



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

January 25, 2017



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, January 25, 2017

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, January 25, 2017, at 4:45 pm.**

The meeting will take place at:

**Dixon Village
5420 S. Stevens
Tacoma, WA 98409**

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

I, Sha Peterson, certify that on or before January 25, 2017, 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

January 25, 2017 4:45 PM

Dixon Village, 5420 S. Stevens, Tacoma, WA

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of December 7, 2016—Special Session
 - 3.2 Minutes of December 14, 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
 - 7.6 Human Resources
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2017-01-25 (1) Third Amendment to eightCloud Contract for Salesforce Development
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any.**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION

WEDNESDAY, December 7, 2016

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L. Street, Tacoma, WA at 12:00 PM on Wednesday, December 7, 2016.

1. CALL TO ORDER

Commissioner Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:10 pm.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Chair Arthur Banks
Vice Chair Janis Flauding (participated by phone)	
Commissioner Stanley Rumbaugh (arrived at 12:10 pm)	
	Commissioner Minh-Anh Hodge
Commissioner Derek Young	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	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

Commissioner Rumbaugh declared there was a quorum present @ 12:15 pm and proceeded.

3. Proposed 2017 Budget

Executive Director (ED) Michael Mirra led the discussion of the proposed 2017 budget and accompanying documents. The staff will present the proposed budget at the Board's December 14, 2016 meeting.

E.D. Mirra reviewed the four budget principles that have governed THA's budgeting:

1. Budget to the worst of the plausible Congressional appropriations
2. Recurring income covers recurring expenses
3. Use reserves for expenditures that: (1) make money, (2) save money, or (3) make us stronger
4. Keep reserves that are adequate without being too much

ED Mirra said that the proposed budget conforms to these principles. Staff wrote it presuming upon the Congressional appropriation levels for HUD in a proposed budget approved by the House Appropriation Committee earlier this year. That essentially gives us flat funding from 2016. THA's various advisors recommend this approach. The main uncertainty arises because the present Continuing Resolution expires on April 28, 2017. By then the next Congress must extend it or pass a real budget. If either one contains notable cuts THA would need to conform to them within the remainder of the fiscal year. That shortened time period would amplify their effect. Despite this risk, presuming on the House Appropriation Committee proposal is a reasonable approach.

He also noted that the proposed budget has recurring expenses fitting inside recurring income. He cautioned, however, that whether an expense is either recurring or non-recurring is sometimes a judgment of characterization that the Finance Director must make.

The proposed budget also leaves us with ample reserves and spends down some of them for worthwhile projects.

An alternative budget would have THA anticipate funding reductions that may not occur and make cuts now in staff or services or both without knowing how much to cut. Cuts would be disruptive to staff and operations especially in the middle of our software conversion, the RAD project and other initiatives.

The Commissioners expressed support for the proposed budget. Vice Chair Flauding and Commissioners Young and Rumbaugh noted how THA's reserves do give THA some flexibility in managing cuts. They expressed appreciation for Finance Director Shalik's conservative approach.

Executive Director Mirra stated that starting in January staff will plan some budget cutting exercises presuming upon reductions in funding of varying degrees. These exercises will be useful if not in 2017 than in 2018 when the main budget cuts from Congress may occur. He noted that managing those cuts may be a replay of how THA planned for the 2010 sequestration cuts of \$3 million.

4. ADJOURNMENT

There being no further business to conduct, the meeting ended at 1:02 PM.

APPROVED AS CORRECT

Adopted: January 25, 2017

Dr. Arthur C. Banks, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, December 14, 2016

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Bay Terrace, 2550 South G. Street, Tacoma, WA at 4:45 PM on Wednesday, December 14, 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 4:53 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 5:01 pm)	
Commissioner Minh-Anh Hodge (arrived at 4:55 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 @ 5:01 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Banks asked for any corrections to, or discussion of the minutes for the Regular Session of the Board of Commissioners on Wednesday, November 26, 2016.

Commissioner Young moved to adopt the minutes, Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Shammai Durette, 3201 Fawcett

Mr. Durette addressed the board. He asked if exterior painting is included in the renovation for Fawcett. Director Patterson will check to see if exterior painting / touch up is in the scope of work. Mr. Durette additionally commented that the windows are very dirty.

Senta McKnight, 3201 Fawcett

Ms. McKnight addressed the board. She asked if tenants are able to choose their hotel during tenant relocation. Director Patterson informed her that THA has a contract with a company that has two locations — one for day stays and one for extended stays. How long tenants will be out of their unit will determine which hotel they will stay in. If the two locations are full, THA will provide alternative accommodations.

Bettina Carson, 3201 Fawcett

Ms. Carson addressed the board on behalf of the other tenants at Fawcett who are afraid to speak up. Fawcett Property Manager Denise Day-Joseph is trying to get a final meeting with tenants to discuss their concerns about a particular tenant whose bad behavior has escalated, putting tenants in danger. This tenant is also allegedly prostituting 14 and 15-year-old girls. Ms. Carson is at Fawcett under special accommodation for a no-smoking building yet the tenant in question smokes constantly, filling the whole building with smoke. Tenants have written numerous complaint letters to THA. The tenants have made multiple calls to the Tacoma Police Department. They are scared for their safety. There are also concerns about security assigned to patrol the building. Director Patterson acknowledged Ms. Carson's complaints. He recounted how the due process governing evictions can make them difficult but he believed that THA is close to resolving the matter, thanks to Ms. Carson's help. Director Patterson will address the issues with

security. Director Patterson thanked Ms. Carson and cautioned her to not put herself in harm's way. He will provide more detailed information to the board. Board Chair Banks assured Ms. Carson that THA staff will address her concerns. ED Mirra added that there is a hearing scheduled with the problem tenant; he has ten days to have a formal hearing. If THA prevails but the tenant does not move out, the next step is to take him to court.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Nothing to report.

Finance Committee—Commissioner Hodge and Commissioner Young

Nothing to report.

Education Committee—Commissioner Hodge

Nothing to report.

Citizen Oversight Committee—Vice Chair Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the Board to his report. ED Mirra asked the board to approve THA's 2017 budget. The budget was written based on the Housing and Urban Development (HUD) appropriations levels that the House Appropriation Committee approved earlier this year. Staff will plan for budget cuts of varying degrees as an exercise, starting in January.

7. ADMINISTRATIVE REPORTS

Finance

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

Commissioner Young moved to ratify the payment of cash disbursements totaling \$8,694,441 for the month of November, 2016. Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Administration

THA Cabinet recently met to discuss postponing the OpenDoor live date to April 2017. ED Mirra thanked Director Craven and his team. This is disappointing news but the delay is the right decision.

Client Services

Client Services (CS) Assistant Director Julie LaRocque directed the board to the CS report. CS is focusing on leasing up and assisting clients with leasing up barriers.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report. As part of the Rental Assistance Demonstration Project (RAD), PM focused on finding tenants and turning aging units, on top of grinding through the waitlist. PM staff also devoted a lot of their time to the OpenDoor trainings. Director Patterson expressed appreciation for PM staff's hard work. Chair Banks asked Director Patterson to also pass on to staff the board's appreciation of their hard work, as well as all departments.

Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick directed the board to her report. RED is currently focusing on tax credit, New Look, and partnership with Community Youth Services (CYS). CYS is occupying one THA single family home for a Crisis Residential Center for homeless youth. It has been full since it opened. RED staff began negotiating with the City of Tacoma on the pre-development, development and operations agreement for a permanent Crisis Residential Center at Arlington Drive.

8. NEW BUSINESS

8.1 RESOLUTION 2016-12-14 (1)

(Approval of Tenant Account Receivable Write-Offs)

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

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

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

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

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

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

Collection Status	M-O Project #	Client #	Balance
W-O Collect	6th Ave	00011984	\$1,657.82
		00139772	\$1,442.84
		Subtotal	\$3,100.66
	Bergerson Terrace	00005947	\$2,659.97
		00006365	\$300.59
		Subtotal	\$2,960.56
	S M Str (EB Wilson)	00000626	\$2,716.52
		00009721	\$1,341.76
		00012014	\$3,876.39
		00131599	\$816.23
		Subtotal	\$8,750.90
Collection Status	M-O Project #	Client #	Balance
	S Fawcett	00010076	\$443.27
		00013933	\$504.93
		00144715	\$255.00
		Subtotal	\$1,203.20
	S Wright Str	00007424	\$81.77
	S Lawrence Str (Ludwig)	00013506	\$1,680.17
		00139772	\$478.35
		Subtotal	\$2,158.52
	Section 8	00014932	\$781.00
		00133220	\$839.00

	713738	\$737.00
	714727	\$654.00
	Subtotal	\$3,011.00
Write off Total		\$21,266.61

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

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

Motion Approved: December 14, 2016

 Dr. Arthur C. Banks, Chair

8.2 RESOLUTION 2016-12-14 (2)

(Extension of Project Based Voucher Contract: Tyler Square)

WHEREAS, THA has been providing project based voucher assistance to Tacoma Rescue Mission's Tyler Square property since 2005; and

WHEREAS, Tyler Square houses formerly homeless families; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate, and if those negotiations are successful, to execute a ten (10) year extension to the Tacoma Rescue Mission's Tyler Square Project Based Voucher Housing Assistance Payment Contract. The contract will have the conditions set forth in the cover memo to this resolution.

Tacoma Rescue Mission

ED Mirra introduced Tacoma Rescue Mission Executive Director Mike Johnson. He is very grateful for the board's consideration of the resolution to extend Tacoma Rescue Mission's Tyler Square Project Based Voucher Housing Assistance Payment contract. Tyler Square was a transitional housing but people are no longer excited about this housing model. Under the current transitional housing system, people generally move out after 18 months. It is very unusual for people to move out in less than a year. Referrals for transitional housing come from a variety of sources including Access Point. Tacoma Rescue Mission staff go through a process to determine if housing is a good fit for families.

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

Upon roll call, the vote was as follows:

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

**8.3 RESOLUTION 2016-12-14 (3)
(Architectural and Engineering (A&E) Services for THA Administrative
Offices Space Study and Design - FIC Tenant Improvement and Salishan
Maintenance Shop upgrades)**

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

WHEREAS, On March 23, 2011, the Board of Commissioners authorized the Executive Director to award a contract to Buffalo Design for Architectural and Engineering Services for THA's administrative buildings; and

WHEREAS, The FIC Tenant Improvement/Salishan Maintenance Shop project improvements are needed to create more functional and useable space; and

WHEREAS, The conceptual design is complete and cost \$17,420; and

WHEREAS, The remaining work which includes Design Development through Construction Administration for the FIC and Salishan Maintenance Shop improvements will cost \$109,894; now, therefore, be it

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

Authorize THA's Executive Director to increase the contract amount with Buffalo Design by \$109,894 for a total not to exceed of \$127,314.

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

AYES: 4
NAYS: None

Abstain: None
Absent: 1

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

8.4 RESOLUTION 2016-12-14 (4)
(Architectural and Engineering (A&E) Services for Key Bank Tenant Improvement Project)

More discussion is needed regarding this resolution. This resolution has been pulled until the January board meeting.

8.5 RESOLUTION 2016-12-14 (5)
(Authorization to Award Contract to Robinson Noble for Supplemental Remedial Investigation and Feasibility Study at 602 South Wright Street and 911 North K Street)

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

WHEREAS, On December 16, 2015, the Board of Commissioners approved Resolution 2015-12-16 (5) authorizing THA's Executive Director to award a contract to Robinson Noble for additional environmental investigation at 602 South Wright Street and environmental cleanup at 2302 6th Avenue Apartments; and

WHEREAS, Robinson Noble completed the work on both properties and submitted to Department of Ecology reports describing the results of that work; and

WHEREAS, On July 13, 2016, the Department of Ecology issued a No Further Action letter for the environmental cleanup at 2302 6th Avenue; and

WHEREAS, On July 25, 2016, the Department of Ecology issued a Further Action required letter for the environmental issues at 602 South Wright Street; and

WHEREAS, In December, 2015 Robinson Noble submitted to Department of Ecology a Request for an Opinion letter on THA's 911 North K Street Property; and

WHEREAS, In June, 2016 DOE issued a Further Action letter for THA's 911 North K Street property; and

WHEREAS, In October, 2016 Robinson Noble prepared a supplemental Remedial Investigation and Feasibility Study plan for the environmental issues at THA's 911 North K Street property, and a Work Plan for 602 South Wright Street property; and

WHEREAS, DOE has indicated the proposed scope of work to remediate environmental concerns at both properties addressed DOE's prior comments; and

WHEREAS, Robinson Noble is familiar with both properties and the remedial work needed to address the DOE concerns; and

WHEREAS, THA's procurement policy PCI-01 allows the noncompetitive procurement under circumstances that are present in this case and THA has received a proposal to perform the work from Robinson Noble in the amount of \$142,872 that THA has determined is reasonable; and

WHEREAS, The work will be funded through the RAD project; now, therefore be it

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

Authorize THA's Executive Director to execute a contract for the Work Plan at 602 South Wright Street and the Remedial Investigation and Feasibility study for 911 North K Street in the amount of \$142,872 to Robinson Noble.

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

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

8.6 RESOLUTION 2016-12-14 (6)
(Saravida Property Acquisition in Hilltop-1011 South L. Street)

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

WHEREAS, Tacoma Housing Authority (THA) completed a community planning process to develop THA owned properties in the Hilltop neighborhood; and

WHEREAS, Development options identified the property located at 1011 S. L Street as an important site for creating a cohesive plan and activating the alley; and

WHEREAS, Acquisition of this parcel will result in an up to 36 additional affordable rental units; and

WHEREAS, The existing home offers affordable office and small business space that provide neighborhood services; now, therefore be it

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

Authorize THA's Executive Director to negotiate and acquire the property located at 1011 S. L Street.

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

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

**8.7 RESOLUTION 2016-12-14 (7)
(Architectural and Engineering (A&E) Services for - New Look Property)**

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

WHEREAS, THA acquired the managing member interest in the MLK New Look Partnership in October, 2015 with the intention of maintaining affordable housing and making needed property improvements; and

WHEREAS, On May 1, 2016, the Board of Commissioners authorized THA's Executive Director to award a contract to Buffalo Design for Architectural and Engineering Services for New Look Property, with a cost not to exceed \$150,000.00; and

WHEREAS, THA is committed to developing the hilltop neighborhood and this property; and

WHEREAS, Upgrades to New Look would benefit not only the residents, but increase the value of the property and act as a stepping stone for the hilltop sub area plan, and revitalization of the neighborhood; and

WHEREAS, The conceptual design is complete and cost \$144,311.00; and

WHEREAS, Design Development through Construction Administration will cost \$237,404.00; and

WHEREAS, The work will be funded through THA revenues and reimbursed as part of the Low Income Housing Tax Credit project financing; now, therefore be it

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

Authorize THA's Executive Director to negotiate, and if those negotiations are successful, execute an amendment to the contract with Buffalo Design for the A&E Services for the New Look Building in a new contract amount not-to-exceed \$381,715.00.

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

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

**8.8 RESOLUTION 2016-12-14 (8)
(FISCAL YEAR 2017 ANNUAL BUDGET)**

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

WHEREAS, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2017; and

WHEREAS, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2017 annual budget; now, therefore be it

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

The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2017 agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 1,040,784

Human Resources	600,306
Finance	1,247,856
Administration	1,836,968
Community Services	2,262,024
Real Estate Development	2,589,550
Policy, Innovation and Evaluation	1,055,421
Property Management Overhead	808,452
Rental Assistance	39,626,808
Property Management	<u>2,310,729</u>
Subtotal	53,379,898

Additional Cash Outflows

Capital Expenditures	7,458,370
Debt Service	<u>67,581</u>
Subtotal	7,525,951

TOTAL APPROVED BUDGET \$60,905,849

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

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

**8.9 RESOLUTION 2017-12-14 (9)
(COMMITMENT OF MOVING TO WORK RESERVES)**

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

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

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2016-06-22 (2), and reflects the Authority's current plans for such capital and operational expenditures of MTW reserves; and

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

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

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

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

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

**8.10 Tacoma Housing Authority 2016-12-14 (10)
(Amendment of Procurement Policy)**

A **RESOLUTION** approving amendments to the Tacoma Housing Authority's Procurement Policy

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") is the recipient of Federal funding through various instruments issued by the Department of Housing and Urban Development ("HUD"); and

WHEREAS, HUD has adopted 2 CFR 200, which includes certain administrative requirements, cost principles, audit requirements, and requirements for procurements conducted by recipients of Federal funding; and

WHEREAS, Public housing authorities, including the Authority, are required to amend their procurement policies to comply with the requirements of 2 CFR 200 by December 26, 2016; and

WHEREAS, Federal awards made prior to December 26, 2014, may continue to be governed by Part 85 as codified in the 2013 edition of the Code of Federal Regulations (CFR) or as provided under the terms of the Federal award, Federal awards after December 26, 2014 must comply with 2 CFR §200.317 through §200.326 in procurement matters; and

WHEREAS, Proposed amendments to the Procurement Policy that satisfy the requirements of 2 CFR 200 are attached as Attachment A; now, therefore be it

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

1. The THA Policy PCI-01 is amended in substantially the form set forth in the attached redlined version of the policy.
2. 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.
3. This resolution shall be in full force and effect from and after its adoption and approval.

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

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

Motion Approved: December 14, 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. 2016-12-14 (10) (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 December 14, 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 December 14, 2016.
HOUSING AUTHORITY OF THE CITY OF TACOMA

By: _____
Michael Mirra, Executive Director

**8.11 RESOLUTION 2016-12-14 (11)
(Development of 1120/1124 MLK Jr Way (Hilltop Lofts))**

A **RESOLUTION** of the Housing Authority of the City of Tacoma authorizing (i) the formation of a limited liability limited partnership of which the Authority will be the sole general partner in connection with the acquisition, construction and operation of an affordable multifamily rental housing project located at 1120 and 1124 MLK Jr Way in the City of Tacoma, Washington; (ii) the submission of applications for funding and credit enhancement for such housing project; and (iii) the disposition by sale or lease of all or portions of the project site to the partnership; and providing for other matters properly related thereto.

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

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

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

WHEREAS, The Authority expects to develop an affordable multifamily rental housing project consisting new dwelling units, to be located at 1120 and 1124 MLK Jr Way in the City of Tacoma (the “Project”). The total financing for the project will require the use of various funding sources, which may include low-income housing tax credits, the issuance of tax-exempt bonds, loans from public and private lenders, and/or grants. Certain of those sources will require the creation of a limited liability limited partnership or limited liability company to maximize the benefits and minimize the risks to the Authority; and

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

WHEREAS, Based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Authority's Board of Commissioners (the "Board") has deemed it necessary to proceed with the transactions described in this resolution; now, therefore, be it

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

1. The Authority is authorized to: (i) participate in the formation of, and become the sole general partner in, a Washington limited liability limited partnership (the "Partnership"), which Partnership shall have an initial limited partnership agreement (the "Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership") substantially in the forms on file with the Authority's Executive Director (the "Executive Director"), with such changes as the Executive Director may deem necessary or advisable (and not inconsistent with the terms of this resolution). The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith.
2. The Executive Director and his designee (each, an "Authorized Officer" and, together, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, and cause the Authority to perform its duties under, the Partnership Agreement, the Certificate of Limited Partnership, all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) approve any changes to the Partnership Agreement and the Certificate of Limited Partnership, including any material changes, that any Authorized Officer may deem necessary or advisable (and not inconsistent with the terms of this resolution); (iii) determine the name of the Partnership (it being understood that the words "Court F" should appear in the name to the greatest extent feasible); and (iv) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, and certificate of formation, respectively.

3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, an allocation of private activity bond volume cap from the Washington State Department of Commerce (if it is determined that tax-exempt bonds should be issued to finance the Project), Washington State Housing Trust Fund grant(s) and/or loans(s), and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue "9%" or "4%" tax credits), prepare, execute and enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation, and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation is initially made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director determines the same to be advisable, limited partner or member interests in limited liability limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) prepare all appropriate resolutions for Board review and approval; (viii) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (ix) negotiate contracts relating to the use, management and naming of Project buildings; (x) take all necessary and appropriate actions to dispose of the Project by sale or lease to the Partnership (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xi) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiii) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xiv) assist in

the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Project; and (xv) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

4. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.
5. The Authority is authorized to expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend up to \$1.5 million to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% *per annum*).
6. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.
7. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. This resolution shall be in full force and effect from and after its adoption and approval.

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

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

Motion Approved: December 14, 2016

Dr. Arthur C. Banks, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 6:12 PM.

APPROVED AS CORRECT

Adopted: January 25, 2017

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: January 19, 2017
Re: Executive Director's Report

This is my monthly report for January 2017. The departments' reports supplement it.

1. **LOOKING AHEAD TO THE NEW CONGRESS AND NEW ADMINISTRATION and HOW THA MIGHT ADAPT**

The onset of a new Congress and a new Administration always presents a full measure of uncertainty. The uncertainty seems particularly acute this year because President-Elect Trump was an unusual candidate and he was especially unrevealing or unclear about his intentions on matters that directly affect our work. However, he and the Congressional majority leadership have stated some general themes that allow us to surmise what they may mean for us.

The following surmises come to us from some very experienced people who advise us and from our own reading of news reports. After listing the surmises about themes, I list some ways that THA might respond.

1.1 **Themes of the New Congress and New Administration**

- *Housing for Poor People Not Likely to be a Focus*
Federal housing programs and policy did not show prominently as an issue in the campaign of any of the presidential candidates. President-Elect Trump certainly did not highlight any views on the subject. His choice for HUD Secretary does not clarify much. The nominee does not bring to the work any background or experience that allows us to anticipate any particular approach. This likely means that federal housing policy and programs will be a sideshow and will suffer damage collateral to the contentions over other more consuming issues. The main one will be the budget.
- *The Budget will be the Main Contention: Cuts to HUD Programs Likely Collateral Damage*
The main issue facing the Congressional majority leadership and the new Administration is the budget. They have committed themselves to do four things that seem arithmetically impossible to do together: cut taxes, greatly increase spending on the military and on "infrastructure", protect social security and Medicare, and reduce the debt and the deficit. There is not likely enough money to make this arithmetic work by cutting or eliminating other programs, including those serving poor people. Speaker Ryan has compounded the challenge by promising in written materials not to reduce programs serving poor people "by a penny".

In this budget discussion, HUD programs will not likely feature prominently. Instead, they will probably face cuts of some measure as an incidental effect of some resolution of the larger budget issue.

- *Republican Support for "Block Granting" May Affect Section 8 Programs*
The Republican leadership has a general interest in "block granting" federal programs to the states. Block granting appeals to two themes of Republican ideology. **First**, it counts as deregulation and deference to the states. **Second**, block granted programs tend to be easier to cut because the federal government is not closely tracking the number of people served.

Proposals to block granting the Section 8 program may resurface. The last serious discussion for doing this occurred during the Reagan Administration in the 1980s. The discussion then did not get too far. Two things have changed since then that might make the prospect more likely now. **First**, more states than before are controlled by Republicans. **Second**, since then states have experienced the block granting of the AFDC program into the TANF program. They learned that the resulting flexibility allows them to divert the funds to purposes others than direct assistance to the poorest families. This experience may have them look to a block granted Section 8 program as a similar additional supply of federal cash.

- *Tax Cuts Would Reduce the Value of Low Income Housing Tax Credits*
The Republican agenda seeks to cut individual and corporate tax rates. As I mention above, that may lead to budget cuts for HUD programs. Such cuts will reduce THA's operating dollars. Tax cuts will also reduce the supply of capital dollars THA uses to build. A lowered tax rate will lower the value of Low Income Housing Tax Credits. This will happen because lowered tax rates will mean that investors do not need or value the credits as much. Our consultant reports that tax credit investors are already lowering their bids in anticipation of tax cuts. For example, we received \$1.12 for each dollar of tax credit on our RAD construction. Our consultant advises that we plan on receiving \$1.01 for Hillside 1800 block. [Each penny reduction removes about \$200,000 from that project's budget.]
- *The New HUD Secretary and the Competing Influences of OMB, Congress and the HUD Professional Staff*
President-Elect Trump has nominated Dr. Ben Carson to be HUD's Secretary. We do not know much about him in that capacity since he has no prior experience that is in anyway comparable. This inexperience may weaken his influence over HUD and default to three other sources of

influence: the Office of Management and Budget, the Congressional leadership and the professional HUD staff.

- *Republican Support for “Deregulation” May Favor MTW*
The Republican leadership has traditionally favored the MTW program because it is a form of deregulation. This support may be critical if the HUD professional staff, which has not liked the MTW program, uses a weak new HUD Secretary as an occasion to restrict MTW.
- *Republican Support for Asset Building*
Asset building programs have also appealed to Republican policy makers.

1.2 How THA Might Adapt

- *Budget Cuts: A Replay of the Sequestration Cuts of 2011-2013*
Notable budget cuts may require THA replay a version of its response to the cuts called “sequestration” that we anticipated between 2011-2013. At that time, we anticipated a cut of \$3 million or about 6%. [It turned out to be only about \$1.2 million.]. The Board determined that there are only a limited number of plausible ways to take \$3 million out of THA’s operating budget:

Staff: We spend about \$6 million for staff costs. If we reduced that expenditure by \$3 million or any substantial part of \$3 million, we would cripple the agency. Although we eliminated some positions, the Board did not try to manage the cut with large scale staff reductions.

Portfolio: It also did not seek to redirect money from the management of the portfolio. The portfolio is not like food stamps, TANF, Medicaid, Section 8, or SSI, all of which the government can hand out until the money runs out and then tell people to go away. When the money runs out on the portfolio it will still be on the ground the next morning filled with families, seniors and people with disability, and it will still be next to neighbors. THA owes important legal obligations to all of these people to manage the portfolio well.

Section 8: The Section 8 expenditure of THA is the only likely place to sustain a \$3 million cut. It is our largest expenditure at about \$37 million. And there are only two main ways to reduce it by \$3 million. The first way is to remove about 300 households from the program and terminate their rental assistance. The Board had no appetite for such mass terminations. That left only one strategy: what Commissioner Rumbaugh has called “thinning the soup”, the way a family would rather than remove plates from the dinner table. That is what we did. We effectively reduced

the value of the vouchers by reducing occupancy standards and starting the HOP program with a fixed lower subsidy.

The Board also adopted a hierarchical list of other cuts to impose should they be necessary.

We may need to take a similar approach. In the next month, staff will begin just such an exercise anticipating cuts of various sizes. This exercise will be useful this year if we judge that cuts will be likely in May when the present Continuing Resolution expires. If cuts do not happen this year, the exercise will still be useful in 2018, when the new administration writes its first full budget.

As we go through this exercise, we must account for some new aspects to our situation that we did not face in 2011-2013. For example, Tacoma's rental market has tightened a lot since then. The value of our housing vouchers is not keeping up. We must manage the tension between, on the one hand, the impulse to thin the soup further so we can avoid terminations but in the process further weakening the voucher's usefulness in the market, and on the other hand the impulse to raise the value of the voucher so it is more useful in the market at the expense of serving fewer households.

The exercise will also be an occasion to scrutinize the ways we spend Section 8 dollars on services other than rental assistance. These other services include the portfolio, supportive services, the Education Project and other programming, real estate development and administration. These other uses of the money are valuable but they also mean we leave households unserved. A while ago I gave the board a single page that visualizes this trade off. I attach another copy. That document will help us assess and make these hard choices.

- *Greater Premium on Efficiency of THA Systems and Staff*
The budget discussion will put an increased premium on doing our work efficiently. For example, we are in the middle of our software conversion. One hope of that conversion is it will make us more efficient. Our hope for that will intensify.
- *Greater Reliance on Service Partnerships*
THA will likely intensify its use of partnerships with other organizations to provide services we may no longer have the resources to provide ourselves.
- *Real Estate Development: A Stronger Priority on Purchase*
These budget pressures will increase the value of purchasing apartment

buildings over new construction, for two reasons. **First**, we would seek to buy properties that make us money. **Second**, if the value of tax credits goes down, we will have fewer dollars to use for new construction.

- *Renewed Focus on City, County and State Policies and Support*
More generally, if the national government will be less useful as a source of funding and policies for our work, we will intensify our efforts to help our city, county and state be more effective in those ways.

2. **SOME COMING ISSUES TO DECIDE**

Here are some decisions headed for the Board in 2017. Not all of them are related to the budget puzzle we may face.

2.1 **Voucher Utilization Rates**

Our aggregate voucher utilization rate for 2016 was 98.4%. That is pretty good. Yet, we can tell it is declining as our rental market tightens. This also shows in the 40% of people who receive our vouchers who then turn them back unused in because they cannot find a landlord. That turn back rate is approaching rates long evident in Seattle, King County, Portland and San Diego.

Rising rents are not the only or the main problem. We judge that the value of our voucher is actually within the range of that portion of the market we aim for. The larger problem is that, as the market tightens, landlords get choosier when they select their tenants. The lower income families we serve do not compete well because their income, credit histories and rental histories are weaker. Studies also tell us that the rental market still has its full share of unlawful discrimination on the basis of race, color, disability, and the presence of children.

Staff are devising strategies in response. They will likely some or all of the following:

- Giving households more time to use the voucher
- The 2017 budget created a position for a “landlord liaison” to recruit landlords and help families find a home to rent.
- Increasing the value of our vouchers
- Offering landlords incentive payments
- Project basing more vouchers into apartment buildings
- Buying apartment buildings that will take vouchers

2.2 HOP Analysis

We began the HOP program almost five years ago. The five year time limit on the duration of the rental assistance for work-able households will begin to expire within the next year. This is a good time to assess how the program is working in order to help the Board decide from among several options:

- Expand the program to the existing voucher participants. This would be a way to further “thin the soup.”
- Keep going with the HOP program and continue to transition to it from the voucher program through natural turnover
- End the program.

The factors that will likely determine this choice include:

- Did the 5 year time limit and the fixed subsidy spur households to increase their earned income?
- If not, does the 5 year time limit make sense anyway because it gives others a turn at the rental subsidy?
- If not, does the fixed subsidy make sense anyway as a way to “thin the soup”.

2.3 Rapid Rehousing Investment

We are in the fourth year of our investment with Pierce County's Rapid Rehousing Program. We now give Pierce County about \$1.27 million dollars to serve homeless families with children and homeless young adults. We do this to make our resources accessible and relevant to these households in crisis who otherwise find us inaccessible and irrelevant.

This investment means we serve about 100 fewer HOP families, about a 3% drop. Yet, Pierce County calculates that we can stabilize 300 – 350 families with children, or about 50% or more of the households families in Tacoma. If that is true, then this feels like a bargain.

The analysis will determine the following, among other questions:

- how many families and young adults did we serve?
- what percentage do they constitute of the total population in Tacoma or Pierce County

- what is the quality of their stabilization (even if they did not return to shelter, are they living from couch to couch or sleeping in a car)
- what does Pierce County spend our money on (e.g, security deposits, rent, services, administrative costs)

The Board will chose from among several options, including:

- ending the investment
- continuing it
- changing its terms
- expanding the investment

2.4 Expansion of the McCarver Elementary School Housing Assistance Program

This year we plan to propose that the Board approve the expansion of the McCarver program to other Tacoma elementary schools with ruinous student turnover rates due to family homelessness. In planning that expansion, staff and the school district will propose program redesigns to account for what we learned from five years of evaluation.

2.5 Expansion of the College Housing Assistance Program

This year we will complete 3 years of our Tacoma Community College Housing Assistance Program. That will be the occasion to make some judgements about the program, including the following types of expansions

- expand it at T.C.C. beyond the pilot of 25 households to more closely match the need of about 150 homeless enrolled T.C.C. students
- extend the duration of the rental assistance as necessary to house T.C.C. graduates of the program who go on to UWT for a four year degree
- provide a special set aside of vouches for a cohort of T.C.C. students who began their coursework in prison and, once released from prison, continue their studies at the regular campus.
- extend the program to students at Bates Technical College, Clover Park Technical College and UWT.

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3. DIXON VILLAGE RIBBON CUTTING AND ITS REDICATION TO THOMAS DIXON

Our fix-up of Dixon Village is done. The Board's meeting on January 25th will occur at Dixon Village so Commissioners can see the work. You may wish to note the new playground equipment. At 3 PM on that date and in that place THA and the Tacoma Urban League will host a celebration. We will cut the ribbon on the fix-up. We will also rededicate the property to its namesake, Mr. Thomas Dixon. We will take that chance to celebrate Mr. Dixon's remarkable life and works. Mr. Dixon dedicated his life to brining Tacoma into the civil rights era. As part of that work he led the Tacoma Urban League for decades.

We expect that local leaders and officials will join us for the celebration. The current Tacoma Urban League Executive Director Victoria Woodards will preside. We will hear from contemporaries of Mr. Dixon and Dixon Village residents. Chair Pastor Banks will represent THA.

I hope all the Commissioners will be able to attend.

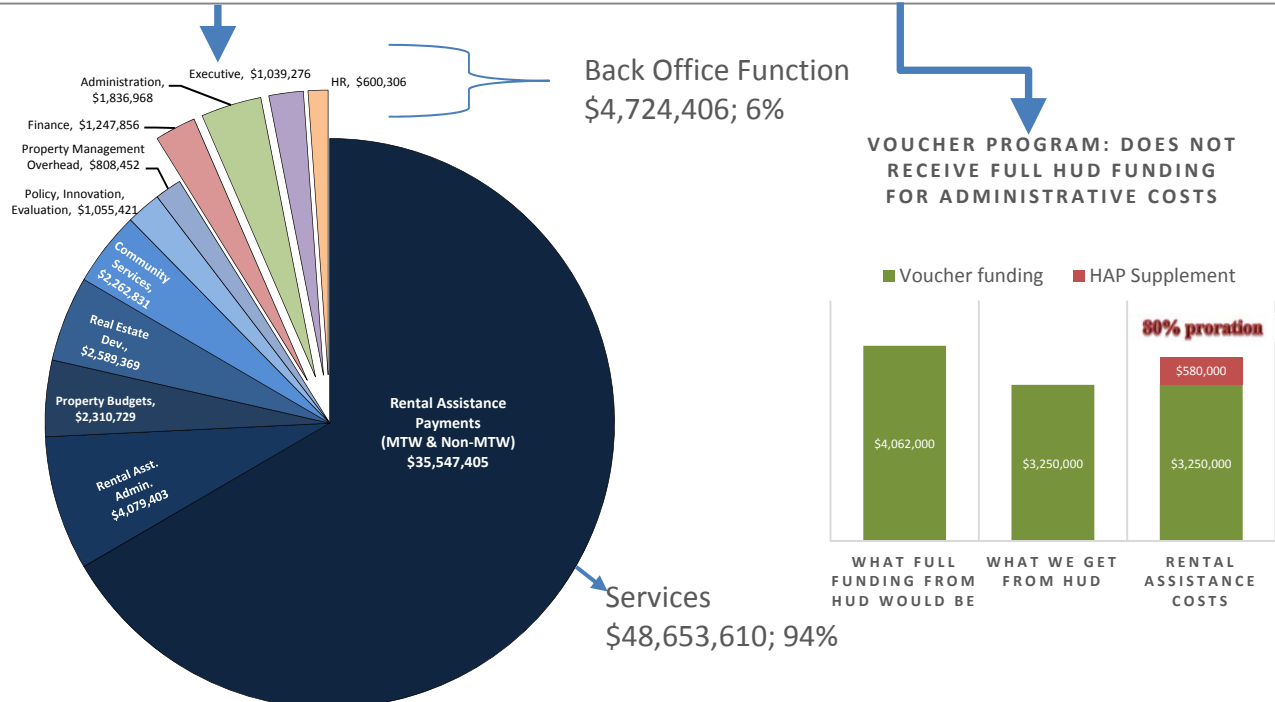
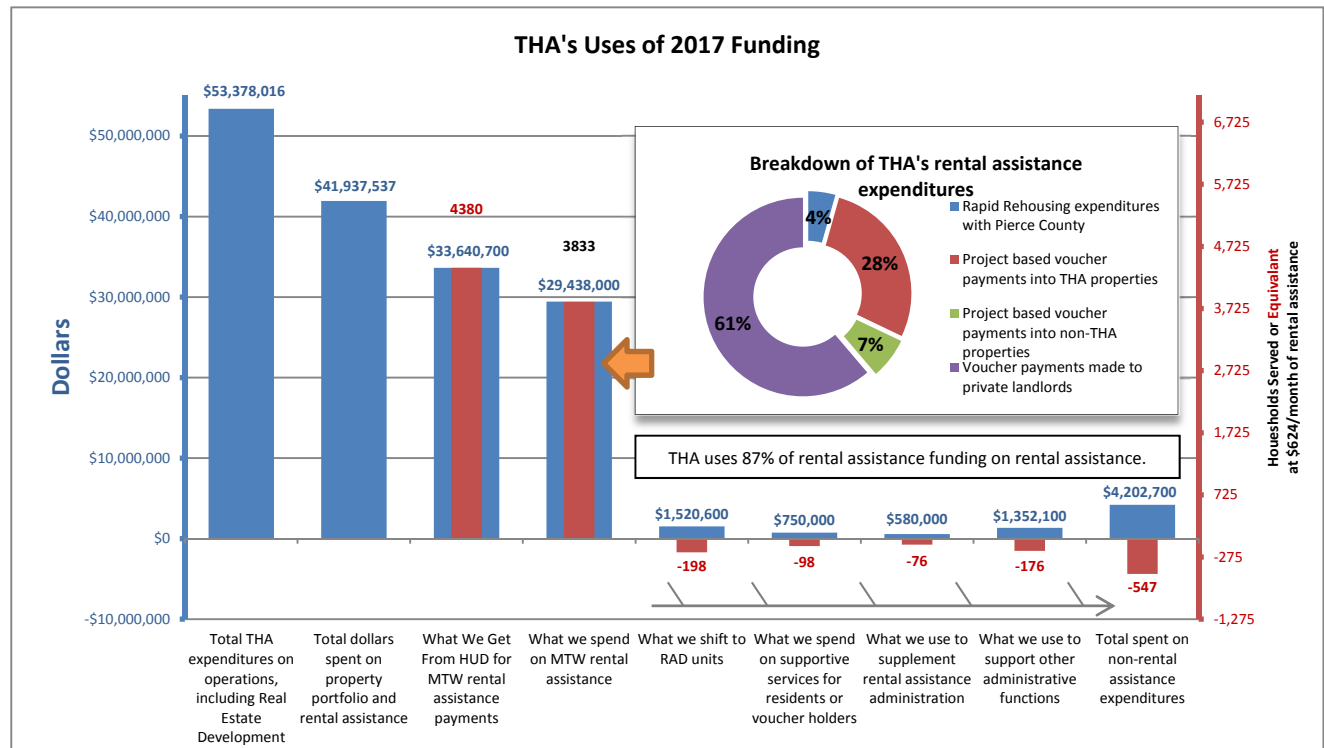


TACOMA HOUSING AUTHORITY

THA USES OF FUNDING

December 7, 2016

This document illustrates the choices THA faces when allocating its housing resources to housing and other related purposes.





TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$10,476,398 for the month of December, 2016.

Approved: January 25, 2017

Dr. Arthur C. Banks, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of December 2016

		Check Numbers			
		From	To	Amount	Totals
A/P Checking Account					
Low Rent Module Checks	Check #'s	2,928	- 2,928	600	
Accounts Payable Checks	Check #'s	88,786	- 89,022		
Business Support Center				383,550	Program Support
Moving To Work Support Center				42,870	
Tax Credit Program Support Center				40,863	
Section 8 Programs				198,004	Section 8 Operations
Outrigger				535	Local Funds
Salishan 7				42,708	
Prairie Oaks Operations				3,119	
Hillsdale Heights				1,940	Development
Salishan Developer Fee				10	
Development Activity				66,456	
Salishan Area 2B-Dev				1,198	
Salishan Area 4				580	
Bay Terrace II				1,463	
Hillside Terrace 1800 Court G Development				875	
New Look-Development				27,195	
KeyBank Building				24	
Bay Terrace II				36	
Renew Tacoma Housing Development				5,983,800	
CS General Business Activities				253	Community Service
Community Services MTW Fund				14,824	
Salishan Sound Family				60	
Gates Ed Proj Grant				3	
Gates Tacoma Pub Schools Grant				15,000	
ROSS Svc Coord				40	
WA Families Fund				182	
COT-McCarver Grant				110	Public Housing
AMP 1 - No K, So M, No G - Subsidy				65,182	
AMP 2 - Fawcett, Wright, 6th Ave - Subsidy				59,224	
AMP 3 - Lawrence, Orchard, Stevens - Subsidy				66,973	
AMP 6 - Scattered Sites				118,104	
AMP 7 - HT 1 - Subsidy				9,555	
AMP 8 - HT 2 - Subsidy				4,232	
AMP 9 - HT 1500 - Subsidy				2,619	
AMP 10 - SAL 1 - Subsidy				12,233	
AMP 11 - SAL 2 - Subsidy				13,550	
AMP 12 - SAL 3 - Subsidy				11,035	
AMP 13 - SAL 4 - Subsidy				12,209	
AMP 14 - SAL 5 - Subsidy				14,221	
AMP 15 - SAL 6 - Subsidy				14,189	
AMP 16 - Bay Terrace - Subsidy				7,836	
Allocation Fund				59,801	Allocations-All Programs
THA SUBTOTAL				7,297,261	
Hillside Terrace 1 through 1500				341	Tax Credit Projects - billable
Bay Terrace 1				790	
Renew Tacoma Housing Operations				18,797	
Salishan I - through Salishan 6				674	
Salishan Association - Operations				-	
TAX CREDIT SUBTOTAL (Operations - billable)				20,602	7,317,863
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	481,860	- 481,874	7,677	
	ACH	103,788	- 105,052	2,514,700	\$ 2,522,378
Payroll & Payroll Fees - ADP					\$ 636,157
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 10,476,398

TACOMA HOUSING AUTHORITY

CASH POSITION - December 2016

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	9,087,703	0.33%
Section 8 Checking	2,153,012	0.33%
THA Affordable Housing Proceeds-Salishan	3,418,424	0.33%
Scattered Sites Proceeds	494,772	0.33%
Note Fund Account	101	0.33%
Credit Card Receipts	106	0.33%
THA Investment Pool	290	0.33%
THA LIPH Security Deposits	4,905	0.33%
THDG - Tacoma Housing Development Group	202,236	0.33%
Salishan 7	1,042,850	0.33%
Salishan 7 Security Deposit	26,665	0.33%
Salishan 7 Replacement Reserve	197,793	0.33%
Salishan 7 Operating Reserve	199,842	0.33%
Outrigger Operations	85,212	0.33%
Outrigger Security Deposit	22,030	0.33%
Outrigger Replacement Reserve	51,557	0.33%
Prairie Oaks Operations	63,397	0.33%
Prairie Oaks Security Deposit	4,202	0.33%
Prairie Oaks Replacement Reserve	7,892	0.33%
Payroll Account	7,477	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,637,737	0.51%
1. TOTAL THA CASH BALANCE	\$ 18,708,202	
Less:		
2. Total MTW Cash Balance	\$ 1,390,847	
<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)	\$ 599,847	
3. MTW Cash Held By HUD		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 570,832	
3.20 Total MTW Cash Held By HUD	\$ 570,832	

TACOMA HOUSING AUTHORITY

CASH POSITION - December 2016

4. Non MTW Cash Restrictions			
<i>Other Restrictions:</i>			
4.01 FSS Escrows	\$	102,496	
4.02 VASH, FUP & NED HAP Reserves		391,113	
4.03 Mod Rehab Operating Reserves		132,640	
4.04 Security Deposit Accounts		59,189	
4.05 Salishan Sound Families - 608		24,959	
4.06 Gates Foundation - 615, 616		615,785	
4.07 WA Families Fund - 676, 713		259	
4.08 Outrigger Reserves		51,557	
4.09 Salishan 7 Reserves		822,635	
4.10 Prairie Oaks Reserves		7,892	
4.11 THDG - 048		202,236	
4.12 Area 2B Sales Proceeds (Afford Hsg)		3,418,424	
4.13 Scattered Sites Proceeds (Afford Hsg)		494,772	
4.20 Total - Other Restrictions	\$	6,323,958	
5. Agency Liabilities:			
5.10 Total - Agency Liabilities	\$	-	
5.20 Development Draw Receipts for Pending Vendor Payments	\$	1,774,767	
5.30 Development Advances/Due Diligence Commitments ¹	\$	-	
6. Total Non MTW Cash Restrictions (Lines 4.20+5.10+5.20+5.30)	\$	8,098,725	
7. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-6)	\$	9,218,630	
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)		(88,504)	
8.04 Education Projects - McCarver & Others		310,000	
8.10 Total Reserve Commitments (Lines 8.01 through 8.04)	\$	1,087,496	
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: January 25, 2017

TO: THA Board of Commissioners

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

RE: Administration and Asset Management Department Monthly Board Report

1. SOFTWARE CONVERSION PROJECT – OPENDOOR

As the Board is aware, the software implementation plan had Tacoma Housing Authority (THA) going live with OpenDoor on January 1, 2017, and last month we announced a delay to the schedule. This report will serve to offer more detail on the delay and the current plan for going live with the new system.

During testing and training, roughly three hundred new items were discovered that need to be resolved prior to going live. This caused the team to announce a delay to the project and re-evaluate what is left to get done. The THA Team worked closely with eightCloud to go through the remaining items list, prioritize what needs to be done prior to go-live, clarify questions that came up, and strategize the best way to get everything done on a reasonable timeline. Based on our analysis, we determined that there are roughly 1,100 hours of work left to complete the project. This is comprised of both new items we have requested as well as items from the original scope that are not complete to our satisfaction. More detail is included further in this memo, but at a high level, THA will be responsible for about \$56,000 worth of new items and we will need to work with eightCloud to determine responsibility for the remaining \$114,000 worth of work. According to a schedule we devised, we should be ready to go-live on March 13, 2017. We will push this to April 1 in order to ensure we have adequate time to complete everything and can start the new system on the first of the month.

This memo will serve as a summary of the discovery effort. It will also serve to memorialize a new schedule that we will put in place and move forward with. Below is a list of the open, future, and resolved items summarized by the source of discovery:

Items by Source *	Open **	Future ***	Resolved ^	Total Items
Discovered during build	30	4	13	47
Discovered during testing	42	6	100	148
Discovered during training	106	3	38	147
Required to include PH	3	0	3	6

* There are two additional sources not included here, Managed Services and Project Management, which are not part of Track II. Because of this, the totals in this chart may be different than some of the charts on the following pages.

** Open items are items currently slated and scheduled to complete.

*** Future items are items that are not planned to be completed prior to go-live. Most of these are new items that need to be evaluated with staff to determine if they are really needed.
^ Resolved items are items that were discovered between testing and now and have been completed/resolved.

The team is making progress on completing many of the items, but there are quite a few still to go. A significant number of these items were discovered during training. This is important to note because it tells us that our testing process and follow up after testing was not sufficient to either identify or resolve issues that needed to be fixed prior to training. Because of this, we re-evaluated our testing methods and have put more energy into training subject matter experts earlier on so that they can spend the time necessary going through each process and understand it.

Having said this, we believe that we have a very clear path forward and have identified everything needed to get the system to a place where we can turn it on. Below is a summary of the processes we have and the number of items left to complete each process. Again, significant progress has been made since testing began a little over a month ago.

Process	Open	Future	Resolved	Total Items		
50058 Process	1	0	1	2	50.00%	■■■■■■■■■■
Application	9	1	2	12	16.67%	■■■■■■■■■■
Certifications, Compliance, Verifications and	5	1	7	13	53.85%	■■■■■■■■■■
Client Portal	8	0	8	16	50.00%	■■■■■■■■■■
General	7	0	4	11	36.36%	■■■■■■■■■■
HAP Contract/Voucher	12	2	2	16	12.50%	■■■■■■■■■■
Household Management	1	0	0	1	0.00%	■■■■■■■■■■
Inspections	17	2	19	38	50.00%	■■■■■■■■■■
Inventory	11	1	13	25	52.00%	■■■■■■■■■■
Lease Enforcement	11	2	13	26	50.00%	■■■■■■■■■■
Maintenance	14	0	23	37	62.16%	■■■■■■■■■■
Portability	6	0	1	7	14.29%	■■■■■■■■■■
Portals	1	0	0	1	0.00%	■■■■■■■■■■
Project Management	16	2	1	19	5.26%	■■■■■■■■■■
Public Housing	2	0	2	4	50.00%	■■■■■■■■■■
Purchasing	9	0	16	25	64.00%	■■■■■■■■■■
Rent Calculation	2	0	1	3	33.33%	■■■■■■■■■■
Reserve Analysis	1	0	0	1	0.00%	■■■■■■■■■■
ShareFile	1	0	0	1	0.00%	■■■■■■■■■■
Tenant Accounting	35	2	30	67	44.78%	■■■■■■■■■■
Unit Move Ins; Unit Move Outs; Unit Turns	7	1	4	12	33.33%	■■■■■■■■■■
Waitlist	15	1	7	23	30.43%	■■■■■■■■■■

Process	Open	Future	Resolved	Total Items		
WBARS	3	0	0	3	0.00%	□□□□□□□□
Totals	194	15	154	363		

THA's consultant, eightCloud, went through each of the tasks on this list and estimated the number of hours it will take to complete it. These hours were then separated between "Track 2 Hrs" and "New Hrs." New hours are mostly made up of new items that we requested of eightCloud that were not included in the original scope of work while Track 2 Hours are hours eightCloud needs to spend in order to finish up with the Track 2 items. Below is a summary of these hours.

Hours Summary	Hours	Track 2 Hrs	New Hrs
Track 2	657	657	0
New Ask	195	0	195
25% Track 2; 75% New *	164	41	123
50% Track 2; 50% New **	105	52.5	52.5
75% Track 2; 25% New ^	12	9	3
* Indicates that the item is 25% related to the original Track II scope and is a 75% New Ask. These items are mostly ones where the general scope was captured but additional work is needed in order to meet THA's full requirement. ** Indicates that the item is 50% related to the original Track II scope and is a 50% New Ask. ^ Indicates that the item is 75% related to the original Track II scope and is a 25% New Ask.			

In order to determine the cost behind each of these line items, we use a rate of \$150 per hour. Using this, we have asked for \$56,000 worth of new items and eightCloud has \$114,000 worth of work left to do. We budgeted \$150,000 for 2017 for this project and whatever amount we end up spending will need to come out of that amount. Using these numbers, THA and eightCloud agreed that \$56,000 is THA's responsibility, while the remaining \$114,000 will be covered by eightCloud.

Based on the hours required and the resources that need to be dedicated to the project, we devised a schedule that will allow us to go live with Track 2 on or around March 13, 2017. We will plan to have eightCloud work toward this date but will go-live on April 1, 2017, allowing us some additional room to ensure we do not need to reset the date again.

The Board will review a resolution this month to increase the eightCloud contract by \$150,000, or up to \$1.286 Million. This increase is comprised of three elements:

1. The estimated amount of THA's responsibility to complete the project: \$56,000;
2. An amount that was unintentionally omitted from Resolution 2016-01-27(2), authorizing the second amendment to the eightCloud contract: \$75,000; and
3. Contingency to ensure we have enough in the contract to finish up the project and to cover unforeseen items that may come up: \$19,000.

This concludes the January, 2017 Administration Department report to the Board.



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: January 25, 2017

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

In 2016, THA voucher recipients utilized 98.4% of our total voucher allocation. This percentage does not include utilization through funds allocated to Pierce County Community Connections. We have not received year-end data, but know this will improve the overall utilization percentage.

We believe that our annual utilization is adequate, such that it will not result in a reduction in our Housing Assistance Program (HAP) contract. However, we are observing an increasingly challenging market for voucher shoppers.

In 2015, 98.8% of THA vouchers were utilized. The chart below illustrates the trend line we observed in 2016, with shoppers increasingly challenged to utilize vouchers. We took a number of actions, including extending the shopping period from 90 days with an available 30-day extension to 120 days with a 60-day extension. The challenge is regional, with King County Housing Authority preparing to move to a 240 shopping period.

Chart 2.1 2016 THA Voucher Utilization



In consultation with Policy, Rental Assistance is assessing the nature of the challenges negatively impacting utilization, and preparing a number of options to address these challenges. We are engaging new voucher recipients more assertively with Community Services, and moving forward with a Landlord Liaison position intended to expand our relationships to new landlords and advocate for our customers.

However, we need to proceed carefully. Our average HAP payment increased by \$31.56 in 2016 to \$637.63. Applied to our 3,844 Moving to Work (MTW) baseline vouchers, this represents an additional \$121,394 in cost. If THA experiences a substantial reduction in funding in 2017, full utilization may no longer be an appropriate goal.

3. COMMUNITY SERVICES: Caroline Cabellon, Community Services Division

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

November 2016	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing	10	22	63	103
Families in Transition (FIT)	1	1	9	24
Family Self Sufficiency (FSS)	7	0	160	169
General Services	5	9	51	128
Hardship	0	0	0	7
Housing Opportunity Program (HOP) Case Management	2	0	7	28
Children's Savings Account (CSA) K-5th Grade	8	0	42	43
Children's Savings Account (CSA) 6th - 12th Grade	4	0	35	37
McCarver	5	2	41	50
Senior & Disabled	8	11	59	269
DEPARTMENT TOTAL	50	45	467	858

3.2 PROGRAM UPDATES

3.2.1 Education Project Update

McCarver Program

McCarver Case Workers continue to accept applications for open slots in the program. Tacoma Public Schools (TPS) is providing outreach to families who are McKinney- Vento qualified to encourage application to the program. In the month of December, there were five new applications received, three interviews completed and five vouchers issued (applications received in November). One family was housed.

Children's Savings Account (CSA) Program

In December, Nicole-Fillmore Meshesha, Employment & Asset Building Supervisor, joined the CSA program to supervise outreach and engagement efforts. Cady Handley, Community Services Intern, also joined the team to help Trisha Mozo, Program Specialist, with outreach and engagement. Since the team has expanded, the program has seen a significant boost in enrollment numbers. In December, 8 Kindergartners and 4 Middle Schoolers enrolled in the CSA program. The increase in enrollment came from presence at the school during parent-teacher conferences, walk-in referrals at the Family Investment Center (FIC), and the new event Banking Day, held on December 14th. Banking Day provided an afternoon of easy access to Heritage Bank, who provided site-based deposits, as well as deposit incentives for current families who attended the event and eligible families who enrolled their children at the event.

3.2.2 General Services Program Update

Family Self-Sufficiency (FSS) Program

FSS clients have been receiving a financial consultation appointment with our embedded Financial Empowerment Counselor from Sound Outreach, designed to give clients a base line picture of their current financial status and tips on how to stabilize in order to build credit or savings. Most clients are coached in crisis finance management, as many do not have the necessary resources to focus on future financial goals.

Fifty THA residents have received initial financial coaching from Sound Outreach, and 28 clients continue to receive these services on an ongoing

basis. To date, 8 clients are working towards building credit with the hope of moving into the homeownership phase of coaching.

Programming at Family Properties

Community Services, in collaboration with Risk Management, led a Fire Safety and Emergency Preparedness training in December at the Bay Terrace and Hillside Terrace communities. Between the two properties, 27 residents attended the events. Tacoma Fire Department's Pat Rapozzo discussed fire prevention and safety, offering an interactive demonstration on how to put fires out using the fire extinguisher, and how to smother fires using salt, baking soda, and pan lids. Case Worker Valorie Le helped to promote and facilitate the event, and also offered Vietnamese translation. Similar trainings will be held at all other THA-operated properties.

4. RENTAL ASSISTANCE AND LEASING: Julie LaRocque, Associate Director of Client Services

Housing Choice Voucher utilization is reported at 96.4% for the month of December, 2016. Our utilization increased slightly for the month of December.

Rental Assistance has exhausted the 2015 waiting list and will prepare to open the waiting list in March, 2017.

Our records show we still have 300 people shopping from all of our programs. We know not all will be successful but feel we have to get a large number of people in the market to ensure the clients able to lease up will have the opportunity. Community Services is providing assistance to this group to ensure all of their barriers are addressed.

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	173	98%
NED (Non Elderly Disabled) Vouchers	100	99	99%
FUP (Family Unification Program)	50	50	100%
CHOP (Child Welfare Housing Opportunity Program)	20	19	95%
McCarver Program	50	41	82%
CHAP (College Housing Assistance Program)	25	22	88%
TOTAL	422	404	96%

** The CHAP program is currently over issuing vouchers in an attempt to increase utilization. Should this program become over utilized we will discontinue this process.*

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	19	95%
Eliza McCabe Townhomes	10	9	90%
Flett Meadows	14	12	86%
Guadalupe Vista	40	38	95%
Harborview Manor	125	124	99%
Hillside Gardens	8	6	75%
Hillside Terrace	9	8	89%
Nativity House	50	48	96%
New Look Apartments	42	41	98%
Pacific Courtyards	23	22	96%
New Tacoma Phase II	8	7	88%
Salishan 1-7	340	333	98%
Tyler Square	15	10	67%
TOTAL	704	677	96%



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: January 25, 2017

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Monthly Board Report

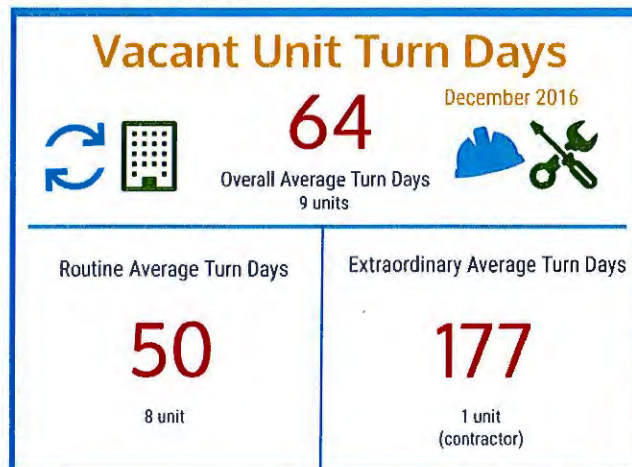
1. OCCUPANCY OVERVIEW

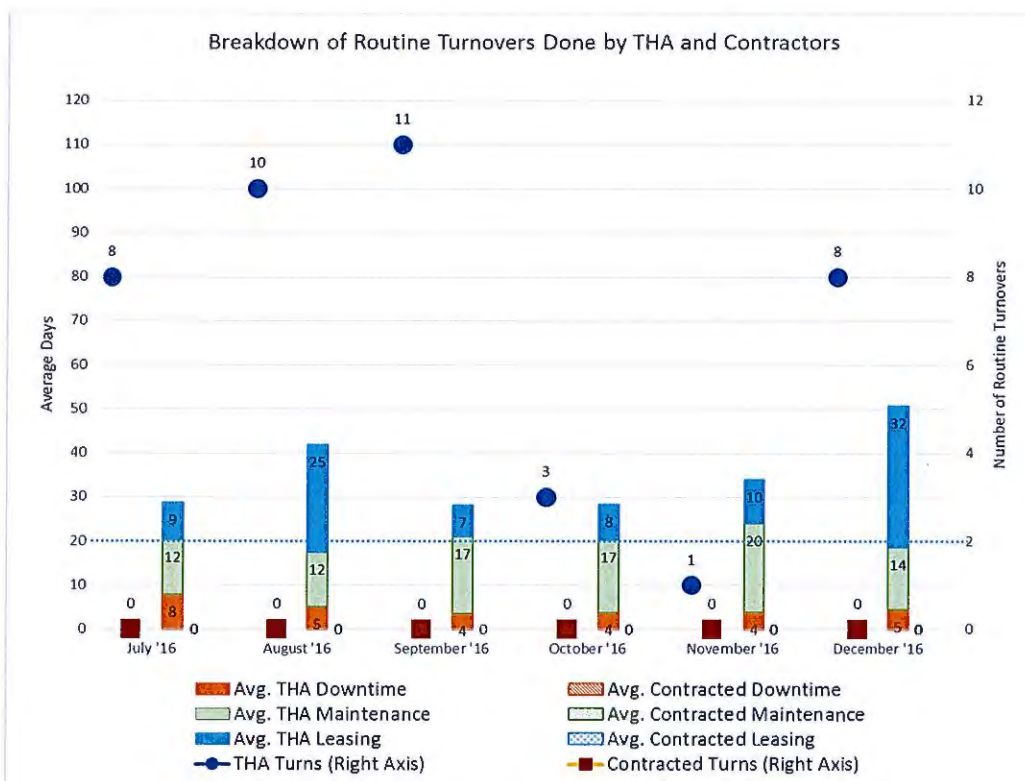
1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	3	0	129	97.73%	97.41%
Family Properties	118	9	1	109	92.37%	89.12%
Salishan	631	11	0	620	98.26%	98.97%
Senior/Disabled	353	23	0	330	93.48%	94.12%
All Total	1,234	46	1	1,188	96.27%	96.43%

Unit occupancy is reported for the first day of the month. This data is for the month of December. 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 1/9/2017

Ending Month: December 2016

Beginning Month: July 2016

		Routine THA Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	December	8	50.6	4.5	14.1	32.0
2016	November	1	34.0	4.0	20.0	10.0
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
		Routine Contracted Turnover Information				
Year	Month	Total Number of Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2016	December	0	0.0	0.0	0.0	0.0
2016	November	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of December was **64** days for nine (9) units turned by Tacoma Housing Authority (THA) staff and contractors. Below is a list of units that exceeded THA's 20- day expectation. These units will be categorized as Routine and Extraordinary turns.

Routine means units that receive normal wear and tear that can be repaired in 5-20 days. **Extraordinary** means that the units have heavy damage as a result of the tenancy including meth and casualty loss that cannot be repaired within 20 days.

Routine +20 explanation

Hillside 1500 183 (50) days- Unit was in downtime for 7 awaiting staff availability. Maintenance days were 16. 27 days attributed to leasing efforts. Unit was shown to 5 applicants before being accepted.

Salishan 2 1719 E Harper (46) days- Unit was in downtime for 3 days. Maintenance work was completed in 15 days. 28 days were attributed to leasing efforts. 3 families were screened before the unit was offered to a qualified applicant.

Salishan 4 1723 E 46th st. (73) days- Unit was in downtime for 1 day. Maintenance work was completed in 16 days. 56 days were attributed to leasing efforts. 3 families were screened before the unit was offered to a qualified applicant.

Salishan 4 4462 E Q st (27) days- Unit was in downtime for 2 days. Maintenance work was completed in 20 days. 5 days were attributed to leasing efforts. Unit was occupied by transferring tenant.

Salishan 5 2004 E Q st (62) days- Unit was in downtime for 3 days. Maintenance work was completed in 11 days. 48 days were attributed to leasing efforts. 3 families were screened before decision was made to offer unit to transferring tenant that was displaced by fire in their unit.

Salishan 6 2032 E 43rd (53) days- Unit was in downtime for 2 days. Maintenance work was completed in 16 days. 35 days were attributed to leasing efforts. 3 families were screened before the unit was offered to a qualified applicant.

Salishan 7 1720 E 46th (77) days- Unit was in downtime for 3 days. Maintenance work was completed in 17 days. 57 days were attributed to leasing efforts. 2 families were screened before the unit was offered to a qualified applicant.

Extraordinary

Salishan 3 4347 E Salishan BLVD (177) days- Unit suffered severe damage on July 4th due to a fire that affected 3 units in this tri-plex. Unit was brought into compliance by years end deadline by the Washington State HOusikng Finance Commission (WSHFC).

Proposed Changes for Improvement in Unit Turn Times:

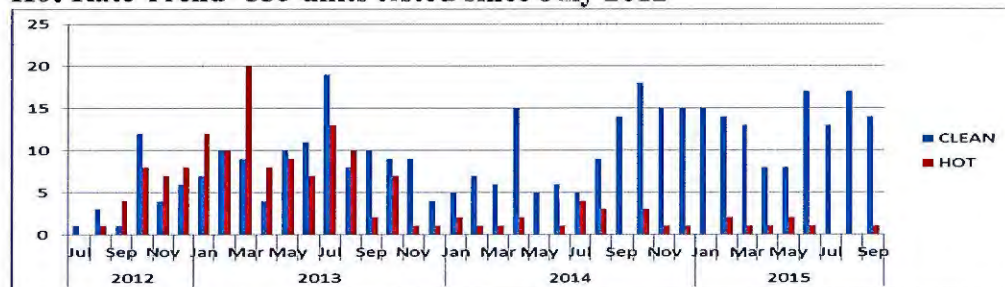
- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
 - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
 - ✓ Procure contractors who will respond to request for service if needed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

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	#	% Completed	#	% Completed in	#	Avg	#	Avg	#	Avg
	Completed	in 24 Hrs	Completed	24 hrs	Completed	Completion	Completed	Completion	Completed	Completion
				(99% HUD Std)		Days		Days		(25 days HUD Std)
THA 6TH 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		9	0.56	179	3.60
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	0		2	2.50	46	4.17
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		5	7.20	70	3.88
HILLSIDE TERRACE PH II	0	0.0%	1	100.0%	0		3	1.33	47	3.98
	0	0.0%	4	100.0%	0		19	2.83	342	3.78
Family Properties										
BERGERSON TERRACE	5	100.0%	32	100.0%	12	0.92	14	1.50	305	5.04
DIXON VILLAGE	4	100.0%	18	100.0%	4	2.00	12	13.82	114	5.39
SCATTERED SITES	1	100.0%	8	100.0%	2	1.50	2	2.00	73	3.63
	10	100.0%	58	100.0%	18	1.22	28	6.86	492	4.91
Salishan										
SALISHAN I	0	0.0%	3	100.0%	2		22	5.88	397	8.48
SALISHAN II	0	0.0%	6	83.3%	0		29	5.21	415	9.19
SALISHAN III	0	0.0%	1	100.0%	1	14.00	15	7.07	380	8.94
SALISHAN IV	0	0.0%	4	100.0%	1	1.00	39	4.62	374	8.41
SALISHAN V	0	0.0%	4	100.0%	4	4.25	24	6.79	397	9.80
SALISHAN VI	0	0.0%	2	100.0%	1	1.00	30	6.27	325	8.39
SALISHAN VII	0	0.0%	5	100.0%	0		29	2.28	292	9.23
	0	0.0%	25	98.0%	9	3.87	188	5.21	2,560	8.93
Senior / Disabled Properties										
6TH AVE	0	0.0%	9	100.0%	0		10	0.20	171	5.94
E.B. WILSON	2	100.0%	11	90.9%	3	0.87	16	3.38	287	30.94
FAWCETT APARTMENTS	0	0.0%	5	100.0%	3	1.00	8	8.75	72	3.19
LUDWIG APARTMENTS	2	100.0%	13	100.0%	0		7	8.71	108	3.47
NORTH G ST	0	0.0%	12	100.0%	0		7	0.00	108	13.51
NORTH K ST	0	0.0%	11	100.0%	3	1.67	10	2.40	138	10.04
WRIGHT AVE	0	0.0%	3	100.0%	0		16	0.25	127	2.74
	4	100.0%	64	98.4%	9	1.11	74	2.91	1,009	13.57
Agency Totals:	14	100.0%	151	98.7%	36	1.81	309	4.65	4,403	9.14

In the month of December, 100% of emergency work orders were completed within 24 hours. In December, maintenance staff completed 309 non-emergency work orders with a total of 4,403 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 9 days.

Open Work Order Summary by Portfolio For the Month of December, 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 (PH)	0	0	0	0	2	2	0
HT1	HILLSIDE TERRACE PH 1	0	0	0	0	2	2	0
HT1500	HILLSIDE TERRACE 1500 Block	0	0	0	0	2	1	1
HT2	HILLSIDE TERRACE PH II	0	0	0	0	2	2	0
		0	0	0	0	8	7	1
Family Properties								
020	BERGERSON TERRACE	5	0	0	0	7	5	2
022	LOW RENT SCATTERED SITES (19)	1	0	0	0	0	0	0
023	DIXON VILLAGE	4	0	0	0	2	2	0
		10	0	0	0	9	7	2
Salishan								
SAL1	SALISHAN ONE LLC (PH)	0	0	0	0	2	2	0
SAL2	SALISHAN TWO LLC (PH)	0	0	0	0	17	17	0
SAL3	SALISHAN THREE LLC (PH)	0	0	0	0	7	4	3
SAL4	SALISHAN FOUR LLC (S8)	0	0	0	0	11	10	1
SAL5	SALISHAN V LLC (S8)	0	0	0	0	5	4	1
SAL6	SALISHAN SIX LLC (S8)	0	0	0	0	8	8	0
SAL7	SALISHAN SEVEN	0	0	0	0	19	19	0
		0	0	0	0	69	64	5
Senior / Disabled Properties								
006	NORTH K ST	0	0	0	0	5	5	0
008	E.B. WILSON	2	0	0	0	3	3	0
009	FAWCETT APARTMENTS	0	0	0	0	4	4	0
010	WRIGHT AVE	0	0	0	0	2	2	0
012	LUDWIG APARTMENTS	2	0	0	0	4	2	2
013	NORTH G ST	0	0	0	0	0	0	0
014	6TH AVE	0	0	0	0	2	2	0
		4	0	0	0	20	18	2
Agency Totals:		14	0	0	0	107	96	11

The open work orders that are greater than 25 days is 11 in December, 2016. These repairs are scheduled to be completed in the next 30 days.

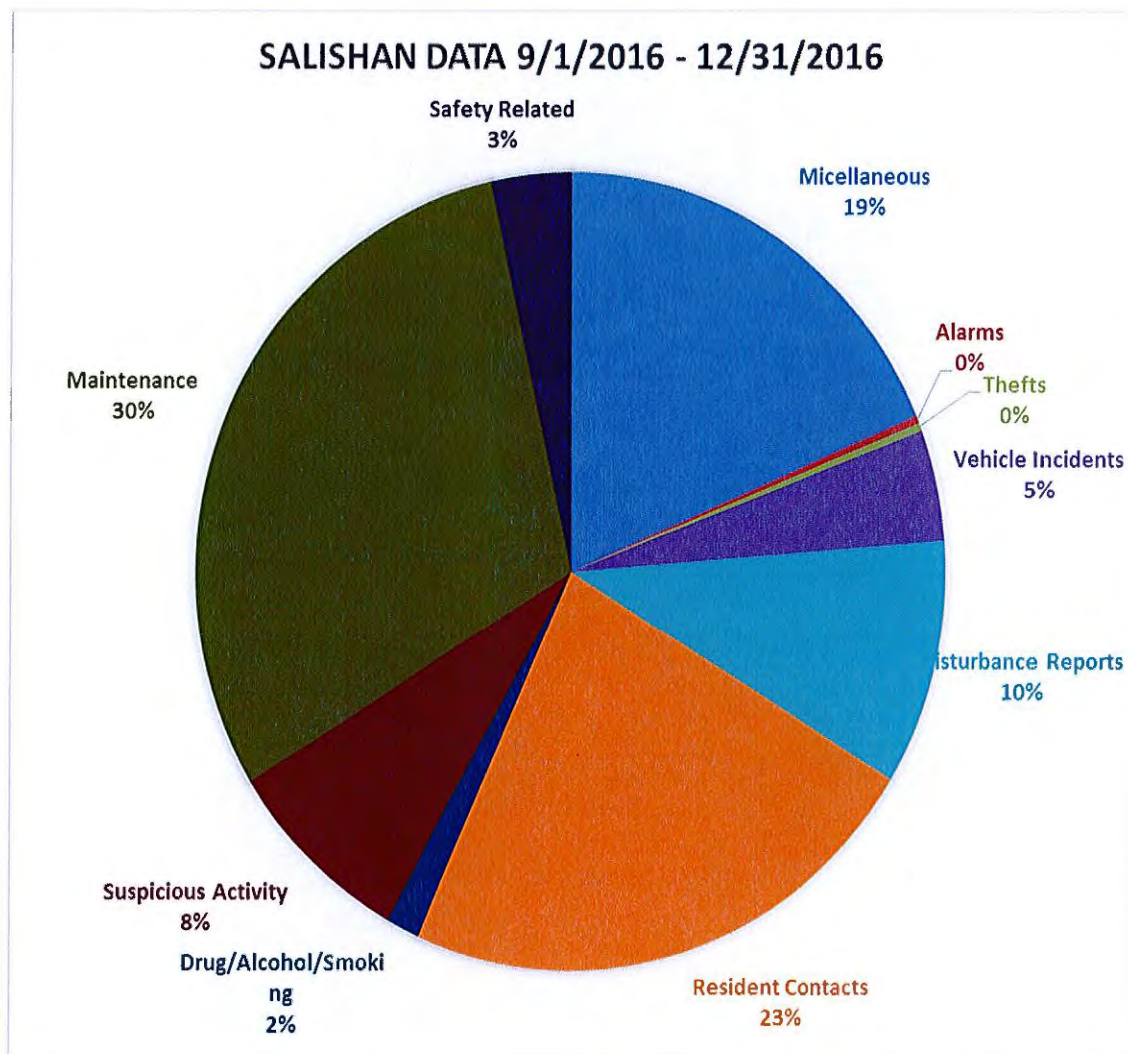
Property Management (PM) continues to bring down the number of outstanding work orders and is trying to improve customer service. Processes that PM is trying to improve are as follows:

- 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.

1.5 Security Update

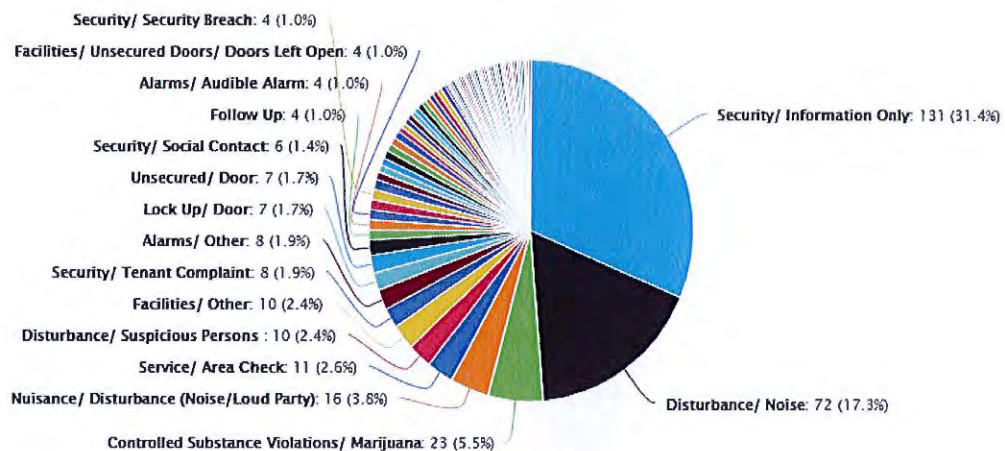
Below is a summary of activity from our new security companies 9/1-12/31, 2016. Pacific Security covers all of THA's properties. Pierce County Security covers all of Salishan.

Pierce County Security

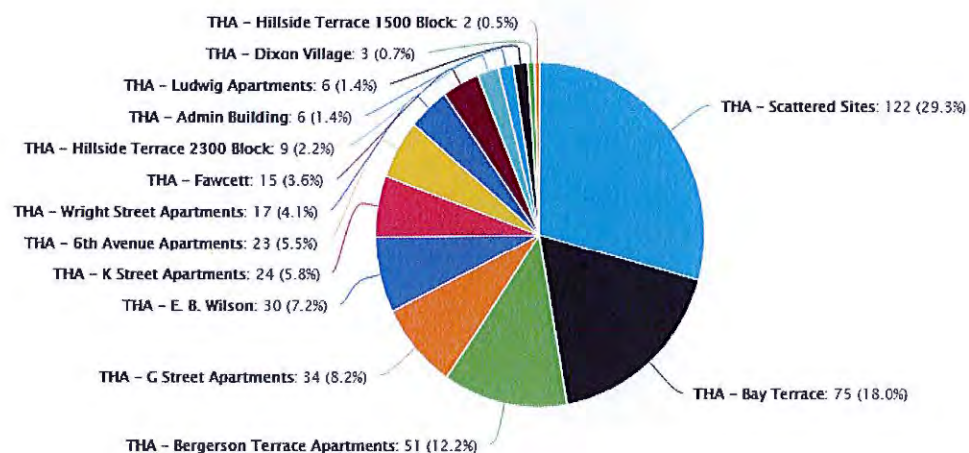


Pacific Security

Incident by Type



Incident by Site





TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: January 25, 2017

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

The sale of the two lots and the open space closed on December 22, 2016.

2. NEW DEVELOPMENT

2.1 Bay Terrace – Phase II

Construction is approximately 62.3% complete. The framing is complete on the mid-rise building. Roofing is 98% complete and installation of the siding is going well. Crews are also roughing in mechanical, electrical, fire and plumbing. Building J schedule has slipped by 6 days due to inclement weather. The contractor is hopeful to makeup some of this time now that the building is dried in. Crews are installing interior drywall and finishes in the town homes (buildings G & H). Exterior painting is complete on these buildings. Overall the project is on budget and slightly behind schedule with no major issues to report.

NOTE:

The following information is based on Draw 9 dated 12/15/2016. Bay Terrace (BT) II has not encountered any unusual problems or issues with exception to the above mentioned weather delay.

Construction

% complete 62.3%

Budget	Total budget	Expended	Balance
Soft Costs, inc. reserves	4,861,258.00	2,498,805.65	2,362,452.35
Construction	16,100,410.00	8,473,577.84	7,626,832.16
Owners contingency	880,000.00	249,897.86	630,102.14

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

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 12/31/2016
MBE	10%	13%	13%
WBE	8%	12%	12%
Section 3 Business	10%	14%	14%
Section 3 New Hires	30%	14.29%	17.24%
Apprenticeship	15%	9.72%	10.21%

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.

Rehabilitation work was completed by mid-November and Community Youth Services (CYS) began providing shelter and services for homeless teens in this temporary setting.

Two homes are being purchased by residents of public housing. These are defined as priority 2 buyers.

The following chart shows the number of units sold, listed, sold price and net proceeds.

Units Sold	Combined Market Value	Combined Sold Price	Combined Rehab Costs	Total Sales Costs	Net Proceeds
3	\$609,002	\$609,002	\$80,005.00	\$111,492	\$417,505
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs	Projected Proceeds
6	\$1,193,000	\$1,193,000	\$135,638	\$119,300	\$938,062
Units in Construction	Scope Preparation	Occupied	Vacant		
9	1	15	6		



1320 Norpoint –Expected to sell soon

Rehabilitation Work on Scattered Site Units and Sold

14 of the remaining 15 occupied homes will be remodeled as residents are relocated in 2017.

CYS is occupying 120 East Bismark to temporarily house homeless youth. They are consistently at capacity.

1320 NE Norpoint is still under contract and is expected to close by the end of January.

1818 S 92nd, 1830 S 92nd 635 S Fife and 2146 S Sheridan have reached substantial completion and will be listed for sale by the end of the month.

2011 Fairbanks and 4939 NE 32nd St. will be awarded to the contractor sustainability for the amount of \$13,200. Construction is expected to be completed in the next 45 days.

3835 S D and 8019 S Yakima will be awarded to Libby Builders for \$67,519. 6932 S Madison is currently in scoping. Construction is expected to be completed in the next 60 days.

807 S Prospect is under contract for sale and is expected to close in February.

Relocation for the next 3 households without children has begun. Households are given 90 days to relocate. THA will provide a housing voucher and relocation assistance. All 3 households are expected to be successfully relocated in the next 90 days. The remaining households with children will be relocated during the summer months when children are not in school.

The number of eligible buyers has increased with consistent communication and outreach efforts.

3.2 Consulting and Community Engagement

Real Estate Development (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 and have exited the partnership. THA is the sole owner of the property and will lease it to the new partnership once resyndication under the LIHTC 4% program begins. THA will be the general managing partner for the Alberta J. Canada building. 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

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 will include a combination of funding: tax credit equity, City of Tacoma/TCRA funding, private debt, bonds and THA funds. Staff is monitoring tax credit pricing very carefully to evaluate the impact a lower tax credit rate will have on the project.

We will submit 9% tax credit allocation request for 2017 the week of January 16th. Staff has purchased one single family home and is negotiating the purchase of another home. Both are vacant and located adjacent to the site. Both homes are estate sales. The single family home foot prints will allow for eight additional affordable units.

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. Work needs to begin by the end of 2017. We are preparing a 9% tax credit application for the Lofts.

4.3.1 Community Planning Meetings

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.

4.3.8 City of Tacoma 311 Mobilization

RED in partnership with the Hilltop Action Coalition will facilitate the outreach and mobilization so that residents of the Hilltop understand and use the City's 311 customer service line. This will be completed through a series of workshops, events, canvassing and literature creation beginning in January 2017. We are negotiating the agreement with the city at this time.

4.3.9 Hilltop Community Engagement Group

Two RED staff will be presenting outreach methods and outcomes from the summer 2016 Housing Hilltop activities to the Hilltop Engagement Group. The group will be releasing a Request for Proposal (RFP) to solicit outreach services from local nonprofit and community-based groups to enhance awareness among residents regarding financial education and planning resources, as well as workforce training and apprenticeship opportunities under a Project Labor Agreement.

4.3.10 Tiny Doors Tacoma

A physical and interactive resource map and guide. 8 miniature doors have been installed throughout the Hilltop to connect residents to partner resources, as well as to service a cost free scavenger hunt. Doors are installed at locations such as; 2nd cycle, the Tacoma Urban League, Centro Latino, etc.

4.3.11 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 the 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	12/27/2016	72	0	0
E.B. Wilson aka M Street	5/4/2016	12/27/2016	77	0	0
Dixon Village	9/16/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	3/15/2017	34	1	6
Fawcett	1/9/2017	3/27/2017	0	0	30
K Street	10/11/2016	4/3/2017	24	2	17

2016 Projects: Bergerson, Dixon and E.B. Wilson

The *Certificates of Substantial Completion* were issued on December 27, 2016, for the above 3 sites required to be delivered in 2016 and the tax-exempt bond "50% test" was met for each site. An exciting note is that the Bergerson and Dixon playgrounds are done and very popular with the children.

2017 Projects: Ludwig, Fawcett, K Street, 6th Avenue, Wright, G Street

All six remaining projects have had their 30- and/or 60-day walks performed. This means that all units at these sites have been inspected and interior unit work scopes

confirmed. This is advantageous because this significantly reduces the exposure to variances between internal unit cost estimates and actual cost.

Wright Street is scheduled to start construction January 26, 2017; however, in order to get a jump-start at that site, Walsh will start work in advance on the replacement of the water lines in common areas starting January 9, 2017. This will reduce the overall activity at the site when unit work begins and also allow us to get into the building early to see if there are any hazmat issues.

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. When necessary, the subcontractor is 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.

Given that the predominate portions of K, Fawcett and Wright Street roofs are flat, roofing work will be postponed until April, 2017. It is more advantageous to postpone the work to more favorable and recommended conditions (41 degrees F or higher with dry conditions), than to mitigate moisture infiltration that occurs at this time of year. Work is scheduled to be completed by September and will not compromise construction schedules and/or tax credit delivery.

Similar to the approach with the 2016 projects, staff will meet with the Brawner team in January, 2017 to discuss the budget and forecast allocations to meet the bond "50% test" for the 2017 projects.

Elevators

Modernization of one of the two elevators at E.B. Wilson passed inspection on December 29, 2016. Modernization of the second elevator is expected to be complete by March 15, 2017. Similar to the approach with roofing, the elevator modernization work has an independent schedule to retain the subcontractor and accelerate completion.

Because the Fawcett and 6th Avenue sites have one elevator each, elevator modernization planning required strategic analysis to arrive at the optimum approach considering construction schedule, relocation costs, resident welfare and overall project timing. By January 22, 2017, Fawcett will have the upper two floors vacated and residents relocated so that elevator modernization and unit renovation work can start.

5.2 Relocation

All units are complete at E.B. Wilson. No more relocation activity is happening. Relocation activity ended October, 2016.

All units are complete at Bergerson Terrace. No more relocation activity is happening. Relocation activity ended October, 2016.

All units are complete at Dixon Village. No more relocation activity is happening. Relocation activity ended December, 2016.

Ludwig relocation activity is still in progress. There have been thirty-four households relocated to date and are back in their newly renovated units. One in progress and six households still waiting relocation. Ludwig is day moves with some over-night relocation depending on resident needs.

North K Street relocation activity is still in progress. There have been twenty-four households relocated to date and are back in their newly renovated units. Two households are currently in relocation status and seventeen households are still waiting relocation. North K is day moves with some over-night relocation depending on resident needs.

Fawcett's Rental Assistance Demonstration (RAD) informational meeting for residents took place on November 30, 2016. Intake appointments have already begun with relocation of residents starting January 9, 2017.

Wright Street RAD information meeting for residents took place on December 22, 2016. Intake appointments will begin on January 9 and relocation of residents will begin on February 2, 2017.

We are still waiting on information for the final two sites, North G Street and 6th Avenue in order to move forward.

5.3 Watch list

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

DOE is requiring additional testing 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.

K Street

THA and its consultant were informed by the DOE/Environmental Protection Agency (EPA) that the K Street plan looks good and only requires minimal additional testing. Vapor testing to the elevator pit needs to be performed to assure there are no toxic emissions. The testing will take one week and will begin on January 9, 2017.

Wright Street

The most significant issue is the house across the alley in which we were unable to gain permission to test. As the contaminated dirt is right next to the neighboring property, EPA informs us that we need to delineate just where it ends and verify if it is indeed on the neighboring property. They have the enforcement necessary to get cooperation from the neighboring property owner to allow testing.

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 Renew Tacoma Housing LLLP’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.

Legal Counsel sent a letter to Superior Linen informing them that and a formal complaint will be filed against them for restitution for environmental expenses. Legal counsel for Superior Linen responded and respectfully requested additional time to respond to the formal complaint. We await their response.

The balance of the proposed work plan looked acceptable to EPA with just a few revisions to testing locations. The additional testing at Wright Street will be following the testing at K Street (see above). If all goes well with the testing, EPA will determine what the long-term monitoring will look like.

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 at E.B. Wilson 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. THA drew down on elevator materials in 2016. After consulting with a Certified Public Accountant (CPA), it now appears to be the case that the costs associated with the labor performed in 2017 at E.B. Wilson, may be included in tax credit eligible basis.

5.4.2 Description

Ludwig Abatement.

Resolution

Due to the abatement associated with flooring at Ludwig, Ludwig's construction end date was extended to March 15, 2017. The multi-site construction schedule has been revised to accommodate Ludwig's revised schedule and Walsh construction superintendents re-assigned, as necessary. This will not affect tax credit delivery.

5.4.3 *Description*

Moving Company(ies)

Resolution

THA is contracting with an additional moving company. For the most part, assignments will be site-specific. This will enhance coordination and efficiency.

5.4.4 *Budget*

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$6,446,347	\$17,577,151
Construction	\$29,812,529	\$14,675,069	\$15,137,640
Owner's contingency	\$ 3,343,026	\$1,788,552	\$1,554,474
Environmental Escrow	\$3,500,000	\$600,000**	\$2,900,000

NOTE: The above reflects the budget status through Draw 7 (November, 2016 draw).

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

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

5.5 **Walsh Construction - MWBE and Section 3 Reporting**

	GOAL	ACTUAL AS OF 11/30/2016
MBE	14%	8.78%
WBE	8%	.29%
Section 3 Business	----	7.41%
Section 3 New Hires	30%	12 new hires ¹

¹ Walsh is computing the % 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.

Walsh provided some context for why meeting the Minority and Women Business Enterprise (MWBE) goals are a challenge:

- The small 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 is not delivered, there is a serious financial and reputational risk. Also, if there are delays in the work, the project will face increased relocation costs;
- 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 that 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.



TACOMA HOUSING AUTHORITY

HUMAN RESOURCES



TACOMA HOUSING AUTHORITY

DATE: January 25, 2017

TO: THA Board of Commissioners

FROM: Toby Kaheiki
Human Resources Director

RE: Human Resources Board Report

1. HR 2016 YEAR-IN-REVIEW

- This time last year, it was reported that I had been in my Human Resource (HR) Manager role for a year. Since then, the HR department has undergone a restructure, which has resulted in my promotion to HR Director and Barbara Tanbara's transition to the HR Manager role. We also celebrated the one-year anniversary of Sharrall Madden, HR's Administrative Coordinator.

The restructuring of the HR department began in September, 2016. Although the team is still in a period of transition, all continues to go relatively smooth. The revamped HR team is looking forward to another productive year in 2017.

- **Client Services Reorganization** –HR worked with Director Greg Claycamp to restructure the Community Services division. This resulted in three Program Specialist positions being converted to Program Supervisor positions. These conversions provide, in part, improved professional development from line staff up through management. Additionally, HR worked with Greg on the restructure of the Rental Assistance division, to include the hire of a new Program Manager.

HR worked on the reclassification of the Associate Director for Rental Assistance. The reclassification combined the Associate Director responsibilities for both Community Services and Rental Assistance.

With these changes the expectation is that Client Services will be better positioned to provide services to our clients. HR is working to ensure changes are seamless and least disruptive as possible.

Property Management Reorganization – HR worked with Director Pat Patterson in restructuring the Property Management department to reflect a Rental Assistance Demonstration (RAD) site-based reporting matrix. The department reorganization also required collaboration with the Trades Council due to the m maintenance staff having a new site-based reporting structure.

- **Organizational Development** –In 2016, HR provided “New Manager Training” to all recently hired or promoted supervisors and managers (17 people). The course was split

into two 2-hour sessions. The training was high-level and focused on providing guidance for the day-to-day matters that THA supervisors and managers regularly face. This included, but was not limited to Performance Management, Employee and Labor Relations, and Time and Attendance.

Additionally, HR sponsored and supported Project Management classes for the Agency. These classes were delivered by our training partner, Archbright.

HR continues to emphasize the importance of investing significant time in our leadership through in-house training and coaching, as appropriate. The goal is to provide supervisors/managers with the resources and guidance to aid in their success for 2017.

- **Performance Evaluations** – Collectively, our Directors, Managers and Supervisors worked hard in 2016 to complete performance evaluations on time. As a result, 96% of our Office and Professional Employees International Union (OPEIU), Trades and non-represented staff received their performance evaluations on time! We continue our commitment to performance management and maintaining credibility in this area.

2. GRIEVANCES / EEOC COMPLAINTS

The chart below lists the most recent grievances and/or formal complaints we have received since 2015. We are pleased to announce that there were no grievances or Equal Employment Opportunity Commission (EEOC) complaints filed in 2016. We believe that this is due to the support and proactive approach HR takes on recognition, performance or disciplinary matters. Also, our managers are coming to HR when an issue is identified and needs immediate attention.

Most Recent Grievances or EEOC/Human Rights Complaints	Date	Result
NONE	2016	No grievances or EEOC/Human Rights complaints
EEOC complaint	July 2015	No findings – June 2016
EEOC complaint	July 2015	Dismissed Nov 2015
OPEIU Grievance	April 2015	Agreement achieved – no cash payout
OPEIU Grievance	March 2015	Settlement - closed

3. 2016 STAFFING

It was another busy year for staffing. In 2016, we hired, promoted, transferred or re-classified 52 employees (compared to 40 in 2015). This figure represents nearly 11% staff promotions, 22% new hire/backfills and 7% reclassified/transferred. The reason for much of this movement was due to reorganizations within the Client Services and Property Management departments. Most of the internal movement was the trigger to backfilling positions vacated by promoted employees.

Our voluntary and involuntary turnover for 2016 was 10.1% compared to 11.3% in 2015. Our goal remains 10%. HR will continue to work toward improving retention by continually refining the recruiting process and develop talent through identified training opportunities.

4. Collective Bargaining

HR led the collaborative efforts for OPEIU contract negotiations successfully. Negotiations were challenging, as this was the first time that OPEIU was represented by Local 8. At the onset of negotiations, Local 8 brought many proposed changes that we believed would have been steps in the wrong directions for THA. It took most of 2016 to finalize negotiations, but we were satisfied with the outcome and equally important, we maintained a strong working relationship with OPEIU.

5. ADP HRIS/Payroll Upgrade and Migration

HR led the upgrade of our ADP system software. This is the system that electronically preserves all employment and personal information of staff. Among other things, the system is the hub for tracking time and attendance for payroll purposes. Completing the upgrade by July was critical, in that it was a required step as part of the other agency-wide system upgrades for IT and Finance (OpenDoor and Intacct, respectively).

The primary challenge with the upgrade was that THA was using an antiquated version of the software (v2). The upgrade transitioned us to most current version (v12). After the migration was completed in July, HR collaborated with Payroll to deliver training to managers and supervisors. In 2017, HR will evaluate the need for additional training, to include all staff.

Notably, the benefits Open Enrollment process in November/December immediately proved to be a far more superior and efficient product, saving THA a tremendous amount of time. The upgrade all but eliminated the manual and paper-intensive process of prior years.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-01-25 (1)

Date: January 25, 2017

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Third Amendment to the eightCloud Contract for Salesforce Development

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to amend the maximum contract amount with eightCloud for the software conversion from \$1.136 million to \$1.286 million, an increase of \$150,000..

Background

Tacoma Housing Authority (THA) has been working with eightCloud on designing and developing its new enterprise software system since February, 2015. At the end of 2016, THA and eightcloud determined that it was not feasible to meet the January 1, 2017, go-live date that had been set earlier in the year. Instead, we decided to postpone the go-live date until April 1, 2017, and give the team time to both complete the work that is absolutely necessary for a successful go-live, as well as add in some of the elements that were not included in the original scope. This resolution asks the board to authorize THA to increase the contract up to the total budget for 2017, or by \$150,000. This also allows for some contingency.

We have devised a new scope of work, including the following elements:

Item	Hours	Cost	Cost to THA
Finish Items required to go live	704.0	\$105,600	\$0
New Items Requested by THA	373.5	\$ 56,025	\$ 56,025
Carryover from Track Two*	500.0	\$ 75,000	\$ 75,000
Total	1,577.5	\$236,625	\$131,025

* Note that the second amendment to the contract, which the Board approved in January 2016, intended to include the original \$75,000 that was authorized in the Board's first authorization to sign the eightCloud contract, but this amount was omitted through a clerical error.

Recommendation

Authorize THA's Executive Director to execute an amendment to the eightCloud contact for software design and development work.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-01-25(1) **(Third Amendment to eightCloud Contract for Salesforce Development)**

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

WHEREAS, Tacoma Housing Authority's (THA's) Board of Commissioners authorized THA's Executive Director to execute a contract for custom Salesforce development with eightCloud on January 28, 2015, and THA's Executive Director signed the contract on March 9, 2015, authorizing the initial planning and analysis phase of the project; and

WHREAS, THA executed a first amendment to the eightCloud contract on July 10, 2015, authorizing work to commence on Track One of the contract; and

WHREAS, THA executed a second amendment to the eightCloud contract on February 23, 2016, authorizing work to commence on Track Two of the contract; and

WHEREAS, staff estimates that the value of the remaining work on the contract to be \$150,000, bringing the total value of the contract from \$1,136,000 to \$1,286,000; and

WHEREAS, the total amount budgeted for Salesforce development work in 2017 is \$150,000; now, therefore, be it

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

The Executive Director has the authority to amend the contract with eightCloud, authorizing the completion of the remaining software development work up to an amount of \$1,286,000.

Approved: January 25, 2017

Dr. Arthur C. Banks, Chair