



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

February 22, 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, February 22, 2017

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, February 22, 2017, at 4:45 pm.**

The meeting will take place at:

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

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

I, Sha Peterson, certify that on or before February 22, 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

February 22, 2017 4:45 PM

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

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of January 25, 2017—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Client Services
 - 7.3 Property Management
 - 7.4 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2017-02-22 (1) Conversion of Subsidy for Bay Terrace I from Public Housing to RAD
 - 9.2 2017-02-22 (2) Crisis Residential Center Development Agreements
 - 9.3 2017-02-22 (3) Extension of Project Based Voucher Contract Pacific Courtyard
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any.**
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, JANUARY 25, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 602 South Wright Avenue, Tacoma, WA at 4:45 PM on Wednesday, January 25, 2017.

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 4:45 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 5:13 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	

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

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Banks asked for any corrections to or discussion of minutes for the Special Session of the Board of Commissioners for Wednesday, December 7, 2016. Commissioner Flauding moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: None

Motion approved.

Chair Banks asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, December 14, 2016. Commissioner Flauding moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: None

Motion approved.

4. GUEST COMMENTS

Bettina Carson—North K. Street Apartments

Ms. Carson addressed the board. She thanked THA for resolving the issue with a former tenant. She also informed the board that Ms. Donna Miller, who was a tenant at North K passed away; her family will be holding a Celebration of Life on January 29.

Ms. Carson spoke on behalf of Mr. Flynn who is requesting to move to Ms. Miller's apartment, which will be vacated February 1. According to Property Manager Denise Day-Joseph, Mr. Flynn will need to submit a Reasonable Accommodation request, but due to Reasonable Accommodation and Fair Housing regulations, it may take up to 6 months for his request to be processed. He would then be provided a voucher. Mr. Flynn feels that he will find peace in Ms. Miller's apartment and is willing to pay the relocation fee. Director Pat Patterson will look into Mr. Flynn's request.

Dwight Parker—Dixon Village

Mr. Parker addressed the board regarding his concerns with the recent renovations at Dixon Village. He is concerned about convenience and safety. Tenants at Dixon Village thought that they would receive more parking consideration. He also mentioned that parents are concerned about the playground construction. His son injured himself due to the hard concrete. Mr. Parker is also concerned about the windows in the apartments, the security brackets on the first floor in particular. If there are emergencies and the front and back doors are not accessible, it would be good to have the windows as a safe exit. That option has since been taken away. Lastly, the type of lock used for the doors are not good. Children could easily go out the door or open the door to strangers. Mr. Parker will submit a list of his concerns to Director Patterson. According to Director McCormick, the playground has a soft fall and all the work at Dixon Village were done to code.

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. THA's current voucher utilization rate is at 98% and continues to decline. Voucher holders are experiencing difficulties using their vouchers due to the tightening rental market. Rents are rising and landlords can afford to be choosier, picking tenants with stronger rental and credit histories. THA needs to be careful about issuing more vouchers on the eve of likely budget cuts. THA would not wish to issue vouchers only to have to terminate them or others to manage the budget cuts.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to his report. The next financial report will be presented in February, 2017. THA remains under budget and should end the year in good financial shape. THA has enough funds to be able to get through 2017 and into 2018, but will need to watch out for budgetary impacts under the new federal administration, and determine what adjustments will be necessary.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$10,476,398 for the month of December 2016. Commissioner Flauding seconded. Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: None

Motion Approved.

Administration

Administration (AD) Director Todd Craven directed the board to his report. He noted that last month he announced a delay in the “go live” for OpenDoor. The THA team has gone through exercises with eightCloud to determine the length of the delay. He announced that April 1st is the new “go live” date. There are roughly 1,100 hours of work left to complete the project. THA is responsible for \$56k of new items and eightCloud is responsible for \$114k. AD also needs to add an additional \$75k back on the contract with eightCloud. The parties inadvertently left it out. Resolution 2017-01-25 (1) will do that.

Client Services

Client Services (CS) Director Greg Claycamp directed the board to his report. He spoke of the challenge to lease up vouchers. CS staff were able to reach out to households on the waiting list. CS staff are also connecting with new shoppers for leasing up. CS is considering allocating more Project Based Vouchers to community partners. The board is okay with the current utilization rate pending budget clarity. Recent data shows that THA’s voucher value is about right for the market. The challenge lies in voucher holders finding landlords. Director Claycamp is hopeful that hiring a Landlord Liaison would help with this problem.

Property Management

Property Management (PM) Director Pat Patterson directed the board to his report. Back in October, PM staff were asked to have 456 units in the RAD fix up turned and filled by the end of the year. Staff got it done. They housed 455 out of the 456 units. Pat expressed his appreciation for the efforts of staff and in particular Portfolio Manager Gretchen Sinkula.

Salishan is experimenting with a 24-hour patrol that allows residents to call any time for service. It has been two months since this started and residents seem to appreciate it. For future PM reports, the board would like to see how many total calls are received and how many resulted in arrests. Some sort of trending data would also be useful. ED Mirra suggested acquiring a report from TPD for all THA properties. He recounted TPD previous reports that show Salishan to be one of the safest neighborhoods in Tacoma.

PM staff are working with Client Services to locate units that tenants want. Director Patterson is hoping this will speed up the process of going through the waitlist.

Elevators at the 902 building are outdated and need to be replaced, which will cost \$300k.

THA is updating its Control System for staff security badges. Board Assistant Sha Peterson will set-up appointments for the board to acquire new badges.

Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick directed the board to her report. RED staff are focused on tax credit applications. The Request for Proposal (RFP) for New Look will go out to tax creditors this week. RED staff are also watching the tax credit market closely. If the value of tax credit declines as our advisors tell us to expect New Look may have a financing gap. In that event, THA will reassess. RED hopes to have a resolution in February to authorize the executive director to sign a development agreement with the City for THA's development at City expense of the Crisis Residential Center (CRC) at Arlington Drive. THA has selected SMR Architects out of Seattle, with Buffalo Designs being the second choice.

Human Resources

Human Resources (HR) Department Director Toby Kaheiki directed the board to his report. HR has been working with Client Services and Property Management in restructuring their departments. HR continues to provide in-house training and coaching for supervisors and managers. All performance evaluations in 2016 were completed on time.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 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

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

WHEREAS, 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.

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

AYES: 5
NAYS: None
Abstain: None
Absent: None

Motion Approved: January 25, 2017

Dr. Arthur C. Banks, Chair

9. COMMENTS FROM COMMISSIONERS

Commissioner Hodge asked about the Federal Grant to encourage partnerships with housing and school districts. THA has not made a decision whether to apply.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 5:59 PM.

APPROVED AS CORRECT

Adopted: February 22, 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: February 22, 2017
Re: Executive Director's Report

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

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

In my January report, I conveyed the surmises of our various advisors on what Congress and the Trump Administration may do to the HUD budget and programs, and when. At the Board meeting in February, I will update their advice. In January I also outlined how THA might manage budget cuts. I mentioned that I have asked our Finance Director to lead a project that, in a budget exercise, will anticipate budget cuts in May 2017 and January 2018 and recommend ways to manage them. I attach the description of this project. He may have an update at the Board meeting on this exercise.

2. VOUCHER UTILIZATION RATES

In my January report, I noted that our aggregate voucher utilization rate for 2016 was 98.4%. That is pretty good. Yet I also reported that it is declining as Tacoma's rental market tightens. It is now approaching 96%. Our Client Services Director is leading a project that will recommend how THA might respond. I attach a copy of the project description. In my January report, I anticipated some strategies we may try. The Client Services Director may have an update on this project at the Board meeting.

3. YOUTH ADVOCACY POSITION

Local private foundations in the Tacoma area may ask THA to host and supervise a position they will fund to advocate for the Pierce County region to respond effectively to the needs of foster children, homeless youth without families and homeless young adults. This position will provide data, expertise, advocacy and coordination.

These foundations have been closely watching the encouraging efforts of late in Tacoma and Pierce County to address the long standing and worsening homelessness among the areas youth without families and young adults. The City has committed to fund a shelter for homeless 18 to 24 year olds, day center for homeless 12 to 24 year olds. The City and the County have committed to fund THA's development of a Crisis Residential Center (CRC). Community Youth Services (CYS), a well-established and well-regarded provider of these services in Thurston County, has extended its work to Pierce County to manage these services. THA has provided CIS one of its single-family homes in which CIS has already opened a temporary 5 bed CRC. The foundations are also impressed with the THA commitment to develop its youth campus at Arlington Drive and its foster care homes at Hillsdale Heights.

These foundations may judge that the community needs a dedicated position to maintain the civic engagement with this issue. Discussions continue among the foundations about their willingness to fund such a position. The position would likely entail the following:

3.1 A mastery of the data and best practices

- numbers of homeless youth and homeless young adults
- trends in those numbers
- demographics (race, sex, gender, national origin)
- causes

- effects of homelessness on health, mental health, child welfare, criminal justice, education, employment prospects, etc.

- best practices to intervene into the individual need and best community practices to address the causes

We do not see the position as generating these data and information. The data and information already exist. The position would know it and put it to use for advocacy and program design and evaluation.

3.2 A keeper of a community's insistence that the unaddressed homelessness of youth without families and young adults is not acceptable

In this way, the position includes advocacy. This is important. These young people are not situated to speak up for themselves.

3.3 A continual convening of the many partners the solution will require:

- homeless youth and youth adults
- City
- County
- State
- School Districts
- Housing Authorities
- Housers

- Service providers, especially those specializing in serving these populations

- Foundations
- Churches

- Important community voices (e.g, News Tribune, Executive Council, Chamber, Tacoma Ministerial Alliance, Associated Ministries, Chamber)

- homeless youth and youth adults

3.4 A coordination of efforts as set forth in a plan devised by those partners

The plan would have the following elements:

- short, middle and long term elements
- assignment of responsibility for the various parts (capital and operation funding, development of facilities, ownership, service provision, management)
- performance measures for each element
- data collection to allow for evaluation.
- third party evaluation

3.5 A dedicated person to drive all this

The person would not do the work. That would be too much. Instead, he or she would direct, encourage, inform and advocate for the partners' efforts. He or she will contribute the coordination, the relationships, and the institutional insistence and stamina to keep the community on task. He or she will do this with a combination of expertise, community stature by what he or she represents, nagging, third base coaching, and inspiration.

3.6 Funding for the position for at least three years

3.7 A Host Organization

The effort needs an organization to host the dedicated person. That organization should have the following characteristics:

- An institutional stamina for the work. This means the work should fit comfortably enough inside its own mission and the organization needs to be stable for the long term.
- A community stature to lend the effort an immediate standing and relationships to use.
- The choice of the host organization will require discussion among these and others.

Although the foundations have not yet asked THA to be the host for this position, I would like some Board discussion on the matter to help me respond should we receive such a request. In ways I will explain at the Board meeting, I think such a position would be a very good fit for THA, and that THA should agree to host the position assuming the foundations pay its costs. In summary hosting would serve the following purposes that are congenial to THA:

- It would help inform THA's initiatives at Arlington Drive, and Hillside Heights and its Rapid Rehousing investments with Pierce County.

- It would help elicit the partnerships, support and funding THA will need for those initiatives.
- The position would be a further THA contribution to the community's effort.

4. THA GRANT TO NEW CONNECTIONS: UPDATE

Last year, as a condition of receiving the 9% tax credits for Bay Terrace, THA had to donate \$50,000 to qualified community organizations. The Board may recall that last year it approved a \$25,000 grant to the Tacoma-Pierce County Affordable Housing Consortium and a \$25,000 grant to New Connections. New Connections houses and serves women upon their release from Purdy, the women's prison. I attach New Connections' annual letter. It notes the THA grant and describes what THA's money allowed New Connections to do. It was a very good choice for the money.



Tacoma Housing Authority Project Database

Date: February 16, 2017

PROJECT: Budget Cut Exercise 2017

PROJECT #: FD-2017-001

Assigning Person: Michael Mirra

Start Date: 1/12/2017

Close Date:

Project Manager: Ken Shalik

Due Date: 10/15/2017

Full Project Description

THA may face budget cuts from the new Congress. The Continuing Resolution that expires on April 28, 2017 has already cut section 8 funding by 5%. Further cuts may occur for 2017 beginning in May 2017. Cuts in 2018 may also be likely. The sooner THA can anticipate and plan for cuts the easier they will be to manage. This project will plan on how THA will do that. It will lead the cabinet to written proposals for the Executive Director to consider for possible recommendation to the THA Board.

Anticipating what Congress will do is usually hard. It seems particularly hard this year because the recent election was so unusual. For purposes of this project, we will assume the following cuts:

- 3% cut starting May 2017
- 5% cut starting January 2018

Assuming these cuts, this project will propose answers to the following questions:

1. What if anything should THA do now to prepare for the 3% cuts in May?
2. How should THA manage the 3% cuts in May?
3. What if anything should THA do now to prepare for the 5% cuts in January?
4. How should THA manage the 5% cuts in January?

The proposals should account for the following principles and considerations:

1. THA's statements of vision, mission and values, and its 7 strategic objectives.
2. THA's budget principles:
 - Recurring income should cover recurring expenses
 - The best use of reserves is for expenditures that will make us money, save us money or make us stronger.
 - Our reserve levels must remain between the minimum and maximum levels that the Board has set.

3. We will not disrupt the following 2017 projects:
 - the software conversion
 - the RAD fix-up and refinancing
 - the McCarver expansion
 - the Children Savings Account implementation
 - pending purchase of property that will make us money
4. This project will be a good chance to seek out or anticipate operational efficiencies and savings, such as those that OpenDoor will give us.
5. This project is closely related to the project that will propose what to do with THA's voucher utilization rate. Project CS-2017-2. That project's proposals may determine how much we must cut in other areas of the agency. For that reason, the two project managers should confer closely.



Tacoma Housing Authority

Project Database

Date: February 16, 2017

PROJECT: Voucher Utilization Rate

PROJECT #: CS-2017-002

Assigning Person: Michael Mirra

Start Date: 1/27/2017

Close Date:

Project Manager: Greg Claycamp

Due Date: 4/15/2017

Full Project Description

THA's utilization rate of its baseline of housing vouchers is a vital measure. THA has been at 100%. That target will be hard to maintain as the rental market tightens and our funding goes down. Competing claims on our funds complicate the question. This project will produce a written analysis and recommendations for the Executive Director.

This project will require detailed project management. The project manager should create a detailed project outline, using the general outline template" as a starting point. He should do this by February 10th.

THE PROBLEM

HUD assigns to THA a baseline number of households to serve with its rental assistance dollars. THA must serve substantially the same number of households as that baseline. This is an important part of its MTW obligation. THA has been at roughly 100%. Yet, it is getting harder to maintain 100% utilization for various reasons. Here are the main ones:

- Rising Rents: Tacoma's rental market is tightening. Rents are rising. In response, THA has been increasing the value of its vouchers. But it may become harder to keep pace with the rising market. As a result, fewer landlords may be willing to take a voucher, especially if the rent requires the tenant to pay too much of his or her income to cover the excess rent.
- Fussier Landlords: Rising rents may not be the main problem resulting from the tightening rental market. The greater problem may be that landlords can be more selective in their choice of tenants. In comparison with higher income households seeking rental housing, THA's voucher holders have weaker credit or rental histories and they pay a higher percentage of their income in rent, even with a voucher.
- Unlawful Discrimination: National studies show that unlawful discrimination in the rental market persists to disadvantage households of color, families with children, and disabled persons. A tightened rental market generally amplifies these practices. To the extent these practices afflict Tacoma, they will have a further amplified effect on THA's voucher households because those households are

disproportionately comprised of households of color, disabled persons and families with children.

- **Reduced Funding:** THA's rental assistance funding comes from HUD as a result of Congressional appropriation. That funding is going down. In the Continuing Resolution providing federal funding for 2017, for example, Congress provided 95% of what it provided in 2016. For THA that is a cut of about \$1.5 million. The recommendations from this project should account for the likelihood of further budget cuts in 2017 and 2018.

- **Competing Uses for THA Funds:** THA is an MTW housing authority. This means that it can use its rental assistance allocation for other purposes. THA uses this flexibility. It spends 13% of its rental assistance dollars to maintain the portfolio, community services, real estate development, and administrative costs. These uses are valuable. However, they reduce the number of voucher households we serve. This part of the picture, however, has its full share of nuance. Some of these uses may make it easier for voucher households to use their voucher. For example, community services can help households find and keep housing. THA's high quality administration of the voucher program and its administration generally make the program easier for landlords and others to use. Money spent on building or buying property produces apartments that may be the remaining few in a neighborhood that will take vouchers.

THA has also exhausted its waiting list. This limits our ability to respond by issuing new vouchers.

THE PERFORMANCE MEASURES OF UTILIZATION AND OTHER DATA

The analysis will report on at least the following measures and data. It will report on what it will take to attain varying targets for each measure. This will allow THA to make an informed choice of among targets by knowing what each would cost in other ways. The report will recommend a target for each measure:

- percentage of THA's baseline of households to serve that it is actually serving;
- the percentage of households that receive vouchers that turn them back in because of their inability to find a landlord to take them;
- the reasons why households cannot use the voucher;
- the rent burden paid by households using vouchers;
- the geographic concentration or dispersal of households using vouchers and the use of vouchers in areas of "high opportunity";
- the quality of the housing voucher households find to rent with a voucher as shown by the inspection experience;
- the number and percentage of vouchers that THA has project based and the nature, rent levels and location of that housing;
- how these measures differ between the regular voucher program and HOP.

POSSIBLE THA RESPONSES

The analysis will consider at least the following possible THA responses. The report will recommend those that serve the recommended targets:

1. Value of the Voucher
 - raise the value of the voucher to make it more competitive in the market
 - reduce the value of the voucher to serve more people ("thin the soup")
 - use varied payment standards so the voucher pays more in high rent neighborhoods
2. Voucher Issuance
 - issue more vouchers (This may be a risk in the face of looming budget cuts. THA does not wish to issue vouchers only to have to terminate families later in 2017 or 2018 to manage budget cuts.)
 - stop issuing vouchers
 - open the wait list; our waitnig list is exhausted; this limits our options; we should never be without a waiting list; unless this project provides the executive director with important reasons not to reopen the waiting this project will re-open the waiting list as soon as possible.
3. Preferences of Who Gets Vouchers for Households More Likely to Find Housing
 - for a % of voucher issuances, prefer working households, who will need less subsidy and who will be more competitive in the market allowing THA to serve more families
 - for a % of voucher issuances, prefer households receiving supportive services from service providers that will make these households more competitive in the market ;
 - prefer households who received THA's Rapid Rehousing assistance and succeeded in finding housing;
4. Lengthen the Shopping Period for a Voucher Holder
 - lengthen the shopping period a voucher holder has to find a landlord because this may increase that household's chances; it also means that the voucher may be unused for a longer period before another more likely household gets a chance.
5. Landlord Recruitment
 - recruit landlords to accept tenant based vouchers
 - recruit landlords, both market rate and nonprofit, to project base vouchers; project basing insures that housing to be available; project basing has other advantages. If it is in a market rate bulding, it promotes economic and racial intergration. It helps nonprofits finance new construction of housing or the fix-up of existing housing.
6. Making Voucher Tenants More Competitive
 - put voucher applicants through "tenant training" resulting in a certificate of completion; this will have to be designed with landlords so the certificate is meaningful to them.
 - THA guarantee of damage payments
 - THA pay landlords an incentive bonus to rent to voucher landlord

7. Nontraditional Types of Rental Assistance

- Examine THA's investment in Rapid Rehousing; does it help or hurt THA's utilization rate and increase or decrease that investment accordingly.

8. Purchase Apartment Buildings

- THA's owned apartment buildings can guarantee that at least its units accept vouchers; such purchases in white, higher rent parts of Tacoma can help promote their racial and economic integration.

9. Reconsider How THA Presently Uses Rental Assistance Dollars for Other Purposes

THA spends 13% of its rental assistance allocation for other purposes: maintaining the portfolio, community services, real estate development and administration, all of which struggles with its own underfunding. Those are valuable purposes. Yet they leave households unserved. Some of those uses, however, may increase utilization. This project will be an occasion to reconsider those uses.

10. Challenge HUD's FMR Rates

HUD has a procedure allowing appeals from its FMR for an area. Should we do this?

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NEW CONNECTIONS' ANNUAL LETTER & VALENTINE

HAPPY VALENTINE'S DAY TO OUR COMMUNITY OF FRIENDS!

For all of us at New Connections, 2016 is a year to remember. Extraordinary support from the Tacoma Housing Authority (THA) in 2016 allowed us to hire a second part-time employee and to expand our partnerships and services beyond anything we could have imagined without the THA grant. The timing is serendipitous! We face increasing challenges locally and nationally. Collaborating and networking to leverage limited community resources is more critical than ever.

In the year ahead, New Connections will launch our first "incubator program" in support of Stepping Stones and we just initiated a pilot program to improve orientation, skill building, and support of volunteers. We are collaborating with 211 and Pierce CPTS to keep reentry resource packets current and accurate and will continue to seek partnerships and advocacy opportunities that support our mission of helping people successfully re-enter the community after incarceration. We are grateful for these opportunities and for the support of THA, a partner with a long history of providing affordable housing and supportive service to our most vulnerable neighbors.

A HOUSE BY ANY OTHER NAME

In 2016 we rebranded our two houses as Annie's Cottage and Irma's House* and began operating them as shelters rather than transitional housing. As residents of a shelter our guests qualify for services from the Pierce County Coordinated Entry Program. The coordinated entry program offers permanent housing and is only available to people living in designated shelters and those who are unsheltered.

Who maintains our supportive environment and helps women navigate the transitions and obstacles they face? It would be hard to overstate the importance of Mara Eaton, our resident manager and the one who keeps the home fires burning at Irma's House. Mara works with our new half-time employee, Jessica Means, to provide community and support for guests at the two houses. Jessica began helping as an intern from Tacoma Community College. By the time she completed her third internship with us, we knew we had to find a way to keep her. Jessica's bright spirit and abundant skills are a welcome addition to our organization and the community.



Our programs also benefit from great interns. Special thanks go out to Tacoma Community College's Human Services program for sending such compassionate and capable students our way and for the supervision and follow up provided by their staff. Many other individuals and agencies work with New Connections to advocate for policies and provide services that reduce barriers to employment, housing, and reintegration for formerly incarcerated people.

** Note: For official documents, we will maintain the more formal names (Ann Flagg Cottage and Irma Gary House) in honor of the two—very unique—women the houses were named to honor. We just want something a little easier and warmer for general use.*

GRANTS AND OTHER GIFTS

In addition to support from the Tacoma Housing Authority, we are grateful to the following individuals and agencies for their assistance:

Our partnership with the Tacoma Catholic Worker (TCW) is at the heart of every welcome we offer to women as they rebuild their lives after incarceration. Both Irma's House and Annie's Cottage are owned by TCW and used by New Connections without charge. We also collaborate with TCW and the Hilltop Madrinas to develop the community gardens, the Commons, and the new Peace Garden. You are welcome to visit this beautiful oasis in our hilltop village...and feel free to bring some gloves and a garden hoe for a little dirt therapy!

We are honored to be recognized by The Greater Tacoma Community Foundation (GTCF) with a generous grant and the gift of storytelling workshops with Megan Sukys. A link to our story/video about New Connections is available on our website: www.nctacoma.org.



Thanks to Immanuel Presbyterian Church (IPC) we have an office space! Because of this exceptional, in-kind support, Irma's House no longer serves triple duty as office, meeting space, and living room for the shelter. The move makes Irma's House more of a home; and, meetings with interns, volunteers, and other agencies can be scheduled throughout the day. We are grateful for the gifts of space and community. Additional support from IPC includes grants and hosting the fourth annual Women 'n' Blues Vespers. The music from Rod Cook & Toast with Jay Mabin was wonderful, the small bites in the basement were great, and the event raised almost \$4,000 for our programs. Our thanks to Pastor Dave Brown, church staff, and the compassionate, welcoming congregation of Immanuel Presbyterian Church!

St. Leo parishioners supported New Connections when it was only a dream. They continue to provide support through the annual Gifts for the Journey donations, volunteering, and support and advocacy for the women of Irma's House and Annie's Cottage.

Important support was also provided in 2016 by the Seattle Foundation, Peterson Trust, St Charles Borromeo Parish, Exodus Project, Archdiocese of Seattle, Hilltop Madrinas, West Coast Companeros, and New Upper Zion Christian Church.

WE COULDN'T DO IT WITHOUT YOU!

Because of our amazing volunteers and donors in 2016, New Connections:

- Provided shelter and wrap-around services (access to training, employment, basic needs) for fourteen women at Irma's House
- Welcomed three families (including 5 children) and offered supportive services at Annie's Cottage
- Partnered with Pierce County Community Partnership for Transition Services to offer resource fairs & networking opportunities inside and outside prison walls as well as a Regional Reentry Summer Institute (served more than 400 individuals through these events). The Race and Pedagogy Institute was an essential partner and the Summer Institute was hosted by the University of Puget Sound.
- Maintained/ updated the Tacoma/Pierce County Reentry Resource wiki
- Provided one-on-one resource assistance (180 warm line support calls) as well as individual appointments for those who requested additional assistance (8 resource sessions).

- Advocated for effective and humane incarceration and reentry policies and practices through dialog with agency representatives and by offering testimony at city and county council meetings and to elected representatives at every level.
- Assisted with curriculum development at Tacoma Community College, participated in Homeless Charrette, the SPARC: Tacoma/Pierce County Focus Group and other community engagement events (collaborating to improve services, training, and to leverage resources).
- Collaborated on initiatives with R3 for employment opportunities and with Pierce County Jail to increase services to incarcerated and recently released neighbors.

BOARD UPDATES WORKGROUPS AND AN INVITATION

Sass Ruthven and Jack Johnson, who each served three full terms as board members, rotated off the board this year and will be missed. In addition to holding leadership positions as secretary and treasurer, they contributed mightily to events and projects throughout the years. Sass also shared the bounty of her gardens and kitchen, which made even the most difficult agenda bearable. Jack added a touch of class to every event with his professional waiter's uniform and restaurateur's expertise. Thank you Jack and Sass!

We welcome longtime supporter, Joanie Bichsel, as our newest board member. Her Uncle Bill Bichsel, S.J. (Bix) founded New Connections and served on the board for many years. Joanie is following in his footsteps; but, she is creating her own path. It is wonderful to have her "on board."



Strategic Planning Workgroup: Former board chair, Marian Snyder and retired sociology professor, Rosemary Powers, provide critical guidance during weekly meetings with staff. Rosemary facilitates skill building workshops for volunteers as well as resource and information gathering in support of our programs.

Sam Tower, Dan Blachley, and Joe Power-Drutis continue to provide facilities support, and Joe recently added data entry and mining to his list of volunteer commitments.

If you received this letter, you have already helped us in some way and we are deeply grateful for every donation of time or resources. Life is full of good work to be done and many of our friends are immersed in multiple community development and social justice initiatives.

We just want you to know that –if you ever have a free afternoon, or perhaps a series of afternoons – we will be delighted to help you find new ways to engage in this satisfying and important work. We can always use another advocate, researcher, mentor, gardener, painter, event assistant, techie, teacher, jewelry maker, board/committee member, or jail volunteer. Thank you for all you do here and throughout the community! You are our Valentine!

Warm regards,

Sam Tower
Chair

Theresa Power-Drutis
Executive Director





TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$10,599,392 for the month of January, 2017.

Approved: February 22, 2017

Dr. Arthur C. Banks, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of January 2017

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Low Rent Module Checks	Check #'s	-	-	-	
Accounts Payable Checks	Check #'s	89,023	-	89,250	
Business Support Center				430,535	Program Support
Moving To Work Support Center				139,543	
Tax Credit Program Support Center				13,308	
Section 8 Programs				532,340	Section 8 Operations
Salishan 7				23,570	Local Funds
Development Activity				43,514	Development
Salishan Area 2B-Dev				78	
Bay Terrace II				3,420	
Hillside Terrace 1800 Court G Development				106	
New Look-Development				45,484	
KeyBank Building				14,416	
Bay Terrace II				1,794,717	Community Service
Renew Tacoma Housing Development				4,184,793	
CS General Business Activities				374	
Community Services MTW Fund				13,334	
Gates Tacoma Pub Schools Grant				65	
ROSS Svc Coord				40	
AMP 6 - Scattered Sites				27,299	Public Housing
AMP 7 - HT 1 - Subsidy				7,405	
AMP 8 - HT 2 - Subsidy				5,519	
AMP 9 - HT 1500 - Subsidy				8,689	
AMP 10 - SAL 1 - Subsidy				10,930	
AMP 11 - SAL 2 - Subsidy				12,167	
AMP 12 - SAL 3 - Subsidy				9,907	
AMP 13 - SAL 4 - Subsidy				11,009	
AMP 14 - SAL 5 - Subsidy				12,900	
AMP 15 - SAL 6 - Subsidy				12,870	
AMP 16 - Bay Terrace - Subsidy				8,103	
Allocation Fund				108,989	Allocations-All Programs
THA SUBTOTAL				7,475,426	
Hillside Terrace 1 through 1500				299	Tax Credit Projects - billable
Bay Terrace 1				555	
Renew Tacoma Housing Operations				730	
Salishan I - through Salishan 6				1,159	
Salishan Association - Operations				-	
TAX CREDIT SUBTOTAL (Operations - billable)				2,743	7,478,169
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	481,875	-	481,890	12,589
	ACH	105,053	-	106,282	2,520,592
Payroll & Payroll Fees - ADP					\$ 588,042
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 10,599,392



TACOMA HOUSING AUTHORITY

Date: February 22, 2017

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

I present the January, 2017 disbursement report for your approval.

I am also providing the agency's year-end financial report for the period ending December 31, 2016.

2016 was a year of transition. We closed on our Rental Assistance Demonstration (RAD) transaction for our existing Public Housing portfolio in April. With this transition, transactions for the Public Housing portfolio no longer resided in Tacoma Housing Authority's (THA) financial reports after April, and have been reported independently in Renew Tacoma Housing, LLLP. We had originally anticipated closing the RAD transaction for the existing Tax Credit portfolio by October, but made a decision in November to stop our pursuit of closing on either the Salishan or Hillside Terrace portfolio due to complications in the transaction, and imposed deadlines we were unable to meet despite our best efforts. Much of the preparation work for the conversion was completed, and is accounted for in the financials. We are continuing to pursue closing on the 26 units at Bay Terrace, which should occur sometime in April, 2017.

Even with the financial nuances presented by the RAD conversion, we remain in good financial position for 2016. We received a developer fee of \$2 million (line 12), along with \$1.25 million for a land lease payment (line 13) for the properties transitioned at our RAD closing in April. Also, in April we finalized the sale of the last Market Rate home, and netted \$1.4 million in sale proceeds in 2016. We also transferred our Public Housing Operating reserves of approximately \$1.5 million to Renew Tacoma as part of the development phase at our RAD closing. In the last quarter of 2016, we sold 3 of our Scattered Site Homes, with a gross sales price of \$495,000.

With all that occurred in 2016, THA had an operating surplus (line 69) of \$1,667,086 and an overall surplus (line 73) of \$2,941,329. As THA utilized \$2,273,468 in reserve funding (lines 67 & 72), there was an overall increase of cash of approximately \$600k from the beginning of 2016.

The following reflects the highlights of where there were major differences in Actuals compared to Budget in 2016.

- *Line 7 – HUD Grant – Capital Fund Operating Revenue* – It was anticipated we would be expending the majority of the 2016 funds on RAD supplemental rent. As we did not transition the Tax Credit portfolio, and the existing portfolio did not transition until April, only a portion of the funds were needed. The funds remaining will roll over into 2017.
- *Lines 8 & 18- Management Fee Income & Expense* – Both categories are under budget and do not affect the overall financials. The RAD transition and management fees that would have been associated with it are the biggest factor in the lower dollar amounts.
- *Lines 15 – 34 – Administrative Expenses* – There are variances both ways in this category, yet we currently end up with a variance of approximately 18.66% under budget. The biggest variance is in the Due Diligence area. We budgeted \$1 million, and had only expended \$64k for the year. We were under budget significantly in Staff Training, and also Contract Services. The biggest factor in Contract Services was associated with consultants for the RAD conversion.
- *Lines 36 – 40 –Tenant Services* - The Tenant Services line items were under budget for 2016. The department did not finalize their new organizational structure and staffing until mid-year, which accounts for the salary discrepancy. Some of the underage for Line 39- Tenant Services- Other has to do with Children's Savings Account (CSA) expenses not accruing as quickly as possible. We did not finalize tenant service contracts, such as our contract with Sound Families until later in the year. Additionally Relocation for over income tenants in Renew Tacoma Housing was budgeted in THA's budget. Those relocation costs will have to be paid out of Renew Tacoma.
- *Lines 41 – 45 – Project Utilities* – This category ended up higher than budgeted. The YTD total is high due to the Public Housing costs before transitioning to RAD in April. When we adjusted the budget for mid-year, it did not account for utility bills for these properties that were not received until after the budget was developed.
- *Line 54 – Payment in Lieu of Taxes (PILOT)* – The dollar amount is small, but this is a category where I assumed PILOT would not be charged to THA after the RAD conversion. Per our Finance Manager, the cost remains with THA for 2016.
- *Line 61 – Section 8 HAP* - We budgeted expenses at 100% utilization, and are hovering over 96.5%. Additionally, we did not transition our existing Tax Credit Public Housing units as originally anticipated, so that reduced the HAP expenses for the year. It is important to note that due to the Housing Market, our average HAP is increasing by approximately \$2 per month, which is increasing the total HAP expense for housed clients.
- *Line 65 – Debt Service Principal Payments* – We received funds when the Windstar property was resold in 2016 that allowed us to pay off this debt. The income is reflected in line 13, Other Revenue.
- *Lines 67-68 – Reserve Appropriations and Operating Transfers* – Both categories included in the budget a \$2.2 million transfer to our Salishan and Hillside portfolio

for Rehab work at time of RAD conversion. As these properties will no longer be converted, this transfer of funds will not occur.

- *Lines 70-71 – Capitalized Line items* – Funds were budgeted for rehab of both Family Investment Center and Salishan Maintenance shop, along with the Key Bank remodel. None of these projects will occur in 2016. Additionally, \$750k was budgeted for property purchases in the Hilltop area. These funds were not expended in 2016.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank currently remain at .33%. The Washington State Local Government Investment Pool currently provides a return rate of .63%.

3. AUDIT

The audits for the Tax Credit properties have already started. It is anticipated that the Washington State auditors will commence the 2016 audit sometime in April or early May.

4. BUDGETS

As the financial landscape for 2017 is still unknown, but cuts in our funding is anticipated, the Cabinet is looking at how we can best prepare for anticipated cuts for the year beyond what was in the initial 2017 budget.

5. YEAR END UPDATE

The financials for the Tax Credit properties are being wrapped up and have been handed over for auditing. We are on track to complete our Housing and Urban Development (HUD) financial submission by February 28.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		December-16				Thru 12/31/2016		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	137,100	2,247,213	2,045,034	9.89%	2,247,213	2,045,034	9.89%
2	Tenant Revenue - Other	7,135	132,104	127,833	3.34%	132,104	127,833	3.34%
3	HUD grant - Section 8 HAP reimburseme	3,445,316	35,043,193	35,299,045	-0.72%	35,043,193	35,299,045	-0.72%
4	HUD grant - Section 8 Admin fee earned	258,517	3,231,946	2,951,612	9.50%	3,231,946	2,951,612	9.50%
5	HUD grant - Public Housing subsidy	214,629	2,405,417	2,275,994	5.69%	2,405,417	2,275,994	5.69%
6	HUD grant - Community Services	21,591	316,209	279,662	13.07%	316,209	279,662	13.07%
7	HUD grant - Capital Fund Operating Reve	82,603	660,824	1,596,451	-58.61%	660,824	1,596,451	-58.61%
8	Management Fee Income	363,875	3,062,274	3,758,647	-18.53%	3,062,274	3,758,647	-18.53%
9	Other Government grants	26,866	195,319	271,669	-28.10%	195,319	271,669	-28.10%
10	Investment income	9,528	114,334	129,401	-11.64%	114,334	129,401	-11.64%
11	Fraud Recovery Income - Sec 8	4,270	22,756	25,000	-8.98%	22,756	25,000	-8.98%
12	Other Revenue- Developer Fee Income	0	2,000,000	2,055,900	-2.72%	2,000,000	2,055,900	-2.72%
13	Other Revenue	17,094	2,352,233	2,337,612	0.63%	2,352,233	2,337,612	0.63%
14	TOTAL OPERATING RECEIPTS	4,588,523	51,783,821	53,153,860	-2.58%	51,783,821	53,153,860	-2.58%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	668,836	5,567,536	5,847,126	-4.78%	5,567,536	5,847,126	-4.78%
16	Administrative Personnel - Benefits	95,755	1,959,506	2,342,588	-16.35%	1,959,506	2,342,588	-16.35%
17	Audit Fees	0	66,400	71,465	-7.09%	66,400	71,465	-7.09%
18	Management Fees	207,151	2,186,629	2,785,564	-21.50%	2,186,629	2,785,564	-21.50%
19	Rent	10,685	128,220	128,200	0.02%	128,220	128,200	0.02%
20	Advertising	108	8,177	18,800	-56.51%	8,177	18,800	-56.51%
21	Information Technology Expenses	18,944	307,479	361,747	-15.00%	307,479	361,747	-15.00%
22	Office Supplies	4,898	79,459	72,090	10.22%	79,459	72,090	10.22%
23	Publications & Memberships	1,905	34,247	44,135	-22.41%	34,247	44,135	-22.41%
24	Telephone	10,362	86,464	103,342	-16.33%	86,464	103,342	-16.33%
25	Postage	3,250	32,503	53,280	-39.00%	32,503	53,280	-39.00%
26	Leased Equipment & Repairs	10,075	120,737	92,983	29.85%	120,737	92,983	29.85%
27	Office Equipment Expensed	30,166	131,356	103,050	27.47%	131,356	103,050	27.47%
28	Legal	29,709	378,744	332,400	13.94%	378,744	332,400	13.94%
29	Local Milage	890	9,760	11,646	-16.19%	9,760	11,646	-16.19%
30	Staff Training/Out of Town travel	5,845	191,466	305,512	-37.33%	191,466	305,512	-37.33%
31	Administrative Contracts	74,982	670,562	1,040,550	-35.56%	670,562	1,040,550	-35.56%
32	Other administrative expenses	22,181	132,973	110,320	20.53%	132,973	110,320	20.53%
33	Due diligence - Perspective Development	1	63,589	1,002,850	-93.66%	63,589	1,002,850	-93.66%
34	Contingency	0	0	117,000	-100.00%	0	117,000	-100.00%
35	Total Administrative Expenses	1,195,744	12,155,807	14,944,648	-18.66%	12,155,807	14,944,648	-18.66%

		December-16				Thru 12/31/2016		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	90,100	807,436	890,821	-9.36%	807,436	890,821	-9.36%
37	Tenant Service Personnel - Benefits	19,308	322,208	388,947	-17.16%	322,208	388,947	-17.16%
38	Relocation Costs	0	29,602	283,695	-89.57%	29,602	283,695	-89.57%
39	Tenant Service - Other	51,011	170,754	309,994	-44.92%	170,754	309,994	-44.92%
40	Total Tenant Services	160,419	1,330,000	1,873,457	-29.01%	1,330,000	1,873,457	-29.01%
	Project Utilities							
41	Water	8,711	91,973	77,040	19.38%	91,973	77,040	19.38%
42	Electricity	5,023	122,715	110,970	10.58%	122,715	110,970	10.58%
43	Gas	677	18,930	19,235	-1.59%	18,930	19,235	-1.59%
44	Sewer	17,694	256,533	195,122	31.47%	256,533	195,122	31.47%
45	Total Project Utilities	32,105	490,151	402,367	21.82%	490,151	402,367	21.82%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	12,265	235,358	253,713	-7.23%	235,358	253,713	-7.23%
47	Maintenance Personnel - Benefits	3,279	88,211	102,035	-13.55%	88,211	102,035	-13.55%
48	Maintenance Materials	5,963	98,881	107,326	-7.87%	98,881	107,326	-7.87%
49	Contract Maintenance	45,705	504,737	450,096	12.14%	504,737	450,096	12.14%
50	Total Routine Maintenance	67,212	927,187	913,170	1.54%	927,187	913,170	1.54%
	General Expenses							
51	Protective Services	26,018	68,693	51,900	32.36%	68,693	51,900	32.36%
52	Insurance	12,884	188,848	184,659	2.27%	188,848	184,659	2.27%
53	Other General Expense	93,913	1,301,104	1,856,028	-29.90%	1,301,104	1,856,028	-29.90%
54	Payment in Lieu of Taxes	1,199	14,385	3,574	302.48%	14,385	3,574	302.48%
55	Collection Loss	2,222	96,963	125,822	-22.94%	96,963	125,822	-22.94%
56	Interest Expense	10,030	92,864	91,671	1.30%	92,864	91,671	1.30%
57	Total General Expenses	146,266	1,762,857	2,313,654	-23.81%	1,762,857	2,313,654	-23.81%
58	TOTAL OPERATING EXPENSES	\$ 1,601,746	\$ 16,666,002	\$ 20,447,296		\$ 16,666,002	\$ 20,447,296	
	Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	(0)	8,275	39,000	-78.78%	8,275	39,000	-78.78%
60	Casualty Losses	0	8,371	12,200	-31.39%	8,371	12,200	-31.39%
61	Sec 8 HAP Payments	3,027,314	33,136,298	33,879,138	-2.19%	33,136,298	33,879,138	-2.19%
62	Total Nonroutine Expenditures	3,027,314	33,152,944	33,930,338	-2.29%	33,152,944	33,930,338	-2.29%
63	TOTAL EXPENDITURES	4,629,060	49,818,946	54,377,634	-8.38%	49,818,946	54,377,634	-8.38%
64	OPERATING SURPLUS/(DEFICIT)	(40,537)	1,964,875	(1,223,774)	-260.56%	1,964,875	(1,223,774)	-260.56%
65	Debt Service Principal Payments	(286,701)	(321,857)	(67,581)	376.25%	(321,857)	(67,581)	376.25%
66	Surplus/Deficit Before Reserve Appropriations	(327,239)	1,643,018	(1,291,355)	-227.23%	1,643,018	(1,291,355)	
67	Reserve Appropriations - Operations	5,177	1,174,068	3,392,428	-65.39%	1,174,068	3,392,428	-65.39%
68	Operations/Transfers In/(Out)	0	(1,150,000)	(3,350,000)	-65.67%	(1,150,000)	(3,350,000)	-65.67%
69	Surplus/Deficit Before Capital Expenditures	(322,062)	1,667,086	(1,248,927)		1,667,086	(1,248,927)	
70	Capitalized Items/Development Projects	(493,970)	(10,401,555)	(12,755,312)	-18.45%	(10,401,555)	(12,755,312)	-18.45%
71	Revenue - Capital Grants/Property Sales	537,333	10,576,398	11,640,546	-9.14%	10,576,398	11,640,546	-9.14%
72	Reserve Appropriations - Capital	35,012	1,099,400	3,003,500	-63.40%	1,099,400	3,003,500	-63.40%
73	THA SURPLUS/(DEFICIT)	(243,687)	2,941,329	639,807		2,941,329	639,807	

TACOMA HOUSING AUTHORITY

CASH POSITION - January 2017

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	7,303,069	0.33%
Section 8 Checking	2,561,136	0.33%
THA Affordable Housing Proceeds-Salishan	3,419,382	0.33%
Scattered Sites Proceeds	686,598	0.33%
Note Fund Account	101	0.33%
Credit Card Receipts	5,434	0.33%
THA Investment Pool	291	0.33%
THA LIPH Security Deposits	4,504	0.33%
THDG - Tacoma Housing Development Group	202,292	0.33%
Salishan 7	1,142,781	0.33%
Salishan 7 Security Deposit	26,725	0.33%
Salishan 7 Replacement Reserve	200,983	0.33%
Salishan 7 Operating Reserve	199,898	0.33%
Outrigger Operations	80,160	0.33%
Outrigger Security Deposit	20,986	0.33%
Outrigger Replacement Reserve	55,247	0.33%
Prairie Oaks Operations	66,662	0.33%
Prairie Oaks Security Deposit	4,201	0.33%
Prairie Oaks Replacement Reserve	8,332	0.33%
Payroll Account	7,826	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,638,614	0.63%
1. TOTAL THA CASH BALANCE	\$ 17,635,223	
Less:		
2. Total MTW Cash Balance	\$ 1,572,363	
<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)	\$ 781,363	
3. MTW Cash Held By HUD		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 766,391	
3.20 Total MTW Cash Held By HUD	\$ 766,391	

TACOMA HOUSING AUTHORITY

CASH POSITION - January 2017

4. Non MTW Cash Restrictions

Other Restrictions:

4.01 FSS Escrows	\$	99,521	
4.02 VASH, FUP & NED HAP Reserves		233,861	
4.03 Mod Rehab Operating Reserves		60,388	
4.04 Security Deposit Accounts		58,174	
4.05 Gates Foundation - 615, 616		615,894	
4.06 Outrigger Reserves		55,247	
4.07 Salishan 7 Reserves		825,881	
4.08 Prairie Oaks Reserves		8,332	
4.09 THDG - 048		202,292	
4.10 Area 2B Sales Proceeds (Afford Hsg)		3,419,382	
4.11 Scattered Sites Proceeds (Afford Hsg)		686,598	
4.20 Total - Other Restrictions	\$		6,265,570

5. Agency Liabilities:

5.10 Total - Agency Liabilities	\$	-	
5.20 Development Draw Receipts for Pending Vendor Payments	\$	1,412,537	
5.30 Development Advances/Due Diligence Commitments ¹	\$	-	

6. Total Non MTW Cash Restrictions (Lines 4.20+5.10+5.20+5.30)

\$ 7,678,108

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

\$ 8,384,752

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)		18,620	
8.04 Education Projects - McCarver & Others		310,000	

8.10 Total Reserve Commitments (Lines 8.01 through 8.04)

\$ 1,194,620

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

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: February 22, 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 coordination with other departments, the Client Services Director is undertaking a project to review THA's voucher utilization strategies. The review will attempt to balance a number of sometimes conflicting challenges. These include the rising cost to support individual voucher Housing Assistance Program (HAP) payments; the increasingly competitive conditions shoppers face in attempting to use vouchers; and the likelihood that a current 5% reduction in our federal HAP contract will in some fashion be extended.

The review is scheduled to be complete by mid-April, with a report to the Board likely that month.

3. COMMUNITY SERVICES: Caroline Cabellon, Community Services Division
 Program Manager

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

January 2017	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing	13	2	13	13
Families in Transition (FIT)	0	1	8	8
Family Self Sufficiency (FSS)	15	2	163	163
General Services	9	21	113	113
Hardship	0	0	0	0
Housing Opportunity Program (HOP) Case Management	10	0	43	43
Children's Savings Account (CSA) K-5th Grade	0	0	34	34
Children's Savings Account (CSA) 6th - 12th Grade	1	0	33	33
McCarver	3	0	37	37
Senior & Disabled	9	11	184	184
DEPARTMENT TOTAL	60	37	628	628

3.2 PROGRAM UPDATES

3.2.1 Education Project Update

McCarver Program

Tacoma North Rotary Club asked staff from the McCarver Elementary School Housing Assistance Program (MESHAP) to join them at a member luncheon at C.I. Shenanigan's on January 24. Case Workers Dana Duncan and Samie Iverson, Program Supervisor Kendra Peischel, and Grants & Resource Development Manager Karen Bunce all presented to Rotary on the benefits of MESHAP to the community. Rotary members asked the MESHAP team to compile a list of supplies they may provide sponsorship for. One Rotary member was compelled to provide sponsorship for a McCarver Family Night on the day of the luncheon.

3.2.2 Housing Opportunity Program Update

During the month of January, the Rental Assistance Case Manager worked closely with Housing Opportunity Program (HOP) participants who were recently issued a voucher to increase utilization. The case worker performed 10 intakes in January for new families shopping for housing. She met with them to identify barriers to housing, including past evictions and increased market rents. The case worker coaches families on how to market themselves to potential landlords. As a result of her efforts with families and relationships developed with landlords, she was successful in finding housing for two of these families in a short period of time.

3.2.3 Programming at Family Properties

THA and the Children's Museum of Tacoma are partnering again to provide free Play to Learn drop-in classes at the Salishan Family Investment Center. Play to Learn is a program for preschool children ages six and under and the adults who care for them. The thematic curriculum includes individual play, engaging activities, songs, and a whole group circle time for children and adults to enjoy together.

The 10-week series will begin March 14 and continue through mid-May. Classes are 90 minutes long, and will be held from 5-6:30 pm to accommodate working families.

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

Housing Choice Voucher utilization is reported at 95.91% for the month of January 2017. Rental Assistance has exhausted the 2015 waiting list and will prepare to open the waiting list in March 2017.

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	166	94%
NED (Non Elderly Disabled) Vouchers	100	100	100%
FUP (Family Unification Program)	50	50	100%
CHOP (Child Welfare Housing Opportunity Program)	20	18	90%
McCarver Program	50	41	82%
CHAP (College Housing Assistance Program)	25	32	128%*
TOTAL	422	407	97%

** 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	123	98%
Hillside Gardens	8	6	75%
Hillside Terrace	9	8	89%
Nativity House	50	50	100%
New Look Apartments	42	42	98%
Pacific Courtyards	23	22	96%
New Tacoma Phase II	8	7	88%
Salishan 1-7	340	331	97%
Tyler Square	15	8	53%
TOTAL	704	675	96%



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: February 22, 2017

To: THA Board of Commissioners

From: Pat Patterson
Director of Property Management

Re: Property Management Monthly Board Report

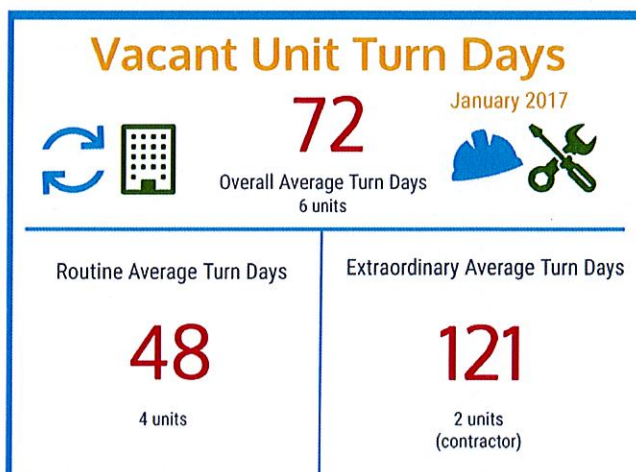
1. OCCUPANCY OVERVIEW

1.1 Occupancy

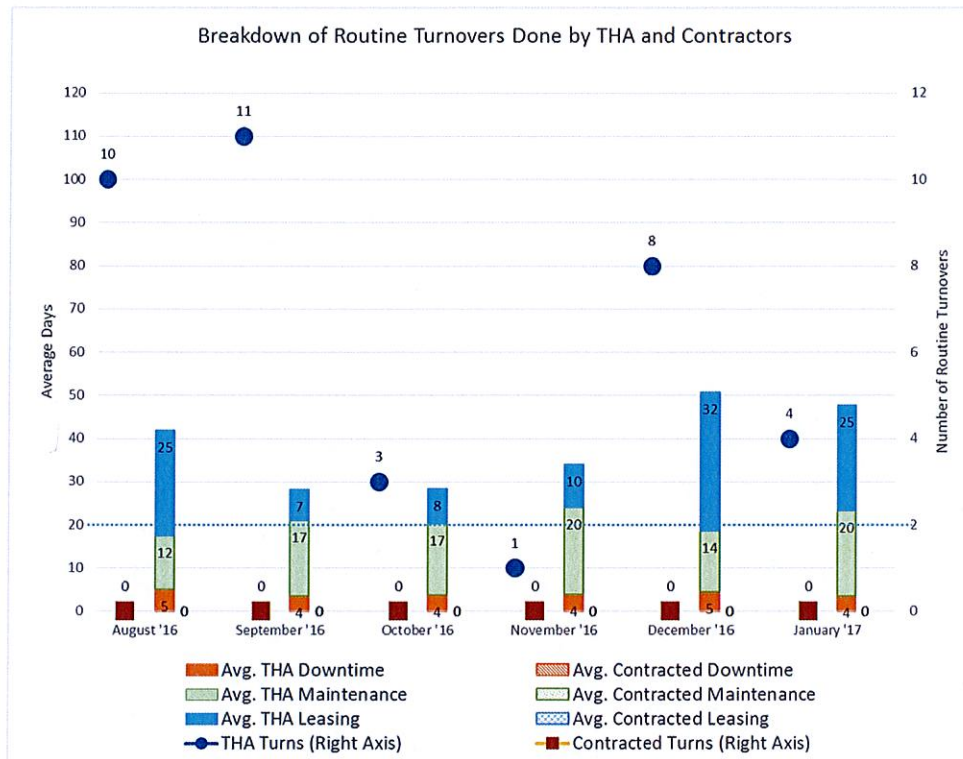
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	4	0	128	96.97%	96.97%
Family Properties	118	3	1	115	97.46%	97.46%
Salishan	631	5	0	626	99.21%	99.21%
Senior/Disabled	353	15	0	338	95.75%	95.75%
All Total	1,234	27	1	1,207	97.81%	97.81%

Unit occupancy is reported for the first day of the month. This data is for the month of January.

1.2 Vacant Clean Unit Turn Status



February 2017 Board of Commissioners Meeting
PROPERTY MANAGEMENT DEPARTMENT MONTHLY REPORT
Page 2



All Turns - Performed by THA and Contractors

Today's Date 2/8/2017

Select End Month & Year	January	1	2017
	December	12	2016
	November	11	2016
	October	10	2016
	September	9	2016
Beginning Month	August	8	2016

6-months - based on month and year selected from orange cell

All THA Turnover Information								
Year	Month	Total Number of Turns	Total THA Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2017	January	6	4	0	47.8	3.5	19.8	24.5
2016	December	9	9	0	64.7	14.8	21.2	28.7
2016	November	2	2	0	60.5	17.0	38.5	5.0
2016	October	4	4	0	32.0	3.8	21.5	6.8
2016	September	12	12	0	30.2	3.5	19.5	7.2
2016	August	10	10	0	41.9	5.1	12.3	24.5

All Contracted Turnover Information								
Year	Month	Total Number of Turns	Total Contracted Turns	Total Meth Turns	Avg. Total Days	Avg. Downtime Days	Avg. Maintenance Days	Avg. Leasing Days
2017	January	6	2	0	120.5	63.5	52.0	5.0
2016	December	9	0	0	0.0	0.0	0.0	0.0
2016	November	2	0	0	0.0	0.0	0.0	0.0
2016	October	4	0	0	0.0	0.0	0.0	0.0
2016	September	12	0	0	0.0	0.0	0.0	0.0
2016	August	10	0	0	0.0	0.0	0.0	0.0

Thee average unit turn time for the month of January was **72** days for six (6) units turned by Tacoma Housing Authority (THA) staff and contractors that were non Rental Assistance Demonstration (RAD). There were a total of 12 units that were made rent ready throughout the portfolio. 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 Apt #181 (55) days: Unit was in downtime for (9) days due to staff availability. Maintenance work was completed in (21) days. 25 were attributed to leasing efforts. 3 families were screened before being accepted.

Sal 4 4484 East Q (37) days: Unit was in downtime for (2) days. Maintenance work was completed in (18) days. 17 days were attributed to leasing efforts. 2 applicants were screened before unit was accepted.

Sal 5 3920 Everett (54) days: Unit was in downtime for (2) days. Maintenance work was completed in 18 days. 34 days were attributed to leasing efforts. Unit refusal and screening challenges were reasons for the delay in lease up.

Sal 7 4874 Court Q (45) days: Unit was in downtime for (1) day. Maintenance work was completed in (22) days. 22 days were attributed to leasing efforts.

Extraordinary

Hillside Apt #238 (56) days: Unit received heavy damage from a kitchen fire.

Sal 3 4349 Sal Blvd (185) days: Unit received heavy damage from fire in neighboring unit.

Proposed Changes for Improvement in Unit Turn Times:

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

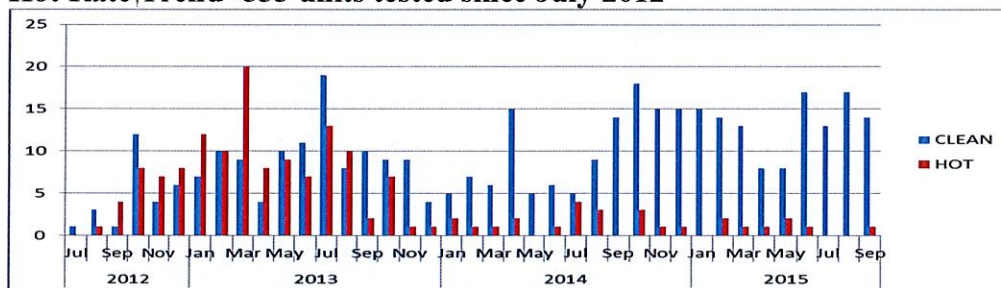
- ✓ THA staff will undergo training to better lease our units that are not subsidized. THA is competing with the open market in some cases and having better tools and tactics will be helpful for us to attract applicants that will accept the units in a timelier manner.

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 January, 2017

Completed Work Orders										
Portfolio	Emergency				Urgent		Non-Emergency			
	Month		YTD		# Completed	Avg Completion Days	Month		YTD	
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)			# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
THA 6TH AVE	0	0.0%	0	0.0%	0					
	0	0.0%	0	100.0%	0					
All Hillside										
BAY TERRACE	0	0.0%	0	0.0%	0		12	0.83	12	0.83
HILLSIDE TERRACE 1500 Block	0	0.0%	0	0.0%	0		1	3.00	1	3.00
HILLSIDE TERRACE PH I	0	0.0%	0	0.0%	0		4	10.25	4	10.25
HILLSIDE TERRACE PH II	0	0.0%	0	0.0%	0		4	3.50	4	3.50
	0	0.0%	0	100.0%	0		21	3.24	21	3.24
Family Properties										
BERGERSON TERRACE	7	100.0%	7	100.0%	7	0.57	11	19.36	18	12.06
DIXON VILLAGE	11	100.0%	11	100.0%	3	0.67	4	4.00	7	2.57
SCATTERED SITES	2	100.0%	2	100.0%	0		0		0	
	20	100.0%	20	100.0%	10	0.60	15	15.27	25	9.40
Salishan										
SALISHAN I	0	0.0%	0	0.0%	2	4.00	18	7.83	20	7.45
SALISHAN II	0	0.0%	0	0.0%	1	2.00	32	10.28	33	10.03
SALISHAN III	0	0.0%	0	0.0%	3	1.67	32	6.38	35	5.97
SALISHAN IV	0	0.0%	0	0.0%	3	0.67	60	9.85	63	9.41
SALISHAN V	1	100.0%	1	100.0%	2	5.50	54	6.52	56	6.48
SALISHAN VI	0	0.0%	0	0.0%	1	1.00	13	7.15	14	6.71
SALISHAN VII	0	0.0%	0	0.0%	6	1.50	28	7.46	34	6.41
	1	100.0%	1	100.0%	18	2.11	237	8.10	255	7.67
Senior / Disabled Properties										
6TH AVE	0	0.0%	0	0.0%	0		22	4.86	22	4.86
E.B. WILSON	1	100.0%	1	100.0%	0		18	4.11	18	4.11
FAWCETT APARTMENTS	0	0.0%	0	0.0%	1		9	1.44	10	1.30
LUDWIG APARTMENTS	3	100.0%	3	100.0%	1		12	12.75	13	11.77
NORTH G ST	0	0.0%	0	0.0%	0		6	0.00	6	0.00
NORTH K ST	0	0.0%	0	0.0%	0		12	9.00	12	9.00
WRIGHT AVE	0	0.0%	0	0.0%	0		11	12.45	11	12.45
	4	100.0%	4	100.0%	2	0.00	90	6.58	92	6.43
Agency Totals:	25	100.0%	25	100.0%	30	1.47	363	7.74	393	7.26

In the month of January, 100% of emergency work orders were completed within 24 hours. In January, maintenance staff completed 363 non-emergency work orders with a total of 393 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 7.26 days.

Open Work Order Summary by Portfolio For the Month of January, 2017

		Emergency		Urgent		Non Emergency		
Portfolio		Opened Emergency WO	Days Open	Open Urgent WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
W14	THA 6TH AVE	0	0	0	0	1	0	1
		0	0	0	0	1	0	1
All Hillside								
BT	BAY TERRACE (S8)	0	0	0	0	1	1	0
HT1	HILLSIDE TERRACE PH I	0	0	0	0	5	5	0
HT150C	HILLSIDE TERRACE 1500 Block	0	0	0	0	2	2	0
HT2	HILLSIDE TERRACE PH II	0	0	0	0	5	4	1
		0	0	0	0	13	12	1
Family Properties								
020	BERGERSON TERRACE	7	0	0	0	7	6	1
022	LOW RENT SCATTERED SITES (19)	2	0	0	0	0	0	0
023	DIXON VILLAGE	11	0	0	0	9	5	4
		20	0	0	0	16	11	5
Salishan								
SAL1	SALISHAN ONE LLC (PH)	0	0	0	0	48	48	0
SAL2	SALISHAN TWO LLC (PH)	0	0	0	0	22	22	0
SAL3	SALISHAN THREE LLC (PH)	0	0	0	0	40	38	2
SAL4	SALISHAN FOUR LLC (S8)	0	0	1	4	15	14	1
SAL5	SALISHAN V LLC (PH)	1	0	0	0	23	23	0
SAL6	SALISHAN SIX LLC (S8)	0	0	2	8	8	7	1
SAL7	SALISHAN SEVEN	0	0	0	0	9	9	0
		1	0	3	12	165	161	4
Senior / Disabled Properties								
006	NORTH K ST	0	0	0	0	1	0	1
008	E.B. WILSON	1	0	0	0	4	4	0
009	FAWCETT APARTMENTS	0	0	0	0	0	0	0
010	WRIGHT AVE	0	0	0	0	2	2	0
012	LUDWIG APARTMENTS	3	0	0	0	4	4	0
013	NORTH G ST	0	0	0	0	1	1	0
014	6TH AVE	0	0	0	0	0	0	0
		4	0	0	0	12	11	1
Agency Totals:		25	0	3	12	207	195	12

The open work orders that are greater than 25 days is 12 in January, 2017. These repairs are scheduled to be completed in the next 30 days.

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

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



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: February 22, 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.

2. NEW DEVELOPMENT

2.1 Bay Terrace – Phase II

Construction is approximately 67% complete. Building J – MEP rough-in complete. Progress is underway for interior insulation, drywall and cabinet delivery. Exterior scaffold remove has begun and will be completed by the end of February 10. Building J schedule has slipped by 6 days due to inclement weather during October, November and December 2016. The contractor is hopeful to make up some of this time now that the building is dried in. Building G & H – Crews are texturing and painting interiors and completing exterior hardscapes. Overall the project is on budget and slightly behind schedule with no major issues to report.

NOTE:

The following information is based on Draw 10 dated 1/09/2017. Bay Terrace II (BTII) has not encountered any unusual problems or issues with exception to the above mentioned weather delay.

Construction % complete 67%				
Budget	Total budget	Expended	Balance	%age Remaining
Soft Costs, inc. reserves	4,900,617.00	2,701,672.67	2,198,944.33	45%
Construction	16,061,051.00	9,683,248.26	6,377,802.74	40%
Owners contingency	880,000.00	289,256.86	590,743.14	67%

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

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 1/31/2017
MBE	10%	13%	13%
WBE	8%	12%	12%
Section 3 Business	10%	14%	14%
Section 3 New Hires	30%	17.24%	17.24%
Apprenticeship	15%	10.21%	10%

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
4	\$824,002	\$824,002	\$80,005	\$134,813	\$609,183.42
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs	Projected Proceeds
5	\$1,193,000	\$1,193,000	\$135,638	\$119,300	\$938,062
Units in Construction	Scope Preparation	Occupied	Listed		
4	1	15	9		



1320 NE Norpoint –SOLD

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 has been sold and recorded.
- 1506 E 59th has been listed and has a prospective buyer being review for program compliance.
- 635 S Fife, 2146 S Sheridan, 1818 and 1830 S 92nd have been awarded substantial completion and will be listed in the next week.
- 2011 Fairbanks and 4939 NE 32nd st are under construction and will be completed in the next 6 weeks.

- 3835 S D and 8019 S Yakima are under construction and will be completed in the next 6 weeks.
- 6932 S Madison is currently in scoping. It will be put out to bid with the next 3 houses that have families currently in the relocation process.
- 807 S Prospect is expected to close by the end of 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. Staff will participate in a board retreat with SA officials in March. 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) represented the limited partners in the former New Look LLC. NEF has exited the partnership and 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. Several meetings have been held with residents and surrounding property owners to solicit their input to the proposed design.

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). Included with the board materials is a resolution allowing the Executive Director to finalize the documents with the City for the funds needed to design and build the project. Staff are negotiating with SMR Architects for the master site plan and related preliminary work. This work will be reimbursed as part of the City of Tacoma Agreement and will also benefit THA as we complete a full master site plan. The initial 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 submitted a January, 2018 9% tax credit submission; however, it did not score high enough to receive tax credits. Staff are evaluating other options for financing new development.

Staff purchased two single-family homes in anticipation of developing this site.

4.2 Intergenerational Housing at Hillsdale Heights

Hope Sparks has declined to partner with The Many Lights Foundation (MLF) for the development of the Hope Lights housing. Hope Sparks, is 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. Hope Sparks prefers to be a service provider for the project.

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. The tax credit application did not score high enough to receive an allocation of tax credits.

4.3.1 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. The agreement with the City has been executed and planning work initiated.

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	41	0	0
Fawcett	1/9/2017	3/27/2017	14	11	6
K Street	10/11/2016	4/3/2017	31	2	10

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.

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 started construction January 26, 2017; however, in order to get a jump-start at that site, Walsh started work early on the replacement of the water lines in common areas. This reduces the overall activity at the site when unit work begins February 6, 2017, and allows us to get into the building early to see if we have 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 February, 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 completed 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 had the upper two floors vacated and residents relocated so that elevator modernization and unit renovation work could 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.

All units are complete at Ludwig. No more relocation activity is happening. Relocation activity ended February 27, 2017.

North K Street relocation activity is still in progress. There have been thirty-one households relocated to date and are back in their newly renovated units. Two households are currently in relocation status and ten 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. The residents who reside on the second and third floor have all been relocated over-night to a hotel, family or friends home. This was due to the elevator work that started on January 23, 2017. Day relocation activities are still in progress for the first floor and the ground floor residents.

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

North G Street RAD informational meeting took place on February 2, 2017. Thirty day walks began on January 31, 2017, in preparation for relocation to start March 6, 2017.

We are still waiting on information for 6th Avenue, the final site, 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 was performed to assure there are no toxic emissions. The testing is complete and we are waiting for the results.

Wright Street:

The balance of the proposed work plan looked acceptable to EPA with just a few revisions to testing locations. This additional testing is currently taking place along with confirming if indeed there is an underground tank. Any contaminated dirt will be removed in July, 2107 so that the consultant's work does not impede Walsh

Construction's work. If all goes well with the testing, EPA will determine what the long-term monitoring will look like.

The most significant issue is the house across the alley in which we were initially 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. We have been successful in getting permission to test the subject property with the testing to start February 6, 2017.

THA is also 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 a formal complaint will be filed against them for restitution for environmental expenses. THA's legal counsel continues to engage with Superior Linen's legal counsel.

5.4 Problems Encountered/Status

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 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 (considered resolved)

Now that all units are complete at Ludwig, the abatement associated with flooring at Ludwig is no longer an exposure and the abatement was fortunately less than estimated. Also, savings from another project, allowed us to allocate those dollars towards the Ludwig abatement.

5.4.3 *Description (considered resolved)*
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	%age Remaining
Soft Costs*	\$24,023,498	\$10,827,282	\$13,196,216	55%
Construction	\$29,812,529	\$18,811,636	\$11,000,893	37%
Owner's contingency	\$ 3,343,026	\$1,792,191	\$1,550,835	46%
Environmental Escrow	\$3,500,000	\$600,000**	\$2,900,000	83%

NOTE: The above reflects the budget status through Draw 8 (December, 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 1/31/2017
MBE	14%	8.78%
WBE	8%	.29%
Section 3 Business	----	7.41%
Section 3 New Hires	30%	13 new hires ¹

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 Minority and Women-Owned Business Enterprises (MWBE) results. This is easier to do on larger, single purpose projects;
- The RAD project is complex and maintaining the aggressive schedule is critical. There are significant consequences to any delays in the work. For example, the investor is expecting delivery of 3 projects by the end of 2016. If any one of the projects are not delivered, there is a serious financial and

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.

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

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-02-22 (1)

Date: February 22, 2017
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Conversion of Subsidy for Bay Terrace I from Public Housing to RAD

This resolution would authorize the executor director to execute documents to complete the conversion of Bay Terrace's public housing units to project based section eight units. This is part of the RAD refinancing.

Background

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

THA is the general partner of 2500 Yakima LLLP, a Washington limited liability limited partnership (the "Partnership"). The Partnership developed an affordable rental housing project located at 2550 South G Street in Tacoma, WA (the "Project"), on property owned by THA that was leased by THA to the Partnership. Twenty-six units of rental housing in the Project currently are administered as public housing units pursuant to a Mixed-Finance Amendment to Consolidated Annual Contributions Contract executed on or about January 20, 2015, between THA and HUD, and a Regulatory and Operating Agreement for Mixed Income Project dated as of January 20, 2015, between THA and the Partnership. The initial development of the Project was financed with capital contributed by the partners of Partnership, loans made by the State of Washington Department of Commerce, a loan from the Tacoma Community Redevelopment Authority, a loan from THA funded by Moving to Work funds, a capital grant, and other capital funds of THA, and a loan from THA funded by proceeds of bonds issued by THA.

THA has applied to HUD to convert the project from public housing to a project-based Section 8 project under HUD's Rental Assistance Demonstration ("RAD") program (the "RAD Conversion"). To do this provisions of the Partnership's limited partnership agreement, the project lease, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered. Resolution No. 2017-02-22 (1) will authorize THA to execute all documents related to the RAD Conversion.

Recommendation

Authorize THA to execute all documents related to the RAD Conversion.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-02-22 (1)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the Authority's participation in HUD's Rental Assistance Demonstration program with respect to the Bay Terrace I Project; authorizing the amendment of agreements to address requirements of HUD's Rental Assistance Demonstration program; and determining related matters.

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

WHEREAS, RCW 35.82.070 authorizes the Housing Authority of the City of Tacoma (the "Authority"), among other things, to "prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof," "make and execute contracts and other instruments, including but not limited to partnership agreements," and "make . . . loans for the . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income"; and

WHEREAS, The Authority is the general partner of 2500 Yakima LLLP (the "Partnership"), which limited liability limited partnership developed a 70-unit affordable rental housing project commonly known as Bay Terrace I (the "Project"), on property located at 2550 South G Street in Tacoma, Washington, that was leased to the Partnership by the Authority, and 26 units of rental housing in the Project currently are administered as public housing units; and

WHEREAS, The Authority applied to the U.S. Department of Housing and Urban Development ("HUD") to allow the public housing units in the Project to be converted to project-based Section 8 units under HUD's Rental Assistance Demonstration ("RAD") program, and HUD has approved of such conversion; and

WHEREAS, In connection with the conversion of the Project's public housing units to project-based Section 8 units, certain provisions of the Partnership's limited partnership agreement, project lease, loan documents and related documents must be amended, certain existing public housing agreements must be terminated, and certain RAD program agreements must be entered; and

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

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

1. Existing Project Documents and HUD Documents. The Authority's Executive Director and the Authority's Deputy Executive Director (each, an "Authorized Officer" and,

collectively, the “Authorized Officers”) (and each of them acting alone) are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or in its capacity as general partner of the Partnership, as applicable): (i) those documents described in Exhibit A under the headings “Existing Project Documents” and “HUD Documents”; (ii) such other documents relating to the Partnership or the Partnership’s existing loans as any Authorized Officer determines to be necessary or desirable to accomplish the conversion of the Project from a public housing project to a project-based Section 8 project; and (iii) any document not described in Exhibit A under the heading “HUD Documents” that HUD requires in connection with such conversion.

2. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or in its capacity as general partner of the Partnership, as applicable) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.
3. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person’s absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.
4. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
5. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: February 22, 107

Dr. Arthur C. Banks, Chair

EXHIBIT A

TRANSACTION DOCUMENTS

Existing Project Documents

- An amendment to the Partnership's First Amended and Restated Agreement of Limited Partnership as necessary or desirable to remove references to public housing requirements, to insert references to RAD program requirements, and to remove any obligation of the Authority to make rental subsidy contributions with respect to public housing units;
- An amendment to the Lease Agreement between the Authority and the Partnership as necessary or desirable to remove references to public housing requirements and to insert references to RAD program requirements, and a corresponding amendment to the Memorandum of Lease Agreement to reflect amendments made to such Lease Agreement;
- An amendment to the existing priority and subordination agreement for the Project as necessary or desirable to list the relative priorities of HUD's Rental Assistance Demonstration Use Agreement and existing encumbrances and to insert references to RAD program requirements;
- Amendments to the existing loan documents with Commerce, TCRA, the Authority, and JPMorgan Chase Bank, N.A., all as necessary or desirable to remove references to public housing requirements, to insert references to RAD program requirements, and to remove any obligation of the Authority to make rental subsidy contributions with respect to public housing units;
- Amendments to the loan or grant agreements, and related documents, for loans and grants underlying the Authority's various loans to the Partnership, all as necessary or desirable to remove references to public housing requirements and, where applicable, to insert references to RAD program requirements;

HUD Documents

- Rental Assistance (RAD) Conversion Commitment (Public Housing; First Component) between the Partnership and HUD, together with any necessary or desirable amendments thereof;
- Rental Assistance Demonstration Use Agreement among the Authority, the Partnership and HUD, together with the Rider to Use Agreement Relating to Foreclosure (for PBV and PBRA RAD conversions from Public Housing) among the Authority, the Partnership and HUD;
- PBV Housing Assistance Payments Contract New Construction or Rehabilitation between the Partnership and HUD, together with Rental Assistance Demonstration (RAD); Rider to the Section 8 Project Based Voucher Program (PBV) Housing Assistance Payments (HAP)

Contract for New Construction or Rehabilitated Housing (Public Housing Conversions; First Component) between the Partnership and the Authority, the LIHTC Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among the Partnership, the Authority and HUD, and the Lender Rider to Housing Assistance Payment Contract (for PBV RAD conversions from Public Housing) among the Partnership, the Authority and HUD;

- Consolidated Owner Certification – Rental Assistance Demonstration by the Authority and the Partnership;
- Certification and Assurances by the Authority and the Partnership;
- Termination of Mixed Finance Amendment to Annual Contributions Contract with respect to the Project between the Authority and HUD; and
- Termination of Regulatory and Operating Agreement between the Authority and the Partnership.

CERTIFICATE

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

1. That the attached copy of Resolution No. 2017-02-22 (1) (the "Resolution") is a full, true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on February 22, 2017, and duly recorded in the minute books of the Authority; and

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

IN WITNESS WHEREOF, I have hereunto set my hand on February 22, 2017.

Michael Mirra, Secretary and Executive Director of
the Authority

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-02-22 (2)

Date: February 22, 2015

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Crisis Residential Center Development Agreements

Purpose

The purpose of this resolution is to authorize Tacoma Housing Authority's (THA) Executive Director:

1. To negotiate and execute an agreement with the City of Tacoma, on behalf of the Authority, for the capital funds required for the development at Arlington Drive of a Crisis Residential Center (CRC) for youth experiencing homelessness.
2. To negotiate and execute an agreement with Community Youth Services (CYS) and/or Pierce County for the additional funds required to complete the CRC.

Background

The Board adopted resolution 2016-06-22(5) that authorized THA's Executive Director to lease its Arlington Drive property to the City of Tacoma to develop a youth home and contract with the City. The resolution made it clear that the commitment was contingent on the board's approval. A crisis residential center for 12 youth ages 12-17 is proposed on a portion of the Arlington site. The facility would be licensed by the State of Washington and operated by Community Youth Services (CYS). The focus in this center will be on youth who are unhoused, are in protective custody due to abuse and neglect, are state dependent and have run from foster care system, and youth being referred out of detention because their criminal involvement is solely related to homelessness.

The center will be a therapeutic, home-like setting staffed 24 hours a day, seven days a week. The services at the home will meet all of the basic needs of the children: transportation to school and other scheduled appointments, individual and group counseling, meals, clothing, hygiene supplies, and assistance in accessing medical and dental services.

CYS has been operating in Thurston County for 46 years. CYS runs a youth shelter, day center, transitional housing and a crisis residential center in Olympia. They have also been running a temporary young adult shelter in Beacon Senior Center in Tacoma since November, 2015.

BUSINESS TERMS

Since adoption of resolution 2016-06-22(5), staff have been negotiating with representatives from the City of Tacoma. The terms of the agreement have evolved, as follows:

1. THA will own the land. It will not be leased to the City of Tacoma. Approximately one acre of the 3.5 acres will be set aside for the CRC;
2. The City of Tacoma will provide the funding for building a Crisis Residential Center. Pierce County will also contribute funds through an allocation to CYS. THA will own the building;
3. The City of Tacoma is initially committing \$1 Million for the CRC. This is a combination of Community Development Block Grant (CDBG) and City funds. It is expected that Pierce County, through an allocation to CYS, will contribute additional funds;
4. The target population is homeless youth who must self-certify that they earn 80% or less of the Area Median Income (AMI);
5. The funds allocated by the City will be in the form of a loan. The loan is 0% interest and is forgivable over 30 years. This means that \$33,333 of the original \$1M loan will be forgiven annually;
6. THA will be required to ensure that the property is operated for its intended purpose. If it fails to do so, the loan will be in default, with a 12% interest rate. The City and THA may agree to change the use in the future, if this becomes necessary;
7. THA will ensure that the operator meets all of the program compliance requirements imposed by the City; and,
8. The City will require that the property be maintained in good condition and is properly repaired over time.

Recommendation

Authorize THA's Executive Director to negotiate, approve, and execute the loan agreement and related documents necessary to develop the Crisis Residential Center with City funds.



TACOMA HOUSING AUTHORITY

RESOLUTION NO 2017-02-22 (2) (Crisis Residential Center Development Agreements)

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

WHEREAS, On June 22, 2016, the Board of Commissioners authorized THA's Executive Director to lease its Arlington Drive property to the City of Tacoma to develop a youth home; and

WHEREAS, The City of Tacoma has prepared terms for funding the design and construction of a Crisis Residential Center on one-acre of land at the Arlington property; and

WHEREAS, The City of Tacoma has set aside \$1M in CDBG and other City funds for construction of the CRC; and

WHEREAS, Additional funds has been pledged by Pierce County to CYS for capital to construct the CRC; and

WHEREAS, The proposed terms are outlined in a loan agreement that is acceptable to THA; and

WHEREAS, The City of Tacoma will record a Regulatory Agreement against the property to ensure it is used for housing low income youth experiencing homelessness; and

WHEREAS, THA has identified unaccompanied homes youth and young adults as some of Tacoma and Pierce County's citizens in most need; 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 finalize the loan agreement and regulatory agreement with the City of Tacoma to begin the design and construction of a Crisis Residential Center for youth experiencing homelessness.

Approved: February 22, 2017

Dr. Arthur C. Banks, Chair

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-02-22 (3)

Date: February 22, 2017

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Extension of Project Based Voucher Contract: Pacific Courtyard

This resolution would extend the Project Based Voucher Housing Assistance Payments contract (PBV HAP) for Metropolitan Development Council's (MDC) Pacific Courtyard for one (1) year.

Background

Tacoma Housing Authority (THA) has been subsidizing MDC's Pacific Courtyard through PBV assistance since March, 2005. The project currently provides 24-month transitional housing to twenty-three (23) formerly homeless families. The original PBV contract expired in 2015 and was extended for two years to allow THA, MDC, Pierce County and other Pacific Courtyard funders' plan to transition the property from transitional housing to another model.

Through this process, we have been operating with the understanding that THA will continue the PBV contract for up to 10 more years if certain conditions are met. THA provided these conditions to MDC in May, 2015. They are as follows:

- Provide permanent supportive housing or some version of it that we can recognize as including meaningful supportive services for special needs populations that THA does not provide; AND
- Provide some preference for THA households whose need for those services causes them to fail in our housing program, such as the high need families in the McCarver Program; OR
- We would consider extending the PBV contract for other low-income families only if by doing so we (i) promote their economic integration into market rate housing or neighborhoods or (ii) promote the construction of affordable housing or (iii) preserve affordability that would otherwise be lost.

THA and MDC have not had an opportunity to negotiate a model that meets these terms. The one year extension will give the entities time to negotiate a workable option or terminate the agreement.

Recommendation

Authorize THA's Executive Director to negotiate a one (1) year extension to the MDC Pacific Courtyard Project Based Voucher Housing Assistance Payment Contract.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-2-22 (3) **(Extension of Project Based Voucher Contract: Pacific Courtyard)**

WHEREAS, THA has been providing project based voucher assistance to MDC's Pacific Courtyard property since 2005; and

WHEREAS, Pacific Courtyard houses formerly homeless families; and

WHEREAS, A one year extension will allow THA and MDC to negotiate the terms of a longer term contract; 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 one (1) year extension to the MDC Pacific Courtyard Project Based Voucher Housing Assistance Payment Contract.

Approved: February 22, 2017

Dr. Arthur C. Banks, Chair