama in two winning presidential campaigns collapsed last night, with Secretary Clinton underperforming the President's 2012 numbers with African-Americans, Hispanics, young people, the college educated and even women, while the President-elect "over performed" Governor Romney's numbers from 2012. In many respects, it was the re-assembling of the Reagan coalition, with a heavy dose of Reagan Democrats, replacing the Obama Coalition.
- (7) To a degree, Secretary Clinton never recovered from some of her primary losses – two strong parts of her supposed "blue wall" which fell apart last night – Wisconsin and Michigan – were states she lost badly to Senator Sanders, and did not pay sufficient attention to in the general election;
- (8) Libertarian Party candidate Gary Johnson, the former Governor of New Mexico actually equaled the margin between the President-elect and Secretary Clinton in many states – although it is impossible to tell right now exactly where his votes would have gone had he not been on the ballot
- (9) Jake Tapper of CNN, around 11:00pm said that in the Clinton headquarters someone must be saying, "*Brooklyn, we have a problem*". But in many respects, it was the accumulation of problems – emails, the Foundation, the FBI, and a few others – which plagued the Clinton campaign and kept it from gaining the momentum it should have had;
- (10) The President-elect proved not to be a "drag on the down ballot". In fact, his strong showing in the states where Republican Senate seats were supposed to switch to Democrats, kept the Senate in Republican control. Democrats were predicted to gain 3-6 seats, needing 4 or 5 to take over (4 if a Vice President Kaine broke a tie). As of this writing, with New Hampshire unresolved, the Democrats will likely pick up only one seat. Losses in the House were also kept to a minimum and Republic control is easily maintained.
- (11) It was said by an analyst last night that a new political leader masters a new communications medium every generation. For radio, it was FDR. For TV, it was JFK. For the Internet, President Obama. For social media, President-elect Trump.
- (12) One party dominance in Washington – the White House, House and Senate – is rare, and has not been seen since the first two years of the Obama Administration. It will have lots of implications including, budgets, policies, programs, the Supreme Court and many other areas.
- (13) It will be interesting to see how the President-elect - who characterizes himself as the ultimate deal maker – approaches Congress, and in particular his fellow New Yorker, incoming Senate Minority Leader Chuck Schumer.
- (14) It will also be very fascinating to see how the President Trump -Speaker Paul Ryan and Senate Majority Leaders Mitch McConnell relationship goes - they are two congressional leaders who did not strongly embrace his candidacy – as they proceed on implementing their agenda for the years ahead.

(15) The hard information on what the Trump Administration is going to look like has been hard to come by, but that will change soon. The Transition starts in earnest today – we will be back to you shortly with new information on structure, personnel, policies, ideas and budgets.

Change is coming but the federal government is not going away. It will look different and we will all have to adapt our approaches to working with the White House, the Executive Branch departments and the Congress. We'll start preparing for that right away.

Please let us know if you have any questions or if we can help you in any way. Much more information to come your way starting today!

All the best,

Len

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TACOMA HOUSING AUTHORITY

Statements of Vision, Mission and Values

Amended by the THA Board: February 27, 2013

THA's Vision

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

THA's Mission

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

THA's Values

Service

Work in service to others is honorable. We will do it honorably, effectively, efficiently, with pride, compassion and respect.

Integrity

We strive to uphold the highest standards of integrity and ethical behavior.

Stewardship

We will be careful stewards of the public and private financial and environmental resources entrusted to us.

Communication

We value communication. We strive to be open and forthcoming with our customers, employees and colleagues, our partners, and our communities. We will listen to others.

Diversity of Staff

We value the diversity of our staff. It makes us stronger and more effective.

Collegial Support and Respect

The work we do is serious. We seek to create an atmosphere of teamwork, support and respect. We also value a good humor.

Excellence

We strive for excellence. We will always seek to improve.

Leadership

Everyone at THA, the Board, management and staff, shares the leadership it will take to extend these values throughout THA's work, to fulfill the mission and to advance the vision for our city.



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$6,094,034 for the month of October, 2016.

Approved: November 16, 2016

Dr. Arthur C. Banks, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of October 2016

		Check Numbers				
		From	To	Amount		Totals
A/P Checking Account						
Low Rent Module Checks	Check #'s	-	-	-		
Accounts Payable Checks	Check #'s	88,448	-	88,580		
Business Support Center				433,225		
Moving To Work Support Center				137,128	Program Support	
Tax Credit Program Support Center				30,410		
Section 8 Programs				208,119	Section 8 Operations	
Outrigger				57,176		
SF Non-Assist Housing - 9SF Homes				4,088	Local Funds	
Salishan 7				1,409		
Salishan Developer Fee				4,232		
Development Activity				23,905	Development	
Salishan Area 2B-Dev				437		
Bay Terrace II				55,209		
New Look-Development				10,285		
KeyBank Building				6,687		
Bay Terrace II				1,321,268		
Renew Tacoma Housing Development				29,226		
CS General Business Activities				2,985		
SAFE				1,446		
Community Services MTW Fund				1,941		
Gates Ed Proj Grant				255	Community Service	
ROSS Svc Coord				500		
WA Families Fund				84		
COT-CDBG-FSS Grant				31		
COT-McCarver Grant				150		
AMP 1 - No K, So M, No G - Subsidy				61,846		
AMP 2 - Fawcett, Wright, 6th Ave - Subsidy				56,295		
AMP 3 - Lawrence, Orchard, Stevens - Subsidy				58,182		
AMP 6 - Scattered Sites				94,787		
AMP 7 - HT 1 - Subsidy				15,635		
AMP 8 - HT 2 - Subsidy				12,527		
AMP 9 - HT 1500 - Subsidy				2,941	Public Housing	
AMP 10 - SAL 1 - Subsidy				54		
AMP 11 - SAL 2 - Subsidy				56		
AMP 12 - SAL 3 - Subsidy				44		
AMP 13 - SAL 4 - Subsidy				44		
AMP 14 - SAL 5 - Subsidy				69		
AMP 15 - SAL 6 - Subsidy				68		
AMP 16 - Bay Terrace - Subsidy				25		
Allocation Fund				35,939	Allocations-All Programs	
THA SUBTOTAL				2,668,709		
Hillside Terrace 1 through 1500				586		
Bay Terrace 1				492		
Renew Tacoma Housing Operations				64,571	Tax Credit Projects - billable	
Salishan I - through Salishan 6				475		
Salishan Association - Operations				-		
TAX CREDIT SUBTOTAL (Operations - billable)				66,123		2,734,832
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	481,823	-	481,854	8,533	
	ACH	100,025	-	103,694	2,480,414	\$ 2,488,947
Payroll & Payroll Fees - ADP						\$ 601,176
Other Wire Transfers						
Pay Off Windstar Loan				269,078		\$ 269,078
TOTAL DISBURSEMENTS					\$	6,094,034



TACOMA HOUSING AUTHORITY

Date: November 16, 2016
To: THA Board of Commissioners
From: Ken Shalik
Director of Finance
Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

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

The Finance Department is submitting the financial statement for the period through September 30, 2016. This is the mid-year report.

2016 is a year of transition. In April, we closed on our Rental Assistance Demonstration (RAD) transaction for our existing Public Housing portfolio that were not previously tax credit units. (7 senior buildings, Bergerson Terrace and Dixon Village). With this transition, transactions for these Public Housing portfolio no longer resides in THA's financial reports after April, and is now reported independently in Renew Tacoma Housing, LLLP. We had anticipated closing the RAD transaction for the existing Tax Credit portfolio (Salishan and Hillside Terrace) by October, but we recently decided not to pursue their conversion at this time. Sandy's report for the Administration Department recounts our reasons for this decision. Much of the preparation work for the conversion was completed, and is accounted for in the financials. There are outstanding bills, which are reflected in the Projected Actual column.

Even with the financial nuances presented by the RAD conversion, we remain in good financial position for 2016. We received a developer fee of \$2 million (line 12) along with \$1.25 million for a land lease payment (line 13) for the properties we transitioned at our RAD closing in April. Also, in April we finalized the sale of the last Market Rate single family homes, and netted \$1.4 million in sale proceeds in 2016. We also transferred our Public Housing Operating reserves of approximately \$1.5 million to Renew Tacoma as part of the development phase at our RAD closing.

With all the proceeds for indicated above, line 69 shows a Year to Date (YTD) surplus of \$611,347. With the sales proceeds for the Market rate homes, along with other Capital expenditures and reserve appropriations, the overall YTD surplus is \$1,662,984 (line 73). I have attempted to project out to what the financials will look like at year end. Adjustments to the projected actual amounts were made factoring in the transition to the Public Housing portfolio to Renew Tacoma, LLLP in April and no longer being part of THA's financial

FINANCE DEPARTMENT MONTHLY REPORT

November, 2016

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report. At this point in time if our trajectory does not change, I am estimating a \$1,366,303 million surplus at the end of 2016 (line 73), as compared to a budgeted surplus of \$639,807.

I do not see any areas of concern at the moment, but will comment on a few areas that contain anomalies, and will watch for any significant changes for the last quarter of the year's financials.

- *Line 3 – HUD Grant – Section 8 HAP reimbursement* – This is the category that is disbursed based on HUD cash management. Initial fund disbursement is based solely upon Housing Assistance Program (HAP) payments (line 61). Additional drawdowns are requested from HUD after Moving to Work (MTW) cash reconciliations are completed by the agency. Based on timing and expenses, there may be a minimal amount left at HUD at the end of the year.
- *Lines 15 – 34 – Administrative Expenses* – There are variances both ways in this category, yet we currently end up with a variance of approximately 20.27% under budget. The biggest variance is in the Due Diligence area. We budgeted \$1 million, and had only expended \$44K through September. We anticipate costs to increase for the remainder of the year as we continue the Hilltop Corridor planning, prepare for resyndication of the New Look Apartments, and analyze other development opportunities. Even with those expenditures, I am not anticipating that we will come close to the \$1 million budget.
- *Lines 36 – 40 – Tenant Services* - The Tenant Services line items are under budget for 2016 to date. The department did not finalize their new organizational structure and staffing until mid-year, which accounts for the salary discrepancy. Some of the underage for Line 39- Tenant Services- Other has to do with Children Savings Account (CSA) expenses not accruing as quickly as possible. We were also in the process of finalizing other tenant service opportunities, such as our contract with Sound Families. Additionally Relocation for Over Income tenants in Renew Tacoma Housing was budgeted in THA's budget. Those relocation costs will have to be paid out of Renew Tacoma.
- *Lines 41 – 45 – Project Utilities* – This category will most likely end up a little higher than budgeted. The YTD total is high due to the Public Housing costs before transitioning to RAD in April. As the budget was based on expenditures to date, we have seen additional expenditures in this category as late bills have been coming in.
- *Lines 46- 47 – Maintenance Salaries and Benefits* - This is another category where YTD expenditures are higher than budget due to costs associated with the Public Housing portfolio before it transitioned to RAD. The projected actual amount is within budget.
- *Line 54 – Payment in Lieu of Taxes* – The dollar amount is small, but this is a category where I assumed Payment in Lieu of Taxes (PILOT) would not be charged to THA after the RAD conversion. Per our Finance Manager, the cost remains with THA for 2016.

FINANCE DEPARTMENT MONTHLY REPORT

November, 2016

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- *Line 61 – Section 8 HAP* - We budgeted expenses at 100% utilization, and are hovering over 97%. Additionally, we will not transition our existing Tax Credit Public Housing units as originally anticipated, which will reduce the HAP expenses for the year. It is important to note that due to the rising housing market, our average HAP is increasing by approximately \$2 per month, which is increasing the total HAP expense for housed clients. This may be a long term trend that will need attention.
- *Line 65 – Debt Service Principal Payments* – We received funds when the property was resold in 2016 that allowed us to pay off this debt. The income is reflected in line 13, Other Revenue.
- *Lines 67-68 – Reserve Appropriations and Operating Transfers* – Both categories included in the budget a \$2.2 million transfer to our Salishan and Hillside portfolio for rehabilitation work at time of RAD conversion. As these properties will no longer be converted, this transfer of funds will not occur.
- *Lines 70-71 – Capitalized Line items* – Funds were budgeted for rehabilitation of both Family Investment Center and Salishan maintenance shop, along with the Key Bank remodel. None of these projects will occur in 2016. Additionally, \$750K was budgeted for property purchases in the Hilltop area. As of this date, there has been none purchased.

2. INVESTMENTS

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

3. AUDIT

The Washington State auditors have completed all three phases of the 2015 audit. There were no findings on either the compliance, financial, or accountability portions, and one exit item on the accountability side. An exit conference was held with the Finance Committee on October 28. The documents handed out by the Washington State auditors for that meeting is included in this board packet.

4. BUDGETS

The Cabinet, with input from the Executive Director, has been working on finalizing the budget to present to the Board for review at the rescheduled Board Study Session on December 7, and Board Submission for approval in the December board meeting.

5. YEAR END UPDATE

There is no update at this time.

Tacoma Housing Authority

Fiscal Year 2015

Contracts - The Authority did not retain proof of advertising for a contract with a software developer. In addition, the Authority did not authenticate bid responses by using a time and date stamp. Consequently we were unable to determine if the Authority was in compliance with competitive bid law requirements.

We recommend the Authority retain evidence of advertising and "time and date stamp" all responders to bid solicitations.



Washington State Auditor's Office

Government that works for citizens

Accountability 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 Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Housing Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Housing Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Signature Here (Please do not remove this line)

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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ABOUT THE STATE AUDITOR'S OFFICE	7

AUDIT SUMMARY

Results in brief

In the areas we audited, Housing Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Housing Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the Housing Authority of the City of Tacoma from January 1, 2015 through December 31, 2015.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Housing Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Financial condition
- Children's savings account program
- Procurement (bidding and prevailing wage)
- Disbursements - general

RELATED REPORTS

Financial

Our opinion on the Housing Authority's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Housing Authority's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Housing Authority's major federal program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE HOUSING AUTHORITY

The Housing Authority of the City of Tacoma was created in 1940 to provide safe, sanitary, decent and affordable housing to families and individuals with low-income, are disabled, or are senior citizens. The Housing Authority owns or manages 1,317 housing units, of which 843 are public housing. In addition, the Housing Authority manages rental assistance with U.S. Department of Housing and Urban Development (HUD) Section 8 Housing Choice Vouchers to about 4,100 households. In addition, the Housing Authority is the managing partner in twelve limited partnerships.

A five-member Board of Commissioners, appointed by the Tacoma Mayor, governs the Housing Authority. The Board appoints an Executive Director to oversee the Housing Authority's daily operations as well as its approximately 118 employees. Most of the Housing Authority's funds come from tenant rent, administrative program fees, federal subsidies, developer fees, and public and private donations. For fiscal year 2015, the Housing Authority operated on a budget of \$67.7 million.

Contact information related to this report

Address:	Housing Authority of the City of Tacoma 902 S L St Tacoma, WA 98405
Contact:	Ken Shalik, Finance Director
Telephone:	(253)207-4425
Website:	www.tacomahousing.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Housing Authority of the City of Tacoma at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov

PRELIMINARY DRAFT

- Not Disclosable Under RCW 42.56.280



Washington State Auditor's Office

Government that works for citizens

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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 Scope

We performed the following audits for your Tacoma Housing Authority:

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

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

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 a budget of 720 hours. Actual audit costs will be approximately \$59,800 as our single audit budget was reduced by 30 hours. In addition, other audit efficiencies reduced the financial and accountability audit budgets by approximately 35 hours. The current billing rate is \$93.00.

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.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2017 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs

The estimated cost for the next audit based on current rates is \$67,000 plus travel expenses. This is a budget of 720 hours at the 2017 rate of \$93.00 per hour. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		September, 2016				Thru 12/31/2016		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	102,713	1,728,978	1,533,776	12.73%	2,088,978	2,045,034	2.15%
2	Tenant Revenue - Other	500	103,729	5,043	1956.89%	105,229	127,833	-17.68%
3	HUD grant - Section 8 HAP reimbursemer	2,613,337	24,293,011	26,474,284	-8.24%	34,640,681	35,299,045	-1.87%
4	HUD grant - Section 8 Admin fee earned	374,066	2,460,130	2,213,709	11.13%	3,155,173	2,951,612	6.90%
5	HUD grant - Public Housing subsidy	197,813	1,797,810	1,706,996	5.32%	2,397,080	2,275,994	5.32%
6	HUD grant - Community Services	25,965	238,832	209,747	13.87%	318,443	279,662	13.87%
7	HUD grant - Capital Fund Operating Reve	82,576	412,988	1,197,338	-65.51%	910,716	1,596,451	-42.95%
8	Management Fee Income	239,846	2,215,683	2,818,985	-21.40%	3,154,244	3,758,647	-16.08%
9	Other Government grants	2,803	158,239	203,752	-22.34%	203,101	271,669	-25.24%
10	Investment income	1,444	69,936	97,051	-27.94%	93,248	129,401	-27.94%
11	Fraud Recovery Income - Sec 8	342	11,759	18,750	-37.29%	15,679	25,000	-37.29%
12	Other Revenue- Developer Fee Income	0	2,000,000	1,541,925	29.71%	2,055,900	2,055,900	0.00%
13	Other Revenue	343,534	2,108,383	1,753,209	20.26%	2,428,383	2,337,612	3.88%
14	TOTAL OPERATING RECEIPTS	3,984,938	37,599,478	39,774,563	-5.47%	51,566,855	53,153,860	-2.99%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	413,237	3,996,263	4,385,345	-8.87%	5,603,351	5,847,126	-4.17%
16	Administrative Personnel - Benefits	168,059	1,540,059	1,756,941	-12.34%	2,173,412	2,342,588	-7.22%
17	Audit Fees	12,615	61,665	53,599	15.05%	71,465	71,465	0.00%
18	Management Fees	164,432	1,648,943	2,089,173	-21.07%	2,348,591	2,785,564	-15.69%
19	Rent	10,685	96,165	96,150	0.02%	128,220	128,200	0.02%
20	Advertising	0	7,923	14,100	-43.81%	10,564	18,800	-43.81%
21	Information Technology Expenses	28,737	218,532	271,310	-19.45%	341,376	361,747	-5.63%
22	Office Supplies	6,159	60,997	54,068	12.82%	81,329	72,090	12.82%
23	Publications & Memberships	1,472	31,035	33,101	-6.24%	41,380	44,135	-6.24%
24	Telephone	5,078	63,584	77,507	-17.96%	84,779	103,342	-17.96%
25	Postage	2,254	24,560	39,960	-38.54%	40,247	53,280	-24.46%
26	Leased Equipment & Repairs	10,103	88,120	69,737	26.36%	117,493	92,983	26.36%
27	Office Equipment Expensed	1,022	81,201	77,288	5.06%	108,268	103,050	5.06%
28	Legal	47,207	221,857	249,300	-11.01%	345,809	332,400	4.03%
29	Local Milage	819	7,366	8,735	-15.67%	9,821	11,646	-15.67%
30	Staff Training/Out of Town travel	13,839	162,992	229,134	-28.87%	237,323	305,512	-22.32%
31	Administrative Contracts	63,499	488,079	780,413	-37.46%	900,772	1,040,550	-13.43%
32	Other administrative expenses	4,152	93,232	82,740	12.68%	124,309	110,320	12.68%
33	Due diligence - Perspective Development	0	43,685	752,138	-94.19%	258,247	1,002,850	-74.25%
34	Contingency	0		87,750	-100.00%	0	117,000	-100.00%
35	Total Administrative Expenses	953,371	8,936,258	11,208,486	-20.27%	13,026,755	14,944,648	-12.83%

		September, 2016				Thru 12/31/2016		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	64,782	576,223	668,116	-13.75%	793,297	890,821	-10.95%
37	Tenant Service Personnel - Benefits	28,403	247,053	291,710	-15.31%	339,404	388,947	-12.74%
38	Relocation Costs	2,611	26,370	212,771	-87.61%	146,370	283,695	-48.41%
39	Tenant Service - Other	29,868	103,096	232,496	-55.66%	187,461	309,994	-39.53%
40	Total Tenant Services	125,663	952,742	1,405,093	-32.19%	1,466,533	1,873,457	-21.72%
	Project Utilities							
41	Water	674	69,308	57,780	19.95%	89,308	77,040	15.92%
42	Electricity	1,123	102,171	83,228	22.76%	113,421	110,970	2.21%
43	Gas	134	17,364	14,426	20.36%	19,864	19,235	3.27%
44	Sewer	10,738	205,440	146,342	40.38%	245,440	195,122	25.79%
45	Total Project Utilities	12,669	394,283	301,775	30.65%	468,033	402,367	16.32%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	5,939	198,488	190,285	4.31%	223,988	253,713	-11.72%
47	Maintenance Personnel - Benefits	2,426	78,852	76,526	3.04%	90,252	102,035	-11.55%
48	Maintenance Materials	5,180	76,116	80,495	-5.44%	103,116	107,326	-3.92%
49	Contract Maintenance	12,154	391,578	337,572	16.00%	489,078	450,096	8.66%
50	Total Routine Maintenance	25,699	745,034	684,878	8.78%	906,434	913,170	-0.74%
	General Expenses							
51	Protective Services	1,277	39,157	38,925	0.60%	50,407	51,900	-2.88%
52	Insurance	11,069	153,913	138,494	11.13%	198,913	184,659	7.72%
53	Other General Expense	111,496	989,701	1,392,021	-28.90%	1,719,601	1,856,028	-7.35%
54	Payment in Lieu of Taxes	1,199	10,789	2,681	302.50%	14,385	3,574	302.50%
55	Collection Loss	790	89,267	94,367	-5.40%	129,267	125,822	2.74%
56	Interest Expense	3,771	61,576	68,753	-10.44%	92,101	91,671	0.47%
57	Total General Expenses	129,602	1,344,403	1,735,241	-22.52%	2,204,675	2,313,654	-4.71%
58	TOTAL OPERATING EXPENSES	\$ 1,247,005	\$ 12,372,720	\$ 15,335,472		\$ 18,072,430	\$ 20,447,296	
	Nonroutine Expenditures							
59	Ext. Main/Fac Imp/Gain/Loss Prop Sale	0	8,275	29,250	-71.71%	11,033	39,000	-71.71%
60	Casualty Losses	1,073	(11,827)	9,150	-229.26%	(11,827)	12,200	-196.94%
61	Sec 8 HAP Payments	2,877,642	24,600,867	25,409,354	-3.18%	33,051,156	33,879,138	-2.44%
62	Total Nonroutine Expenditures	2,878,715	24,597,315	25,447,754	-3.34%	33,050,362	33,930,338	-2.59%
63	TOTAL EXPENDITURES	4,125,720	36,970,035	40,783,226	-9.35%	51,122,792	54,377,634	-5.99%
64	OPERATING SURPLUS/(DEFICIT)	(140,782)	629,443	(1,008,662)	-162.40%	444,062	(1,223,774)	-136.29%
65	Debt Service Principal Payments	0	(35,156)	(50,686)	-30.64%	(326,577)	(67,581)	383.24%
66	Surplus/Deficit Before Reserve Appropriations	(140,782)	594,287	(1,059,348)	-156.10%	117,485	(1,291,355)	
67	Reserve Appropriations - Operations	1,788	1,167,060	2,544,321	-54.13%	1,172,747	3,392,428	-65.43%
68	Operations/Transfers In/(Out)	0	(1,150,000)	(2,512,500)	-54.23%	(1,150,000)	(3,350,000)	-65.67%
69	Surplus/Deficit Before Capital Expenditures	(138,994)	611,347	(1,027,527)		140,232	(1,248,927)	
70	Capitalized Items/Development Projects	(297,733)	(10,009,748)	(9,566,484)	4.63%	(10,329,532)	(12,755,312)	-19.02%
71	Revenue - Capital Grants/Property Sales	55,000	9,997,518	8,730,410	14.51%	10,456,203	11,640,546	-10.17%
72	Reserve Appropriations - Capital	123,676	1,063,868	2,252,625	-52.77%	1,099,400	3,003,500	-63.40%
73	THA SURPLUS/(DEFICIT)	(258,051)	1,662,984	389,023		1,366,303	639,807	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2016

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	6,498,641	0.33%
Section 8 Checking	1,905,752	0.33%
THA Affordable Housing Proceeds-Salishan	3,123,841	0.33%
Scattered Sites Proceeds	159,060	0.33%
Note Fund Account	102	0.33%
Credit Card Receipts	6,557	0.33%
THA Investment Pool	290	0.33%
THA LIPH Security Deposits	9,305	0.33%
THDG - Tacoma Housing Development Group	182,776	0.33%
Salishan 7	1,326,326	0.33%
Salishan 7 Security Deposit	27,325	0.33%
Salishan 7 Replacement Reserve	191,599	0.33%
Salishan 7 Operating Reserve	199,732	0.33%
Outrigger Operations	93,296	0.33%
Outrigger Security Deposit	23,725	0.33%
Outrigger Replacement Reserve	44,180	0.33%
Prairie Oaks Operations	42,526	0.33%
Prairie Oaks Security Deposit	4,306	0.33%
Prairie Oaks Replacement Reserve	7,013	0.33%
Payroll Account	12,423	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,636,403	0.47%
1. TOTAL THA CASH BALANCE	\$ 15,495,177	
Less:		
2. Total MTW Cash Balance	\$ 983,890	
<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)	\$ 192,890	
3. MTW Cash Held By HUD		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 1,440,338	
3.20 Total MTW Cash Held By HUD	\$ 1,440,338	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2016

4. Non MTW Cash Restrictions				
<i>Other Restrictions:</i>				
4.02 VASH, FUP & NED HAP Reserves		288,277		
4.03 Mod Rehab Operating Reserves		90,651		
4.04 Security Deposit Accounts		59,189		
4.05 Salishan Sound Families - 608		30,143		
4.06 Gates Foundation - 615, 616		662,035		
4.07 WA Families Fund - 676, 713		1,940		
4.08 Outrigger Reserves		44,180		
4.09 Salishan 7 Reserves		816,331		
4.10 Prairie Oaks Reserves		7,013		
4.11 THDG - 048		182,776		
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,123,841		
4.20 Total - Other Restrictions			\$	5,639,608
5. Agency Liabilities:				
5.10 Total - Agency Liabilities			\$	-
5.20 Development Draw Receipts for Pending Vendor Payments			\$	-
5.3 Development Advances/Due Diligence Commitments ¹			\$	-
6. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.45+4.50)			\$	5,639,608
7. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-6)			\$	8,871,679
8. MTW Reserve Commitments				
8.01 Renovation/Remodel of Salishan FIC Building			\$	579,500
8.02 Renovation of Salishan Maintenance Shop				286,500
8.03 Software Conversion for Operational Platform (VH)				38,287
8.04 Education Projects - McCarver & Others				310,000
8.10 Total Reserve Commitments (Lines 8.01 through 8.04)			\$	1,214,287
9. Agency Current Commitments:		Board Approval	Expended	Obligation Balance
¹ Total Current Commitments outstanding				\$ -
Agency Advances for Current Development Projects				
			\$	-
			\$	-
Total Agency Advances			\$	-



TACOMA HOUSING AUTHORITY

ADMINISTRATION



TACOMA HOUSING AUTHORITY

DATE: November 16, 2016

TO: THA Board of Commissioners

FROM: Sandy Burgess
Associate Director of Administration and Asset Management

RE: Administration and Asset Management Department Monthly Board Report

RENTAL ASSISTANCE DEMONSTRATION (RAD) PROJECT

As the Board is aware, Tacoma Housing Authority (THA) successfully closed on the RAD conversion for Renew Tacoma Housing in April, and we are nearly complete with the rehab work in the first two buildings—EB Wilson and Bergerson Terrace.

Also as the Board is aware, we have spent the past 6 months working to close on the RAD conversion for the Salishan and Hillside properties. However, we have decided not to pursue RAD for Salishan and Hillside Phases 1 and 2 as planned. The short explanation for this decision is that we have run out of time with Housing and Urban Development (HUD) to get these deals done. The RAD deals for these properties have also changed significantly over the past several months, to the point where the deals are no longer as beneficial for THA and our tenants as they were when we first decided to pursue the RAD conversion.

I attach a chart summarizing the factors that we considered to make this decision. Here are the main factors:

- HUD gave us a November 15 deadline to complete all of the necessary paperwork to complete the remaining RAD deals. The paperwork included negotiating with 7 different lenders and investors, plus the City of Tacoma, Pierce County and the State Department of Commerce involved in the remaining properties. One particular investor slowed the process significantly by asking for additional cash, and guarantees. Missing the HUD deadline would force us to start over with a lot of the work that has already been done—physical condition assessments, financing documents, etc. We would also miss out on the additional administrative fee income that we had planned for in 2017.
- The deal would cost THA \$800,000 in reserve funds to buy out one of our investors in order to complete RAD. If we waited until the end of the tax credit compliance period, we estimate that we would only be paying \$350,000. This is money that could otherwise be spent on housing or operations.

- During negotiations with HUD, the rents that we planned for Salishan were reduced significantly. This meant that our original plans to get property cash flow as a result of RAD were changed.
- The RAD deal came with a requirement to make “green” improvements to the properties that were not necessary other than to meet HUD guidelines. An example was replacing all low-flow toilets with lower flow toilets.
- The improvements required by RAD would have been paid for by THA reserves. We had originally estimated these improvements to cost \$2.1 million and bids came in at \$3.6 million. Additionally, we would have had to hire a project manager to oversee this work. All of these THA costs would have used funds that we can use on housing for families or operations. These costs also would have depleted our reserves for the 2017 calendar year.
- If THA waits to do this rehab when the properties are out of their compliance period (at the beginning of their 16th year), then THA can resyndicate the properties and get new tax credit equity to do the work. This means we could use private dollars rather than THA dollars. We could also do more work to improve the units and their useful life, rather than just the work required by RAD.

These decisions have an impact on both staff and clients. Tenants have expectations that we will do work in their units. Most of that work will now wait. Staff have been eagerly awaiting a day when we have consistent rules across our portfolio by eliminating our public housing units. We will now continue to have public housing and the headaches and separate policies/procedures that come with it.

The next steps are:

- We are in the process of letting HUD and our investors/lenders know now that we are not going forward with RAD for Salishans 1-6, and Hillside 1 and 2.
- We will continue moving forward to convert the 26 Public Housing units at Bay Terrace to RAD.
- We will work to get the software systems modified to handle Public Housing requirements. It might not all be completed by January 1 but we will start mapping out the processes that changes need to be made. We will need staff help with this.
- We will get through the software conversion before we tackle the other details like leases, tenant communication, policies, procedures, etc. We hope to start this work in February 2017.



TACOMA HOUSING AUTHORITY

RAD CONVERSION OF SALISHAN AND HILLSIDE TERRACE PUBLIC HOUSING UNITS TO SECTION 8 FINANCING

November 7, 2016

RAD allows THA to convert public housing units to section 8. We did that with the first round of RAD for the 7 senior buildings, Bergerson Terrace and Dixon Village. THA has decided not to convert the 300 public housing units at Salishan and Hillside Terrace. Here are the factors to explain that decision.

Reasons to Convert Now	Reasons to Wait
Schedule	
	We could not meet HUD's strict deadlines for closing. We had to negotiate and redraft the documents for three public lenders (city, county and state) and 7 private lenders and our tax credit investor. The investor would not be able to confirm its agreement or the price of its buyout until after HUD's deadline.
Costs of Fix-Up	
Fix up the property now as we told the tenants to expect.	The fix-up can wait. It was to be relatively minor since Salishan and Hillside is in pretty good shape. A good part of the fix-up is not necessary but HUD ordered. For example, HUD ordered that we replace 600 low-flow toilets with lower flow toilets at a cost of \$600,000.
The cost of the fix-up may continue to increase. We budgeted \$2 million. Estimates came in at \$3.6 million.	If we wait and do the fix up when we refinance at the end of the normal investor period, we can decide for ourselves what improvements to do.
	The increase in costs is a reason to wait. THA would have had to pay that amount from its reserves. By waiting for a normal refinancing we can use money from our next round of tax-credit investors rather than our own money. This keeps \$3.6 million in our reserves.
	HUD reduced the rents we can charge to the portfolio reducing the income that would have come back to THA.
Buy-Out Investor	
The conversion would have allowed us to buy out the investor early.	We can still buy-out the investor early without a RAD conversion. We can do that without the pressure of a RAD schedule.

Reasons to Convert Now	Reasons to Wait
Schedule	
	We could not meet HUD's strict deadlines for closing. We had to negotiate and redraft the documents for three public lenders (city, county and state) and 7 private lenders and our tax credit investor. The investor would not be able to confirm its agreement or the price of its buyout until after HUD's deadline.
Our negotiations would have settled on a buy-out price of \$800,00 removing the uncertainty of buying them out later or at the end of their compliance period.	We can more likely negotiate a better price without the pressure of the RAD deadline. Our consultant estimates it will be \$250,000 instead of \$800,000 if we wait until the end of the compliance period.
Public Housing Units	
<p>Converting now would remove all public housing financing from THA's portfolio and replace it with Section 8 financing. This was a main reason to do RAD.</p> <ul style="list-style-type: none"> • This would unify our portfolio with one set of rules • keeping 300 public housing units if we do not convert means we will manage two sets of rules. • keeping public housing means design changes to our new software which we had not designed for public housing reporting to HUD 	
RAD and Congress	
Congress has capped the number of RAD slots. We had to apply. If we do not convert now we lose our slots. If we want to try again Congress will have to allocate more slots. We will have to reapply.	<p>The Senate version of the HUD budget allocates more RAD slots.</p> <p>The terms of the RAD program may get better.</p>
	Congress may allocate significantly more money for "infrastructure". Housing advocates are urging that this include new money for housing. If Congress includes new money to build or rebuild housing it will likely provide the money through the public housing capital fund. To get our share of this money, we will need public housing units.
Staff	
Doing the conversion will save work. It would mean that we do not have to add public housing modules to our new software. Longer term we would not have the extra work that comes from having public housing units.	Delaying conversion will save staff some work in the short term because we would not have to rush to try and meet HUD's closing deadline. This is important as we are preoccupied with the software conversion.



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: November 16, 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

Centers for Strong Families

THA continues to collaborate with United Way of Pierce County (UWPC) and other agencies on a number of fronts related to UWPC's Centers for Strong Families (CSF) initiative.

To reprise, the CSF is an evidenced-based model that is in practice in many places throughout the country. The model's "Get It, Keep It, Grow It" strategy proposes that by bundling services to (1) meet basic needs and access benefits; (2) provide financial literacy, budgeting, credit building and other asset building supports; and (3) workforce development to train, place and sustain people in living wage employment, client outcomes are substantively better than for persons receiving services in only one or two of these three areas.

Developments of note are as follows.

- The Hilltop CSF is operational on a limited scale, working from Sound Outreach's existing offices.
- On November 3, THA's Development Department presented architectural drawings, cost estimates for tenant improvements, and a timeline for occupancy of 1120 South 11th (formerly Key Bank) to the CSF partners. Real Estate Development (RED) anticipates presenting a development plan to the THA Board in December or January.

- UWPC is asking THA to host a CSF for East Tacoma at Salishan, and to participate in a CSF to be hosted by Clover Park Technical College (CPTC) in Lakewood. A Salishan CSF will locate at the FIC and not require tenant improvements. CPTC is expressing strong interest in becoming a Salishan CSF partner, offering vocational training programs at the FIC.
- UWPC is provisionally willing to focus services at CSF sites to support housing subsidy recipients, recognizing the foundational value of stable, affordable housing for families in exiting poverty. UWPC, Pierce County Housing Authority (PCHA) and THA began conversations in October regarding how to operationalize this commitment.
- UWPC and THA staff are preparing a draft Memorandum of Understanding (MOU) outlining collaboration on the following points.
 - UWPC's commitment to serve Housing Assistance (HA) clients through its CSF network.
 - THA's reciprocal commitment to participate in and refer clients to CSF sites where our clients live.
 - Collaboration to strengthen Section 3 training and placement.
 - Collaboration to secure funding that supports our shared goals to reduce multigenerational poverty and improve opportunities for early childhood development.

As these bulleted items indicate, the CSF initiative is developing into a unique opportunity to build a network of partnerships that will provide HA clients with a continuum of support. We may move families out of poverty more quickly, and reduce the period of time that a participant household relies upon a housing subsidy. Hilltop and Salishan CSFs can provide dedicated capacity to support families participating in the Elementary School Housing Assistance Program (ESHAP) and the Salishan Children's Savings Account (CSA).

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

October 2016	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing	9	1	53	89
Families in Transition (FIT)	0	1	11	23
Family Self Sufficiency (FSS)	10	6	112	157
General Services	8	6	42	118
Hardship	0	0	0	7
Housing Opportunity Program (HOP) Case Management	2	0	10	21
Children's Savings Account (CSA) K-5th Grade	5	0	33	34
Children's Savings Account (CSA) 6th - 12th Grade	5	0	32	32
McCarver	0	2	36	45
Senior & Disabled	57	11	57	261
DEPARTMENT TOTAL	96	27	386	787

3.2 PROGRAM UPDATES

3.2.1 Education Project Update

The McCarver Elementary Housing Assistance Program anticipates that it will begin receiving applications on November 7. We will provide an update at the December Board Meeting.

THA scored very well and received a substantial funding recommendation on a recent grant application to the City of Tacoma. Between this anticipated funding, outgoing Gates Foundation support, and funding committed by TPS through the recently completed Interlocal Agreement, the Elementary School Housing Assistance Program is fully funded for expansion in fall 2017.

The City of Tacoma funding also provides an opportunity to begin creating a suite of behavioral health partnerships that will provide dedicated support to ESHAP participants. Upon execution of a Contract for Services, Hope Sparks will begin in January providing a twelve-week evidence based parenting class to ESHAP families. For currently uninsured families, HopeSparks will provide initial mental health assessments, as well as individual and family counseling sessions. Sound Outreach will work with these families to secure insurance coverage.

HopeSparks will provide these services at our Bay Terrace Community Center. This is the first of a number of relationships we are forming with behavioral health providers.

3.2.2 General Services Program Update

The Senior and Disabled buildings welcomed fall with a new president of S.A.F.E., William Yelladay. The SAFE board has been brainstorming of ways to promote SAFE and be more involved in the Senior and Disabled properties as well as in the community. Carl and Billy (building reps on the SAFE board) continue to be productive volunteers at Mercy Housing's Breast Cancer Awareness event. Residents enjoyed the last of the Broadway streets farmers markets and even made the Tacoma Farmers Market Facebook page! The second round of Feast art courses started on October 28 and classes have been full from the beginning. Client Services is still working with the community on coordinating a mental health course for each building as well as considering the idea of mini job fairs and other ideas that the residents would like to see come to their buildings. A Washington State

University (WSU) Food Sense course starts in November (residents are really excited!) and we are preparing for Thanksgiving at the Lobster Shop as well.

4. RENTAL ASSISTANCE AND LEASING

Julie LaRocque, Associate Director of Rental Assistance

Beginning in November, Rental Assistance (RA) will provide the Board with more detailed information regarding a pattern of underutilization of Housing Opportunity Program (HOP) vouchers. We are currently at 93.7% utilization of total Moving to Work (MTW) Baseline Tenant Based Vouchers. RA is working with Policy to identify and account for the factors contributing to underutilization.

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	169	95%
NED (Non Elderly Disabled) Vouchers	100	99	99%
FUP (Family Unification Program)	50	48	96%
CHOP (Child Welfare Housing Opportunity Program)	20	20	100%
McCarver Program*	50	35	70%
CHAP (College Housing Assistance Program)	25	21	84%
TOTAL	422	392	93%

* McCarver has opened its waiting list (Nov 7) and is currently processing applications to fill the allocated vouchers for this program.

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	18	90%
Eliza McCabe Townhomes	10	9	90%
Flett Meadows	14	11	79%
Guadalupe Vista	40	38	95%
Harborview Manor	125	124	99%
Hillside Gardens	8	7	88%
Hillside Terrace	9	7	78%
Nativity House	50	49	98%
New Look Apts.	42	38	90%
Pacific Courtyards	23	21	91%
New Tacoma Phase II	8	6	75%
Salishan 1-7	340	335	98%
Tyler Square	15	11	73%
TOTAL	704	674	96%



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: November 16, 2016

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Monthly Board Report

1. OCCUPANCY OVERVIEW

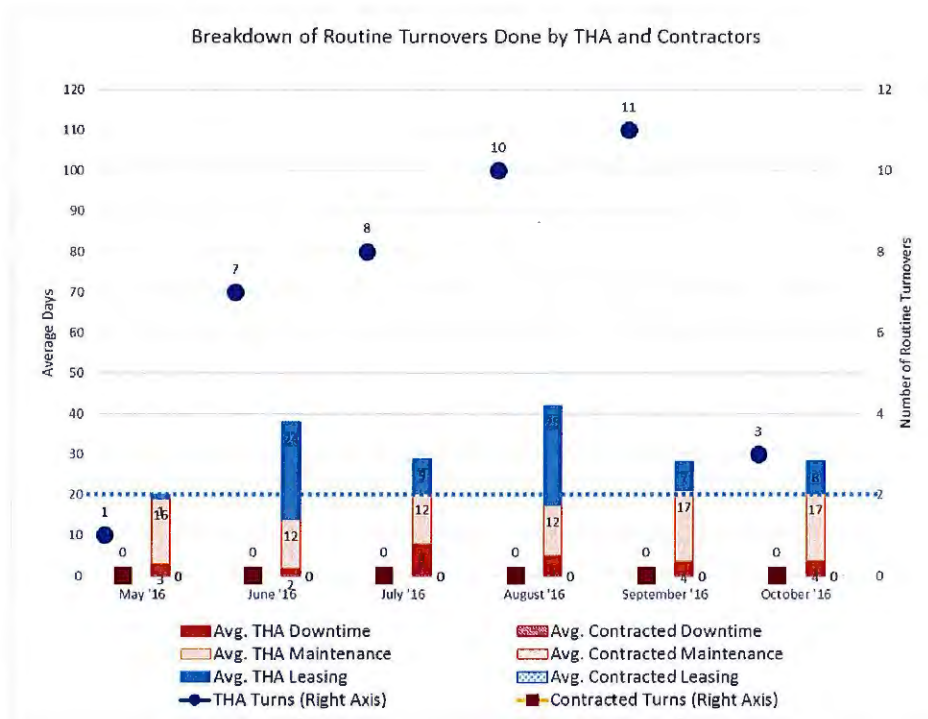
1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	1	0	131	96.97%	97.27%
Family Properties	118	14	5	104	99.24%	88.76%
Salishan	631	8	0	623	88.14%	99.06%
Senior/Disabled	353	34	1	319	90.37%	94.59%
All Total	1,234	57	6	1,177	95.38%	96.55%

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

1.2 Vacant Clean Unit Turn Status





Routine Turns - Performed by THA and Contractors

Today's Date 11/7/2016

Ending Month: October 2016

Beginning Month: May 2016

		Routine THA Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	October	3	28.3	3.7	16.7	8.0
2016	September	11	28.1	3.5	17.5	7.1
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
		Routine Contracted Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	October	0	0.0	0.0	0.0	0.0
2016	September	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of October was 32 days for four (4) 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 cannot be repaired within 20 days.

Routine +20 explanation

Sal 3 - 1818 East Harper 25 days: Unit was in downtime for 7 days. Maintenance work was completed in 15 days. 3 days were attributed to leasing efforts

Salishan 5 - 3923 Everett 36 days: Unit was in downtime for 1 day. Maintenance work was completed in 19 days. 16 days were attributed to leasing efforts. Original Rental Assistance (RA) transfer refused unit causing leasing to pull next available applicant off of the wait list.

Salishan 6 - 2037 East 44th 24 days: Unit was in downtime for 3 days. Maintenance work was completed in 16 days. 5 days were attributed to leasing efforts.

Extraordinary

Hillside 1 - 2327 Court G St 43 days: Unit was in downtime for 4 days. Maintenance work was completed in 36 days. Long term tenancy caused damage to the unit. Delay in flooring materials contributed to the delay. 5 days were attributed to leasing efforts.

Proposed Changes for Improvement in Unit Turn Times:

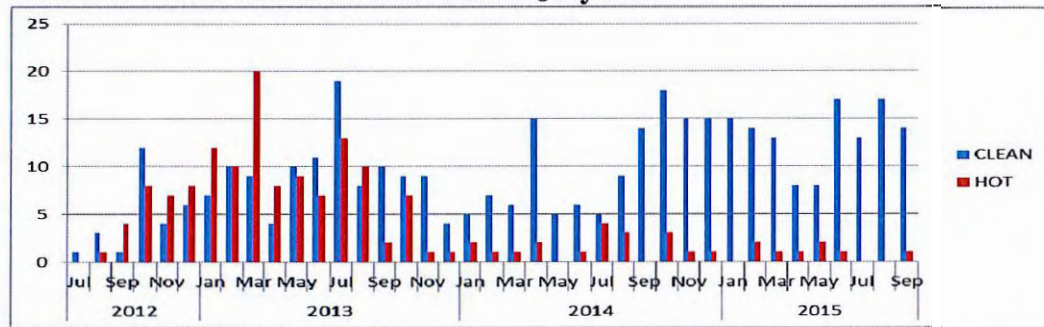
- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
 - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
 - ✓ Procure contractors who will respond to request for service if needed 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 October, 2016

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		# Completed	Avg Completion Days	Month		YTD	
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)			# Completed	Avg Completion Days	# Completed	Avg Completion Days
	(25 days HUD Std)									
THA 8TH AVE	0	0.0%	0	0.0%	0					
	0	0.0%	0	100.0%	0					
All Hillside										
BAY TERRACE	0	0.0%	2	100.0%	0		8	0.88	148	3.68
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	0		0		31	4.71
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		5	1.80	64	3.41
HILLSIDE TERRACE PH II	0	0.0%	1	100.0%	0		3	4.87	38	5.08
	0	0.0%	4	100.0%	0		16	1.88	279	3.91
Family Properties										
BERGERSON TERRACE	5	100.0%	26	100.0%	0		11	8.38	252	4.61
DIXON VILLAGE	0	0.0%	11	100.0%	4	0.25	7	9.43	91	4.25
SCATTERED SITES	0	0.0%	7	100.0%	0		1	6.00	68	3.78
	5	100.0%	44	100.0%	4	0.25	19	8.63	411	4.39
Salishan										
SALISHAN I	0	0.0%	3	100.0%	3	0.33	43	6.21	323	8.82
SALISHAN II	0	0.0%	5	100.0%	3	1.87	25	8.16	320	8.94
SALISHAN III	0	0.0%	1	100.0%	3	1.67	19	11.84	308	9.01
SALISHAN IV	0	0.0%	4	100.0%	2	0.50	24	8.42	244	9.72
SALISHAN V	0	0.0%	4	100.0%	4	3.00	25	7.88	299	10.07
SALISHAN VI	0	0.0%	2	100.0%	1		34	7.06	241	9.22
SALISHAN VII	0	0.0%	5	100.0%	2	1.50	27	9.30	206	11.18
	0	0.0%	24	100.0%	18	1.50	197	8.05	1,939	9.48
Senior / Disabled Properties										
8TH AVE	1	100.0%	9	100.0%	1		17	7.53	152	6.29
E.B. WILSON	0	0.0%	8	87.5%	4	0.75	32	3.16	256	34.15
FAWCETT APARTMENTS	0	0.0%	5	100.0%	1	1.00	2	3.50	54	2.31
LUDWIG APARTMENTS	3	100.0%	11	100.0%	1		7	3.00	84	3.14
NORTH G ST	0	0.0%	12	100.0%	1		5	4.00	88	15.41
NORTH K ST	1	100.0%	11	100.0%	0	0.67	4	4.00	116	11.47
WRIGHT AVE	0	0.0%	2	100.0%	1		7	3.00	99	2.91
	5	100.0%	58	98.3%	15	0.53	74	4.24	849	15.39
Agency Totals:	10	100.0%	130	99.2%	37	0.97	306	6.84	3,478	9.87

In the month of October, 100% of emergency work orders were completed within 24 hours. In October, maintenance staff completed 306 non-emergency work orders with a total of 3,478 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 9.87.

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

Portfolio		Emergency		Urgent		Non Emergency		
		Opened Emergency WO	Days Open	Open Urgent WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
W14	THA 6TH AVE	0	0	0	0	1	0	1
		0	0	0	0	1	0	1
All Hillside								
BT	BAY TERRACE (S8)	0	0	0	0	13	9	4
HT1	HILLSIDE TERRACE PH 1	0	0	0	0	2	2	0
HT150C	HILLSIDE TERRACE 1500 Block	0	0	0	0	14	8	6
HT2	HILLSIDE TERRACE PH II	0	0	0	0	2	0	2
		0	0	0	0	31	19	12
Family Properties								
020	BERGERSON TERRACE	5	0	0	0	13	5	8
022	LOW RENT SCATTERED SITES (19)	0	0	0	0	0	0	0
023	DIXON VILLAGE	0	0	0	0	3	3	0
		5	0	0	0	16	8	8
Salishan								
SAL1	SALISHAN ONE LLC (PH)	0	0	0	0	36	36	0
SAL2	SALISHAN TWO LLC (PH)	0	0	1	0	77	77	0
SAL3	SALISHAN THREE LLC (S8)	0	0	1	3	29	29	0
SAL4	SALISHAN FOUR LLC (S8)	0	0	0	0	56	56	0
SAL5	SALISHAN V LLC (S8)	0	0	1	0	70	68	2
SAL6	SALISHAN SIX LLC (PH)	0	0	0	0	45	45	0
SAL7	SALISHAN SEVEN	0	0	0	0	35	33	2
		0	0	3	3	348	344	4
Senior / Disabled Properties								
006	NORTH K ST	1	0	0	0	2	2	0
008	E.B. WILSON	0	0	0	0	2	2	0
009	FAWCETT APARTMENTS	0	0	0	0	3	3	0
010	WRIGHT AVE	0	0	0	0	3	3	0
012	LUDWIG APARTMENTS	3	0	0	0	2	2	0
013	NORTH G ST	0	0	0	0	6	3	3
014	6TH AVE	1	0	0	0	1	0	1
		5	0	0	0	19	15	4
Agency Totals:		10	0	3	3	415	386	29

The open work orders that are greater than 25 days is 26 in October, 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

DATE: November 16, 2016

TO: THA Board of Commissioners

FROM: Kathy McCormick
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

1. SALISHAN/HOPE VI

1.1 Phase II Construction

1.1.1 Area 2A, Community Core Development

The Board approved the general Master Plan Concept at its June, 2012 meeting. Staff is reviewing the Master Plan Concept and may suggest some revisions based on current community needs and opportunities and propose an alternative plan for the Salishan Core. Discussions are underway with Bates Technical College and Community Health Services regarding the Salishan Core. Staff also showed space at the Family Investment Center (FIC) to a local child care operator who expressed some interest in providing day care or before/after school programs at this location. These discussions are all in the very early stages.

1.1.2 Area 2B Property Sale to Metro Parks

Housing and Urban Development (HUD) approved the disposition of the two lots. Real Estate Development's (RED) legal counsel is reviewing the Deed of Partial Release and closing is targeted for the first of December.

2. NEW DEVELOPMENT

2.1 Bay Terrace – Phase II

Construction is approximately 43.7% complete. The contractor has made significant framing progress. Installation of roofing and exterior siding is underway. The main utility services to the buildings are also being installed. Four floors of framing are complete on the G Street side and three levels on the Court G side are also complete. The right-of-way work has begun with the four (4) ADA ramps and asphalt paving are complete at South G, 25th Street and Yakima Avenue. Crews are roughing in Building J mechanical, electrical, fire and plumbing. The project is on budget and schedule with no major issues to report.



Framing - Building J



Framing Building G Townhomes



Framing Building H Townhomes

NOTE:

The following information is based on Draw 7. BTII has not encountered any unusual problems or issues.

**Construction %
complete**

34.4%

Budget	Total budget	Expended	Balance
Soft Costs	4,861,258.00	2,373,525.56	2,487,732.44
Construction	16,100,410.00	6,667,732.67	9,432,677.33
Owners contingency	880,000.00	117,863	762,137

Absher Construction's Total Resident Employment, and
 M/WBE and Apprenticeship goal commitment and monthly utilization:

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 10/31/2016
MBE	22% Combined ↓	13%	13%
WBE		12%	12%
Section 3 Business		14%	14%
Section 3 New Hires	30%	12%	14.29%
Apprenticeship	15%	8%	8%

3. OTHER PROJECTS

3.1 Public Housing Scattered Sites

Former Public Housing Scattered site homes are being rehabilitated and sold at market value. To achieve affordability for households earning 50% to 80% of the Area Median Income (AMI), THA will place a restriction for the difference between market value and the effective sales price on the property. The effective sales price is what a buyer earning 50% to 80% of the AMI can afford. The value of the difference between the market value and effective sales price will be captured in the restrictive covenant. This value takes the form of a forgivable loan. 20% of the loan value will be forgiven every year.

HUD approved the use of one of the scattered site houses for housing youth experiencing homelessness. Rehabilitation work will be complete by mid-November and Community Youth Services will manage the facility.

Two homes are being purchased by residents of public housing. These are priority buyers.

Public Housing Scattered Site

	Total	# of Units in Rehab	# of Units Sold	# of Units Remaining
Number of Units	34	11	2	32
	Total Rehab and Related Sales Cost		Total Sale Price	Net Gain
Financial	\$74,\$759		\$370,000	\$295,241

*Chart does not reflect homes that have completed rehab and are waiting to be sold.

*Houses are considered in rehab until sold

- 4 houses are listed and one is being used by Community Youth Services (CYS);
- 1 house is being improved for CYS and will be occupied in November;
- 1 house is being held for a priority 2 buyer and will close in November;
- 2 houses need minor repairs before being listed in November;
- 1 house is being renovated and will be listed in December;
- Contracts will be awarded for rehabilitation work on four homes starting in November;
- Scopes of work are being prepared for 6 houses with work scheduled to begin by the end of 2016; and,
- 14 houses are occupied. The families in these homes will be relocated per the THA relocation plan. Renovation on these homes will begin in 2017.



1313 E. HOME-SOLD

3.2 Consulting and Community Engagement

RED continues to work with the Salvation Army (SA) on a proposal to redevelop SA's Sixth Avenue property. Conceptually, this project will offer 69 rental units for families and individuals experiencing homelessness. A food bank and space for entities providing supportive services is also planned.

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

3.3 New Look Capital Planning and Resyndication

THA selected Buffalo Design to plan the capital work for the New Look Apartments. The planned work will be completed as part of a tax credit resyndication. National Equity Fund (NEF) represents the limited partners in the current New Look LLC. NEF will exit the partnership at the end of 2016. A new partnership, to be called the Alberta J. Canada LLLP, will be formed. THA will be the general managing partner. Solicitation for tax credit investors has been delayed, on advice from Brawner and Associates.

3.4 Community Youth Services (CYS): Arlington Drive Property

Staff began negotiating with the City of Tacoma on the predevelopment, development and operations agreements for a Crisis Residential Center to be managed by Community Youth Services (CYS). The preliminary meeting with the City went well; however, the City has requested additional time to finalize this agreement. At this time we are uncertain as to when an agreement will be finalized with the City. In the meantime, SMR Architects will undertake some preliminary work for the master plan of the Arlington property. This work will be reimbursed as part of the City of Tacoma Agreement and will also benefit THA as we complete a full development plan. The costs will not exceed \$25,000.

CYS is a well-regarded organization that provides emergency and longer-term

housing for youth experiencing homelessness. The organization is located in Olympia. This group has been providing overnight shelter services in Tacoma, under a contract with the City of Tacoma.

For several years, the City committed funding for a Crisis Residential Center (CRC) and a Shelter/Youth Drop-In Center. The challenge has been identifying a site that could accommodate a 5,000 square foot building; zoning and location have been a roadblock. To facilitate the development of this project, THA offered the 3.5 acre Arlington Property. This property is on Portland Avenue and is part of the original Salishan development. The board adopted Resolution 2016-06-22(5).

4. DEVELOPMENT PIPELINE PROJECTS

4.1 1800 Hillside Terrace Redevelopment

On October 5, 2016, staff submitted a funding application to the Tacoma Community Redevelopment Authority (TCRA) requesting \$1 million in HOME fund to support the development of 79 units for the 1800 Block project. THA has been invited to present this project to the TCRA funding committee on November 17, 2016. We are on-track in preparing a submission for a 9% tax credit allocation request for 2017. Staff is continuing negotiations to purchase two vacant single family homes adjacent to the site. Both homes are estate sales. The single family home foot prints will allow for eight additional affordable units.

The 1800 block of Hillside Terrace was demolished during the Bay Terrace Phase I redevelopment. Staff is preparing for a January, 2018 9% tax credit submission.

Staff expect that the new units will be affordable to households with incomes between 30% and 60% of area median income. As proposed, the project will offer one and two bedroom units located in a single mid-rise elevator building. A 20% set-aside for both disabled and homeless individuals and small families is proposed. THA expects to lease the land and improvements to the LLLP for up to 99 years.

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

4.2 Intergenerational Housing at Hillsdale Heights

The Many Lights Foundation (MLF) may partner with Hope Sparks, a local non-profit that comprises five core behavioral health programs that serves children and families in Pierce County who face trauma, abuse and overwhelming life challenges. These services include behavioral health, early intervention, kinship care, home visiting, eating recovery and parent education during 2014. Staff have met with Hope Sparks to share information about our respective organizations and to describe

the development and financing process and partnership consideration. Hope Sparks will decide if a partnership with Many Lights is feasible by the end of this year. After that time, THA will renew discussions on the development of the inter-generational housing.

4.3 Hilltop Lofts and THA Owned Properties Master Development Plan

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

4.3.1 All five of the scheduled community planning meetings have been completed. As part of this work and through the efforts of Chris and Kenji, LLC., (local Hilltop Artists) a **Community Artifact** will be completed. This is an interactive piece that will give community members a continuous opportunity to provide feedback and engage with the ongoing conversation around affordable housing in the Hilltop. Responses will be documented for the next 12 months during non THA projects that are opening and breaking ground in the area.

4.3.2 GGLO completed several development scenarios. These are designed to evaluate the number of units, target market, potential development partnerships and financial feasibility.

4.3.3 Hilltop Lofts: One development scenario:
Four stories to achieve the most development within reasonable development cost parameters.

4.3.4 Key Bank: Three development scenarios:

- Keep Key Bank and do not build on top, build four story building in Key Bank parking lot, south of existing building.
- Remove Key Bank and build new four story building on whole lot.



Example of Key Bank Removal

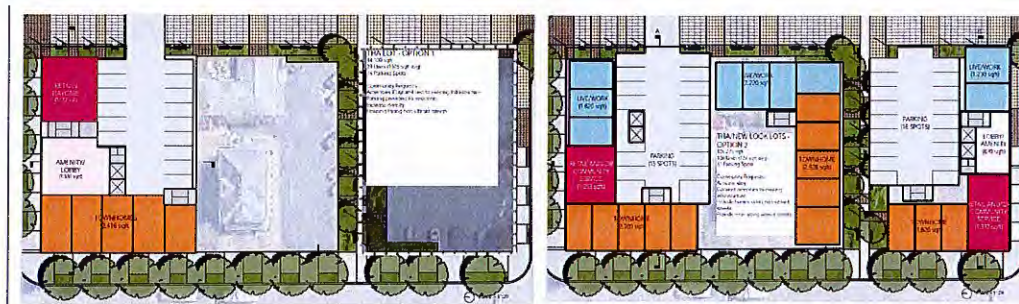


Example of Key Bank parking lot development

4.3.5 New Look & THA Parking Lots: Three Development Scenarios:

- New four story building on New Look Parking Lot Site

- New four story building on THA Parking Lot Site
- New four story building connected and wrapping around existing house between these two sites. Utilize parking lot adjacent to house and shed space behind house into the development



Example of THA parking lot development

Example of wrap around development

4.3.6 Development Design Renderings

GGLO provided a variety of renderings to spark discussion about design for the potential development noted above. Modern looking buildings that acknowledged the historic use of materials were preferred by the community because they give the neighborhood a new and updated look. Additional comments have included more color and features to promote active and attractive streetscapes and alleys. Following are two examples of this design.



4.3.7 Discovery Report

GGLO has completed the initial draft of a discovery report. This includes summaries of the information obtained through the outreach activities that were conducted this summer, statistics about the Hilltop neighborhood and an analysis of the comments received by the community regarding the future of the neighborhood.

4.3.8 Action Items

Next steps recommended by the Home Work Group attendees included:

- Condensing fragmented neighborhood resources;
- Facilitating more affordable home ownership opportunities; and,
- Encouraging expanded pedestrian infrastructure.

THA is working with City of Tacoma staff to identify and prioritize locations for crosswalks and other sites that can ease the use of pedestrian pathways.

This is an important step in demonstrating to the neighborhood that their concerns are important and that THA is capable of facilitating action to address these concerns. Staff are also exploring affordable home ownership resources and opportunities to help people who live in the neighborhood to stay in the neighborhood if they choose.

As a result of THA's work in the Hilltop neighborhood, two RED staff were invited by the Tacoma City Manager's office to participate in a research trip to Cleveland, Ohio to observe the relationships and successes of Anchor Institutions and neighborhood groups in the Upper University Circle neighborhood in working together to strengthen the neighborhoods of Cleveland.

5. Renew Tacoma Housing, LLLP

5.1 Construction

Property	Construction start	Construction schedule complete	Units complete	Units underway	Units remaining
Bergerson	5/4/2016	12/31/2016	72	0	0
E.B. Wilson aka M Street	5/4/2016	12/31/2016	77	0	0
Dixon Village	9/16/2016	12/31/2016	16	7	8
Ludwig	10/4/2016	2/23/2017	9	4	28
K Street	10/10/2016	3/20/2017	6	2	35

workscape walks for G Street, 6th Avenue and Wright Street will be conducted in early November even though the earliest of the sites' construction start date is January, 2017. Typically, these workscape walks have been conducted 60-70 days prior to construction start. This will provide an earlier opportunity to compare estimates against more defined interior unit worksopes.

Roofing and siding work is in process and scheduled on a separate track to retain the subcontractor, be mindful of weather conditions and accelerate schedules where possible. The subcontractor has been authorized to expand daily work hours (in accordance with regulatory restrictions) in order to expedite completion of the exterior work. Walsh will have oversight during these expanded hours.

Elevator modernization work started in October at E.B. Wilson. Similar to the approach with roofing and siding, the elevator modernization work has an independent schedule to retain the subcontractor and accelerate completion.

Playground work at Dixon and Bergerson is in process.

5.2 Relocation

E.B. Wilson's RAD relocation for seventy-seven interior units with renovations to meet RAD standards is complete. The corridor flooring construction is complete and no more day or overnight relocations will take place.

Bergerson Terrace's RAD relocation for seventy-two interior units with renovations to meet RAD standards is complete. No more day or overnight relocations will take place

Dixon Village has sixteen interior units completed with day relocation and some overnight relocation activity. Overnight relocation activity only happens due to special circumstances. Currently, there are seven households out for relocation/construction on their units.

North K Street started relocation activity on October 10, 2016. North K Street has had six interior units completed with construction and relocation activities. Two households are currently out for relocation/construction on their units.

Ludwig Apartments started relocation activities on October 4, 2016. Ludwig has had nine interior units completed with construction and relocation activities. Four households are currently out for relocation/construction on their unit.

Fawcett Apartments had their sixty-day scope walk on October 12, 2016, to begin the process for the upcoming relocation and construction that is set to start on January 3, 2016. Relocation is waiting for the scope of work from Redevelopment in order to proceed with scheduling intake appointments with residents.

As referenced above, relocation staff are constantly analyzing the work scopes and schedules prepared for Ludwig Apartments, North K Street Apartments and Dixon Village in order to plan appropriate relocation activities.

5.3 Watch list

Environmental – The Department of Ecology (DOE) issued a “*No Further Action*” letter for 6th Street. DOE is requiring additional work at K and Wright Streets. THA's environmental consultant developed work plans and presented them to DOE for comments. Fortunately, DOE is in support of the lower cost option for clean-up at Wright Street.

6th Avenue:

The Department of Ecology (DOE) issued a “*No Further Action*” letter for 6th Street.

K Street:

The Environmental Protection Agency (EPA) informed THA that the K Street plan is satisfactory with the exception of requiring a vapor test of the elevator pit to assure that

there are no toxic emissions. The test consists of simple air monitoring done over a 24 hour period.

Wright Street:

THA's representative and environmental consultant met with EPA on October 27, 2016. THA was informed that the most significant issue is to be able to delineate the extent of the contamination as it relates to the house across the alley. THA's previous attempts to test were denied by the owner. As the contaminated dirt is right next to the neighboring property, EPA informed THA that we need to delineate just where it ends and verify if it is indeed on the neighboring property. EPA has the enforcement authority to require cooperation from the neighboring property owner to allow testing. The EPA consultant is going to have an internal strategy discussion and will contact THA with their strategy/recommendation.

THA is working with legal counsel to ensure THA is as sheltered as possible against any future claims. The "*No Further Action*" letter will include the neighboring site in its directive because the home is suspected to have contamination originated from THA's property. If necessary, an option available to THA would be to purchase the neighboring property and turn it into a parking lot. At this point, THA will wait for EPA.

In addition, THA and its environmental consultant contacted legal counsel to provide this update. Legal Counsel will send a letter to Superior Linen informing them that and a formal complaint will be filed against them for restitution for environmental expenses.

The balance of the proposed work plan looked acceptable to EPA with just a few revisions to test hole locations. If all goes well with the testing, EPA will then define long-term monitoring requirements.

5.4 Problems Encountered

5.4.1 Description

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

Resolution (considered resolved)

There will be labor on one of the elevators that spills over into 2017. This is due to timing for delivery of elevator materials (14 weeks), timing of labor (minimum 10 weeks), limited crews and balancing relocation costs against shutting down both elevators. We will be able to draw down on materials in 2016. After consulting with a CPA, it now appears it may be the case that the costs associated with the labor performed in 2017, may be included in tax credit eligible basis.

5.4.2 Description

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

Resolution

Walsh's Guaranteed Maximum Price (GMP) includes an estimate for doing the work in the manner recommended by THA's Architect and Architect's engineer. Prior to closing, a budget adjustment was made to pay for the additional cost.

5.4.3 Description (considered resolved)

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

Resolution (considered resolved)

Walsh and THA reached agreement on \$219,000; a reduction of \$91,000 from Walsh's original proposal

5.4.4 Description

Ludwig Abatement.

Resolution

Due to the abatement associated with flooring at Ludwig, Ludwig's construction end date was revised from December 14, 2016 to February 23, 2017. The multi-site construction schedule has been revised to accommodate Ludwig's schedule revision and Walsh construction superintendents re-assigned, as necessary. This does not affect tax credit delivery or equity.

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$6,062,163	\$17,961,335
Construction	\$29,812,529	\$8,663,727	\$21,148,802
Owner's contingency	\$ 3,343,026	\$1,047,829	\$ 2,295,197
Environmental Escrow	\$3,500,000	\$600,000**	\$2,900,000

NOTE: The above reflects the budget status through Draw #5 (in the process of approval).

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

**Reallocated to construction due to 6th Avenue "No Further Action" letter" issued by DOE.

5.5 Walsh Construction - MWBE and Section 3 Reporting

	GOAL	ACTUAL AS OF 10/31/2016
MBE	14%	8.78%
WBE	8%	.29%
Section 3 Business	----	7.41%
Section 3 New Hires	30%	12 new hires ¹

Walsh provided some context for why meeting the MWBE goals are a challenge:

- The work scope is such that it is difficult to package scopes into smaller packages to achieve MWBE results. This is easier to do on larger, single purpose projects;
- The RAD project is complex and maintaining the aggressive schedule is critical. There are significant consequences to any delays in the work. For example, the investor is expecting delivery of 3 projects by the end of 2016. If any one of the projects are not delivered, there is a serious financial and reputational risk. Also, if there delays in the work, the project will face increased relocation costs. Working with MBE can involve more hand holding;
- AVA siding is a Section 3 business, however, due to market conditions and their work load, RDF Builders has had to step in and take over some of the siding scope simply to finish the project on time;
- Cerna Landscaping, WCC's go to MBE landscape subcontractor failed on the Bergerson project, again due to an excessive amount of work which they could not complete.
- There has been difficulty identifying MWBE subs, unfortunately Walsh's outreach results were not what they had hoped; and,
- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at NAMC meetings, and phone calls were outstanding. We simply had trouble finding MWBE subcontractors. It is possible that this can be attributed to the significant amount of work underway in the South Sound.

¹ Walsh is computing the %age of new hires that meet the Section 3 guidelines under RAD. At this time, they have only kept track of new hires who are Section 3 and not total new hires.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-11-16 (1)

Date: November 16, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Agency-Wide Leave Adjustment

This resolution would grant additional paid leave for employees, agency-wide, in recognition of 2016 accomplishments and year-end work objectives still to be accomplished.

Background

This has been a hard year for THA staff and it is about to get harder. Two projects in particular are a challenge. First, the software conversion required staff to design the new system, test it, learn it and implement it, along with the accompanying new business processes. Second, the RAD refinancing project and the associated construction and relocation required extra work on a detailed schedule from the entire agency. As a result, THA had to ask staff to forego using annual leave this year.

Recommendation

We recommend the following consideration for staff:

THA would provide staff with up to 40 hours of additional Annual Leave, based on their hire date:

- All regular employees hired on or before March 31, 2016, will receive forty (40) hours of Annual Leave.
- All regular employees hired between April 1, 2016, and June 30, 2016, will receive thirty-two (32) hours of Annual Leave.
- All regular employees hired between July 1, 2016, and October 31, 2016, will receive twenty-four (24) hours of Annual Leave.
- All regular employees hired November 1, 2016, and December 31, 2016, will receive eight (8) hours of Annual Leave.
- Employees cannot access the additional leave until February 1, 2017.
- Temporary staff, interns and key holders are not eligible.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-11-16 (1) (Agency-Wide Leave Adjustment)

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

WHEREAS, The agency has an established and defined leave policy; and

WHEREAS, THA has required staff to meet especially demanding workloads in 2016 and be available for the remainder of the year, which will be demanding; and

WHEREAS, In recognition of doing this hard work, some extra vacation time would be appropriate; 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 additional Annual Leave for all regular employees' Annual Leave banks as follows:

1. All regular employees hired on or before March 31, 2016, will receive forty (40) hours of Annual Leave.
2. All regular employees hired between April 1, 2016, and June 30, 2016, will receive thirty-two (32) hours of Annual Leave.
3. All regular employees hired between July 1, 2016, and October 31, 2016, will receive twenty-four (24) hours of Annual Leave.
4. All regular employees hired November 1, 2016, and December 31, 2016, will receive eight (8) hours of Annual Leave.

Approved: November 16, 2016

Dr. Arthur C Banks, Chair