



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**May 24, 2017**






# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

## BOARD OF COMMISSIONERS

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

## REGULAR MEETING Board of Commissioners

**WEDNESDAY, May 24, 2017**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, May 24, 2017, at 4:45 pm.**

The meeting will take place at:

**902 South L. Street  
2<sup>nd</sup> 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.

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I, Sha Peterson, certify that on or before May 24, 2017, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123 email: <a href="mailto:CityClerk@cityoftacoma.com">CityClerk@cityoftacoma.com</a>
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: <a href="mailto:tips@q13fox.com">tips@q13fox.com</a>
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.

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Sha Peterson  
Executive Assistant



# TACOMA HOUSING AUTHORITY

## AGENDA

### REGULAR BOARD OF COMMISSIONERS MEETING

May 24, 2017 4:45 PM

902 South L. Street, Tacoma, WA 98405

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1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
  - 3.1 Minutes of April 26, 2017—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **NEW BUSINESS**
  - 7.1 2017-05-24 (1) Trades Collective Bargaining Agreement Extension
  - 7.2 Presentation and Discussion about THA's Rapid Rehousing Investment
8. **ADMINISTRATION REPORTS**
  - 8.1 Finance
  - 8.2 Administration
  - 8.3 Client Services
  - 8.4 Property Management
  - 8.5 Real Estate Development
9. **COMMENTS FROM THE COMMISSIONERS**
10. **EXECUTIVE SESSION**

(Discussion of potential real estate purchases)
11. **ADJOURNMENT**



# **TACOMA HOUSING AUTHORITY**

## **MINUTES**



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, April 26, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 911 North K. Street, Tacoma, WA at 4:45 PM on Wednesday, April 26, 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 4:54 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Arthur Banks	
	Vice Chair Janis Flauding
	Commissioner Stanley Rumbaugh
Commissioner Minh-Anh Hodge	
Commissioner Derek Young	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, Human Resources Director	
Frankie Johnson, Interim 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 @ 4:56 pm and proceeded.

### 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Banks asked for any corrections to or discussion of the amended minutes for the Regular Session of the Board of Commissioners for Wednesday, February 22, 2017. Commissioner Hodge moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

Chair Banks asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, March 22, 2017. Commissioner Hodge moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

### 4. GUEST COMMENTS

#### **Bettina Carson, Resident at 911 North K Street**

Ms. Carson addressed the board. She thanked Denise Day-Joseph and the board for the work they do. She had complaints but addressed them directly to Denise.

#### **Theresa Reinhardt, Resident at 911 North K Street**

Ms. Reinhardt addressed the board. She was thankful for the Rental Assistance Demonstration (RAD) construction, but complained of a noisy fan in her bathroom. She informed the board that the problem started in January. Quite a few of the tenants also have the same problem. Interim Property Management Director Frankie Johnson will look into the problem.

#### **Richard Gill, Resident at 6<sup>th</sup> Avenue**

Mr. Gill addressed the board. According to him, since the RAD construction, the yard at 6<sup>th</sup> Avenue has not been kept up. Interim Director Johnson stated that THA did try to include yard work to the project. PM will address the yard work problems at the end of the project.

## **5. COMMITTEE REPORTS**

### ***Real Estate Development Committee—Commissioner Rumbaugh***

Commissioner Rumbaugh was not in attendance.

### ***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 was not yet in attendance. Deputy Executive Director April Black addressed the board on his behalf. She, ED Mirra and others attended the Moving to Work (MTW) conference in Washington, D.C. There was no news regarding the federal budget for 2017. The continuing resolution expires Friday, April 28. By then Congress must extend the continuing resolution or pass a real budget to prevent a governmental shutdown.

ED Mirra's report included a chart showing recommended interim changes to the McCarver Elementary School Housing Assistance Program. Some of them may require board approval.

The state legislature has not yet turned its attention to the capital budget. As a result, we do not have any news about our request for \$3 million for Arlington drive.

ED Mirra arrived at 5:31 pm and addressed the board. He provided the board with a update on Congress' efforts to prevent a governmental shutdown on April 29<sup>th</sup> for lack of a budget. Discussion ensued on what THA will do if the government did shut down. The board agreed that THA will follow the script it used when the government shut down in 2013: We will do nothing immediately. We will not serve any termination notices to clients. We will not lay off staff. We have reserves to carry us through May. We will watch Congress carefully to judge how long the shutdown will likely last. If the government is still shut down after two weeks, we will confer about next steps. Chair Banks thanked the staff for all their work.



## 7. ADMINISTRATIVE REPORTS

### Finance

Finance Department (FD) Director Ken Shalik directed the board to the Cash and Expense reports. The next Finance report will be provided in May. According to Director Shalik, there is no problem drawing down the MTW reserves. There is \$8.5M in Business Activities, which are funds HUD cannot take. He is not seeing any challenges in 2017 for income and expenses.

Staff request to forgo a mid-year budget revision. They are too busy with the software conversion. There are no major changes to anticipate. Staff will keep the board informed regarding any major changes. Chair Banks asked if Ken had any idea how the budget will shape out. Director Shalik responded that this year will likely be a continuation of last year. The main question will arise with Congress's 2018 budget.

Commissioner Young moved to ratify the payment of cash disbursements totaling \$8,316,105 for the month of March, 2017. Commissioner Hodge seconded.

Upon roll call, the vote was as follows:

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

<b>Motion Approved.</b>
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### Policy, Innovation and Evaluation

Policy, Innovation and Evaluation (PIE) Director April Black directed the board to her report. This is the first report submitted in quite a while. Temple University has applied for a grant to be the third party evaluator of the expanded College Housing Assistance Program. Part of the expansion will include a set aside of housing vouchers for individuals exiting the prison system to attend Tacoma Community College (TCC) as part of the state's Second Chance Financial Aid Program.

The board will receive staff's assessment of the Rapid Rehousing Program in May. As part of that assessment, PIE is consulting with providers and Pierce County to solicit their comments. Chair Banks would like to know how the system is working for homelessness; he would like to see numbers. Director Black will have a more qualitative data to present to the board.

THA hired a Grants and Resource Development Manager in 2015. Since then, THA has been awarded grants from funders totaling approximately \$8K. PIE also hired two Project Managers in the fall. Amy Van will be overseeing the McCarver expansion and redesign.

She will be introduced in June. Aley Thompson will be working on the Housing Opportunity Program (HOP) evaluation to see if changes are needed for the program. She will also assume some of the Moving to Work (MTW) coordination. Commissioner Hodge was curious about Amy Van, whose name sounded familiar to her. (Amy previously worked with charter schools.)

## **Administration**

Administration (AD) Director Todd Craven addressed the board. He did not have a written report but provided a verbal update regarding the software conversion, which is on its fourth week. Things are going really well, but not exactly where he wants it to be. His group feels confident with data and process issues. Staff has been amazing going through the transition. Next month he will bring statistics and possibly reports that THA can run in the new system. Overall, things are working and moving.

## **Client Services**

Client Services (CS) Director Grey Claycamp was not in attendance. Client Services Program Manager Jessie Beck addressed the board on his behalf. Commissioner Young congratulated CS for hiring Marty Higgins who has been a long time friend of his wife. Commissioner Hodge asked about voucher utilization. According to Jessie, Director Claycamp is taking steps to address this and will be preparing a report for the board. CS is interviewing for a Landlord Liaison who will bring in outreach with landlords. A few candidates have been selected for interviews.

## **Property Management**

Property Management (PM) Interim Director Frankie Johnson directed the board to her report. She directed the board's attention to vacate days, which were up a bit this month, for preparation of REAC and other anomalies that came into play. PM is trending on the right direction with leasing days and 100% of work orders completed within 24 hours. Commissioner Young asked about the constrained market and if she thinks that the decrease in leasing days is due to that. According to Johnson, moving leasing efforts out in the field really helped. Chair Banks asked how many households on the waiting list turned down housing because they are currently already in housing. Interim Director Johnson does not have the actual numbers but it is high. Most of the turn downs are due to families not being able to leave their lease. The current waitlist now has the ability to work with applicants who are ready to lease. THA is also working on a new process that will help with the number of turn downs.

## **Real Estate Development**

Real Estate Development (RED) Department Director Kathy McCormick was not in attendance. Associate Director Sandy Burgess addressed the board on her behalf. Construction at Bay Terrace II is winding down. The first set of units will be coming out

in June with the intent of leasing out in July. At the Scattered Sites, RED is focusing on vacating units with children. RAD is moving along nicely; There are only four more buildings to complete, which are all under construction now. New Look continues to proceed to re-syndication.

#### **8. OLD BUSINESS**

None.

#### **9. NEW BUSINESS**

None.

#### **10. COMMENTS FROM COMMISSIONERS**

None.

#### **11. EXECUTIVE SESSION**

None.

#### **12. ADJOURNMENT**

There being no further business to conduct the meeting ended at 5:46 PM.

**APPROVED AS CORRECT**

**Adopted:** May 24, 2016

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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:** May 17, 2017  
**Re:** Executive Director's Report

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

## **1. CONGRESSIONAL BUDGET NEWS, OF SORTS**

We have some budget news from Congress that I would like to recount at the board meeting. In summary, Congress did avert a governmental shutdown by passing a real budget for 2017. The HUD appropriations show on the attached chart. It shows an increase in Section 8 funding over 2016 levels. This is good news. It means that we will not face the budget cuts we contemplated for this year. This means, in turn, that we will not have to spend reserves to cover them as we were prepared to do.

The next news will come as Congress tries to pass a budget for 2018. Its schedule requires Congress to do that by October 1, 2017. If it makes that deadline, that will allow the board to pass THA's 2018 in December knowing what funding to expect. If Congress misses that deadline, as it usually does, the board will again have to pass a budget upon our best judgment of what to expect. To help us anticipate what Congress may do, we have been consulting with our congressional delegation, CLPHA and our representatives in D.C. At the board meeting, I will share what we have learned from them.

## **2. ARLINGTON DRIVE YOUTH CAMPUS: COMMUNITY ENGAGEMENT**

As the board knows, we are planning an ambitious and exciting youth campus at our property called Arlington Drive. We have consulted some important community voices. We will now undertake a more detailed community engagement effort. To help us do that, we are seeking the services of an organization with these skills and resources. I attach a copy of the Request for Proposal (RFP) we issued seeking that help. That RFP describes the voices we wish to consult and what we hope to achieve by our consultation. By the board meeting, we may be able to report on our selection.

## **3. THA's RAPID REHOUSING INVESTMENT: OUR ASSESSMENT**

THA is investing \$1.288 million a year in Pierce County's Rapid Rehousing system. We do this to house homeless families with children and homeless young adults ages 18 to 24 years. THA makes this investment by two contracts with Pierce County. Those contracts began in 2013. They expire at the end of 2018. This is a good time to assess the results of our investment. This assessment will help the board make some decisions about the contracts. In June, I expect to recommend to the board that we change the contracts to account for what we have learned. We can also begin to anticipate whether to end, extend or expand the contracts when they end in 2018. I will have recommendations for that as well.



To help with this assessment, the board's agenda this month makes time for a presentation on this topic by THA's April Black and Tess Colby of Pierce County. As part of that presentation, I attach April's memo to me dated May 17, 2017. This memo reports detailed data showing what our investment has achieved. It discusses some of the ways we may wish to change, extend and expand the contract. It conveys April's recommendations to me, which I will consider in fashioning my recommendations to the board. The memo also conveys the views of social service providers who receive THA's funds. Some of them may also attend the board meeting and address the board.

These are the main things we have learned from our investment to date:

- THA's funding is succeeding in our main goal of providing it: Our contracts with Pierce County make our housing dollars relevant and accessible to homeless families with children and to homeless young adults. Those persons cannot use our mainline programs because we work off of very long waiting lists. And those waiting lists are closed most of the time. Even if we could hand out a voucher on the spot to a homeless family, that family would still be a month or more from housing. It still would have to find a landlord willing to rent to it. THA would still have to inspect the apartment or house. Young adults face the added challenge of inexperience and disaffection that prevent them from even coming to our door for help. Our investment with Pierce County allows our dollars to reach these families and young people who otherwise would be out of reach.
- THA's funding helps to make Pierce County's rapid rehousing system accessible to homeless families whom the County's triage system would otherwise screen out.
- Overall, only 9% of THA-funded families have returned to shelter compared to 16% system-wide. Additionally, only 5% of THA funded young adults have returned to shelter compared to 15% system-wide.
- THA is one of Pierce County's largest source of funding for these purposes. THA's funding stabilizes 43.7% of the homeless families with children and young adults who seek help from the County. These numbers means that doubling THA's investment puts a complete coverage within reach. That would be a nationally notable achievement.

These are some of the questions we need to consider:

- Our present family contract allows Pierce County to use 44% of our funds on non-housing supportive services for families. The County, and the social service providers, reports that this flexibility is necessary because families and young adults need those services if they are to use our housing dollars. They also report that the county has no other sources of funding to pay for these services. Our young adult contract does not allow any such flexibility. What measure of

flexibility should we allow for the use of our dollars for non-housing purposes?

- Do we want to allow the use of our dollars for a broader array of housing beyond temporary rental assistance to also include diversion, transitional housing, or permanent supportive housing? This would make our dollars more flexibly suited to the varied needs of the people who seek help.
- Our present contract largely limits the use of our dollars to homeless families and young adults who are in Tacoma when they seek help. Yet, we know that these populations are very fluid and come from all over the county. THA's own admissions data show that 69% of households seeking our help come from outside Tacoma. Serving them in their own communities would be more effective for them and for Tacoma. Do we want to allow our dollars to more flexibly serve families and young adults anywhere in Pierce County so they do not have to come to Tacoma for help?
- An overarching factor that must govern our answer to these question arises from the MTW requirement that we serve substantially the same number of households as an MTW housing authority as we would serve if we were not MTW. HUD's method of calculating these numbers is in some flux. We must be alert for how that method counts the families and young adults who benefit from our rapid rehousing investment.

We are not asking the board to make any decision in May. I expect to have recommendations for your review in June.

# CLPHA Comparative Funding Chart for FY17

May 4, 2017

	FY 2015 Final	FY 2016 Final	FY 2017 CLPHA Request	FY 2017 HUD Request	FY 2017 Senate Passed (5-19-16)	FY 2017 House Cmte (5-24-16)	FY 2017 HR 244 (5-4-17)
<b>Operating Fund</b>	\$4.44 billion	\$4.5 billion	\$5.464 billion	\$4.569 billion	\$4.675 billion	\$4.5 billion	\$4.4 billion
<b>Capital Fund</b> [Emergency Capital Needs] [Resident Opportunity and Supportive Services] [Jobs Plus]	\$1.875 billion [\$23 million] [\$45 million] [\$15 million]	\$1.90 billion [\$21.5 million] [\$35 million] [\$15 million]	\$5.0 billion [\$20 million] [\$35 million] [\$15 million]	\$1.865 billion [\$20 million] [\$0] [\$35 million]	\$1.925 billion [\$21.5 million] [\$35 million] [\$15 million]	\$1.90 billion [\$20 million] [\$35 million] [\$15 million]	\$1.942 billion [\$21.5 million] [\$35 million] [\$15 million]
<b>Housing Choice Voucher (HCV) Renewals</b>	\$17.486 billion	\$17.681 billion	\$18.447 billion	\$18.447 billion	\$18.355 billion	\$18.312 billion	\$18.355 billion
<b>HCV Administrative Fees</b>	\$1.530 billion	\$1.650 billion	\$2.122 billion	\$2.077 billion	\$1.769 billion	\$1.650 billion	\$1.65 billion
<b>VASH Vouchers</b>	\$75 million	\$60 million	\$75 million	\$0	\$50 million	\$7 million <sup>3</sup>	\$40 million
<b>Family Self Sufficiency (FSS) Program</b>	\$75 million	\$75 million	\$85 million	\$75 million	\$75 million	\$75 million	\$75 million
<b>Tenant Protection Vouchers (TPV)</b>	\$130 million	\$130 million	\$150 million	\$110 million	\$110 million	\$110 million	\$110 million
<b>Choice Neighborhoods Initiative (CNI)</b>	\$80 million [\$50 million] <sup>1</sup>	\$125 million [\$75 million] <sup>1</sup>	\$200 million [\$133 million] <sup>1</sup>	\$200 million [\$0 million]	\$80 million [\$48 million] <sup>1</sup>	\$100 million [\$50 million] <sup>1</sup>	\$137.5 million [\$50 million] <sup>1</sup>
<b>Rental Assistance Demonstration (RAD)</b>	\$0	\$0	\$50 million	\$50 million	\$4 million <sup>2</sup>	\$0	\$0 <sup>4</sup>
<b>Project-Based Rental Assistance</b> [Contract Administration]	\$9.730 billion [\$210 million]	\$10.620 billion [\$215 million]	n/a	\$10.816 billion [\$235 million]	\$10.901 billion [\$235 million]	\$10.901 billion [\$235 million]	\$10.416 billion [\$235 million]
<b>Homeless Assistance Grants</b>	\$2.135 billion	\$2.250 billion	n/a	\$2.664 billion	\$2.33 billion	\$2.487 billion	\$2.383 billion
<b>Family Unification Program (FUP)</b>	n/a	n/a	n/a	\$0	\$20 million <sup>5</sup>	\$0	\$10 million <sup>5</sup>
<b>Community Development Block Grant</b>	\$3.0 billion	\$3.0 billion	n/a	\$2.8 billion	\$3.0 billion	\$3.0 billion	\$3.0 billion
<b>HOME Investment Partnership</b>	\$900 million	\$950 million	n/a	\$950 million	\$950 million	\$950 million	\$950 million

<sup>1</sup> Not less than this amount shall be awarded to public housing authorities.

<sup>2</sup> Amount available only for properties converting under Section 202 (Housing for the Elderly).

<sup>3</sup> HUD-VASH Supportive Housing vouchers amount for Native American veterans only.

<sup>4</sup> Increases the cap to 225,000 units.

<sup>5</sup> New funding for incremental FUP vouchers.

**Council of Large Public Housing Authorities**

455 Massachusetts Avenue, NW, Suite 425, Washington, DC 20001-2621 | T: 202.638.1300 | F: 202.638.2364 | W: www.clpha.org



# TACOMA HOUSING AUTHORITY

*(March 29, 2017)*

## **REQUEST FOR PROPOSALS (RFP)**

**seeking**

### **Community Consultation and Engagement Services for**

#### **Two Proposed Projects in Tacoma to Serve:**

- **foster children and foster families**
- **homeless youth without families**
- **homeless young adults**
- **seniors**

**Responses Due: April 24, 2017 at 4 PM**

## 1. SUMMARY

The Tacoma Housing Authority (THA) and Community Youth Services (CYS) seek proposals from firms or organizations to provide community consultation and engagement services pertinent to two campuses that THA, CYS and other partners seek to develop in Tacoma on land that THA owns:

### *Arlington Drive Campus at 38<sup>th</sup> and Portland Avenue (3.5 acres)*

This campus would have the following elements (subject to change):

- 12 bed Crisis Residential Center (CRC) serving homeless youth ages 12 to 17 years;
- 40 – 50 rental apartments for homeless young adults ages 18 to 24 years;
- possible overnight shelter for homeless young adults ages 18 to 24 years;
- support services, education, training and social enterprise businesses;
- administrative offices of the organization providing the services.

### *Hillsdale Heights Campus at 60<sup>th</sup> and McKinley (6 acres)*

This campus would have the following elements (subject to change):

- Sanctuary Home for children ages newborn to 12 years, plus older siblings, whom DSHS has removed from their families because of abuse or neglect but for whom DSHS needs time to find an appropriate foster care placement;
- affordable single-family homes to rent to low-income families fostering or adopting children;
- affordable apartments to rent to low-income seniors who by living there agree to be honorary grandparents and support to those families and children;
- service and administrative offices for the organization providing the supportive services;
- affordable apartments for a wide range of incomes.

THA and CYS seek a firm or organization to help: (1) describe the projects to important parts of the community including presently or formerly homeless youth and young adults, present and former foster families and foster children, seniors, organizations that serve them, people, organizations and businesses in the neighborhoods of these two proposed projects, local elected officials, and other important voices in Tacoma/Pierce County (the “Community”); (2) elicit the Community’s informed views, concerns and ideas about the projects and their design and operations; (3) solicit the Community’s support for these projects and the young people they will serve. THA and CYS also wish to create an ongoing Community Advisory Board for each campus or perhaps one Board for both campuses.

THA and CYS will choose a firm or organization to sign a contract for these services with THA. They anticipate that the contract will last 3 years. THA and CYS would welcome proposals from a collaboration of two or more firms or organizations. In that event, however, the proposal should clearly identify the lead firm or organization to be the contractor with THA.

Proposals are due by **April 24, 2017 at 4 PM** to:

ATTN: Tina Hansen  
Tacoma Housing Authority  
902 South L Street, Tacoma, WA 98405  
[thansen@tacomahousing.org](mailto:thansen@tacomahousing.org)

Proposals may arrive by hand, mail or email.

## 2. PROPOSED PROJECTS

Tacoma and Pierce County face a long standing and growing crisis need for high quality housing and services by children needing foster care (ages new born to 18 years), homeless youth without families (ages 12 to 17 years) and homeless young adults (ages 18 to 24 years). Pierce County places more children in foster care than others counties in our state. Our county is short of foster care beds, housing and services for all these children and young people. As a result, they often must leave the county to seek or get help. These children and young people face high risks of adult homelessness, drug abuse, sex trafficking, violence and greatly diminished prospects for having a successful family, an education, an occupation, and a successful adulthood. Tacoma and Pierce County also face a crisis shortage of high quality affordable housing for low-income families and seniors.

To address these needs, THA, CYS and partners plan two projects on property that THA owns in Tacoma. Here is a description of each. These descriptions may change to account for what we learn from the community consultation and to account for the development budgets.

### *Arlington Drive Campus for Youth and Young Adults (38<sup>th</sup> and Portland Avenue)*

THA owns about 3.5 acres at 38<sup>th</sup> and Portland Avenue in Tacoma. It calls this property Arlington Drive. On this property THA, CYS and other partners plan to develop a campus offering high quality housing and support services for homeless youth without families ages 12 to 17 years and homeless young adults ages 18 to 24 years. The campus will have the following elements:

- 12 bed Crisis Residential Center (CRC)/HOPE beds for homeless youths without families ages 12-17 years.
- 40 to 50 apartments for rent for homeless young adults ages 18-24 years;
- possible overnight shelter for homeless young adults ages 18 to 24 years;
- facilities for supportive services, employment training, with social enterprises and entrepreneurial training space;
- administrative offices for the organization providing these services.

This campus would be in walking distance of important other services:

- First Creek Middle School
- Dr. George and Kimi Tanbara regional primary health care clinic
- East Tacoma Community Center
- planned East Tacoma campus of Bates Technical College

Partners include CYS, the City of Tacoma and Pierce County. THA hopes to begin master planning for the project this Spring. It expects to break ground on the CRC in the Fall 2018.

### *Hillsdale Heights Intergenerational Community (60<sup>th</sup> and McKinley Avenue)*

THA owns about 6.5 acres at 60<sup>th</sup> and McKinley Avenue in Tacoma. It calls this property Hillsdale Heights. On this property THA and its partners plan to develop an intergenerational community with the following elements:

- a Sanctuary Home for children ages newborn to 12 years, plus older siblings, whom DSHS has removed from their families because of abuse or neglect but for whom DSHS needs time to find a foster care placement;
- affordable single-family homes to rent to low-families fostering or adopting children;
- affordable apartments to rent to low-income seniors who by living there agree to be honorary grandparents and support to those families and children;
- service and administrative offices for the organization providing the supportive services;
- affordable apartments for a wide range of incomes.

THA's partners may include CYC, Many Lights Foundation and Amara. THA hopes to begin master planning in 2018 with construction beginning in 2020.

For more information about THA and CYC, their missions and why these projects are important to those missions please go to [www.tacomahousing.org](http://www.tacomahousing.org) and [www.communityyouthservices.org](http://www.communityyouthservices.org).

### **3. COMMUNITY CONSULTATION AND ENGAGEMENT SERVICES REQUIRED**

THA and its partners have already undertaken some community consultation for these projects. They now seek to do more of it and in more detail. They need help to do this. For that purpose they seek to contract with an organization or firm ("Consultant") to provide high quality help with the following efforts:

1. have or acquire a good understanding of the two proposed projects, of the children, youth and young adults, foster families and seniors they seek to serve, and of the neighborhoods where the projects would go;
2. devise and help to implement a plan with effective written materials to engage various audiences about the proposed projects. The audiences include: homeless or formerly homeless youth and young adults; present and former foster families and foster children, seniors, organizations that serve them, people, organizations and businesses in the neighborhoods of the planned projects, local elected leaders and other important voices in Tacoma and Pierce County (the "Community").
3. provide Community members with a meaningful chance to offer informed views, concerns, ideas or support about the projects and their design and operations;
4. provide THA and its partners a useful record of what we learn from the consultation;
5. organize on-going Community Advisory Boards for each of the two projects or perhaps one Advisory Board for both projects. The Advisory Board would serve at least the

following purposes:

- to give the Community an on-going and meaningful way to advise THA and CYS and other partners on the continuing operation of the campuses;
- to provide the Community an effective way to address concerns that may arise about operations;
- to solicit Community support for the campuses and for the children, young people, families and seniors who will live in them.

The Consultant will do this work in close collaboration with THA, CYS and other partners.

The Consultant should have the following capacities with a high order of proficiency:

1. creativity and experience in ways to elicit meaningful community engagement and consultation;
2. effective use of graphics and other visualizations to make information easy to understand;
3. expert facilitation of discussions;
4. ability to do all this effectively with diverse audiences including the following:
  - homeless or formerly homeless youth or young adults, many of whom come from trauma and many of whom are persons of color or LGBTQ;
  - present or former foster families and foster children;
  - seniors;
  - residents, businesses and organizations in the projects' neighborhood;
  - public officials;
  - social service organizations;
  - persons who do not speak or read English (THA will provide translation services).

#### **4. GENERAL REQUIREMENTS**

Respondents submitting proposals to the RFP must not be debarred, suspended or otherwise prohibited from professional practice by any federal, state or local authority.

THA is an equal opportunity employer and contractor. It does not discriminate and does not do business with others who discriminate on the basis of race, color, national origin, sex, religion, age, familial status, disability, marital status, ancestry, sexual orientation or gender identity in the employment or provision of services. THA is a public housing agency and does not operate under the guidelines governing Indian Housing Authorities.

THA will require the consultant chosen for this work to sign a contract with THA. The contract shall be in substantially the form set forth in the attached contract template.

THA and CYS would welcome proposals from a collaboration of two or more firms or organizations. In that event, however, the proposal should clearly identify a lead firm or organization. THA will sign a contract only with the lead, which would then be solely responsible to THA for the work and its quality.



## 5. EVALUATION CRITERIA

THA will evaluate each proposal based upon the criteria set forth below. Each respondent must provide the information requested for each criterion.

Criterion	Evaluation Points
<p><b>Respondent's Interest in the Work</b> Please explain the respondent's interest in doing this work for THA and its partners. For example, an explanation would be useful on why or how the work fits the respondent's organizational mission statement. This explanation can show in a cover letter or in some other discrete document or section within the respondent's submissions.</p>	5
<p><b>Organizational and Staff Capacity</b> Please describe the respondent's experience and qualifications that demonstrate its capacity to perform the required services at a high level of proficiency. Please include the following:</p> <ul style="list-style-type: none"> <li>• organizational chart showing respondent's overall staffing approach for completing the work;</li> <li>• description of key personnel, specialists, and consultants who will do the work under this contract and their experience pertinent to this RFP (please include their resumes);</li> <li>• samples of previous work pertinent to this RFP (sample visualizations would be helpful to see).</li> </ul>	25
<p><b>Respondent's Approach to Scope of Services</b> Please describe in reasonable detail how the respondent would approach the project, listing its discrete elements. The respondent should outline its anticipated approach for each element. (THA understands that the plan and elements may change once a respondent is selected and starts conferring with THA and CYS and partners.)</p>	25
<p><b>Demonstrated Success and References</b> Please describe examples of successful projects the respondent has undertaken that would be similar to the work this RFP seeks. Please provide copies of representative material from those projects.</p> <p>Please provide references from prior or current clients or partners especially from work similar to what this RFP seeks.</p>	20
<p><b>Fee</b> Please provide hourly rates for all project staff and rates for other reimbursables. (If respondent proposes an alternative fee structure, please describe it.)</p> <p>In response to the above requests, the respondent will describe its anticipated approach to the project, with its separate elements and it will provide its proposed fees. Using that information, please estimate the cost for each element of the project.</p>	25

In consultation with its partners and in the exercise of its sole discretion, THA shall be the sole judge of any response to this RFP and of any issue arising from this RFP.

## 6. SCHEDULE

Activity	Project Date/Time
RFP available for distribution	March 31, 2017
Final day to submit written questions seeking clarification about this RFP to Tina Hansen of THA at the address below. Questions may arrive by hand, mail or email.	April 10, 2017
Final addendum to RFP issued, if any	April 15, 2017
Proposals due to THA at:  ATTN: Tina Hansen Tacoma Housing Authority 902 South L Street Tacoma, WA 98405 <a href="mailto:thansen@tacomahousing.org">thansen@tacomahousing.org</a>  Proposals may arrive by hand, mail or email.	<b>April 24, 2017 at 4 PM</b>
Interviews (if THA deems them necessary)	by May 8, 2017
Selection by Executive Director	May 10, 2017
Finalize, approve and execute contract	May 19, 2017
Start of Work	May 29, 2017

THA may change this schedule. If it does that, it will notify all respondents or potential respondents it knows about.

If you have any questions you are most welcome to contact:

Tina Hansen  
Tacoma Housing Authority  
902 South L Street  
Tacoma, WA 98405  
(253) 207-4433  
[thansen@tacomahousing.org](mailto:thansen@tacomahousing.org)

Thank you for your interest in this RFP and in the work of THA, CYS and their partners.

**TACOMA HOUSING AUTHORITY**  
**and**  
**[ENTER CONTRACTOR NAME]**

**CONTRACT**  
**for**  
**[enter service contractor will provide]**

April 9, 2014

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The HOUSING AUTHORITY OF THE CITY OF TACOMA, WASHINGTON, a municipal corporation/political subdivision of the State of Washington, (referred to as "THA") and [ENTER CONTRACTOR NAME] (referred to as "CONTRACTOR") contract as follows:

**1. CONTRACTOR'S SCOPE OF REQUIRED WORK  
SCHEDULE OF PERFORMANCE**

- 1.1 The CONTRACTOR shall perform or provide the services described on Attachment A to this contract and on the schedule set forth in Attachment A.
- 1.2 The CONTRACTOR shall perform or provide the services diligently, completely, and at professional standards of quality and competence.

**2. PAYMENT**

**2.1 Maximum Possible Payment Amount**

THA's maximum payment to CONTRACTOR for all services and reimbursable expenses, if any, shall not exceed: [enter dollar value in both words and numbers]  
0

**2.2 Payment**

THA shall pay the CONTRACTOR in the amounts and on the terms set forth in Attachment A to this contract.

**2.3 Invoices**

THA shall make payments only in response to CONTRACTOR's invoice and only for services performed or provided as required by the Contract and shown on invoices. THA shall make such payments within thirty (30) days of receiving an invoice.

CONTRACTOR should submit invoices on the following schedule [Check one]:

	<input checked="" type="checkbox"/>
Monthly (5 <sup>th</sup> of following month)	<input type="checkbox"/>
Quarterly (Jan.1; April 1; July1; Oct 1)	<input type="checkbox"/>
At delivery of work product	<input type="checkbox"/>
Other:	<input type="checkbox"/>

The invoices must detail the services performed or provided for the reporting period. The CONTRACTOR must deliver these invoices to THA at:

Tacoma Housing Authority  
Attn: Accounts Payable  
902 S L Street  
Tacoma, WA 98405

**2.4** THA may withhold payment to the CONTRACTOR for any work not completed to THA's satisfaction, until and unless the CONTRACTOR modifies such work to THA's satisfaction or the parties reach some other adjustment.

**2.5** All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly invoiced.

### **3. TERM OF CONTRACT**

This Contract shall begin on: [Click here to enter a date.](#)\_. Unless this Contract is terminated early pursuant to section eight (8) below, it will end on: [Click here to enter a date.](#)\_\_\_\_\_.

### **4. CONTRACTOR'S ADDITIONAL RESPONSIBILITIES**

#### **4.1 Risk to Children and Vulnerable Adults; Criminal Background Checks**

If the work pursuant to this contract requires or may result in contact with children or vulnerable adults, the CONTRACTOR shall not use any employee, volunteer, intern, or agent for such contact who (i) it has reason to believe may pose a risk to such children or vulnerable adults; or (ii) who has been convicted of a crime against children or vulnerable adults. Before using any employee, volunteer, intern or agent for such contact, the CONTRACTOR will procure their

criminal conviction record in accordance with RCW 43.43.830 through RCW 43.43.834, as applicable.

**4.2 Training and Supervision**

CONTRACTOR shall provide all appropriate orientation, training, and supervision for all its employees, interns, volunteers performing or providing services under this Contract.

**4.3 Access to Records and Retention of Records**

CONTRACTOR shall promptly provide THA or the Department of Housing and Urban Development, the Comptroller General of the United States or any of their duly authorized representatives with access to any of the CONTRACTOR's books, documents, papers, and records which are directly pertinent to this contract for the purpose of audits or examination.

CONTRACTOR shall retain all such records for three (3) years after the final payment on the contract and all other matters related to the contract are closed.

**4.4 Confidentiality**

Except to the extent required by Law, CONTRACTOR agrees not to divulge or release any information, reports, results of research or analysis, or recommendations developed or obtained in connection with performance of this Contract other than to authorized personnel of THA or upon THA's prior written approval.

**4.5 Compliance with Laws**

CONTRACTOR agrees to comply with all applicable laws, including but not limited to the following:

4.5.1 24 C.F.R. Part 85 (federal contracting and procurement regulations), as applicable;

4.5.2 Nondiscrimination laws, including:

- (a) Title VI of the Civil Rights Act of 1964 and implementing regulations at 24 C.F.R. Part 1;
- (b) Executive Order 11246 and implementing regulations at 41 C.F.R. Part 60;
- (c) Age Discrimination Act of 1975 and implementing regulations at 24 C.F.R. Part 146;
- (d) Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 C.F.R. Part 8;

- (e) Washington State Law Against Discrimination, Chap. 49.60 RCW;
- (f) City of Tacoma Human Rights Ordinance, TMC 1.29.

4.5.3 Section 319 of the Department of Interior and Related Agencies Appropriation Act of 1990, 31 U.S.C. § 1352, and implementing regulations at 24 C.F.R. § 87, prohibiting the use of federal funds for certain lobbying purposes.

## **5. OWNERSHIP OF WORK PRODUCT**

- 5.1 “Data” developed pursuant to this Contract shall be "works for hire" as defined by the U.S. Copyright Act of 1976, as amended, and THA shall be its sole owner. Pursuant to 17 U.S.C. § 201, THA shall be deemed the author of the Data and will own all copyrights in the Data. "Data" shall include but shall not necessarily be limited to all work product the CONTRACTOR shall produce or provide under this Contract, draft and final reports, documents, pamphlets, advertisements, books, magazines, surveys studies, computer programs, films, tapes and/or sound reproductions. The CONTRACTOR shall obtain THA’s prior written approval for any publication of any Data or results of studies and/or services performed pursuant to this contract. This provision shall not apply to any data that the CONTRACTOR develops independently of this contract.
- 5.2 Methodology and logic systems developed under this Contract are the property of both the CONTRACTOR and THA. Either may use these systems as it sees fit, including the right to revise or publish such systems without limitation.
- 5.3 The CONTRACTOR shall be solely responsible for obtaining releases for the performance, display, recreation, or use of copyrighted materials.

## **6. INDEPENDENT CONTRACTOR STATUS**

CONTRACTOR is an independent contractor of THA. This contract does not create any agency, employment, joint employer, joint venture or partnership between THA and CONTRACTOR. Neither party will have the right, power, or authority to select, train, manage or supervise the employees, volunteers or agents of the other or to act on behalf of the other in any manner whatsoever as a result of this contract.

CONTRACTOR is responsible for payment of all wages, compensation, salaries, benefits and taxes associated with its employees and other staff.

The CONTRACTOR, at its expense, shall obtain and keep in force any and all necessary licenses and permits.

## **7. INDEMNIFICATION, RELEASE AND INSURANCE**

### **7.1 Indemnification**

Contractor hereby releases and shall indemnify, defend, and hold harmless THA, its subsidiaries, affiliates, officers, agents, employees, successors, assigns, and authorized representatives of all of the foregoing (individually each an “Indemnified Party” and collectively the “Indemnified Parties”) from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorneys’ fees, costs, and expenses of any kind or nature, including but not limited to those arising out of injury to or death of Contractor’s employees, whether arising before or after completion of the work hereunder, in any manner directly or indirectly arising out of, or claimed to arise out of in whole or in part any act, omission, fault, or negligence of Contractor, and/or Contractor’s sub-contractors, and/or anyone acting under its/their direction of control, or on its/their behalf (collectively, “those for whom Contractor is responsible”) in connection with or incidental to the performance of this contract (“Indemnity Claims”). Contractor’s aforesaid release, indemnity, defense and hold harmless obligations, shall apply even in the event of the concurrent fault, negligence, or strict liability of the Indemnified Parties. Provided, however, that (i) in no event shall Contractor be obligated to release, indemnify, defend or hold harmless Indemnified Party(ies) against Indemnity Claims caused by or resulting from the sole negligence of an Indemnified Party(ies); and (ii) with respect to release, indemnity, defense and hold harmless obligations against Indemnity Claims caused by or resulting from the concurrent negligence of (a) Indemnified Party(ies) on the one hand, and of (b) Contractor and those for whom Contractor is responsible on the other hand, Contractor’s release, indemnity, defense and hold harmless obligations extend only to the extent caused by the negligence of Contractor and those for whom Contractor is responsible.

For the sole purpose of effecting the release, indemnity, defense and hold harmless obligations hereunder and not for the benefit of the Contractor’s employees or any third parties unrelated to an Indemnified Party, the Contractor specifically and expressly waives any immunity that may be granted it under any applicable Workers’ Compensation Act, disability benefit acts or other employee benefit acts (Title 51 RCW or otherwise). The release, indemnity, defense and hold harmless obligations hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under worker compensation acts, disability benefit acts or other employee benefit acts.

**THA AND THE CONTRACTOR ACKNOWLEDGE THAT THE ABOVE  
WAIVER WAS MUTUALLY NEGOTIATED BY THE PARTIES.  
INITIALS OF AUTHORIZED OFFICER OF THA: (\_\_\_\_) INITIALS OF  
AUTHORIZED OFFICER OF THE CONTRACTOR: (\_\_\_\_)**

Contractor hereby agrees to require all its sub-contractors of every tier or anyone acting under its/their direction, control, or on its/their behalf in connection with, or incidental to the performance of this contract to execute an indemnity clause identical to the preceding clause, specifically naming the Indemnified Parties as indemnitees.

**7.2 Release**

CONTRACTOR fully and completely waives and releases all claims against THA for any losses or other damages sustained by CONTRACTOR or any person claiming through CONTRACTOR resulting from any accident or occurrence arising from CONTRACTOR's performance or failure to perform the contract.

**7.3 Insurance**

CONTRACTOR shall keep insurance coverage in full force and effect of the type and to the extent set forth in Attachment C to this Agreement.

## **8. TERMINATION OF CONTRACT**

**8.1 Termination for Cause**

If a party concludes that the other party has breached this contract, it shall give the breaching party a written notice. The written notice must describe the alleged breach. The written notice must also give the breaching party a reasonable amount of time to fully cure the breach. This cure period shall be at least ten (10) business days long unless urgent circumstances justify a shorter time. The breaching party must cure its breach within the cure period. If the breaching party has failed to cure the breach within the cure period, the other party may then terminate the contract by serving a termination notice.

THA may terminate the contract if its funding for the contract either is eliminated, reduced, or used up. In that event, THA shall give CONTRACTOR written notice of the termination as far in advance as possible.

**8.2 Termination for Convenience**

THA may terminate this contract in whole or in part without cause for its convenience. It may do this by giving 30-day written notice to CONTRACTOR stating the effective date of the termination.

**8.3 Rights Upon Termination**

Upon termination, each party shall be required to perform services and to make the payments for services actually performed up to the effective date of such termination.



## 9. MISCELLANEOUS PROVISIONS

### 9.1 No Subcontracting or Assignment

CONTRACTOR shall not subcontract or assign its obligations under this contract without THA's advance, written consent, which THA may grant or withhold in its sole discretion.

### 9.2 No Third Party Beneficiary

This contract does not confer any rights on any other person or entity and does not give them any status as a third party beneficiary.

### 9.3 Governing Law and Venue

Washington State law shall govern the interpretation of this Contract. Pierce County shall be the venue of any arbitration or lawsuit arising out of this Contract.

### 9.4 Severability

If one or more of the clauses of this Contract is found to be unenforceable, illegal or contrary to public policy, the Contract will remain in full force and effect except for the clauses that are unenforceable, illegal or contrary to public policy.

### 9.5 Entire Agreement

This contract constitutes the entire agreement between THA and CONTRACTOR. It replaces and supersedes all prior oral or written proposals and agreements. No amendment or modification of this agreement shall have any force or effect whatsoever unless and until the parties agree to it in a signed writing.

**[Signatures Follow]**

**TACOMA HOUSING AUTHORITY**

BY: \_\_\_\_\_

Michael Mirra  
Executive Director

Date: \_\_\_\_\_

**CONTRACTOR**

BY: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**THA Department Director:**

\_\_\_\_\_

Date: \_\_\_\_\_

## Attachment A

### 1. SCOPE OF WORK; SCHEDULE OF WORK

[enter here the total scope of work that this contract requires. If you want to use the exact scope the contractor gave you, you may copy and paste into this space.]

### 2. PAYMENT FOR WORK

THA will pay CONTRACTOR as follows within the maximums and other limits set forth in section 2 of this contract:

Activity	Total
[you may use this chart if it is helpful but it is not required if there is an alternate way to indicate when and how the payments for the work will be made]	
<b>TOTAL</b>	

## **Insurance Requirements for Consultants**

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Consultant, its agents, representatives, employees, or sub-contractors.

### **MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (*occurrence form CG 0 01 10 01*).
2. Insurance Services Office Additional Insured form (*CG 20 37 or CG 20 26*).
3. Insurance Services Office form number CA 00 01 06 92 covering Automobile Liability, Code 1 (*any auto*) [*require if scope of work includes driving on Authority property*].
4. Workers' Compensation insurance as required by state law and Employer's Liability Insurance.
5. Professional Errors and Omissions Liability insurance appropriate to the Consultant's profession.

### **MINIMUM LIMITS OF INSURANCE**

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for Bodily Injury, Personal Injury, and Property Damage. (*including coverages for discrimination, ADA violations, and sexual molestation*). If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for Bodily Injury and Property Damage.
3. Workers' Compensation (*statutory*) and Employer's Liability: \$1,000,000 per accident for Bodily Injury or Disease.
4. Professional Errors and Omissions Liability insurance: \$1,000,000 per occurrence.

**NOTE: These limits can be attained by individual policies or by combining primary and umbrella policies.**

### **DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by the Authority. At the option of the Authority, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Authority, its officers, officials, employees, and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Authority guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

### **OTHER INSURANCE PROVISIONS**

The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Authority, its officers, officials, employees, and volunteers are to be covered as additional insured with respect to liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired, or borrowed by the Consultant.
2. The Consultant's insurance coverage shall be primary insurance as respects the Authority, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Authority, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance.
3. Each insurance policy required by these specifications shall be endorsed to state that coverage shall not be cancelled or materially changed, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Authority.
4. Maintenance of the proper insurance for the duration of the contract is a material element of the contract. Material changes in the required coverage or cancellation of the coverage shall constitute a material breach of the contract by the Consultant.

**ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than B+: VI. Consultants must provide written verification of their insurer's rating.

**VERIFICATION OF COVERAGE**

Consultant shall furnish the Authority with original certificates and amendatory endorsements effecting coverage required by these specifications. The endorsements should conform fully to the requirements. All certificates and endorsements are to be received and approved by the Authority in sufficient time before the agreement commences to permit Consultant to remedy any deficiencies. The Authority reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

**SUB-CONTRACTORS**

Use of sub-contractors must be pre-approved by the Authority. Consultant shall include all sub-contractors as insureds under its policies or shall furnish separate insurance certificates and endorsements for each sub-contractor in a manner and in such time as to permit the Authority to approve them before sub-contractors' work begins. All coverages for sub-contractors shall be subject to all of the requirements stated above.

Notwithstanding this provision, Consultant shall indemnify the Authority for any claims resulting from the performance or non-performance of the Consultant's sub-contractors and/or their failure to be properly insured.



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
**From:** April Black, Deputy Executive Director  
**Date:** May 17, 2018  
**Re:** Monitoring THA's Investment Into Rapid Rehousing

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## EXECUTIVE SUMMARY

The purpose of this evaluation is to analyze Tacoma Housing Authority's (THA) investment into Pierce County Human Service's (the County) rapid rehousing programs (RRH) and recommend changes to it.

THA began this investment in 2013 through two contracts with Pierce County: (1) funding housing for homeless families with children and (2) housing for homeless young adults aged 18-24. The initial amount of the contracts was \$330,000 and the family contract set a schedule to scale up the investment each year until 2017. Under the contracts, THA's investment increased to \$1.288 million annually in 2017 and 2018. The current contracts are set to expire at the end of 2018. The contracts allow THA to increase, decrease or end that investment at any time. This evaluation will help THA determine whether to do that in 2018. It also evaluates the effectiveness of that investment and draws on national RRH research. This executive summary highlights the findings and recommendations of the evaluation.

Research shows that long-term permanent subsidies are better equipped than RRH in addressing housing affordability, are more likely to prevent returns to homelessness and have more radiating effects on family and child well-being. Families that participate in RRH do not experience the housing stability or other well-being components achieved through receiving permanent subsidies, however they have shorter periods of homelessness and they are more likely to increase earned income than households with permanent subsidies. National research also shows that providing RRH is much more cost effective than providing Housing Choice Vouchers (HCV) for the purpose of intervening into the crisis of homelessness.

It is common knowledge that once a person's basic needs are met, they are more likely to become self-sufficient. It is also common knowledge that Tacoma, Pierce County, and the country are experiencing high rates of homelessness due to lack of affordable housing and living wage jobs in communities. Considering that Tacoma and Pierce County will not receive an increase in the amount of HCV funding in the region and the relative success of the RRH investment in serving unique households than could otherwise be served with HCVs, this evaluation will recommend continuing the THA investment in RRH.

The County has revised the screening processes to make referrals to homeless housing programs. Coordinated Entry is the one stop resource for families and individuals experiencing homelessness in Pierce County. Not all families experiencing homelessness need long-term support; some families simply need encouragement to reconnect with estranged family members willing to help or conflict resolution with an existing landlord. As Coordinated Entry rolls out its redesigned referral system, it will be crucial for THA to watch the process and gain an understanding of how to best refer families and individuals to programs that would benefit their unique needs and situations. Every person is different and requires a different amount of support. Housing is the start of those basic needs and with limited resources, THA and the County must distribute them wisely and accordingly. Maintaining THA's investment in RRH will ensure a variety of housing intervention types in the region and will help providers appropriately and quickly respond to a variety of housing needs and homeless emergencies.

**Based on the results of this analysis, THA's Policy, Innovation and Evaluation department recommends:**

- (1) THA to honor its investment in RRH per the existing contract, as follows:

	Family Contract	Young adults Contract	Total
<b>2017</b>	\$1 million	\$288,000	\$1.288 million
<b><u>2018</u></b>	<u>\$1 million</u>	<u>\$288,000</u>	<u>\$1.288 million</u>
<b>Total</b>	\$2 million	\$576,000	\$2.576 million

- (2) Honor the existing contracts through their original term, December 31, 2018.
- (3) THA to revisit the duration and amount of the contract once the 2018 federal budget clarifies. The evaluation supports doubling THA's investment. However, with the shrinking availability of federal housing funds, it will be hard to justify such an increase unless Pierce County secures the service dollars necessary to support the housing investments.
- (4) THA to amend the Family contract to reduce the percentage of THA's contract dollars that can be spent on non-housing services from 44% to 25%.
- (5) THA to amend the Young Adult contract to increase the percentage of THA's contract dollars that can be spent on non-housing services from 0% to 25%.
- (6) Amend the family contract to expand the definition of "family" to include parents whose children DSHS has removed from the home and for whom DSHS judges that the housing assistance would be necessary and would likely be effective to allow for the children's return to the parents.
- (7) Amend both contracts to expand the use of funds to include all types of housing. Additional housing types could include diversion, transitional housing, permanent supportive housing,

or other types of housing the County will have the flexibility to identify. This will allow the County more maneuvering room to award these funds based on current needs, market conditions, and research.

- (8) Amend the contracts to remove the geographic restrictions to Tacoma and instead allow Pierce County to use THA funds to assist homeless families and youth originating anywhere in Pierce County.

**The following sections summarize the criteria used for reaching these conclusions:**

***1. Should THA continue to invest in Pierce County's RRH programs? Why or why not?***

THA should continue to invest in Pierce County's RRH programs. RRH is an imperative and immediate solution to family and young adult homelessness. THA's funds are being used for their intended purposes of serving those in need of immediate assistance who cannot typically access THA programs without waiting on a long waitlist. While RRH may not lead to long-term economic stability for every household (as shown by the research in section 5), RRH is still a meaningful solution to homelessness as it offers immediate assistance. This investment serves THA's Housing and Supportive Services strategic objective that directs the agency to focus its assistance on the "neediest."

THA's RRH investment helps to solve a problem. Homeless families with children and homeless unaccompanied youth and young adults find public housing and section 8 programs largely inaccessible. These programs work off of hideous waiting lists. The waiting lists are usually closed. Even if they were open, the wait is years long. Even if THA designated homeless families and young adults as a local preference for the issuance of vouchers as they become available, other difficulties arise. **First**, the pace of issuance would not nearly be adequate. **Second**, there is no accurate way to tell which families will become homeless or stay homeless without assistance. This makes voucher issuance off a waiting list an inefficient and imprecise use of scarce resources to intervene into crisis. **Third**, RRH data from Housing and Urban Development (HUD), Building Changes and the Bill & Melinda Gates Foundation conclude that 85% of homeless families who need assistance do not need deep permanent subsidies in order to stabilize. This also makes full vouchers an inefficient intervention into crisis. **Fourth**, even upon getting a voucher, a homeless family is still a month away from finding housing and moving in. Homeless young adults have additional barriers. Because of their youth, inexperience and disaffection, they are not likely even to find their way to THA or, if they do, to easily find a landlord willing to rent to them.

For these reasons, THA found itself largely irrelevant to the effort to intervene into the crisis of homelessness. That is an uncomfortable position for the largest source of housing dollars in the county.

THA's redirection of \$3 million over the past 3 years means it served roughly 300 fewer voucher families. In exchange, THA funding, through the RRH providers, has assisted over 477 unique homeless families with children and young adults to re-establish housing. Moreover, THA has spared itself the administrative cost of serving these families, since the County absorbs the administrative expense of contracting and monitoring the RRH services.

THA reached out to THA-funded RRH providers for their feedback on this topic. Upon distribution of a quick two question-questionnaire, THA received numerous responses all stating that they believe THA's investment in RRH is wise and should continue. Reasons included the relative cost effectiveness of the program (compared to transitional housing), the immediacy of RRH's ability to house families and individuals, cuts in local state funding for RRH and the providers' abilities to serve more unique households. More details of the provider's feedback can be found in section 8 of this memo.

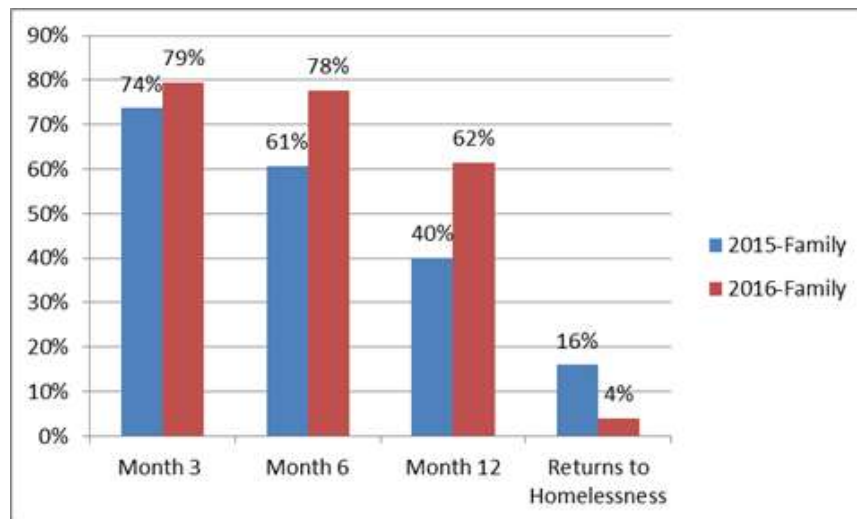
Lastly, returns to the shelter system after the end of assistance have remained relatively low. Tracking such returns helps the County assess the success of its RRH investment. Overall, only 9% of THA-funded families have returned to shelter compared to 16% system-wide. Additionally, only 5% of THA funded young adults have returned to shelter compared to 15% system-wide. Nationally, the success of RRH is judged by returns to shelter of 15% or less. Section 6.1.4 shows the percentages by year. These are surprisingly positive results considering research that shows that returns to shelter are more likely in regions/cities with low vacancy rates, like Tacoma and Pierce County. Section 4.1.4 discusses this in more detail.

However, returns to shelter is an incomplete metric for assessing the success of the RRH investment. It does not capture a family or young adult who after the end of the RRH assistance, may not return to shelter but instead lives in a car, a campground or doubled or tripled up with others without being on the lease and therefore subject to immediate removal. Such instances may not count as a return to shelter but THA would not consider them a successful stabilization even if the RRH did interrupt the homelessness for a while.

For this reason, and to get a more complete picture of the quality of the stabilization, THA has also asked the County to track whether households are remaining stably housed at 3, 6 and 12 month intervals following the end of the RRH rental assistance. This tracking includes calls to all households that have exited programs where THA funds were used. We were interested to find out not just if the households were returning to the homelessness for help but if they were remaining in housing. The results show on the following table. The results are a sample only because Pierce County could not contact all households. The County could contact only 33% of the households in the 3 and 6 month post-participation survey and 20% in the 12 month post-participation survey.



The following table shows the percentage of households housed with THA funds still housed at 3, 6 and 12 month intervals upon exit and percentage of households that access the homeless system again upon exit from Rapid Rehousing (entitled "returns to homelessness")



**2. If THA continues to invest in Pierce County's RRH programs, at what level should each contract be funded?**

If THA continues to invest in Pierce County's RRH programs, both contracts should be funded at their currently scheduled levels. Reviewing contract utilization shows that while Pierce County was slow to expend THA's funds during the first years, the utilization has really ramped up and is projected to continue that trajectory. The following table shows contract utilization rates for 2016.

	2016 Budget	2016 Expended (dollar and percentage)	2017 Budgeted Amount
<b>Family</b>	\$900,000	\$618,361* 77%	\$1,000,000
<b>Youth</b>	\$288,000	\$195,733 69%	\$288,000

\*While the contracted providers utilized 85% of the value of the THA contract, Pierce County missed a reporting deadline, which resulted in forfeiture of \$75,000 in reimbursements from THA. Thus, the reimbursement rate to the County was 77% of the contract value.

The significant numbers of families and young adults who benefit from THA's RRH investment and their percentage of the total need in Tacoma into justifies THA's continued investment. THA's investments served 29% of homeless families in Tacoma that received RRH assistance through the County programs in 2016. Similarly, THA's investments in young adult RRH served 58% of homeless young adults in Tacoma receiving RRH

assistance. Ending this investment would eliminate valuable resources in the community to extremely low-income homeless young adults and families who need the assistance most.

The following table shows the projected number of family and youth/young adult households to be served in 2017 with THA dollars compared to the projected number of households that will contact Coordinated Entry who are successfully diverted, served by RRH and those that remain unserved. The projections are based on averages from 2015 and 2016. This will help in understanding the remaining number of households that remain unserved.

Projected Families and Young Adults that will Contact Coordinated Entry (CE) in 2017	Projected Tacoma* Families and Young Adults that will Contact CE in 2017	Projected Families and Young Adults that will be Diverted in 2017	Projected Tacoma* Families and Young Adults Diverted in 2017	Projected Families and Young Adults that will be assisted through RRH in 2017	Projected Families and Young Adults that will be assisted with THA funds in 2017**	Projected Families and Young Adults Unserved in 2017	Projected Tacoma* Families and Young Adults Unserved in 2017
1,641	626	514	151	604	208	523	267

\*These columns denote the estimate of the sub-population of homeless households whose experience of homeless occurred in Tacoma. We parse this data because THA's investments have been mostly limited to Tacoma households.

\*\*As this chart shows, THA's funds served 43.7% of the families and young adults who contacted coordinated entry and who were not diverted. This means, for example, that a doubling of its investment THA could serve more than 80% of them.

### 3. *Should the contracts allow the County to expend THA funds on non-housing services and if so, to what extent?*

Historically, the County allocated local document recording fee revenue to cover the costs associated with program operations and case management for programs that received THA funding. In 2016 there was a reduction in both State funds (across all counties) and in local document recording fee, making it extremely difficult for the County to cover the program operations without taking funding away from other programs. In response, the County asked THA for permission to use THA funding to cover supportive services (discussed in more detail in Section 1.4) so that RRH programs would continue to be fully funded. Without this flexibility, THA was told, providers would not have been able to expend THA's investment and fewer homeless families would have received housing assistance.

In 2016, THA amended the Family contract to allow THA funds to be used for housing assistance as well as supportive services and program costs. These costs include case management, data entry, housing search assistances, and office expenses. The County

has now asked THA to amend the Young Adult contract in the same way to allow for greater flexibility.

While the evaluation shows the shrinking availability of other County funds for these services, THA is also preparing for its own decline in federal dollars. As THA needs to strategize ways to serve more households with less, the per month costs for the RRH program (when including service costs) do not justify this increased flexibility.

As stated earlier in this document, I am recommending that THA reduce the amount of THA funds that can be spent on non-housing costs from 44% to 25% for the family contract and extend this flexibility to the youth contract. These proposals might mean the County cannot spend all of THA's funding on rapid rehousing. To mitigate this and provide more decision-making authority to the County, I propose amending both contracts to expand the use of funds to all types of housing rather than just rapid rehousing. Additional housing types could include diversion, transitional housing, permanent supportive housing, or other types of interventions identified by the County. This will allow the County to fund future proposals to account for changing needs, markets and relevant research and data.

If the County continues underutilizing the funds in these contracts, other options would be reducing the amount of these contracts and redirecting these funds into project-based vouchers in units that serve homeless families and young adults and/or back into THA housing programs.

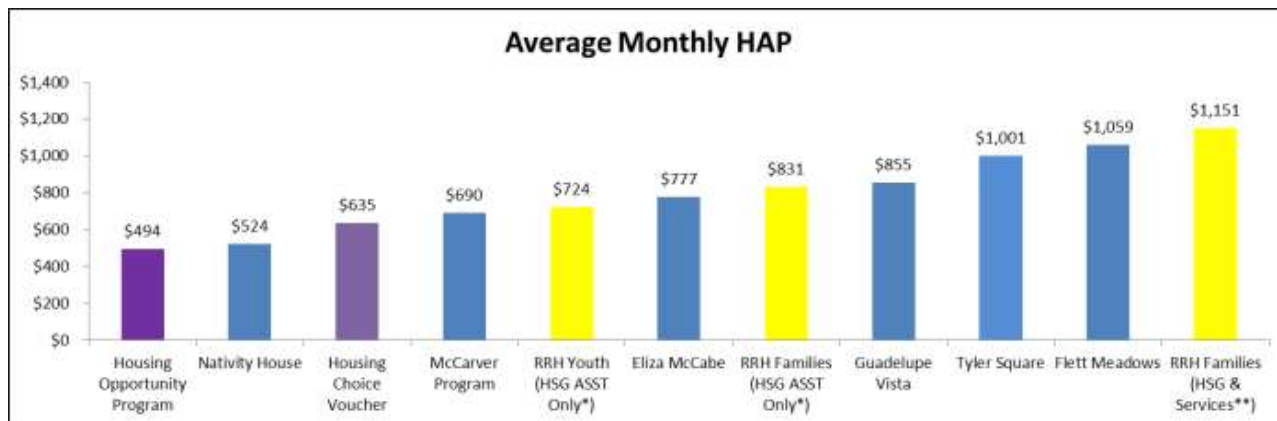
#### ***4. How does this investment compare to other THA investments and programs?***

There are competing priorities that THA must account for in this evaluation. THA is able to redirect its federal housing dollars into these programs because of its Moving to Work (MTW) authority. THA's MTW agreement requires that, regardless of how THA chooses to spend its housing dollars, it should serve substantially the same number of households it would absent the MTW authority. HUD does not calculate this number based on the number of unique households served with these dollars. Instead, HUD looks at the number of households served per month to calculate annual per unit month average.

Serving more unique households has been a value for THA and its board. This investment serves households for a shorter period of time and allows THA to serve more unique households; however, if the cost per month per household is higher than on THA's other programs, this has an impact on the per unit month calculation.

The table below compares the cost of these programs to other THA investment into homeless programs as well as THA's Housing Opportunity Program (HOP) and voucher programs. You will see that the monthly costs in the Youth contract are more expensive

than the HOP and voucher program. The family contract has nearly the highest per month cost for housing-only and tops out as the most expensive housing investment under its current contract allowing expenses for housing and services.



\*The family contract allows for both housing and service expenditures. This column calculates just the per month costs in housing expenditures.

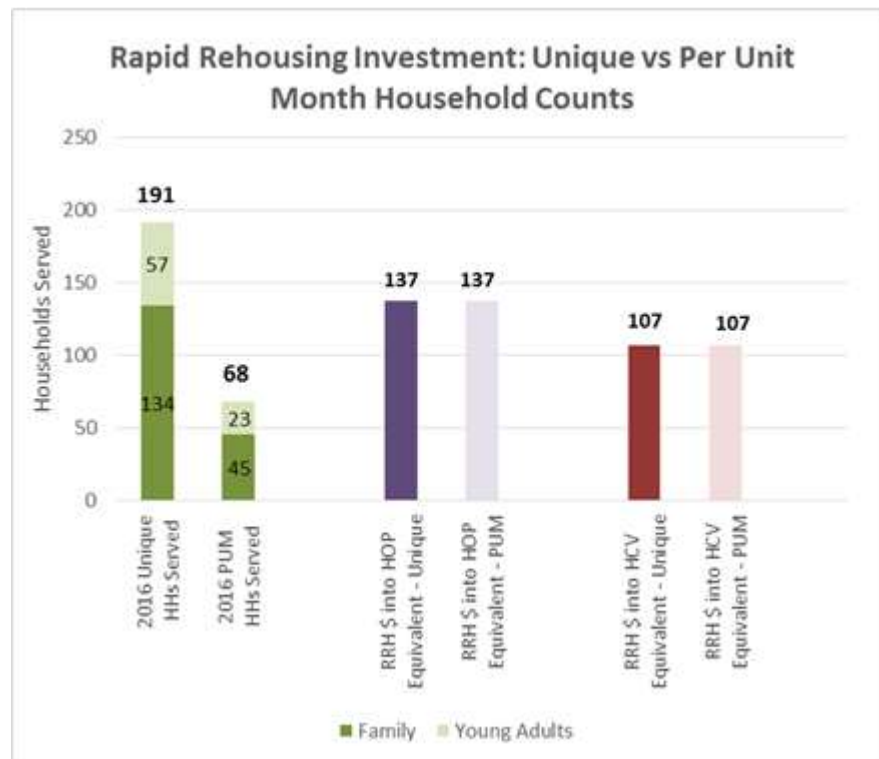
\*\*This column calculates the per month costs for all expenditures in the family contract. This includes both the housing and service expenditures.

Contract utilization, leveraged case management funds and the number of unduplicated households served show that THA's investment in RRH as a way to serve homeless families is a wise one. The table below illustrates this. RRH has the potential to serve more unique households because of the short to medium term nature of the assistance. However, the higher cost per household per month depresses the per unit month household served counts as shown in the following table.

	Expended Amount	2016 Unique Households Served	Average Per Month Households Served	Households that would have been served with HCV <sup>1</sup>
<b>Family RRH</b>	\$618,361	134	37	81
<b>Youth RRH</b>	\$195,733	57	24	26

<sup>1</sup> THA's monthly average Housing Assistance Payment (HAP) in December of 2016 was \$635.

The following chart compares how many households were served with the RRH investment in 2016 to the potential number of households that could be served under various THA investments.



**Below is an explanation of the various colored columns above:**

**Green** - The number of households that were served with RRH funds in 2016 in two categories: (1) the number of unique households served under the family and young adult contracts and (2) PUM counts of households served under the family and young adult contracts. The PUM number is calculated by summing the number of family and youth households leased during each month of the calendar year then dividing that total by 12. This is a HUD calculation. In the absence of monthly snapshot data, you can estimate the PUM by taking the total expenditures divided by the average monthly cost divided by 12 months. For the family contract, the calculation is  $(\$618,361 / \$1151) / 12$ . For the young adult contract, the calculation is  $(\$195,733 / \$724) / 12$ .

**Purple** - The number of households that would be served with THA's RRH funds if the funds were redirected back into the Housing Opportunity Program (HOP). Because this program is long-term, we assumed 0% turnover on the program and used the PUM calculation for both columns. This calculation is based on the total rapid rehousing expenditures divided by the average monthly HOP cost divided by 12. The numbers used are  $((\$618,361 + \$195,733) / \$494) / 12$ .

**Red** - The number of households that would be served with THA's RRH funds if the funds were redirected back into the Housing Choice Voucher (HCV) Program. Because this program is long-term, we assumed 0% turnover on the program and used the PUM calculation for both columns. This calculation is based on the total rapid rehousing expenditures divided by the average monthly HCV cost divided by 12. The numbers used are  $((\$618,361 + \$195,733) / \$635) / 12$ .

**5. *Should the contracts allow the expenditure of THA funds on households living outside Tacoma?***

Both contracts mandate that contract funds must be used toward families and young adults whose current experience of homelessness has begun and for the most part continued within the city of Tacoma. To the extent possible, funds are intended to be used to stabilize homeless families and young adults within Tacoma unless the household would benefit by stabilizing elsewhere. If there are not sufficient numbers of such families to utilize the contract amounts, the County may use up to twenty-five percent (25 %) of funds to serve households originating anywhere in Pierce County, including Tacoma.

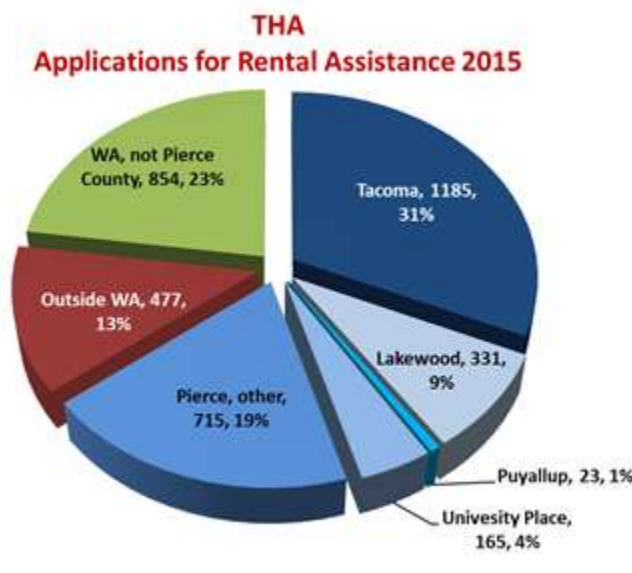
Following is a breakdown of family and young adult households that originated in Tacoma and moved out of Tacoma since this flexibility has been granted.

Program	Total Moved into Housing	Total Moved into Housing Outside of Tacoma	Percentage of Total Moved that Moved Outside of Tacoma
<b>Family</b>	207	82	40%
<b>Young Adult</b>	75	26	35%

County-provided data show that only sixteen percent (16%) of literally homeless families accessing Coordinated Entry originated from Tacoma from 2013-2016. Forty-one percent (41%) of literally homeless young adults accessing Coordinated Entry in the same

time frame originated in Tacoma. Considering the trends in where households are originating, THA should continue to allow this flexibility in order for the County to fully utilize THA contract funds.

For your reference, THA has seen similar trends before. When THA opened its waiting list in 2015 only 1/3 of the applicants originated in Tacoma. The following chart has the breakdown of applications received during the 2015 waiting list opening.



This information shows that the flexibility in geographic scope allows a large percentage of households to successfully lease up outside of Tacoma city limits. With the increasingly tightening rental market in Tacoma, the expanded geography will likely add to the program's success.

### External Consultation

On April 28<sup>th</sup> I met with Pierce County Human Services staff and the non-profit providers receiving THA funds through contract with Pierce County. At that meeting I presented the following set of recommendations:

- (1) THA to honor its investment in RRH per the existing contract, as follows:

	Family Contract	Youth Contract	Total
<b>2017</b>	\$1 million	\$288,000	\$1.288 million
<b><u>2018</u></b>	<u>\$1 million</u>	<u>\$288,000</u>	<u>\$1.288 million</u>
<b>Total</b>	\$2 million	\$576,000	\$2.576 million

- (2) Honor the existing contract through their original term, December 31, 2018.
- (3) THA to revisit the duration of the contract once the federal budget has been clarified.
- (4) THA to amend the Family contract to return it to its original terms, disallowing contract expenditures for supportive services. This would restrict the use of funds to housing-only.
- (5) Amend both contracts to expand the use of funds to include all types of housing. This will allow the County more maneuvering room to award these funds based on current needs, market conditions, and research.
- (6) Amend the contract to remove the geographic restrictions. This will allow Pierce County to apply its existing policies regarding where households become homeless and where they secure housing.

I received the following feedback:

*Regarding the Use of THA funds for non-housing costs:*

- The group recommends allowing THA funds to be used for non-housing costs on both the family and young adult contracts.
- The rental market is making it harder for people to lease. Coordinated entry is also prioritizing the highest needs households which is making it harder to house people. Without service dollars, providers will not be able to expend the THA funds.
- Services need to be increased to account for the higher needs households.
- Disinvesting in services will not allow providers to serve more households with THA funds. The County will need to redirect other funds and the net result will be the same number of households served.
- The success of RRH to date is because of the service dollars invested in the households to help them find and keep their housing. Taking supportive services away will increase returns to homelessness. This would result in the system service the same households over and over as they cycle through housing and homelessness.
- REACH ran numbers to show that if they could expend 30% of THA funds on services they could serve more households at \$3000 per household less.



- If there is a change in the family contract, please wait until the end of the year to make it effective.
- The group could only accommodate this recommendation if service funds were replaced with other funds.

*Regarding the comparison of per unit month costs across THA investments:*

- These are not apples to apples comparisons because RRH pays for security deposits, move in costs, screening fees, etc where the voucher, HOP and project-based voucher investments do not.
- The project-based voucher investments are not fair comparisons because the rents in those properties are not as high as those in the open rental market.

*Regarding the proposal to remove geographical restrictions on the use of funds:*

- The group strongly supports this proposal.
- It would be exciting to have an opportunity to look outside the City limits where housing is cheaper. It will also be helpful to be more flexible regarding who can be housed with these funds.
- This would be removing a barrier in the program.

*Other feedback:*

- Consider expanding the definition of "family" to include households without children that are attempting to reunify with children that have been removed from the home.
- Stay open to recommendations from the 100 Day Challenge Team that has been formed to address homelessness within the youth and young adults population.
- The group began discussing options to collaborate on a housing liaison. All agencies providing housing search services might be frustrating landlords. Collaboration could help save time and costs.
- Consider United Way as a service partner in their Centers for Strong Families investments.

A group of providers and Pierce County also provided written comments regarding this report. Those comments are included as an attachment to the report.

Based on this feedback, I did add a recommendation to expand the definition of “family” to include parents attempting to reunify with their children. The topic of restricting the use of THA dollars to housing-only remains a challenge. Based on feedback from the County, partners and the THA Cabinet, I have revised my recommendations to recommend continuing to invest in housing and services. However, because of the continued tightening of the rental market and the resulting increase in housing costs across all THA investments, the HUD requirements to serve “substantially the same” number of households as we would absent Moving-to-Work, and the uncertain federal funding horizon, I am recommending that THA reduce the amount of funds that can be used on non-housing costs but allow these flexibility to be extended to the young adult contract.

## FULL EVALUATION REPORT

### 1. BACKGROUND

To understand more about the background of RRH and THA's investment into the RRH system, this section will go over the following: 1) the history and goals of RRH, 2) RRH in Pierce County, including the reasons THA invests in RRH and 3) an overview of the changes in THA's contracts with the County.

#### 1.1 History and Goals of Rapid Rehousing

"Research identifies the lack of affordable housing as the primary driver of homelessness among families. This housing issue stems from both an inadequate supply of affordable housing and family incomes far below the cost of available housing. In fact, for every 100 extremely low-income renter households in the county, there are only 29 affordable and available rental units. Though it is clear that increasing housing subsidy would reduce homelessness, there are not enough housing subsidies to go around: only one in four households who are eligible actually receive them."<sup>2</sup>

In 2010, the Department of Housing and Urban Development (HUD) and the United States Interagency Council on Homelessness (USICH) launched a federal plan, *Opening Doors*, to end homelessness. According to that plan, "[a]n end to homelessness means that every community will have a systematic response in place that ensures homelessness is prevented whenever possible, or if it can't be prevented, it is a rare, brief, and non-recurring experience".<sup>3</sup>

The plan seeks to do this by focusing on four key goals:

- (1) Prevent and end homelessness among veterans in 2015;
- (2) Finish the job of ending chronic homelessness in 2017;
- (3) Prevent and end homelessness for families, youth and children in 2020; and
- (4) Set a path to end all types of homelessness.

One of the strategies deployed to reach these goals includes RRH. RRH is designed to house homeless families as quickly as possible and to shorten the period of time households experience homelessness. While models vary from community to community, RRH generally includes the provision of housing subsidies for a short duration with case management focused on housing stability. Research from HUD and others finds that RRH is more effective and more cost effective than either shelter or transitional housing models. Section 5 below summarizes that research. As a result, HUD and other funders, including

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<sup>2</sup> Cunningham, Gillespie and Anderson. *Rapid Re-housing: What the Research Says*. The Urban Institute. June 2015. 4.

<sup>3</sup> United States Interagency Council on Homelessness. *Opening Doors*. <https://www.usich.gov/opening-doors>

the County and THA, are withdrawing support from transitional housing programs in favor of RRH.

The USICH states that the “fundamental goal of rapid rehousing is to reduce the amount of time a person is homeless.”<sup>4</sup> The Urban Institute notes that because of the increasing emphasis of RRH to combat and end homelessness by 2020, the intervention's impact on the overall number of homeless families in the community is the most important metric of RRH effectiveness.<sup>5</sup>

Initially, THA envisioned that RRH would alleviate and solve participant families' and young adults' instances of homelessness while also leading to long-term housing stability. The Urban Institute notes there is much debate around which performance measures should be included in RRH. Measures up for debate include employment rates, income increases, residential stability, household ability to afford the rent and other measures of well-being.<sup>6</sup> While many of these outcomes are still measured and evaluated in this analysis, the immediate goal of RRH intervention is in fact to alleviate the number of homeless families in the community and to provide quick housing solutions to families' and young adults' immediate homelessness.

## 1.2 Rapid Rehousing in Pierce County

RRH in Pierce County is funded through a variety of sources including HUD's Continuum of Care grants and Emergency Solutions Grant Program, the state's Consolidated Homeless Grant funding, Document Recording Fee, and THA. In 2016, THA's investment constituted 35% of the dollars going into RRH. In 2017, THA's investment will constitute 37% of the RRH funding in Pierce County. The following page has a breakdown of the entire 2017 budget for RRH in Pierce County.

**Table 1: RRH Funding Sources in Pierce County (2017)**

	Document Recording Fee (2163)	HUD Emergency Solutions Grant	HUD Continuum of Care	State Consolidated Homeless Grant	THA	TOTAL
<b>Dollar Amount</b>	\$352,252	\$168,552	\$884,256	\$748,291	\$1,288,000	\$3,441,350
<b>% Total Funding</b>	10%	5%	26%	22%	37%	100%

<sup>4</sup> Cunningham et al, 12.

<sup>5</sup> Ibid., 12.

<sup>6</sup> Ibid., 13.

RRH in Pierce County offers rental assistance to families with children, young adults and households without children for a term not to exceed 24 months, although the average length of assistance is about six months. Throughout their time on the program, households receive financial assistance, services to find housing and case management services aimed toward ensuring the participant can retain housing once the support has ended.

In 2016, the County awarded approximately \$3.9 million in RRH programs, of which roughly \$1.2 million came from THA. THA investments are delivered under two contracts: one for families with children and one for young adults. THA decided to do this for several reasons, all of them related to the needs of Tacoma's residents in crisis and the imperative to make THA relevant and accessible to them. The larger investment of the two (scheduled to increase to \$1 million in 2017) is limited to serving families. This ensures that resources are set aside for families with children. Doing this serves THA's Housing and Supportive Services strategic objective that directs THA to focus its assistance on the "neediest."

THA's RRH investment helps to solve a problem. Homeless families with children and homeless youth and young adults find public housing and section 8 programs largely inaccessible. These programs work off of hideous waiting lists. The waiting lists are usually closed. Even if they were open, the wait is years long. Even if THA designated homeless families and young adults as a local preference for the issuance of vouchers as they become available, other difficulties arise. **First**, the pace of issuance would not nearly be adequate. **Second**, there is no accurate way to tell which families will become homeless or stay homeless without assistance. This makes voucher issuance off a waiting list an inefficient and imprecise use of scarce resources to intervene into crisis. **Third**, RRH data from HUD, Building Changes and the Bill & Melinda Gates Foundation conclude that 85% of homeless families who need assistance do not need deep permanent subsidies in order to stabilize. This also makes full vouchers an inefficient intervention into crisis. **Fourth**, even upon getting a voucher, a homeless family is still a month away from finding housing and moving in. Homeless young adults have additional barriers. Because of their youth, inexperience and disaffection they are not likely even to find their way to THA or, if they do, to easily find a landlord willing to rent to them.

For these reasons, THA found itself largely irrelevant to the effort to intervene into the crisis of homelessness. That is an uncomfortable position for the largest source of housing dollars in the county.

### 1.3 How the homeless system operates in Pierce County

A partnership between Associated Ministries and Catholic Community Services currently operates the County's Coordinated Entry system for housing resources (formerly Access Point 4 Housing [AP4H]). In early October, 2016, the County implemented changes to Coordinated Entry to better "right size" the allocation of housing and support service

resources to households experiencing homelessness who access the system. The first step for everyone seeking services is a housing counseling conversation. The goal of this conversation is to identify a safe and practical solution for their housing crisis. When successful, this approach helps to divert people from a long stay in shelter or a long wait for a program referral. This “diversion” approach includes a maximum of 30 days of very light case management and often includes some financial assistance, often for rent deposit or paying off rental arrears or utility bills. For households who are unable to resolve their housing crisis through this initial housing counseling, the Coordinated Entry Specialist will complete an assessment using a standard and objective tool that identifies household vulnerability and the severity of their barriers to housing. Coordinated Entry prioritizes those assessed as having the highest vulnerability and most housing barriers. These high barrier households are referred to a permanent housing program. Most will be referred to RRH; however individuals or families experiencing chronic homelessness will be referred to permanent supportive housing, when available. Coordinated Entry has replaced the placement roster (or waiting list) with priority pools based on assessment scores.

The other major change in Coordinated Entry is the move to a “no wrong door” approach. The goal is that people experiencing homelessness should be able to access Coordinated Entry without having to come to the program’s main office in Tacoma. To achieve this, Coordinated Entry is partnering with Street Outreach to bring the assessment to people sleeping outdoors. Coordinated Entry staff are also going to shelters (including the young adult overnight shelter), to conduct assessments there. The County is also reaching out to new partners, such as Maternity Support Services, to help train them in assessing their clients experiencing homelessness.

#### **1.4 Changes in THA's Contract with the County**

Initially, THA limited the use of funding to rental assistance and other housing-related costs for homeless families and young adults in Tacoma. In 2016, at County request, THA agreed to three revisions:

- (1) Allow the use of THA money to fund provider’s indirect costs (up to 10% of the funding) for both contracts. This is a requirement under Federal grant administration regulations;
- (2) Allow the family providers to spend up to 44% of THA’s funding for additional expenses beyond direct housing costs. These additional expenses include the following supportive services and indirect costs:

##### **SUPPORTIVE SERVICES:**

- Case management- housing stability
- Data collection and entry

- Housing search and placement
- Staff issuance of rental assistance
- General liability insurance
- Office internet
- Office space
- Office supplies
- Office utilities
- Telephone

INDIRECT COSTS (no more than 10%):

- All direct salaries and wages
- Applicable fringe benefits
- Materials and supplies
- Services
- Sub awards and sub contracts up to the first \$25,000 of each sub award or sub contract

This revision was in response to a severe funding cut from the State. RRH is only successful when rent support is accompanied by services and case management. Without this expanded use, it was likely that the County would not have been able to expend all of the rental assistance contract dollars since too many families needed this additional support in order to find and keep housing; and

(3) Expand the eligible population to allow providers to use up to 25% of the funds for families that originate outside of the City of Tacoma and assist homeless Tacoma households to move out of the City if doing so would make sense for that family's welfare.

This evaluation will seek to understand the performance under both the original contracts and the revised contracts.

## **2. RAPID REHOUSING CONTRACT EVALUATION FRAMEWORK**

This memo evaluates the contracts using performance measures outlined in the contracts as well as other metrics. The section below states them. In general, this report seeks to evaluate the effect of THA's investment on long-term housing and economic stability of assisted households, youth and young adults and on the cost effectiveness of that investment. For these purposes, this memo will evaluate program outcomes and financial performance. To do this, THA has reviewed program performance data, invoices and other information that the contracts direct the County to provide to THA.

The evaluation also focuses on the difference between the two versions of the RRH contract: the first version that funded housing related costs only while the second version additionally funded program-related service expenses (case management and program operations for the family program and indirect costs for both programs). This will help evaluate the utility of the expanded use of funds against the initial restrictive use of funds. The chart below summarizes the differences between allowable costs under both versions of the contract.

**Table 2: Allowable Contract Costs**

Family Program	Youth and Young Adults Program
<b>1<sup>st</sup> Contract:</b> <ul style="list-style-type: none"> <li>Rental Assistance and other housing related costs</li> </ul>	<b>1<sup>st</sup> Contract:</b> <ul style="list-style-type: none"> <li>Rental Assistance and other housing related costs</li> </ul>
<b>2<sup>nd</sup> Contract:</b> <ul style="list-style-type: none"> <li>Rental Assistance and other housing related costs</li> <li>Indirect Costs</li> <li>Program Operations</li> </ul>	<b>2<sup>nd</sup> Contract:</b> <ul style="list-style-type: none"> <li>Rental Assistance and other housing related costs</li> <li>Indirect Costs</li> </ul>

### 3. FINANCIAL ANALYSIS

The financial analysis evaluates the costs of RRH administration. It does this by determining the cost of services per household. It will also review the overall contract utilization rate. It will also review monthly averages by assistance type and aggregating the cost per household per stay in the program.

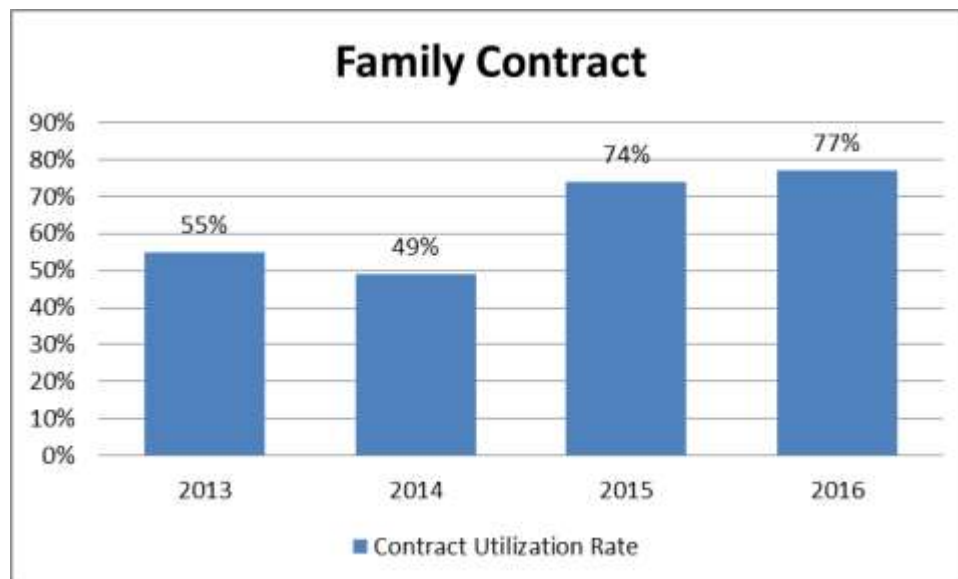
To evaluate the family contract for costs of rental assistance and case management, this evaluation will use as a comparison group the homeless households participating in THA's McCarver Elementary School Housing Assistance Program.



### 3.1 Overall Contract Utilization

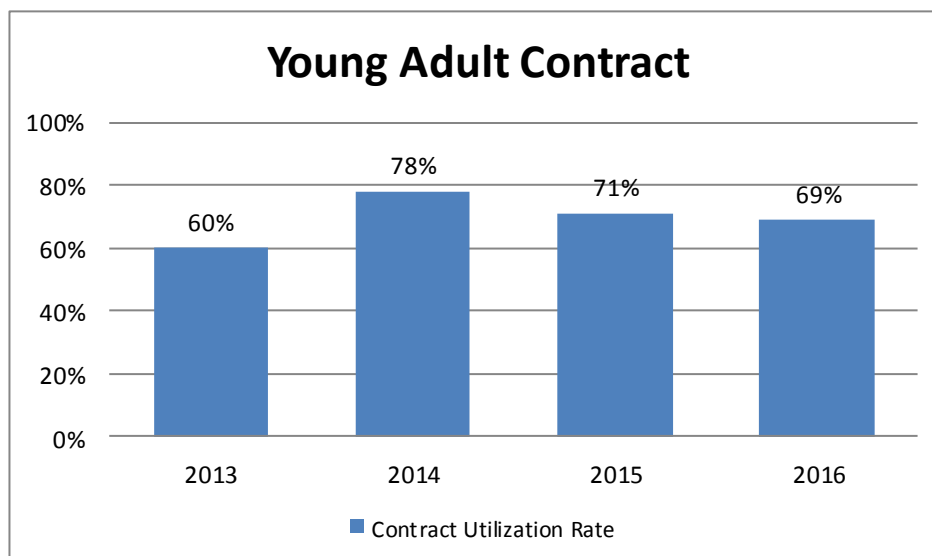
Following are the contract utilization rates by year for both contracts.

**Chart 1: Family Contract Utilization Rate**



I will note here that the utilization rate for 2016 would have been 84.5% had THA not declined a \$75,000 invoice due to a missed invoicing deadline.

**Chart 2: Youth and Young Adult Contract Utilization Rate**



### 3.2 Total Costs per household

The following charts breaks down the total average cost per household. Costs are color coded to show the difference in cost type: rental assistance and housing associated costs are coded in white while supportive services costs are coded in grey and indirect costs are in blue. The average length of stay for families in 2016 was 166 days, or almost six months. The average length of stay for young adults in 2016 was 354 days, or about 12 months.

**Table 3: Total Average Expenses per Family and Young adult Stay**

Per stay	Family	Young Adult
Rental assistance	\$2,194.69	\$6,563.61
Security deposits	\$1,716.22	\$876.82
Credit screening fees	\$169.25	\$38.00
Utility deposits	\$249.39	\$106.02
Utility payments	\$212.50	\$91.41
Moving cost assistance	\$57.15	\$ 0
Motel and hotel vouchers	\$0	\$ 0
Indirect costs	\$219.74	\$ 0.00
Case management	\$1,391.10	\$2,875.26
Data collection and entry	\$220.56	\$ 0
Housing search and placement	\$56.27	\$ 0
Staffing for rental assistance	\$11.78	\$ 0
General liability insurance	\$5.64	\$ 0
Office internet	\$9.10	\$2.81
Office space	\$21.67	\$ 0
Office supplies	\$14.77	\$94.21
Utilities	\$10.60	\$349.12
Telephone	\$31.61	\$43.86
<b>Total housing assistance</b>	<b>\$4,599.19</b>	<b>\$8,552.68</b>
<b>Subtotal supportive services</b>	<b>\$1,773.11</b>	<b>\$3,365.26<sup>7</sup></b>
<b>Total Expenses per stay</b>	<b>\$6,372.00</b>	<b>\$11,917.94</b>

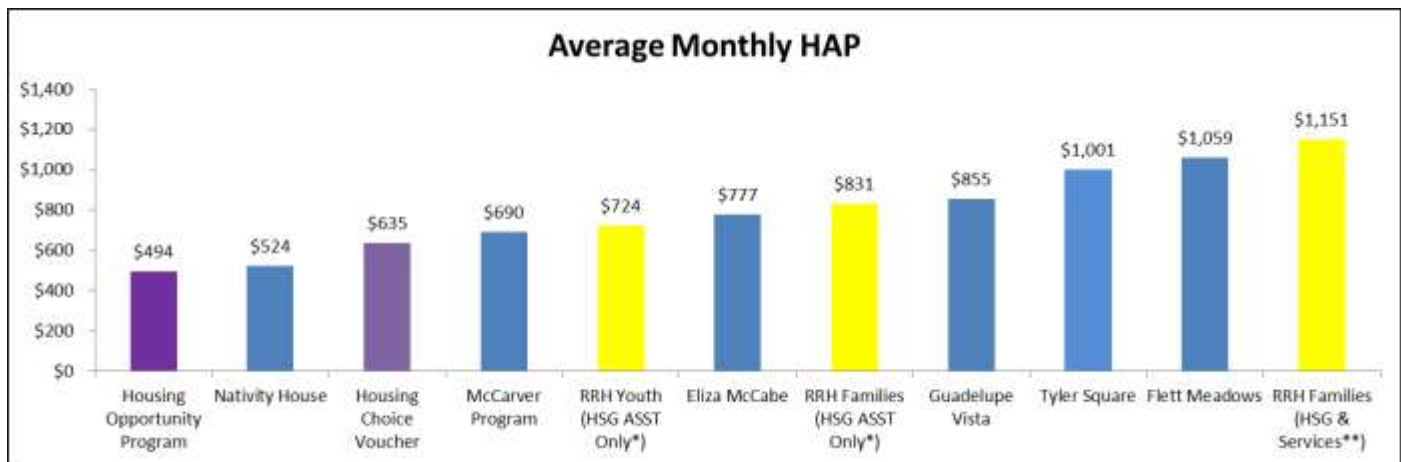
This section was used to calculate the average monthly cost per household. This calculation uses housing cost divided by average length of stay days multiplied by 30 (to account for an average 30 day month).

<sup>7</sup> THA does not pay supportive services for the young adult program.

### 3.3 Monthly Costs: Family and Young adult RRH as Compared to Other THA Rental Assistance Programs

The following chart portrays THA's average monthly HAP contribution to its rental assistance programs (purple), homeless stabilization programs (blue), RRH (green) and RRH plus services (yellow).

**Chart 3: THA's Average Monthly HAP Contributions to Rental Assistance and Homeless Stabilization Programs**



\*The family contract allows for both housing and service expenditures. This column calculates just the per month costs in housing expenditures.

\*\*This column calculates the per month costs for all expenditures in the family contract. This includes both the housing and service expenditures.

I will note that the average costs of the THA run programs do not account for their case management costs. All THA programs have a mix of grant funded and THA-funded services and we could not easily parse these costs. I acknowledge Pierce County's concern that missing this information makes this report lack a fair comparison on the "RRH Families (hsg & services)" column. I feel confident asserting that the McCarver, HCV and HOP costs paid by THA would still be lower than the RRH costs (all McCarver case management costs are paid by grant funds).

### 3.4 Family Program as Compared to the McCarver Elementary School Housing Assistance Program

This section shows a quick comparison of costs required to operate McCarver (MCAR) versus RRH. Both programs serve homeless families and offer case management to help families succeed.

**Table 4: Cost Comparison of McCarver and RRH**

Average Per Family	RRH monthly cost/household	RRH average total cost per household	MCAR monthly cost per household	MCAR average total cost per household
<b>Subsidy Costs</b>	\$831	\$4,599	\$690	\$36,648
<b>Case Management Costs</b>	\$320	\$1,773	\$429	\$15,444
<b>Total Subsidy and Case Management Costs</b>	\$1,151	\$6,372	\$1,147	\$52,092
<b>Length of Stay</b>		6 months		5 years

## 4. PROGRAM PERFORMANCE ANALYSIS

The program performance analysis portion of this memo focuses on the performance indicators outlined in the family and young adult contracts as well as some additional indicators requested by THA's Board. They follow:

- Unique Households Served
- Case Management Dollars Leveraged
- Returns to Homelessness/Housing Stability
- Changes in Earned Income
- Scale of THA's Investment
- Number of Minors Served

### 4.1 Both contracts outline the following performance indicators

#### 4.1.1 Unique Households Served

This table shows the number of unique households served by each contract.

Moving to Work reporting requirements state that THA must report the per unit month (PUM) number of households served. This is calculated by determining

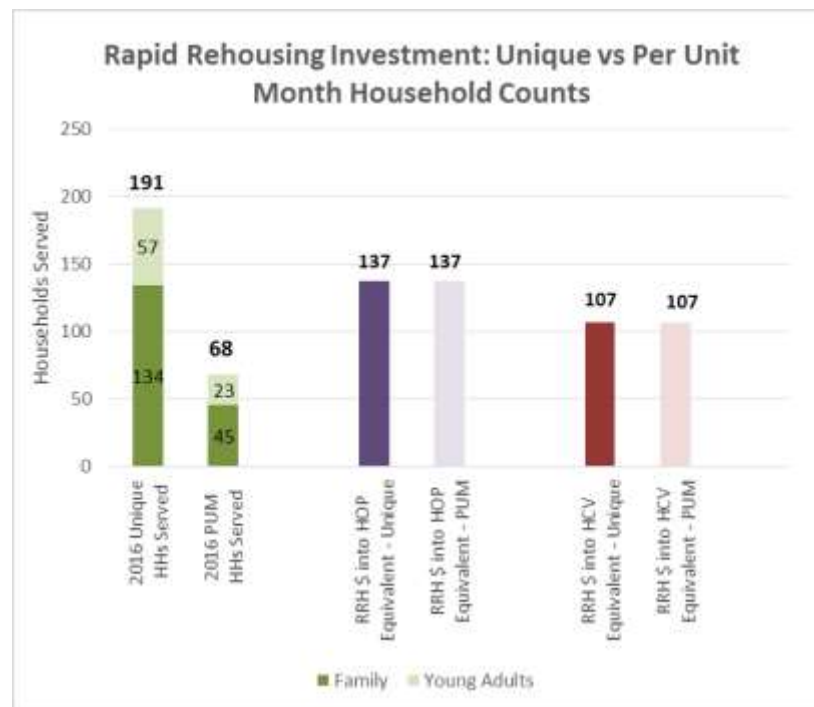
the number of unique households served each month and finding the average over the twelve month period.

**Table 5: Unique Households Served**

THA-RRH	2014	2014 PUM	2015	2015 PUM	2016	2016 PUM
<b>Family</b>	66	30	130	33	134	45
<b>Young Adults</b>	48	33	62	29	57	23

The following chart compares various scenarios of the number of households that could be served with THA's RRH investment.

**Chart 4: Actual and Potential Per Unit Month Counts of Households Served with RRH Funds**



**Below is an explanation of the various colored columns in Chart 4:**

**Green** - The number of households that were served with RRH funds in 2016 in two categories: (1) the number of unique households served under the family and young adult contracts and (2) PUM counts of households served under the family and young adult contracts. The PUM number is calculated by summing the number of family and young adult households leased during each month of the calendar year then dividing that total by 12. This is a HUD calculation. In the absence of monthly snapshot data, you can estimate the

PUM by taking the total expenditures divided by the average monthly cost divided by 12 months. For the family contract, the calculation is  $(\$618,361 / \$1151) / 12$ . For the young adult contract, the calculation is  $(\$195,733 / \$724) / 12$ .






**Purple** - The number of households that would be served with THA's RRH funds if the funds were redirected back into the Housing Opportunity Program (HOP). Because this program is long-term, we assumed 0% turnover on the program and used the PUM calculation for both columns. This calculation is based on the total rapid rehousing expenditures divided by the average monthly HOP cost divided by 12. The numbers used are  $((\$618,361 + \$195,733) / \$494) / 12$ .

**Red** - The number of households that would be served with THA's RRH funds if the funds were redirected back into the Housing Choice Voucher (HCV) Program. Because this program is long-term, we assumed 0% turnover on the program and used the PUM calculation for both columns. This calculation is based on the total rapid rehousing expenditures divided by the average monthly HCV cost divided by 12. The numbers used are  $((\$618,361 + \$195,733) / \$635) / 12$ .

#### 4.1.2 Length of time households are served (days)

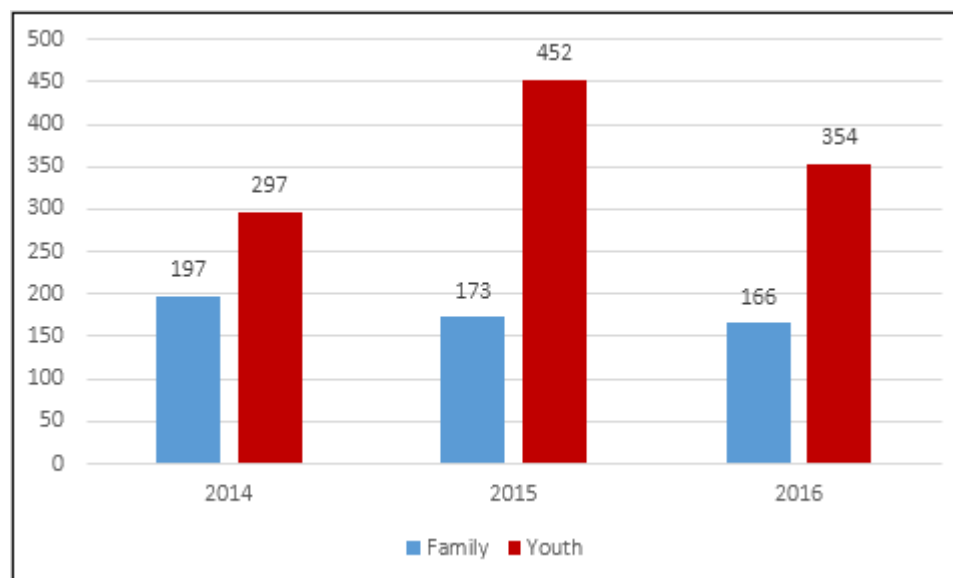
The following chart shows the average length of stay for households in RRH compared to some of THA's programs.

**Chart 5: Average Length of Stay Comparison**

Average Length of Stay		
THA Rapid Rehousing Families	6 mns (166 days)	
THA Rapid Rehousing Youth	12 mns (354 days)	
Housing Choice Voucher (Traditional)	64 months	
Housing Opportunity Program Voucher	37 months	
McCarver Elementary School Housing Assistance	60 + mns	

The following chart shows the annual average length of stay (in days) for households assisted in both programs. It shows that young adults tend to stay longer (roughly 12 months) than families (roughly 6 months).

**Chart 6: Average Length of Stay for Households Exited by Year<sup>8</sup>**

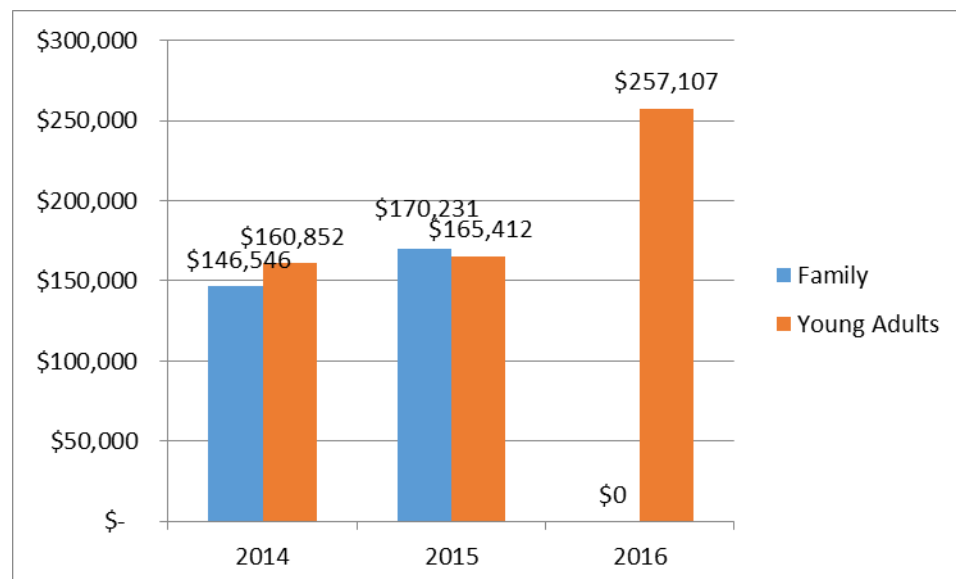


**4.1.3** *In-kind value of services provided (case management, employment services, mental health counseling and all other forms of social service)*

This chart shows the estimated amount of case management funds leveraged through the contracts by year. The amounts are the prorated amounts for THA-RRH clients and do not reflect the amount that THA spends on those clients. The total is determined by dividing the total amount of 2163 funds by the total number of RRH households and then multiplying the number of THA households that were served in each year.

As you will see in the trends over time, the change in the family contract allowing expenditures on non-housing costs eliminated the case management leverage. The young adult contract showed strong growth in leverage.

<sup>8</sup> 2016 data includes January through July

**Chart 7: Case Management Funds Leveraged by Year<sup>9</sup>**

**4.1.4** *The number of households still housed after assistance ends at the following time intervals:*

The following chart shows the rate of returns to homelessness as well as housing stability measures in the family contract during 2015 and 2016. The chart shows increases in housing stability and decreases in returns to homelessness from 2015 to 2016.

Households are in the “still housed” category if a post-participation follow up has been made with the household or landlord to confirm that the household is still housed. The “still housed” and “returns to homelessness” categories will not total 100% because of the families that could not be contacted to confirm their housing stability nor did they re-contact Coordinated Entry because they were seeking homeless housing. The County categorizes these households as “not confirmed.”

<sup>9</sup> 2016 data includes January through July



**Chart 8: Percentage of Households Housed with THA Funds Still Housed at 3, 6 and 12 Month Intervals upon Exit and Percentage of Households that Access the Homeless System again upon Exit from Rapid Rehousing (entitled “returns to homelessness”)**

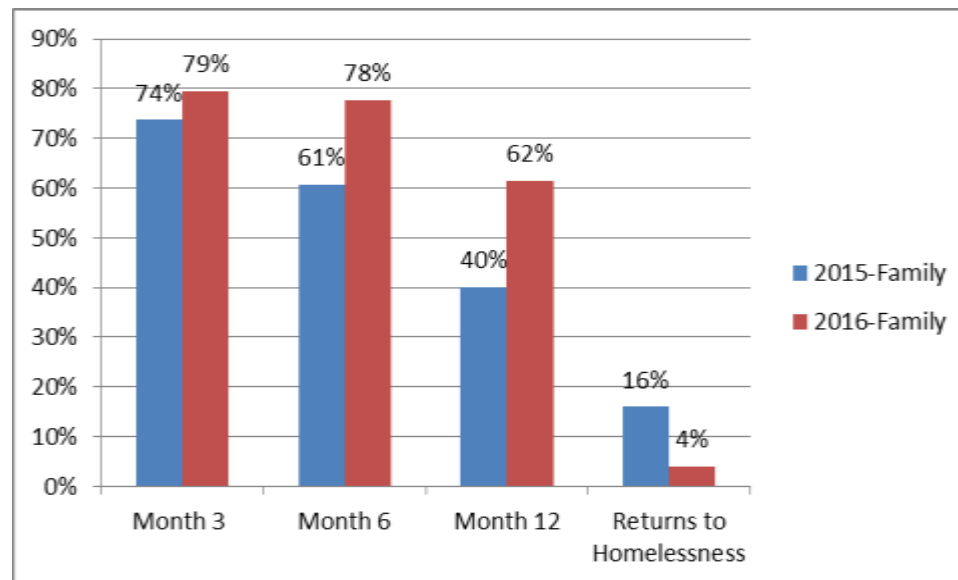


Table 6, below, shows the County reported data on “returns to homelessness” for THA funded households and system-wide households.

**Table 6: Family Returns to Homelessness upon Exit from RRH by Year**

	2013	2014	2015	2016	Overall
<b>THA Funded Families</b>	22%	26%	17%	9%	16%
<b>THA Funded Young Adults</b>	27%	15%	15%	9%	15%
<b>System-wide</b>	25%	27%	21%	8%	19%

#### 4.1.5 Change in Monthly Earned Income

The County reports the following monthly earned income increases for families and young adults participating in THA-funded RRH.

**Table 7: Family Monthly Earned Income Changes in THA Assisted Households**

Percentage of Participating Households that Increase Monthly Income	Monthly Income Increase (dollar and percent)	Average Monthly Income of Families that Increase Earned Income
23%	\$475/36% increase	\$1,593.58

**Table 8: Young Adults Monthly Earned Income Changes**

Percentage of Participating Households that Increase Monthly Income	Monthly Income Increase (dollar and percent)	Average Monthly Income of Young Adults that Increase Earned Income
28%	\$207/13% increase	\$1,325.80

#### 4.1.6 Unmet Housing Need

The following table shows unmet need for homeless housing assistance in the County, based on data pulled from Coordinated Entry (CE). The need is represented by the total literally homeless families and young adults that were assessed by CE. Total housed shows the number of families and young adults that were successfully housed through housing programs (rapid rehousing, transitional housing and permanent supportive housing) and through Diversion, which provides 30 days of case management and minimal financial assistance. The difference between those seeking housing and those housed is the unmet need. The table below is an estimate of unmet need because it only reflects the families and young adults who sought assistance.

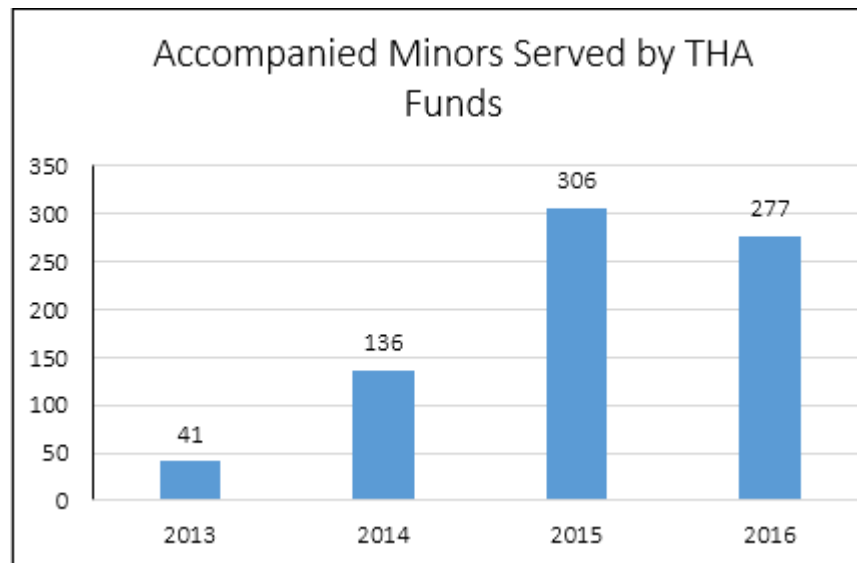
**Table 9: Coordinated Entry Numbers (2015-2016)**

FY 2015 Households		County		Tacoma	
		Family	Young adults	Family	Young adults
<b>Need</b>	Total Need	<b>1,999</b>	<b>579</b>	<b>572</b>	<b>227</b>
<b>Assisted</b>	Total Assisted Households	<b>745</b>	<b>115</b>	<b>195</b>	<b>51</b>
	Households Permanently Housed through TH, RRH & PSH	506	113	128	50
	Households Permanently Housed through Diversion	239	2	67	1
<b>Unmet Need</b>	Number and Proportion not assisted in 2015	<b>1254 (63%)</b>	<b>464 (80%)</b>	<b>377 (66%)</b>	<b>176 (78%)</b>
FY 2016 Households		County		Tacoma	
		Family	Young adults	Family	Young adults
<b>Need</b>	Total Need	<b>1284</b>	<b>613</b>	<b>349</b>	<b>223</b>
<b>Assisted</b>	Total Assisted Households in 2016	<b>640</b>	<b>86</b>	<b>165</b>	<b>37</b>
	Households Permanently Housed through TH, RRH & PSH	369	60	99	29
	Households Permanently Housed through Diversion	271	26	66	8
<b>Unmet Need</b>	Number and Proportion not assisted in 2016	<b>644 (50%)</b>	<b>527 (86%)</b>	<b>184 (53%)</b>	<b>186 (83%)</b>

#### 4.1.7 Additional Performance Indicators not Outlined in the Contract

THA's Board requested this additional performance metric on minors. The County provided the system-wide number of minors in families served by year. After determining the percentage of THA funded households in each of those years, the percentage was applied to the number of minors system-wide to estimate the number of minors assisted through THA's funds. This number is only provided for the family contract as it is not common that the young adult contract serves minors.

**Chart 9: Minors Served by THA Funds in RRH**



## 5. WHAT THE RESEARCH SAYS

This section draws on information from existing research on RRH. Primary sources include the Urban Institute and HUD's office of Policy Development and Research (PD&R). PD&R's research, *The Family Options Study*, is the largest study of its kind completed to date. This section will rely heavily on the results of that study but will incorporate lessons learned from other research as well. This information supplements what we can learn from the County's data and the THA investment in RRH.

### 5.1 Family Options Study

HUD's Policy Development and Research team conducted a study to determine the impact of housing services interventions for homeless families, the "Family Options Study." This study, covering from September 2010 through January 2012, analyzed the relative cost effectiveness of housing intervention models relative to family outcomes for homeless families. Nearly 2,000 families in 12 communities participated in the study. Participant families were randomly assigned to one of four housing intervention models:

- (1) Permanent Housing Subsidy (HCV)
- (2) Community Based Rapid Rehousing (RRH)
- (3) Project Based Transitional Housing (PBTH)
- (4) Usual Care (the local shelter system)

Families were not required to participate in the housing intervention to which they were assigned; rather, the family had a right to refuse program assignment and were able to

pursue other housing options as they pleased. Eighteen months after random assignment, the study estimated impacts in five areas:

- (1) Housing Stability
- (2) Family Preservation
- (3) Adult Well-Being
- (4) Child Well-Being
- (5) Self-Sufficiency

For the purposes of this evaluation, some comparisons of RRH to PBTH will be drawn but the large focus will be on the relative impact of HCV and RRH on housing stability and self-sufficiency to inform the following questions.

Lastly, the Family Options Study results reported below are interim report results. HUD recently published the results of the three year follow up report. The results after three years remain largely unchanged.

#### *5.1.1 Does RRH combat homelessness?*

The Family Options Study looked at the take up rates into the various housing intervention types as well the time it took for participating families to exit shelter into housing. Using this information, one can infer RRH's effectiveness in combatting homelessness.

RRH assistance facilitated quicker departures from emergency shelter than the communities' Usual Care systems but not as quick as HCV or PBTH.<sup>10</sup> This shows that RRH is an effective solution to homelessness. In this study, participating families that were assigned to HCV or PBTH were offered immediate assistance. Typically, a homeless family would have to wait on an agency's waitlist in order to receive HCV or PBTH assistance.

Of the participating families assigned to RRH, 60% utilized the subsidy. This was relatively low compared to the 84% take up rate for those assigned to the Housing Choice Voucher or other type of permanent housing group.<sup>11</sup> Families that were offered RRH assistance may have decided not to accept it because of the shortened length of assistance they would receive; some families opted to wait for a permanent subsidy.

Other RRH research shows nation-wide housing placement rates at 82% and as high as 84% in Supportive Services for Veteran Families (SSVF) RRH.<sup>12</sup> Housing placement rate comparisons from city to city are not widely available and

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<sup>10</sup> HUDchannel. "Family Options Study Briefing." YouTube. July 14, 2015. 1:52:44.

<sup>11</sup> HUD Office of Policy Research and Development. *Family Options Study Final Report* July 2015. 159.

<sup>12</sup> Cunningham et al, 15.

there is a lot of concern about the ability of families to find housing in tight rental markets.

### 5.1.2 Does RRH lead to long term housing stability?<sup>13</sup>

Sixty-three (63) percent of the participating families in the Family Options Study had a prior episode of homelessness. To understand the housing intervention's effect on housing stability, the study measured the number of families that experienced homelessness before and after receiving subsidy using three indicators: **1) homeless within six months since the subsidy ended, 2) shelter stay in months 7-18 since the subsidy ended and 3) doubled up within the last six months since the subsidy ended.** The following chart shows the percentage of families that fell into each of these categories before they received the subsidy and 18 months after the families received the varying subsidy types. Below is a chart of the impact on housing stability by assistance type and housing stability indicator.<sup>14</sup>

The study did not track whether households that did not return to shelter were stably housed. We found this as a weakness in the data. To address this, the THA contract requires the County to track this.

**Table 10: Long Term Housing Stability Results from Family Options Study: Decreases in Homeless Post-Participation in RRH and HCV Housing**

	Rapid Rehousing	Housing Choice Voucher
Homeless in last 6 months	1% decrease	16% decrease
Shelter stay in months 7 to 18	2% decrease	13% decrease
Doubled up in last 6 months	3% decrease	18% decrease

The decreases in homelessness as a result of RRH assistance were not significant showing that RRH does not lead to long term housing stability. Permanent subsidies are significantly more likely to lead to long term housing stability. Despite this, County data show more promising results (see chart 8. Of the families that responded to follow up communication in 2016, 79% were stably housed three months after assistance ended, 78% were stably housed six months after assistance ended and 62% were stably housed twelve months after assistance ended.

<sup>13</sup> The results in this section do not reflect the returns to homelessness reported by the County. Pierce County's RRH program has significantly less returns to homelessness as seen in section 6.1.4.

<sup>14</sup> HUD Family Options Study Webinar

Overall, 16% of families and 15% of young adults returned to homelessness<sup>15</sup> (see table 6).

Another study, the *RRH: What the Research Says*, evaluated the effectiveness of RRH on long term housing stability in a range of rental markets. Roughly 25 percent of the participating sites had vacancy rates below 5 percent and 75 percent were above 5 percent. Cities with vacancy rates greater than 5 percent were associated with lower rates of returns to homelessness.<sup>16</sup>

These findings are congruent with the concerns of Seattle's Sharon Lee of the Low Income Housing Institute (LIHI). In an article from September 2016 titled "Mayor's Homeless Advisors are Misguided" on crosscut.com, Lee argues that consultants hired to use "...data-driven analysis as a guide to policy and programs...ignore the local Seattle market."<sup>17</sup> Lee goes on to state that the data used for these analyses utilized data from areas where the rental markets are much more affordable than Seattle's.

The city of Tacoma's vacancy rate is 2.6 percent and Pierce County's vacancy rate is 2.8 percent.<sup>18</sup> Considering this, THA and the County might expect to see more returns to homelessness than in other regions with more congenial rental markets.

### 5.1.3 Does RRH increase household income and economic stability?

The Family Options Study utilized three indicators to judge the housing assistance type's impact on self-sufficiency: **1) working for pay, 2) food security and 3) income**. Below is a chart of the impact on self-sufficiency by assistance type and stability indicator.<sup>19</sup>

**Table 11: Household Income and Economic Stability Results from Family Options Study**

	Rapid Rehousing	Housing Choice Voucher
Working for Pay	Neutral	6% decrease
Food Security	6% increase	10% increase
Annual Income	Average of \$1,128 increase	Average of \$460 decrease

<sup>15</sup> Returns to homelessness is measured by determining the number of previously assisted families and young adults attempted to secure housing resources after their RRH assistance ended.

<sup>16</sup> Cunningham et al, 16.

<sup>17</sup> Lee, S. "Mayor's homeless advisors are misguided." *Crosscut*. September 19, 2016.

<http://crosscut.com/2016/09/seattle-rapid-rehousing-transitional-housing-mayor-ed-murray-lihi-sharon-lee/>

<sup>18</sup> Dupre and Scott. *Apartment Vacancy Report*. September 2016

<sup>19</sup> HUD Family Options Study Webinar

Families participating in HCV were more likely to decrease their income, were less likely to continue working for pay but were more likely to experience an increase in food security. The increase in annual income shows that families assigned to RRH were more likely to increase their income; this may be because of the traits of the families that chose to participate in RRH. As mentioned earlier, some families assigned to RRH chose not to accept the assistance. The reason could be that they were confident they would not succeed in RRH by the time their assistance ended. Similarly, families that did choose to receive RRH assistance may have been more confident in their likelihood of success in a short to medium term program.

*5.1.4 What are the lessons learned from RRH in other communities?*

The Family Options Study reports lessons learned about RRH from the twelve (12) communities that participated in the study. A brief summary of these lessons follows:

- a. RRH had a relatively low participation rate;
- b. RRH was equivalent to Usual Care in preventing subsequent homelessness and improving housing stability;
- c. RRH participant children had fewer school absences and increased family income and food security compared to Usual Care systems; and
- d. RRH was the least expensive housing intervention out of the programs studied.<sup>20</sup>

*5.1.5 How do the costs of administering RRH compare to the costs of administering HCV?*

The Family Options Study reconfirmed the success of the long-term housing subsidy in ending family homelessness and keeping families housed. Its short-term costs are similar to those of crisis interventions, but its higher long-term costs extend beyond the timeframe of this report and therefore were not assessed.

The Family Options Study compared costs of the actual interventions. The Study presents monthly and per episode/per family costs of the interventions. A breakdown of the cost measures follows.<sup>21</sup>

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<sup>20</sup> HUD Family Options Study Webinar

<sup>21</sup> HUD Family Options Study Webinar



**Table 12: Administration Cost Results from the Family Options Study**

	Rapid Rehousing	Housing Choice Voucher
Average Monthly Rental Cost per Family	\$ 878	\$ 1,162
Per Episode/Per Family Costs	\$6,578 (7 months)	\$18,821 <sup>22</sup> (16 months)

This shows that providing RRH is more cost effective than providing HCV assistance. Though, I will note that we are not seeing similar monthly savings in the Pierce County investment.

## 6. QUALITATIVE INFORMATION

This section will seek to canvas local RRH providers to gain an understanding of their perspectives of THA's investment in RRH.

### 6.1 Provider Questions

Current THA funded RRH providers were asked to provide their feedback on the questions in this section. THA received feedback from six (6) out of the seven (7) providers.<sup>23</sup> The feedback received has been summarized and is bulleted below.

#### 6.1.1 *Based on providers' experiences of administering RRH services, do the providers believe this a wise investment?*

**All respondents believe that THA's investment into RRH is a wise investment and provided some additional input on why they believe that is.**

- "The vast majority of homeless families only need short-term financial assistance to gain the stability necessary to retain permanent housing. When you tell a family they will only receive 3 months of rental assistance and case management services, they hit the ground running. If you say, we can help pay your rent for 12 months; they will sit back and take it easy... its human nature. Likewise, section 8 vouchers are viewed as the holy grail of housing programs providing long-term housing support with little if any pressure to work and/or pay their own way."
- "I do believe that administering Rapid Rehousing services is a wise investment. <Section omitted to conceal personal identifying information> I have seen this housing model prove successful in supporting young people out of homelessness and into permanent housing. When our program, <Section omitted to conceal

<sup>22</sup> Thirty-six (36) month data show similar trends.

<sup>23</sup> Those providers that no longer receive THA funding and those that received THA funding but decided not to sign enter into a contract with the County were not included in the questionnaire.

personal identifying information> launched in 2013 as the only housing program for young people in Pierce County, our model was transitional housing. We found, along with many other communities around the country, that transitional housing was not the best model or use of dollars in a situation where demand so painfully exceeds supply.

“We shifted to a Rapid Rehousing model in early 2015 and began aligning our partnerships and program design to encourage a more proactive approach to increasing the income of our program participants, as well as the life skills necessary to maintain permanent housing. By setting a shorter time frame on program graduation date goals, we found that participants in our program were more proactive in taking the lead on their own goals, and we also found that partner agencies were able to more rapidly deploy resources for our participants when deadlines were approaching.

“As a transitional housing program, we were spending upwards of \$17,000 on rent and utilities per participant over a 24-month period, and some returns to homelessness occurred because the baseline skills and income were not in place upon program exit. Now in our second year as a Rapid Rehousing program, we are spending an average of \$6,000 in rent and utilities per participant over an average of 10.5 months, and participants are exiting with higher levels of income and ability to maintain a lease. This also allows us to serve more people in a given year and is a remarkable return on investment. This funding is leveraged by SHB 2163-funded operations funding provided by Pierce County, private grant funding, and in-kind donations.

“Since 2013, we have served 175 youth and young adults ages 13-24 in two tracks of our Rapid Rehousing program: Independent Living (private rental apartments) and Host Homes (a program offering spare rooms in private residences, recruited and trained by Shared Housing Services). This dual-track component of our program allows us to tailor the housing experience to the needs of the young person. We are also able to provide enormous leverage to Rapid Rehousing dollars due to <Section omitted to conceal personal identifying information> partnership model of co-location. We can engage housing participants in multiple credentialing and income boosting opportunities based on our partnerships and co-locations with colleges and nonprofits.”

- “Yes, we believe that it provides an immediate response to the homelessness crisis and allows assistance to be given to the unique households listed above.”
- “Yes, because families get assistance like screening and move in costs to help them transition from homelessness to stability. It is difficult to save money when families are living on the streets even if they can sustain rent independently. The families also get short term rental assistance based off of a realistic amount of their income which is coupled with case management and connection to mainstream resources. This gives them the opportunity and motivation to take over the payment of their housing within a short amount of time instead of

relying on a monthly subsidy that might keep them where they are in life instead of pushing them to grow.”

- “<Section omitted to conceal personal identifying information> has been able to house 12 families to date in 2016 utilizing THA funding which is leveraged with other local funding. There are more households in need of Rapid rehousing in Pierce County than we have available funding. The households being served are screened to determine if they have any other resources (families, etc.) which can help. Therefore, families referred to <Section omitted to conceal personal identifying information> are those who do not have other options and would remain homeless if this funding were not available.”

6.1.2 *Do providers think that it is better for THA to invest in RRH in the hopes of serving more unique households or would the community be better served to offer vouchers?*

**All respondents believe that it is better for THA to invest in RRH because of the funding's short term nature and ability to address families' and individuals' immediate experience of homelessness.**

- “I personally believe the section 8 vouchers system should be restricted for severely disabled families, and these families should be required to submit annual documentations from a medical doctor identifying their conditions and certifying that their condition is incompatible with any form of employment. RRH is by far the best use of public funding for homeless families. Today, <Section omitted to conceal personal identifying information> is serving 3-times the number of families as we did under the old Transitional Housing model and our success rates are 20% higher as well.”
- “When THA invests in Rapid Rehousing, it allows us to leverage rental subsidy funding with program operations funding that provides a tailored wrap-around service specifically targeted to the needs of youth and young adults. Youth and young adults experiencing homelessness have unique needs and resiliencies that I don't believe a voucher program could adequately address. Our Rapid Rehousing program provides youth culturally competent case management, access to GED and job training programs, mental health resources, peer support, and programs specifically focused on supporting the unique needs of LGBTQ young people, who represent approximately 40% of the population of youth and young adults experiencing homelessness.

“We have spent three years as a community partnership of five agencies honing and improving our service for young people, and we believe that our service is comprehensive, transformational, and cost-effective.

“Our team has invested into developing landlord engagement strategies that allow us to support young people through smooth transitions to becoming lease-holders. We provide Ready to Rent classes and life skills workshops targeted at supporting a young person's long-term success as a tenant.

“Our partnership has worked diligently and intentionally to provide easy-to-access services and warm hand-offs to AP4H. In particular, we have partnered with AP4H to shadow intake conversations and provide feedback on how those conversations can be more supportive and effective for young people, and we have worked with them to identify points of contact who are designated to meet with youth and young adults at <Section omitted to conceal personal identifying information> and other places in the community.

“A continued investment in Rapid Rehousing for young people would be an investment that is leveraged by years of hard work and a robust system of support for youth and young adults in our community. We believe that it would be wise to continue investing in RRH programs.”

- “Yes, it would be best practice for THA to invest funds from the voucher program into Rapid Rehousing. It is a nationally recognized program that works. The vouchers are limited in many ways. In my opinion the voucher program set families up for failure. There is a stigma attached to Housing Vouchers with many landlords. The vouchers have created generational homelessness and dependency. Whereas Rapid creates independency. With vouchers families do not assume responsibility for their housing. They only pay 30% of their income for the length of the voucher program. When in fact families living in poverty are paying close to 75% of their income if not more to sustain their housing. Rapid Re-Housing will reallocate funds to shift from ending poverty for a few to ending homelessness for many.”
- “Based on my experience in the rapid re-housing program, I believe that Rapid rehousing services are a wise investment. As the Senate prepares to meet for annual budgets and proposals for the upcoming term, there are work sessions taking place across the state that are seeking to answer these very questions. On September 22, 2016, I had the opportunity to attend one of these important meetings when the question of Barriers to Affordable Housing was posed. In the meeting the Department of Commerce and various agencies throughout the community provided research that has taken place regarding the housing crisis that Washington State is facing and the changes that have taken place with more individuals identifying as homeless.

“Those experiencing homelessness reaching out to programs such as THA and Rapid Re-housing are taking the first steps to try to improve their situation and essentially making the statement that they no longer want to live in homelessness. To be placed into a rapid re-housing program clients have to identify as homeless when going through coordinated entry. The goal of Rapid Re-housing is to serve those with the highest barriers in an effort to combat homelessness; barriers that can include evictions, large families, felonies, chronic homelessness, mental health, limited/no income, etc. In rapid re-housing I have found that clients experiencing homelessness are in crisis. In my experience, I have found that clients that are experiencing the crisis of homelessness often have trouble reconciling other aspects of their life. Many of my clients have

come into the program, homeless, without stable income, and unable to care for their health. Through participation in the rapid re-housing program I have clients that have been reintroduced to the healthcare system through the work of Healthcare for the Homeless, clients have been introduced to employment service, and been able to secure and sustain full time employment once homelessness is removed as a barrier. A lot of the clients I have interacted with say that once they secured housing, they were then able to work toward other aspects of their life that were lacking stability.

“Since 2013, with the help of Rapid Re-housing the incidence of families returning to homeless following intervention have been steadily declining to match national levels. I personally feel that the decline in returns to homelessness demonstrates that rapid rehousing is working. After homeless individuals are able to use short term assistance programs such as rapid re-housing, to help them get a fresh start those families are less likely to return to homelessness. A lot of families experiencing homelessness need short term intervention that they are able to achieve through programs such as rapid rehousing. Rapid re-housing is a wise investment because it is designed to help a population that need short term assistance.

“Having housing stability gives individuals a chance to compete in the market place and re-establish themselves. An investment in rapid re-housing is an investment in alleviating the homeless crisis.”

- “I feel it is better for THA to invest in Rapid Re-housing with voucher dollars. As there is a long waitlists for clients seeking vouchers. Adding vouchers may not necessarily alleviate the imminent need for housing, as there is an extensive waitlist in place. THA has a waitlist that involves a 2 year minimum wait, and that is only when the list is open. When the list opened last year, 12,000 people applied and through a lottery pick only 1,200 of those initial 12,000 people were chosen to receive vouchers, leaving over 10,000 individuals to remain in need and waiting for the next time the list opens which can be a process that takes years. A large percentage of homeless households just need short term assistance to get back on their feet.”
- “I believe whichever method used for assisting the neediest households that is the most efficient use of the funds should be the method used for this limited funding. I leave it to the City of Tacoma to determine form the top down (Administering to Direct Services) which method effectively assists the highest number of households to become and remain stably housed.”

### 6.1.3 Other Comments Received:

**Providers were encouraged to provide any additional input they wished THA to hear. Many of them offered their time to discuss more thoroughly if THA desires. Other comments follow.**

- “Washington State is the 3rd most expensive state to buy a house. Washington also has an increasing rate of individuals identifying as homelessness. Clients seeking rapid re-housing agencies serve have high barriers that typically include poor credit history and homeownership is typically not an option. It's a buyer markets and each year the rent reasonable rates continue to rise. Rents are growing every year. Vacancy rates are declining and there are more people bidding on a limited supply, leading to an increase in the homeless rate. The point and time count found an increasing number of individuals and families experiences homelessness in Pierce County. There are thousands of families experiencing homelessness and there should be an immediate source of help for those families. Housing alone is not enough to invest in, Rapid Re-housing engages in wrap around services to engage the client in other needs that may have unrelated to housing. Through an investment in rapid re-housing clients are connected with the behavioral health system, mental health services, education, employment services, etc.”
- “Ratios indicating length of assistance, average amount per household and returns to homelessness need to be considered in making this decision.”

## 6.2 Program Participant Questions

Due to the time it would take to complete a thorough and thoughtful canvas of RRH participants, answers to the following questions have not been included in this evaluation. If the Board is interested, Pierce County and THA staff has agreed to tackle this work together in order to provide insight to the following questions for review at a later date.

- *Do program participants think that Rapid Rehousing is a solution for their homelessness?*
- *What was the most valuable part of their time in the program?*
- *What kind of case management/support services did they receive? How, if at all, did these services help?*
- *How prepared were they when the financial support ended?*
- *How prepared do they feel to resolve their next housing crisis to avoid becoming homeless?*

## 7. External Consultation

On April 28<sup>th</sup> I met with Pierce County Human Services staff and the non-profit providers receiving THA funds through contract with Pierce County. I received the following feedback:

### *Regarding the Use of THA funds for non-housing costs:*

- The group recommends allowing THA funds to be used for non-housing costs on both the family and young adult contracts.
- The rental market is making it harder for people to lease. Coordinated entry is also prioritizing the highest needs households which is making it harder to house people. Without service dollars, providers will not be able to expend the THA funds.
- Services need to be increased to account for the higher needs households.
- Disinvesting in services will not allow providers to serve more households with THA funds. The County will need to redirect other funds and the net result will be the same number of households served.
- The success of RRH to date is because of the service dollars invested in the households to help them find and keep their housing. Taking supportive services away will increase returns to homelessness. This would result in the system service the same households over and over as they cycle through housing and homelessness.
- REACH ran numbers to show that if they could expend 30% of THA funds on services they could serve more households at \$3000 per household less.
- If there is a change in the family contract, please wait until the end of the year to make it effective.
- The group could only accommodate this recommendation if service funds were replaced with other funds.

### *Regarding the comparison of per unit month costs across THA investments:*

- These are not apples to apples comparisons because RRH pays for security deposits, move in costs, screening fees, etc where the voucher, HOP and project-based voucher investments do not.
- The project-based voucher investments are not fair comparisons because the rents in those properties are not as high as those in the open rental market.

*Regarding the proposal to remove geographical restrictions on the use of funds:*

- The group strongly supports this proposal.
- It would be exciting to have an opportunity to look outside the City limits where housing is cheaper. It will also be helpful to be more flexible regarding who can be housed with these funds.
- This would be removing a barrier in the program.

*Other feedback:*

- Consider expanding the definition of “family” to include households without children that are attempting to reunify with children that have been removed from the home.
- Stay open to recommendations from the 100 Day Challenge Team that has been formed to address homelessness within the youth and young adults population.
- The group began discussing options to collaborate on a housing liaison. All agencies providing housing search services might be frustrating landlords. Collaboration could help save time and costs.
- Consider United Way as a service partner in their Centers for Strong Families investments.

A group of providers also provided written comments regarding this report. Those comments are included as an attachment to the report.

Based on this feedback, I did add a recommendation to expand the definition of “family” to include parents attempting to reunify with their children. The topic of restricting the use of THA dollars to housing-only remains a challenge. Based on feedback from the County, partners and the THA Cabinet, I have revised my recommendations to continue investing in housing and services. However, because of the continued tightening of the rental market and the resulting increase in housing costs across all THA investments, the HUD requirements to serve “substantially the same” number of households as we would absent Moving-to-Work, and the uncertain federal funding horizon, I am recommending that THA reduce the amount of funds that can be used on non-housing costs but allow the flexibility to be extended to the young adult contract.



## 8. Recommendations

### 8.1 Changes to the Contracts

#### 8.1.1 Annual Reviews

- a. Revise both contracts to state that THA will reevaluate the contracts on an annual basis in response to the demonstrated need based on the prior year's spending provided by the County. This review will report on successes and challenges to date and provide a recommendation for future funding the following year.

#### 8.1.2 *Reduce spending on supportive services in the family contract and extend the flexibility to the young adult contract*

- a. The family contract will be amended to revise the following language (additions are in *italics* within an existing paragraph in the contracts):

RENTAL ASSISTANCE: GRANTEE shall use at least *seventy-five* ~~fifty-six~~ percent (75% ~~56%~~) of the contract amount on financial rental assistance defined to be limited to short, medium-term rental assistance payments, security deposits, credit screening fees, utility deposits, utility payments, moving costs assistance and motel and hotel vouchers. *Rental assistance payments are not exclusive to rapid rehousing and may be used for other types of housing supported by "best practices" research. These uses are up to the discretion of the GRANTEE.*

- b. The family contract should be amended to remove the following language:

GRANTEE may use no more than *twenty-five* ~~forty-four~~ percent (25% ~~44%~~) of the contract amount on SUPPORTIVE SERVICES necessary to stabilize a homeless family with children receiving rapid rehousing assistance under this CONTRACT.

SUPPORTIVE SERVICES are limited to the following:

- case management – housing stability
- data collection and entry
- housing search and placement
- staff issuance of rental assistance
- general liability insurance
- office internet
- office space
- office supplies
- office utilities
- telephone

This will leave both contracts with flexibility to expend THA funds on services. Federal regulations do require that providers be able to spend approximately 10% of awarded funds on indirect costs. THA will need to continue allowing this use. The contract will direct that these expenditures count toward the 25% on non-housing expenditures.

*8.1.3 Allow spending on parents attempting to reunify with their children*

- a. The family contract should be amended to add the following language: language (additions are in *italics* within an existing paragraph in the contracts):

This contract will serve homeless household with children *or parents whose children have been removed from the home and the lack of housing is a barrier to reunification.*

*8.1.4 Allow spending on non-RRH*

- a. Both contract should be amended to add the following language (additions are in *italics* within an existing paragraph in the contracts):

The eligible activities under this agreement include:

Financial rental assistance- Eligible activities include short medium-term rental assistance payments, security deposits, credit screening fees, utility deposits, utility payments, moving costs assistance and motel and hotel vouchers. *Rental assistance payments are not exclusive to rapid rehousing and may be used for other types of housing (such as diversion, transitional housing and permanent housing) supported by "best practices" research. These uses are up to the discretion of the GRANTEE.*

*8.1.5 Remove geographic restrictions (Scope of Services 7.1)*

- a. Both contracts should be amended to remove the following language:

Revised Funding Jurisdiction

The current experience of homelessness of all families served with funds provided by this CONTRACT must have begun and for the most part continued within the City of Tacoma. Funds shall be used to stabilize homeless families within Tacoma city limits unless a homeless family would benefit from stabilizing elsewhere. PROVIDED that if there are not sufficient numbers of such families to use up the contract amount, GRANTEE may use up to twenty five percent (25%) of CONTRACT funds to serve families with children originating anywhere in Pierce County, including Tacoma.

## 8.2 Funding Levels

THA should continue its investment in RRH at the current contracted levels (following) through 2018.

	Family Contract	Young adults Contract	Total
<b>2017</b>	\$1 million	\$288,000	\$1.288 million
<b><u>2018</u></b>	<u>\$1 million</u>	<u>\$288,000</u>	<u>\$1.288 million</u>
<b>Total</b>	\$2 million	\$576,000	\$2.576 million

THA should revisit extensions to the contract annually. THA should use federal funding appropriations, contract performance, and the County's own investment in housing and services as a guide in these analyses.

**To:** April Black, Deputy Executive Director, Tacoma Housing Authority

**Cc:** Greg Claycamp, Director of Client Services

**From:** Nicholas Bayard, REACH Center Director, Mark Merrill, Executive Director, Shared Housing Services, and Kathy Hall, VP of Programs, Vadis

**Date:** April 26, 2017

**Re:** Response to THA report, “Monitoring THA’s Investment into Rapid Rehousing”

As a partnership of agencies that collectively comprises the Housing 4 Success (H4S) program, we wish to thank THA for its ongoing investment into rapid rehousing for unaccompanied youth and young adults (UYAYA). We support the draft recommendation to continue this investment, as well as other opportunities for our community to support at-risk young people experiencing homelessness to find and maintain stable housing.

H4S was developed through the community-wide efforts of the Tacoma, Lakewood, Pierce County Continuum of Care and other community leaders involved in creating the Plan to End Youth and Young Adult Homelessness, which was completed in October 2013 and updated in June 2014. This plan focused on the unique vulnerabilities and risk factors for young people experiencing homelessness, the high incidence of trauma and abuse experienced by this population, the effects of homelessness on brain development of young people, high risks for sex trafficking, and the high incidence of co-occurring disorders.

H4S launched in late 2013 as a transitional housing program. REACH, Shared Housing Services, and Vadis had separate contracts with Pierce County to work in partnership to provide independent living options and host home options for UYAYA ages 13-24. The combined total of 2163 dollars of these contracts was \$462,000, which, along with funds from the City of Tacoma and private foundations, leveraged the \$288,000 investment from THA.

2163 dollars, City of Tacoma funding, and private foundation dollars are what allow H4S to operate and serve young people with strong wrap-around services in a trauma-informed manner. These funds pay for case management, housing navigation, host home recruitment and training, life skills classes, Ready 2 Rent workshops, landlord incentives, mental health counseling, furniture for new apartments, toiletries, gas cards, and legal fees and fines that often serve as acute barriers to housing.

In 2015, Pierce County encouraged us to apply for 2016 funding under a single application, which would in turn lead to a single contract, held by REACH through its fiscal sponsor, Tacoma Community House. 2016 funds were awarded at \$312,000 in 2163 funding and \$288,000 in THA rental subsidy dollars. This represented a \$150,000 reduction in 2163 dollars. This led to the elimination of our mental health counselor position, a reduction in supportive services, a reduction in life skills classes offered by Vadis, and more leadership time spent pursuing private foundation grants.

2017 THA funds remained steady, but 2163 funds took a near 50% cut from \$312,000 to \$157,618. At that level of funding, we were faced with the prospect of a program that was stripped down to its bare bones and nearly unrecognizable from the initial vision of a Pierce County program to end youth and young adult homelessness. Fortunately, our three agencies have been successful in pursuing additional funding sources for H4S, but a good portion of these funds are likely one-time foundation funds, and they

are not enough to right-size the program (see Chart 3 below). Note that reductions in program operations funding are in spite of strong performance. H4S was the highest rated CoC application for all CoC projects Pierce County-wide during the last application cycle, and H4S was recognized as a national model for supported youth experiencing homelessness by the Center for Social Innovation in their White Paper, “Supported Employment for Youth Experiencing Homelessness: Practical Strategies and Programs that Work.”

H4S was also successful in being awarded a HUD-funded CoC grant, which will serve 10 young adults ages 18-24 this year. These funds are all to be spent within this project on those 10 young adults, so neither the CoC funds nor the THA/2163 local funds are fungible in either direction. For the purposes of this memo, we are only discussing the locally funded aspect of H4S.

While we agree that it would be ideal to spend the entirety of the \$288,000 rental allotment on rent within H4S, we cannot responsibly spend out that entire amount without a significant decline in the level of care and service we provide to young people in the program. This is a level of care we know from experience is necessary to support high likelihood of success during and after the program. When young people are not supported from homelessness to signing their first lease, they face high risk of eviction, which virtually eliminates their chances of gaining a lease in the future and severely damages their credit score.

Further, their safety is compromised without high levels of case management support. Many are struggling with addiction, mental health barriers, and have learned to cope by using their bodies to survive. Case management, employment services, and life skills classes (including financial literacy, conflict resolution, communication, and Ready 2 Rent), and follow up support allows youth to receive needed assistance to continue their independence and become more financially responsible for their future. We do not believe that these dollars should be spent by any agency claiming that case management and supportive services are only necessary on a marginal basis.

HUD has profiled four youth RRH programs that demonstrate successful approaches for assisting transition age youth to obtain and retain permanent housing. The profiles highlight each program’s philosophical and practical approaches and the transitions they have experienced in their program development. Each program uses the flexibility of the RRH model to address challenges that are unique to serving youth, and they all currently represent practices that successfully incorporate the housing model, Housing First.

All four programs cite the importance of intensive support serves and case management.

- [The Permanent Housing Program by Northwest Youth Services in Bellingham Washington](#)
- [The Q-BLOCK Program by Pathfinders in Milwaukee Wisconsin](#)
- [Youth Counts Rapid Rehousing Program by the Salvation Army in Central Ohio](#)
- [The Pride Program by Valley Youth House in Greater Philadelphia Pennsylvania](#)

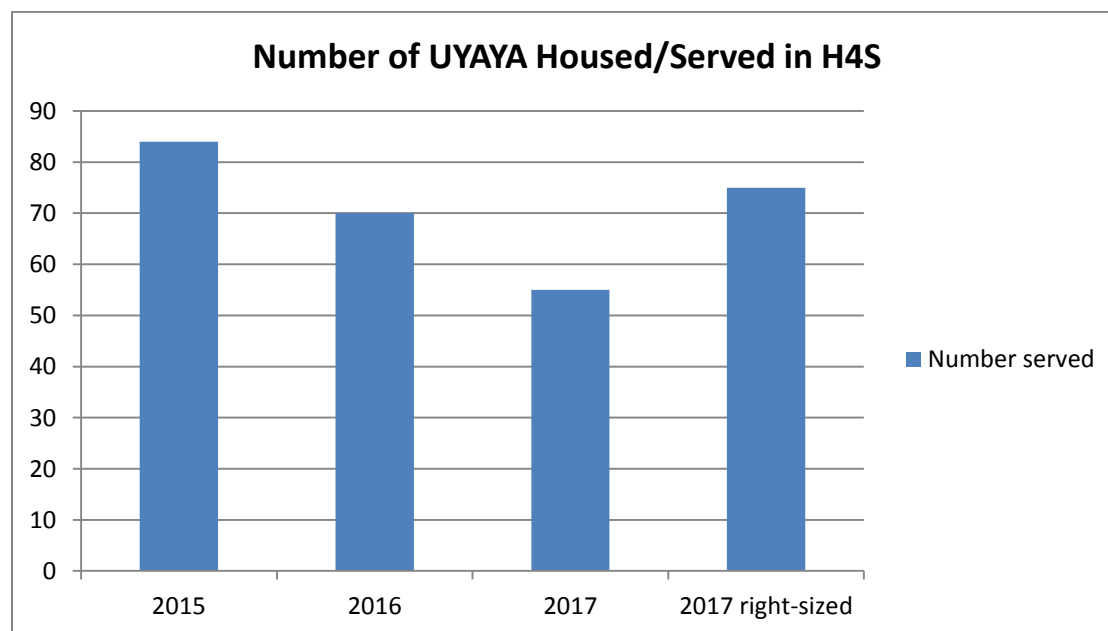
An excerpt from the Milwaukee program profile states, “The program utilizes harm reduction, trauma-informed care, and Housing First concepts to best engage youth. As with most youth RRH programs, case management is intensive. The program’s case manager works with 8-10 youth and each youth is assigned a volunteer mentor who acts as a stable, adult presence in their life, assisting with their social and emotional well-being. At the program’s end, many of the youth stay in contact with this mentor. Services

are customized to meet the individual needs of each youth—some may have an educational goal, while others are focused on gaining employment, or obtaining disability benefits. Many skills are taught directly in the youth’s housing unit, such as cooking or doing laundry.”

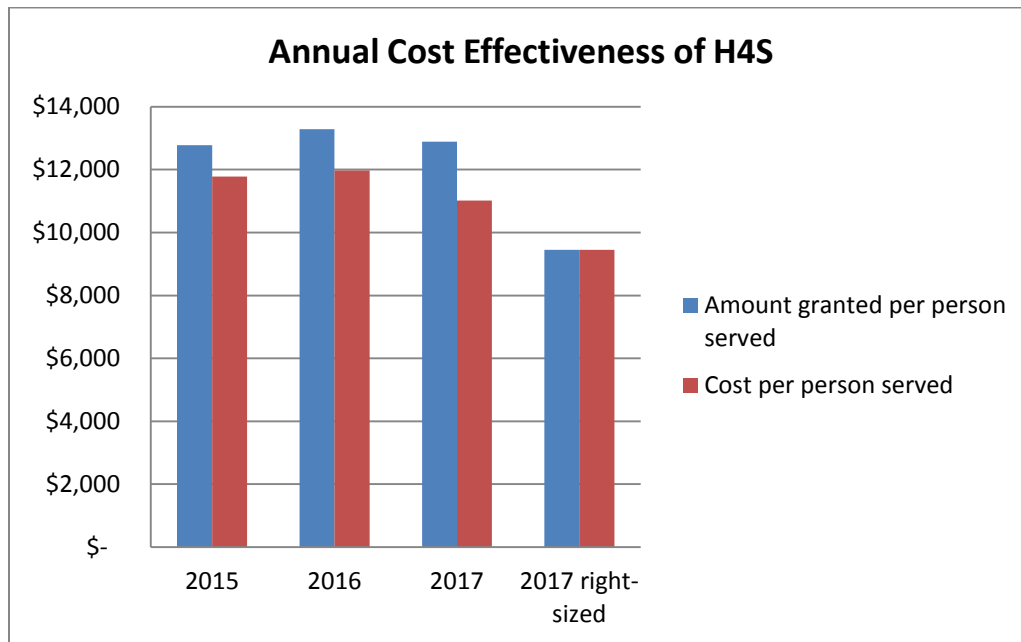
A recent report to the WA Office of Homeless Youth by a statewide consortium of youth service providers, including AYR, Cocoon House, CYS, Friends of Youth, Northwest Youth Services, YMCA of Greater Seattle, and YouthCare included the recommendation that case management ratios for high need youth and young adults be 1:6 and for lower need youth and young adults, 1:12. Cuts in 2163 funding have meant that in order to fully spend out \$288,000 in THA youth rental funds—even with increases in private foundation dollars, the case management ratio would need to be between 1:20 and 1:25. It has been our experience with the new CE prioritization tool in place that the vast majority of referred clients are extremely high need. We are confident that any service provider would be doing more harm than good with caseload ratios at those levels.

H4S has evolved and improved its approach over the past four years, becoming even more client-centered, more trauma-informed, and more cost-effective. Unfortunately, our current funding structure presents our biggest roadblock to serving more young people. With no change to our current funding streams, we project that the trend of serving fewer UYAYA and underspending our THA funds will continue.

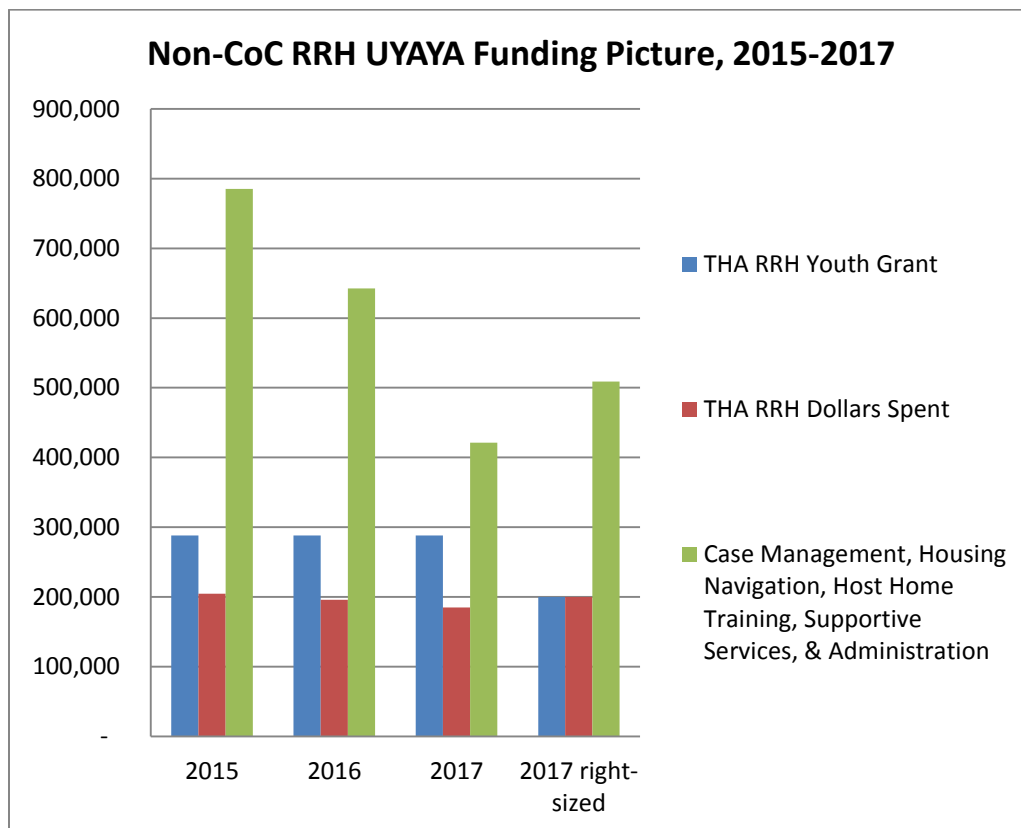
**Chart 1**



**Chart 2**



**Chart 3**



Based on all of the above, we request that Tacoma Housing Authority consider taking the following actions:

1. Granting H4S an exemption in its THA Youth RRH grant so that up to 30% of the \$288,000 may be spent on case management, housing navigation, host home recruitment and training, and other supportive services. We believe that this will lead to the following:
  - a. An additional 20 young people housed over the next 12 months who would otherwise remain homeless
  - b. A decrease in cost-per-person-served from \$12,891 to \$9,454
2. Working in partnership with Pierce County to advocate for an increase in non-THA funding sources that can pay for the aforementioned activities in coming years, so that case management funds can continue to be leveraged. Eventually, our hope would be to obviate the need to utilize the 30% flexibility in THA funding and be in a position to responsibly spend down the entire grant without jeopardizing the permanent housing of H4S participants by providing sub-par case management and support services.

One final note: we have excluded conversation of the current roadblocks to serving unemancipated minors through our County's Coordinated Entry System, but with to address that as a separate issue at another time in the near future. Thank you very much for your time and attention to this memorandum.



# Pierce County

## Department of Human Services

1305 Tacoma Avenue S., Suite 104  
Tacoma, Washington 98402  
(253) 798-4500 • FAX (253) 798-2818

May 1, 2017

April Black  
Tacoma Housing Authority  
902 South L Street  
Tacoma, WA 98405

Dear April,

Thank you for the opportunity to provide formal comments on the draft recommendations for THA's investment in Rapid Rehousing (RRH). The County appreciates the attention in the report to the specific outputs and outcomes from our local RRH programs, and to what we can learn from national level research. It's a good reminder that THA's investment is part of a broad effort to develop effective and efficient responses to the crisis of homelessness in every community across the country.

THA has taken a bold step by investing in RRH. We applaud your willingness to pioneer new approaches to making the resources you administer accessible to the broadest possible array of families in need. We remain committed to working with you and the provider agencies to ensure that your investment is successful – for the families and young people getting housing services and for THA.

Our comments to the draft recommendations are below:

- *THA will honor its investment in RRH per the existing contract*

Thank you. We support this and appreciate your on-going commitment to serving families and young people with an immediate housing crisis through RRH. As you noted in the report, long wait lists and voucher resource levels that do not grow over time make Housing Authorities virtually irrelevant as a solution to the immediate crisis of homelessness. Your investment in RRH allows a small portion of THA's overall housing dollars to play a crucial role in resolving homelessness – thus making THA very relevant to the stability of families and young people. RRH certainly provides a quick solution to the immediate crisis of homelessness; it also helps prevent future episodes of homelessness. Research tells us that the only predictable indicator of homelessness is a prior episode of homelessness. Through Rapid Rehousing, THA's investment does double-duty: quickly resolving the crisis of homelessness and reducing the likelihood of future experiences of homelessness.

- *Honor the existing contract through their original term, December 31, 2018.*

Thank you. We support this, and will work with THA to consider extension of the contract at a later date.

- *THA to revisit the duration of the contract once the federal budget has been clarified.*

We understand this and support it.

- *THA to amend the Family contract to return it to its original terms, disallowing contract expenditures for supportive services. This would restrict the use of funds to housing-only.*

We appreciate the flexibility THA afforded us and the providers. We asked for the expansion of eligible uses at a time when our state and local funds declined, due to downturns in document recordings. Your approval of the request demonstrated, yet again, your commitment to a successful partnership. We also appreciate the importance of THA using its funds in the most cost effective way possible. We feel similarly towards the funds we steward. To that end, we do not support this recommendation, and respectfully request a reconsideration.

As you know, Rapid Rehousing is unique in the realm of housing subsidy. It provides very short term rental assistance with tailored support services. The goal is to help the client re-establish housing, and to develop a plan to sustain housing for the long-term – without on-going rent subsidy. While national research and our own outcome show that RRH participants tend to increase their income while in the program, they are by no means doing so in a manner that moves them out of poverty. For that reason, RRH agencies have the dual role of housing locator and mainstream service navigator. The best way to avoid future episodes of homelessness is for the families and young people to navigate all the resources available across all sectors of our community – from other public agencies to other private nonprofits to faith based communities to family and friends. The support service component of RRH helps clients navigate services. For that reason, support services are the secret sauce that makes RRH a success for so many people. While the support service component of RRH varies from client to client, it is the lynchpin to RRH's success. All of the RRH providers have told us that they cannot operate a RRH program without supportive services, because their clients would fail to keep housing.

We would prefer to keep the option of using THA's funds for support services. It's less of an administrative burden on the providers to utilize one fund source for both rent-related and service-related expenses. It also provides the County with more flexibility to invest its portion of the document recording fee where it is needed most.

If, however, the final decision by the Board of Commissioners results in the loss of this flexibility, we request that it be implemented with the 2018 contract. This additional time, through December 31, 2017, will ensure that the family providers will be able to meet the output and outcome targets in their current contracts. It will also give us time to work with those providers and our own funding sources to back-fill the THA funds currently used for services.

- *Amend both contracts to expand the use of funds to include all types of housing. This will allow the County more maneuvering room to award these funds based on current needs, market conditions, and research.*

Thank you, and we support this recommendation. We have found RRH to be a very effective response to homelessness among families and young people, and it is not the only tool at our disposal. While I see no reason why we would not prioritize THA's funds for RRH, this added flexibility will help us to ensure that the funds are fully deployed, maximizing the number of people assisted. For example, we have found that many families can re-establish housing with an even lighter touch through problem-solving and brief (30-day) support, including one-time rent-related financial assistance. This approach essentially diverts families and individuals from a prolonged wait for a referral to a housing program, thus diverting them from a long experience of homelessness. As I noted above, the quicker we respond to the crisis, the less likely people are to have multiple episodes of homelessness. This amendment to the contract will result in improved flexibility to invest the THA funds in the most effective housing response, thus reaching the most families possible.

- *Amend the contract to remove the geographic restrictions. This will allow Pierce County to apply its existing policies regarding where households become homeless and where they secure housing.*

Thank you, and we support this recommendation. Homelessness is a regional crisis, and we believe that a regional approach is the most effective way to respond. To that end, we have worked with RRH providers to develop a housing first and person-centered approach to delivery of services. This includes reducing program rules (such as limited geographic service areas) that create barriers to entry. It means agencies follow the lead of the client in terms of where the family or young person wants to live, rather than prescribing one neighborhood or community over another. Agencies that serve youth have adopted an approach that essentially says, "yes" to "yes." This means that when a young person says, "yes," I want services, the agency responds by saying "yes, we can help." I think this approach – "saying yes to yes" – should be universal. Relaxing the geographic restrictions on THA's funds helps us facilitate that "yes to yes" approach and helps to reinforce a no-barrier approach to ending homelessness across the County.

Removal of the geographic restriction will allow providers to say “yes” to families and young people experiencing homelessness. “Yes,” they can be served by the RRH programs, and “yes,” they can live where it best suits their unique needs. This becomes particularly important in the context of program referrals from Coordinated Entry, which prioritizes program referrals based on an objective assessment of vulnerability and housing barriers. To ensure that public resources reach those who, but for the assistance, could not re-establish housing, we’ve adopted a “triage-like” approach to housing referrals. It considers factors related to health, safety, and rental history – but not geography. By removing the geography-based restriction, we can be sure that the most vulnerable families and young people are receiving the benefit of THA’s investment.

The added flexibility will still result in a high number of families and young people from Tacoma accessing RRH. The report notes that THA finds that about 30% of rental assistance applicants live in Tacoma. We find the same to be true among all people who experience homelessness – about one-third say that their last permanent address was in Tacoma. An even larger percentage of young adults claim Tacoma as their prior residence. So agencies will continue to say, “yes” to former Tacoma residents while still providing a regional response to a regional crisis.

In closing, we greatly value our partnership with THA, and acknowledge that there has been a learning curve – both about RRH and about utilizing THA’s funds. I believe the data shows that, with each year, we are getting better outcomes from this investment. I’m confident that the improvement will continue into the future.

For young adults and families, the THA investment is invaluable. It expands our region’s capacity to end the crisis of homelessness for some of our most vulnerable populations – children in families, and young adults. We are committed to working closely with THA to ensure that the investment continues and is successful.

Regards,



Tess Colby, Community Services Programs Manager  
Pierce County Human Services

EC: Peter Ansara, Director  
Jeff Rodgers, Homeless Programs Supervisor



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION  
REPORTS**



# **TACOMA HOUSING AUTHORITY**

## **FINANCE**



# TACOMA HOUSING AUTHORITY

## Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$6,247,594 for the month of April, 2017.

**Approved: May 24, 2017**

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Dr. Arthur C. Banks, Chair

**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of April 2017**

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	89,622	-	89,836	
Business Support Center				505,783	Program Support
Moving To Work Support Center				75,311	
Moving To Work Buildings (used by Support Center)				8,403	
Tax Credit Program Support Center				13,494	
Section 8 Programs				375,595	Section 8 Operations
Outrigger				3,193	Local Funds
Salishan 7				38,102	
KeyBank Building				1,279	
Salishan Common Areas				300	
Hillsdale Heights				1,392	Development
Salishan Developer Fee				2,956	
Program Income				2,100	
Bus Development Activity				3,880	
MTW Development Activity				631	
Salishan Area 4				210	
Hilltop Redevelopment				5,300	
Community Services MTW Fund				7,860	Community Service
Education Private Grants (Gates, etc.)				25,180	
HUD-ROSS Svc Coord				59	
AMP 6 - Scattered Sites				5,938	Public Housing
AMP 7 - HT 1 - Subsidy				13,562	
AMP 8 - HT 2 - Subsidy				11,058	
AMP 9 - HT 1500 - Subsidy				2,284	
THA SUBTOTAL				1,103,869	
Hillside Terrace 1 through 1500				2,927	Tax Credit Projects - Reimbursable
Bay Terrace 1				1,597	
Bay Terrace 2				1,661,991	
Renew Tacoma Housing				304,576	
Salishan I - through Salishan 6				8,967	
				-	
TAX CREDIT SUBTOTAL (Operations - billable)				1,980,057	3,083,926
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	481,923	-	481,947	16,150
	ACH				2,509,597
					\$ 2,525,747
Payroll & Payroll Fees - ADP					\$ 637,922
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 6,247,594





# TACOMA HOUSING AUTHORITY

**Date:** May 24, 2017

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Finance Department Director

**Re:** Finance Department Monthly Board Report

## 1. FINANCIAL STATEMENT

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

The Finance Department is submitting the financial statement for the period through March 31, 2017. This is the first financial report for the year. As it is still early in the year, it represents a snapshot of where we currently stand financially. In the first quarter, there are nuances as far as payments being frontloaded for the year, or times when payments do not come in until later.

In reviewing the financials, Line 68 – Surplus/(Deficit) before Capital Expenditures shows a surplus of \$412,162 YTD. There are minimal Housing Assistance Program (HAP) funds sitting at Housing and Urban Development (HUD) that we had not yet drawn down, as we complete a monthly Moving to Work (MTW) reconciliation, and we will always be a month behind in our draw down of funds to cover additional MTW expenses beyond what we receive. Line 72 shows a YTD surplus of \$412,162, which takes into account sales proceeds in 2016 for 3 Scattered Site homes through March. In summary we are in a good financial position, and I am not seeing any major concerns that need to be addressed at this time.

As far as Federal funding for 2017, it is anticipated with what was approved in appropriations that there will be no significant differences from what we budgeted in funding.

The following is a synopsis of the Cash Flow Waterfall for our Tax Properties for the Year 2016. At the completion of each year, the agency does an analysis of excess cash (if available), and per the Limited Partnership Agreements, distributes cash per the Waterfall established for each property. Funds that come into THA include any Developer Fee remaining, the Company Management Fee, and if there is still remaining cash, Accrued Interest Payments. Every year we accrue interest for the THA loans to the Tax Credit properties. We do not include them in our budget as there is no guarantee funds will be available to pay them. For 2016, THA received \$85,079 of interest on the THA loans. For 2015, we received \$47,395.

**THA Tax Credit Projects  
 Summary of Cash Flow Waterfall Distributions  
 For the year ending 12/31/16**

	Developer Fee to GP (a)	Management Fee(s) to GP (b)	Interest to THA on Sponsor Loan (c)	Fees to LP (d)	Tax Credit Shortfall Pymnt to LP (e)	Comments
Salishan I		-	-	-	-	No CF
Salishan 2		-	2,248	12,558	-	No CMF
Salishan 3		-	-	-	-	No CMF
Salishan 4		3,506	-	2,634	-	
Salishan 5		-	-	-	-	No CF
Salishan 6		24,169	48,122	12,085	-	
Hillside Phase 1		-	-	-	-	
Hillside Phase 2		-	-	-	-	No CF
Hillside 1500		8,677	34,709			
Bay Terrace 1	24,126	-	-	5,305	-	No AMF
<b>Total payments</b>	<b>\$ 24,126</b>	<b>\$ 36,352</b>	<b>\$ 85,079</b>	<b>32,582</b>	<b>\$ 0</b>	

**Total 2016 Distributions to THA (a+b+c)** **\$145,557**

**Distributions to THA in 2015** **214,005**

**Increase/(Decrease) in distributions to THA from 2016** **(\$68,418)**



AMF – Asset Management Fee  
 CMF - Company Management Fee  
 CF - Cash Flow  
 GP - General Partner (THA)  
 LP - Limited Partner

## 2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at .33%. The Washington State Local Government Investment Pool currently provides a return rate of .73%.

**3. AUDIT**

The Washington State auditors will not be here until July to start the audit. It is anticipated they will have more staff assigned to us and will complete both the single and financial audit at the same time in order to complete by the September 30<sup>th</sup> HUD REAC submission due date. They will finish up with the Accountability audit later on in the year. The entrance conference will be sometime in July after they start. With the IT conversion upon us, the delay in the start date is beneficial to us here at THA.

**4. BUDGETS**

With the challenges and opportunities that come with the IT conversion, we are requesting to forego a Mid-Year budget revision for 2017. It is anticipated that there will be no major changes in Federal funding that we anticipated, or any significant changes in the Operational expenses. Any major changes affecting the budget would be associated with capital expenditures, which will need to come before the board for approval. Due to the amount of time devoted to accomplishing the conversion of financial information onto the new platform, it is felt that the best use of time is in ensuring a smooth transition for the conversion. It is anticipated we will commence the 2018 budget process in mid-July.

**5. YEAR END UPDATE**

There is no update at this time.

**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

		March-17				Thru 12/31/2017		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>OPERATING RECEIPTS</b>								
1	Tenant Revenue - Dwelling rent	98,933	443,608	440,520	0.70%	1,774,434	1,762,080	0.70%
2	Tenant Revenue - Other	625	23,862	5,043	373.17%	70,447	66,110	6.56%
3	HUD grant - Section 8 HAP reimbursemen	3,619,104	9,147,920	9,544,812	-4.16%	37,341,680	38,179,246	-2.19%
4	HUD grant - Section 8 Admin fee earned	337,231	1,011,133	818,724	23.50%	3,244,533	3,274,894	-0.93%
5	HUD grant - Public Housing subsidy	91,153	283,086	278,063	1.81%	1,132,344	1,112,250	1.81%
6	HUD grant - Community Services	22,800	67,511	69,180	-2.41%	270,045	276,720	-2.41%
7	HUD grant - Capital Fund Operating Reve	0	0	136,959	-100.00%	547,836	547,836	0.00%
8	Management Fee Income	268,576	751,211	748,729	0.33%	3,004,844	2,994,914	0.33%
9	Other Government grants	8,737	27,300	56,374	-51.57%	183,204	225,496	-18.76%
10	Investment income	6,904	15,317	8,695	76.16%	61,267	34,780	76.16%
11	Fraud Recovery Income - Sec 8	60	809	5,000	-83.83%	3,234	20,000	-83.83%
12	Other Revenue- Developer Fee Income	31,749	192,734	551,475	-65.05%	2,205,900	2,205,900	0.00%
13	Other Revenue	41,290	159,211	276,750	-42.47%	886,844	1,107,000	-19.89%
14	<b>TOTAL OPERATING RECEIPTS</b>	<b>4,527,161</b>	<b>12,123,702</b>	<b>12,940,322</b>	<b>-6.31%</b>	<b>50,726,612</b>	<b>51,807,226</b>	<b>-2.09%</b>
<b>OPERATING EXPENDITURES</b>								
<b>Administrative Expenses</b>								
15	Administrative Salaries	454,689	1,347,291	1,545,139	-12.80%	5,814,164	6,180,557	-5.93%
16	Administrative Personnel - Benefits	176,737	529,211	653,831	-19.06%	2,291,844	2,615,324	-12.37%
17	Audit Fees	7,000	13,210	19,561	-32.47%	78,240	78,243	0.00%
18	Management Fees	182,702	549,286	571,254	-3.85%	2,197,145	2,285,016	-3.85%
19	Rent	0	0	0	0.00%	0	0	0.00%
20	Advertising	0	447	4,025	-88.89%	9,289	16,100	-42.31%
21	Information Technology Expenses	15,760	67,543	97,480	-30.71%	345,172	389,921	-11.48%
22	Office Supplies	273	12,218	19,275	-36.61%	48,872	77,100	-36.61%
23	Publications & Memberships	(0)	27,609	14,205	94.36%	56,820	56,820	0.00%
24	Telephone	6,451	17,792	23,028	-22.74%	81,168	92,110	-11.88%
25	Postage	2,892	10,346	11,265	-8.16%	41,384	45,060	-8.16%
26	Leased Equipment & Repairs	9,612	30,736	24,225	26.88%	112,945	96,900	16.56%
27	Office Equipment Expensed	5,173	19,006	16,000	18.79%	76,024	64,000	18.79%
28	Legal	180	33,931	38,350	-11.52%	135,723	153,400	-11.52%
29	Local Milage	726	1,739	3,850	-54.83%	6,956	15,400	-54.83%
30	Staff Training/Out of Town travel	2,591	33,251	71,479	-53.48%	133,002	285,914	-53.48%
31	Administrative Contracts	4,344	35,136	146,356	-75.99%	440,544	585,423	-24.75%
32	Other administrative expenses	7,882	23,387	25,275	-7.47%	93,548	101,100	-7.47%
33	Due diligence - Perspective Development	10	10,390	52,500	-80.21%	166,561	210,000	-20.69%
34	Contingency	0	0	13,125	-100.00%	0	52,500	-100.00%
35	<b>Total Administrative Expenses</b>	<b>877,022</b>	<b>2,762,529</b>	<b>3,350,222</b>	<b>-17.54%</b>	<b>12,129,400</b>	<b>13,400,888</b>	<b>-9.49%</b>

			March-17		Thru 12/31/2017			
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>Tenant Service</b>								
36	Tenant Service - Salaries	64,215	185,357	232,534	-20.29%	841,430	930,135	-9.54%
37	Tenant Service Personnel - Benefits	29,615	87,131	97,239	-10.39%	381,524	388,955	-1.91%
38	Relocation Costs	0	0	23,875	-100.00%	40,000	95,500	-58.12%
39	Tenant Service - Other	13,130	34,900	131,696	-73.50%	439,599	526,782	-16.55%
40	<b>Total Tenant Services</b>	<b>106,961</b>	<b>307,388</b>	<b>485,343</b>	<b>-36.67%</b>	<b>1,702,552</b>	<b>1,941,372</b>	<b>-12.30%</b>
<b>Project Utilities</b>								
41	Water	1,374	12,508	15,738	-20.52%	50,032	62,950	-20.52%
42	Electricity	1,555	17,778	14,425	23.24%	71,112	57,700	23.24%
43	Gas	0	1,338	1,213	10.38%	5,353	4,850	10.38%
44	Sewer	3,227	35,101	29,250	20.00%	140,404	117,000	20.00%
45	<b>Total Project Utilities</b>	<b>6,156</b>	<b>66,725</b>	<b>60,625</b>	<b>10.06%</b>	<b>266,901</b>	<b>242,500</b>	<b>10.06%</b>
<b>Ordinary Maintenance &amp; Operations</b>								
46	Maintenance Salaries	10,255	28,571	40,883	-30.11%	134,284	163,531	-17.88%
47	Maintenance Personnel - Benefits	2,568	6,893	11,737	-41.27%	35,573	46,948	-24.23%
48	Maintenance Materials	1,765	13,694	14,438	-5.15%	54,776	57,750	-5.15%
49	Contract Maintenance	7,588	59,250	75,881	-21.92%	292,000	303,525	-3.80%
50	<b>Total Routine Maintenance</b>	<b>22,176</b>	<b>108,408</b>	<b>142,939</b>	<b>-24.16%</b>	<b>516,633</b>	<b>571,754</b>	<b>-9.64%</b>
<b>General Expenses</b>								
51	Protective Services	0	4,413	3,125	41.20%	17,650	12,500	41.20%
52	Insurance	13,262	39,918	43,388	-8.00%	159,672	173,553	-8.00%
53	Other General Expense	117,228	328,793	323,949	1.50%	1,315,172	1,295,794	1.50%
54	Payment in Lieu of Taxes	1,199	3,596	3,235	11.17%	14,384	12,939	11.17%
55	Collection Loss	244	0	11,131	-100.00%	45,000	44,522	1.07%
56	Interest Expense	2,569	12,406	22,918	-45.87%	91,671	91,671	0.00%
57	<b>Total General Expenses</b>	<b>134,502</b>	<b>389,126</b>	<b>407,745</b>	<b>-4.57%</b>	<b>1,643,549</b>	<b>1,630,979</b>	<b>0.77%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,146,816</b>	<b>\$ 3,634,176</b>	<b>\$ 4,446,873</b>		<b>\$ 16,259,036</b>	<b>\$ 17,787,493</b>	
<b>Nonroutine Expenditures</b>								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	9,900	10,000	-1.00%	39,600	40,000	-1.00%
60	Casualty Losses	0	0	1,250	-100.00%	0	5,000	-100.00%
61	Sec 8 HAP Payments	2,800,642	8,422,817	8,886,851	-5.22%	35,191,267	35,547,405	-1.00%
62	<b>Total Nonroutine Expenditures</b>	<b>2,800,642</b>	<b>8,432,717</b>	<b>8,898,101</b>	<b>-5.23%</b>	<b>35,230,867</b>	<b>35,592,405</b>	<b>-1.02%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>3,947,458</b>	<b>12,066,893</b>	<b>13,344,975</b>	<b>-9.58%</b>	<b>51,489,903</b>	<b>53,379,898</b>	<b>-3.54%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b><u>579,703</u></b>	<b><u>56,809</u></b>	<b><u>(404,653)</u></b>	<b><u>-114.04%</u></b>	<b><u>(763,291)</u></b>	<b><u>(1,572,672)</u></b>	<b><u>-51.47%</u></b>
65	Debt Service Principal Payments	0	(9,135)	(16,895)	-45.93%	(67,581)	(67,581)	0.00%
66	<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>579,703</b>	<b>47,674</b>	<b>(421,548)</b>	<b>-111.31%</b>	<b>(830,872)</b>	<b>(1,640,253)</b>	
67	Reserve Appropriations - Operations	0	0	0	0.00%	0	0	0.00%
68	<b>Surplus/Deficit Before Captial Expenditures</b>	<b><u>579,703</u></b>	<b><u>47,674</u></b>	<b><u>(421,548)</u></b>		<b><u>(830,872)</u></b>	<b><u>(1,640,253)</u></b>	
69	Capitalized Items/Development Projects	(750,306)	(559,306)	(7,458,370)	-92.50%	(1,496,250)	(7,458,370)	-79.94%
70	Revenue - Capital Grants	301,788	492,788	4,832,649	-89.80%	2,000,000	4,832,649	-58.61%
71	Reserve Appropriations - Capital	242,642	490,748	5,420,971	-90.95%	1,191,500	5,420,971	-78.02%
71	<b>THA SURPLUS/(DEFICIT)</b>	<b><u>752,513</u></b>	<b><u>412,162</u></b>	<b><u>2,373,702</u></b>		<b><u>864,378</u></b>	<b><u>1,154,997</u></b>	



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION**



# TACOMA HOUSING AUTHORITY

**DATE:** May 24, 2017

**TO:** THA Board of Commissioners

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

**RE:** Administration and Asset Management Department Monthly Board Report

## 1. BAY TERRACE

We anticipate closing on the Bay Terrace Phase I Rental Assistance Demonstration (RAD) conversion this month. This will convert the 26 Public Housing units that Housing and Urban Development (HUD) required we include in Bay Terrace. There will not be any rehabilitation associated with this conversion because the property is only two years old.

## 2. PROCUREMENT POLICY

The Board approved a revision to Tacoma Housing Authority's (THA) Procurement Policy in December, 2016. This revision included new HUD regulations related primarily to dollar thresholds for various procurements. This revision was an interim measure to comply with new HUD rules. We are continuing to work with Foster Pepper for a more thorough revision to capture not only new regulations but to make the policy easier to use for contracts we occasionally need for emergency unit rehabilitation work resulting from fires and floods, as well as for work done under the name of the LLCs and LLLPs. We anticipate bringing these policy revisions to the Board in July.

## 3. ADMINISTRATIVE PLAN

THA is revising the Administrative Plan which governs our Section 8 program. The Plan must go out for public comment and we anticipate bringing the Plan to the Board in June for approval.

## 4. OPENDOOR

### 4.1. Introduction

As I write this, we are just finishing up week number five of being live in OpenDoor. Those of us who have been most directly involved in the process know well that we have experienced our share of challenges over the past month. While the new system was built for flexibility and efficiency, the first month of being live in it may have felt like anything other than flexible and efficient. While this was expected and is entirely normal for a major software conversion project like this, we had hoped that we would be farther along than we

are at this point. Prior to going live, the goal was to have the system in a state where most of the data and process issues would be resolved through the weeks of testing and training so that once we turned the system on and loaded data into production, we could focus our efforts on reports and forms that either need reworking or were missing altogether. However, during the first month we ended up putting almost our entire focus on process and data issues and were only able to tackle some of the most critical reports and forms.

This memo to the Board summarizes some of the challenges we have faced in the new system as well as some of the accomplishments and wins we have seen since going live.

#### 4.2. Challenges

Any switchover to a new system is going to have both major and minor issues and we use two separate objects in OpenDoor to track these as they arise:

- 1. IT Tickets:** these are typically small issues that staff report that can be handled internally by our IT staff. They include both emergencies that need to be addressed immediately as well as ideas for future enhancements. IT staff use this object to track their own efficiency in resolving issues and identifying training and/or process improvement needs.
- 2. Bug and Feedback Tracker:** we use this object to track major issues with the system that need to be addressed. Where the IT Tickets are internal, the bug and feedback tracker is used by both IT staff and eightCloud to track all of the work we ask them to do for us.

The following table shows some of the metrics related to these two objects since going live. Please note that we are still in the process of loading resolved tickets from the first month, so the ticket numbers may be understated and some of the metrics like priorities and categories are incomplete.

Metric	Bug and Feedback	IT Tickets
Number of items submitted	161	587
Number of high priority items	87	?
Average time open	2.42 days	1.96 days
Number of "Parking Lot" items	4	2
Number of Items resolved	100	517
- Resolved through configuration changes	66	-
- Resolved through programming	10	-
- Identified as training issue	7	-
<b>Issue Types (Tickets only and note that tickets resolved before 5/3 have not been categorized yet):</b>		
- Bugs		27%
- Enhancement		9%



Metric	Bug and Feedback	IT Tickets
- Data Cleanup		9%
- General Questions		11%
- Conga (note that some of these are in reports and bugs)		4%
- Finance Process		28%
- Reports		12%
<b>Functional Area Breakdown (B&amp;F only):</b>		
- 50058's	9%	
- Applications	5%	
- Certifications	6%	
- Community Services	1%	
- Conga	4%	
- General	15%	
- Inspections	6%	
- Move Ins/Outs	4%	
- Portability	4%	
- Project Management	1%	
- Property Management	4%	
- Rental Assistance	9%	
- Rent Calculations	3%	
- ShareFile	3%	
- Tenant Accounting	17%	
- Waitlist	2%	
- Work Orders	6%	

Many of the items in the list above represent quick fixes where we were able to respond to a specific issue and solve it. However, some of the items were major issues and the fix either involved data cleanup or reconfiguration of a process. These are the ones that have taken most of our time and energy over the past month and so it is important to note some of the work that has been done here, as well as some of what is left to do.

- **Field Updates:** right after going live, we noticed that many of the fields that should be updated through process were not getting updated. This was particularly evident in the application / move in process. The cause of the issue was that we built the processes to work best with “new” data rather than legacy data we loaded from another system and we did not do enough testing on processing legacy data. The fix was that eightCloud spent about 30 hours going through each process using our legacy data and tightening up the updates to make sure they happen. There is still more work to do here, but this effort was a huge improvement. Prior to this, staff had to manually populate the fields that needed updating, which on an application could include as many as eight different fields from various places in the system.

- **Section 8 Month End:** when we ran the Section 8 month end for the first time, the process would not finish. It created some of the transactions but not all. The cause was that in our test environment we tested the month end process prior to making changes to how the portability transactions would be created and the fix to the portability transactions broke the month end process. The fix was to delete all of the transactions created through the process, fix the process, and then re-run the month end.
- **Pro-Rations on Move-ins:** if we moved someone into a prior month, the system would correctly calculate the move-in proration for the prior month but would not include the full Housing Assistance Program (HAP) payment or rent charge for the current month. This has been fixed and the system will now post the full amount.
- **Pro-Rations on Certifications:** the system was not calculating prorations on all certifications. In other words, someone had a rent increase a month ago that we are processing now and should result in an increase in HAP. These transactions were not generating in certain circumstances.
- **50058's for Vouchers:** we have a continuing issue with the 58's that are generating when we issue or expire vouchers. The 58's are generating errors because they are not being associated with a program. The cause is that these 58's are not associated with a certification, which is where they typically pull the program from, and the fix is to instead pull the program from the voucher. The fix for this has been applied, but the data still needs to be cleaned up.
- **Transfers (PM):** the transfer process on the property management side is overly cumbersome and not intuitive. We are working with eightCloud to define exactly how this should be improved and improve it.
- **Relocations (RA):** when we first went live, there was no way to process a relocation in rental assistance without a workaround. The result was that we would need to move the family out of one unit and into another one, and then go to delete the code 6 50058 and change the code 1 50058 on the move-in to a code 7. We had a fix for this in place at the end of week two, though there are still some issues with the issuance of relocation vouchers when someone relocates to a different program that need to be resolved.
- **Inspections (Process):** when we went live, there was no re-inspection process built into the system, we were missing most of the inspection letters, staff could not update inspections as needed, comments were disappearing after being input, and we could not easily add rooms or items to an inspection. Most of the items have been addressed but we need to spend time with the inspectors to go over the process before we can say we are running full speed ahead with inspections.
- **Certification Dates:** regardless of whether it is Section 8 or Property Management, when we roll the month in OpenDoor, it uses a field on the account called "last certification with active rent calculation" to determine what HAP amount and tenant rent amounts to use. After going live, we noticed that this field was getting populated even on certifications we were doing in the future. This is not good because if we are doing a 6/1 review with a rent increase, we cannot have the rent and HAP amounts applied when we roll the month from April into May. eightCloud has a fix for this in our

test environment and it will be applied in production before we roll the month again. In order to roll the month of May, we needed to manually fix these and by doing so missed about 70 records that were accidentally applied during the month end process. We need to create adjustments for about 30 of those where there was a financial impact.

- **Syncing AR Transactions with Intacct:** we synced the AR transactions (tenant receivables) with our finance system for the first time on May 4. We ran into an issue that we discovered in testing but lost track of and did not get a fix in place yet. The issue is that credits posted to tenant accounts were not treated as credits but instead show up in Intacct as additional charges. There are about 30 of these that synced and we need to have them fixed and put a permanent fix in place so these post as credit memos instead of invoices.
- **Syncing AP Transactions with Intacct:** in order to pay our landlords, we need to sync payable transactions from OpenDoor to Intacct so Intacct can then create the checks and Automated Clearing House (ACH) payments. When we synced the Section 8 payables, the process synced about 15% of the transactions and then just kept looping without making any progress. The issue was reported to Intacct immediately and a fix was put in place overnight. We synced the next morning but then ran into more issues in trying to process the ACH payments. Finance staff worked with our third party ACH vendor late into Friday and over the weekend to ensure these transactions went out. The end result was that many of our ACH payments did not reach their destination until the 5/2 or 5/3 instead of the first of the month.
- **ShareFile:** we ran into two major issues with our ShareFile integration. The first is that we hired a consultant to load all of our VisualHOMES documents into the appropriate ShareFile folders. This means that any documents loaded into the tenant or owner files in VisualHOMES will be able to be accessed from within OpenDoor. The process was to take a night or a few days at most. Instead, it took close to a month. Our consultant could not find a way to quickly upload files based on the information we provided them, and manually loading 600,000 documents was not an option. Our IT staff worked closely with them to figure out how to get the information they needed and eventually the process kicked off and, as of 5/2, the documents are all loaded into ShareFile.

The second issue with ShareFile is that ShareFile deployed a change to the system that broke our integration between ShareFile and Salesforce. They did this without notice and it took a lot of work to figure out what happened and how to fix it. In the end, it took eightCloud developers to fix the integration code and required all staff to re-authenticate their ShareFile account within OpenDoor.

- **Work Orders:** we discovered during week one that we did not load a large batch of work orders. For some reason, our data pull from VisualHOMES excluded the scheduled REAC work orders that were created prior to going live. Once discovered, we investigated and loaded all of the missing work orders into the system.
- **Waitlist Applicant Records:** during our data analysis on waitlist applicant records from VisualHOMES we made certain assumptions about the statuses of waitlist applicant records that turned out to be false. The process within leasing when someone

is pulled from the waitlist is to change their status from pending to active and then back to pending. When we loaded these records as pending, we assumed that they had not been pulled, when in fact they had been. This caused some major issues within leasing in identifying who had and had not been pulled. We needed to fix and reload all of these records in order to show the correct names in the correct order.

- **Account Notes:** through the data conversion process, we inadvertently loaded contact notes into accounts that were unrelated to the particular account. Staff discovered and reported this on day one. eightCloud assisted us in cleaning this up and it was fixed by the end of week one.
- **Household Members No Longer in Household:** we first loaded household information from VisualHOMES into OpenDoor in March 2016. Between that time and April 2017, we updated accounts and contacts nightly. One thing this update did not do was remove people from the household who were no longer living in the household. We did not think it would be a huge deal for staff to check this at the next review and remove them at that point. However, we did not realize how often this happened and what a pain it would be if we accidentally miss this on review. At the end of week one, we fixed this by first identifying who should not be in the household and then marking them as related contacts no longer living in the household.
- **Section 8 Transactions:** there were numerous issues identified with how the Section 8 transactions loaded from VisualHOMES that we dealt with after going live. The main cause of the issue was that VisualHOMES only had one side of the transaction and OpenDoor uses two sides (e.g., a payable and then a payment) and so we had to manually create the second side of the transaction. In some cases, our logic for doing this was off and we did not create the other side of the entry, making the section 8 ledgers out of balance.
- **Property Management Transactions:** we discovered a number of issues on the tax credit side with how the transactions were loaded from VisualHOMES. These issues included missing transactions and missing ledgers altogether. After identifying the cause of the issues, we ended up deleting and reloading all of the tax credit transactions.
- **Payment Agreements:** VisualHOMES and OpenDoor process payment agreement transactions very differently. In VisualHOMES, payment agreement charges are created through the month end process, while in OpenDoor, they are created at the time the payment agreement is created and posted as “pending future” transactions which simply become posted when the month rolls. What this meant was that we needed to create all of the future pending transactions manually for every open payment agreement we have. We completed this on the property management side, but have not yet done this on the Section 8 side with the exception of a couple we needed in order to apply payments.
- **Vouchers:** in VisualHOMES, vouchers were often re-used, meaning one family would have a voucher, and then move out, and the same voucher was reassigned to another family. In OpenDoor, this is not the case. So, when we loaded data, we had quite a few vouchers (mainly shopping vouchers), that had some information from the old voucher holder and some information from the current voucher holder. We fixed this issue so

that it only has information from the current holder, but the fix ended up creating many duplicate voucher records that still need to be cleaned up.

- **Unit AMI's and WBARs Data:** we have now loaded the Area Medium Income (AMI) percentages from WBARs three times because these values keep getting overridden. We are investigating what process is overwriting these values so we can fix it, but in the meantime have asked staff to be alert for this and notify us of issues that they see.
- **Housing Specialists and Property Specialists:** the housing and property specialist fields were also getting overwritten by a process and we loaded these values from VisualHOMES two or three times before fixing the issue.

#### 4.3. Progress and Wins

In spite of the challenges we faced, we have definitely had some wins through this go-live process. They are not as easy to identify in the midst of all the work going into identifying and fixing issues, but it's important to remember that there is a lot of work getting done in the new system. Below is a list of some of the major milestones we have met:

- **Property Management Rent Roll:** during the last week of April, we rolled the month into May. This included the system creating all of the May rent charges, creating tenant statements that represent true tenant balances and include open transactions from both VisualHOMES and OpenDoor, as well as any payments tenants made during the month of April. It also included the setup of both our online payment system and lockbox (Retail Lockbox) for accepting payments, generating statements out of these systems, and downloading files from these systems in order to upload payments into OpenDoor.
- **Section 8 Month End:** during the last week of April, we also rolled the Section 8 month end into May. This included the posting of Section 8 payables in OpenDoor, syncing those payables with Intacct, and either printing checks or issuing ACH payments out of Intacct.
- **Regular Accounts Receivable:** outside of the OpenDoor processing, we have been able to pay vendors successfully out of our new finance system.
- **Beginning Balances in our General Ledger:** we converted and imported beginning balances for all of our accounts in Intacct for the beginning of this year as well as the beginning of each month. This was a huge feat and accomplishment because of the significant differences in both the account structures and the system design between our old system and the new one. What this means is that we are getting close to being able to generate meaningful financial reports out of the new system.
- **Import of AP and AR Records:** we successfully imported all of our Accounts Payable and Accounts Receivable transactions from AccountMate, as well as April open tenant AR from OpenDoor.

Another way to assess what has been accomplished is by looking at the number of items created or initiated in the new system. The list below contains the major objects with

record counts that have been created through processes within OpenDoor since we went live. Hopefully this list helps to remind us how much is getting done.

Metric	Value
Number of move ins	109
Number of move outs - RA	107
Number of move outs - PM	15
Number of waitlist pulls	229
Number of vouchers issued	137
Number of work orders	643
Number of inspections	202
Number of rent charges	1,286
Number of rent payments posted	1,768
Number of HAP payables	4,721
Number of 50058's created	1,005
Number of documents generated	1,114
Number of certifications	443
Number of unit offers made	28





**TACOMA HOUSING AUTHORITY**

**CLIENT SERVICES**





# TACOMA HOUSING AUTHORITY

**DATE:** May 24, 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**

Due to some resolvable but time-consuming challenges in structuring new reports in OpenDoor, voucher utilization data for April, 2017 is not yet available. You will therefore find that data missing from the Rental Assistance Division section of this month's report.

We hope to be able to report utilization data at the May 24 Board Meeting, and to resume its inclusion in the June report.

At the May 24 Board meeting, Rental Assistance Program Manager Jessie Beck will again present on behalf of Client Services. Director Greg Claycamp, Associate Director Julie LaRocque and Community Services Program Manager Caroline Cabellon are attending a ten-week course in Project Management Certification at University of Washington – Tacoma. We expect all Client Services supervisors to complete Project Management Certification over the next several months.

### 3. COMMUNITY SERVICES: Caroline Cabellon, Community Services Division

#### 3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

##### Program Entries, Exits, and Unduplicated Number of Households Served

<b>March 2017</b>	<b>Program/ Caseload Entries this Month</b>	<b>Program/ Caseload Exits this Month</b>	<b>Unduplicated Number Served (Month)</b>	<b>Unduplicated Number Served (YTD)</b>
Case Staffing (Eviction Prevention Services)	3	9	24	42
Families in Transition (FIT)	0	1	4	8
Family Self Sufficiency (FSS)	3	5	163	168
General Services	7	2	94	126
Hardship	0	0	4	4
Housing Opportunity Program (HOP) Case Management	2	3	48	56
Children's Savings Account (CSA) K-5th Grade	0	0	54	54
Children's Savings Account (CSA) 6th - 12th Grade	0	0	40	40
McCarver	0	0	50*	50
Senior & Disabled	10	10	186	186
<b>DEPARTMENT TOTAL</b>	<b>25</b>	<b>30</b>	<b>667</b>	<b>734</b>

\* Includes 34 households with units leased and 16 shopping.

### **3.2 PROGRAM UPDATES**

#### **3.2.1 Education Project Update**

**Children's Savings Account**, completed by Program Specialist Trisha Mozo.

With Spring Break kicking off the month of April, the Children's Savings Account (CSA) staff took time to examine the outreaching tactics that produced March's outstanding enrollment numbers. We concluded that a continued presence in the schools at key events for children with their parents present is a necessity for producing success. We will heavily staff these opportunities.

CSA staff also spent much of April refining and re-examining the methods used for collecting and tracking participants' account deposits and balances, resulting in a more streamlined and centralized system.

An after-school activities club at First Creek is in the planning stages for next year, including guest speakers, financial literacy and college/career related activities as well as a regular check-ins for participants. Lister has a number of upcoming activities towards the end of May/June that CSA staff will participate in as well.

On April 13th, Stella Carter and her mother participated in the CSA video shoot at Heritage Bank. The shoot was over 4 hours long, but due to Stella's amazing demeanor and unbridled enthusiasm, Marty Photography was quite pleased with how it turned out. We were able to witness Stella deposit over \$30 of her own money during the shoot.

Photography continued on April 20<sup>th</sup> with a number of fantastic and enlightening interviews with our Scholar Incentives participants at First Creek Middle School. The students were able to express their views and ideas regarding college and the barriers in place to get there. This was a fantastic shoot and a good experience to meet with these participating students.

On April 22<sup>nd</sup>, College Bound Saturday provided an opportunity to meet and interview some amazingly bright and diverse high school students. Program Specialist Marty Higgins interviewed a number of thoughtful Lincoln High School students who offered views on the program.

With the arrival of a large quantity of new Scholastic books, the CSA program was able to hold a "Free Book Event" in conjunction with the Children's Museum's "Play to Learn" event at the Family Investment Center (FIC) on April 25<sup>th</sup>. Participation was enthusiastic, with children

choosing from a range of financial literacy and career introduction books intended for children aged kindergarten to 7<sup>th</sup> grade. We will continue with another book event in May, hopefully witnessing the same exuberance that the first event mustered.

### **3.2.2 Programming at THA Properties**

#### **Senior & Disabled Properties**

Senior and disabled residents have been busy getting ready for the spring and summer seasons. Seniors met with Metro Parks representatives to discuss utilization of the local community centers. The SAFE board plans to host a SAFE day at Metro Parks People's Center facility in the fall. In the meantime, residents are already using the facilities at the Eastside Center and have organized a trip to the Tuesday Bingo game held there.

Much planning has gone into spring and summer activities including Farmers Market trip and the SAFE Annual Banquet at People's Park. Residents have also been busy with planning on an individual level. The building remodels put a jumpstart on spring cleaning, and many are taking the opportunity to reorganize and redistribute (via Goodwill) items they no longer use. Residents with completed community rooms have expressed appreciation for these updates to their buildings, stating that the interiors to the buildings are great improvements. Please see the next issue of the Crosstown Conversation, a newsletter written by the residents in collaboration with Client Services, for more information on what is happening in these seven buildings.

#### **Family Properties**

Community activities such as the Children's Museum and KBTC's Play to Learn, Computer lab hours (complete with tutoring), and Sound Outreach benefits checks continued to be offered at the FIC and family properties. CS continues to work on planning and organizing summer events that will be hosted at the properties. In the works is the free summer lunch program at FIC, Hillside, and Bergerson Terrace, which will not only include lunch from St. Leo's Food Connection, but also programming from FEAST Arts Center, KBTC and Metro Parks.

The family properties also have an April success story to share. An elderly family was first brought to the attention of CS after a fire in their Salishan unit. After being called to the scene to assist the family, CS found that the couple living in the unit had several needs that were going unmet. While the couple had a caregiver, they were still not able to complete some essential activities of daily living. They needed assistance with bathing, dressing, laundry, cooking, and medication management. The caseworker

stepped in to help facilitate a reassessment for the family by the Aging and Disability Resource Center (ADRC) and to advocate for a higher level of care. The caseworker was able to bring in both professional and natural supports to help this family live independently and successfully. The plan included moving the couple to THA's 6<sup>th</sup> Avenue Senior & Disabled apartments where a family member lives within walking distance and can offer the couple support on weekends. It also included enlisting the help of Catholic Community Services and DSHS to help the couple secure additional resources and provide the best opportunity for safe and successful living at 6<sup>th</sup> Avenue.

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

As noted in the Director's Comment, Client Services and Administration are working to resolve some reporting challenges accompanying the agency's conversion to OpenDoor. We expect to resume reporting Housing Choice Voucher utilization in the June Board of Commissioner Report.

We are able to report utilization for Project Based Vouchers.

Last month, we highlighted low utilization by the Tacoma Rescue Mission (TRM) at Tyler Square, and the collaborative steps we have taken to help improve utilization. Unfortunately, we see no improvement resulting from these efforts. Julie LaRocque and Greg Claycamp will now meet directly with TRM Leadership to determine this contract's future status.

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	19	95%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	12	86%
Guadalupe Vista	40	36	90%
Harborview Manor	125	123	98%
Hillside Gardens	8	6	75%
Hillside Terrace	9	7	78%
Nativity House	50	48	96%
New Look Apts.	42	41	98%
Pacific Courtyards	23	23	100%
New Tacoma Phase II	8	5	63%
Salishan 1-7	340	330	97%
Tyler Square	15	5	33%
<b>TOTAL</b>	<b>704</b>	<b>665</b>	<b>94%</b>

Rental Assistance continues to learn new processes with OpenDoor. Over the last month many improvements have been made to the program to ensure staff can perform their day-to-day duties. Inspectors can now perform inspections on their smart phones!

In April, Rental Assistance also began to meet with Renew Tacoma residents to introduce them to Choice Mobility Vouchers (CMVs). There is some initial interest shown by tenants, but participants in the sessions seem to demonstrate waning interest when they learn the CMVs will be time-limited and provide a lower subsidy. The meetings will be finished in late May. At that time we should have a good sense of how many tenants will pursue CMVs.

During April, we performed interviews for the Landlord Liaison position. Due to lack of a large enough pool of qualified candidates, we will post the position again. We are expanding research of successful Landlord Liaison Programs at housing authorities beyond our region, and will also expand our marketing with the repost.





**TACOMA HOUSING AUTHORITY**

**PROPERTY MANAGEMENT**





# TACOMA HOUSING AUTHORITY

**Date:** May 24, 2017

**To:** THA Board of Commissioners

**From:** Frankie Johnson  
Interim Director of Property Management

**Re:** Property Management Monthly Board Report

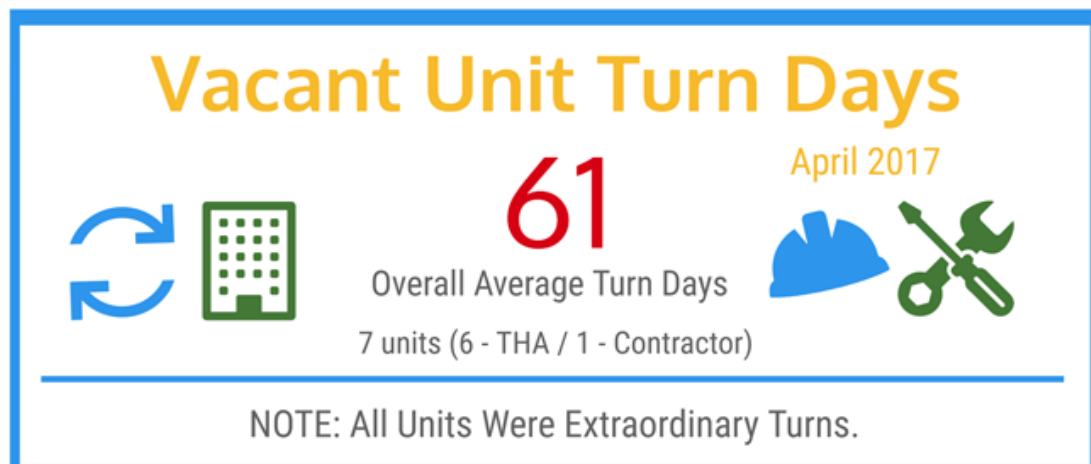
## 1. OCCUPANCY OVERVIEW

### 1.1 Occupancy

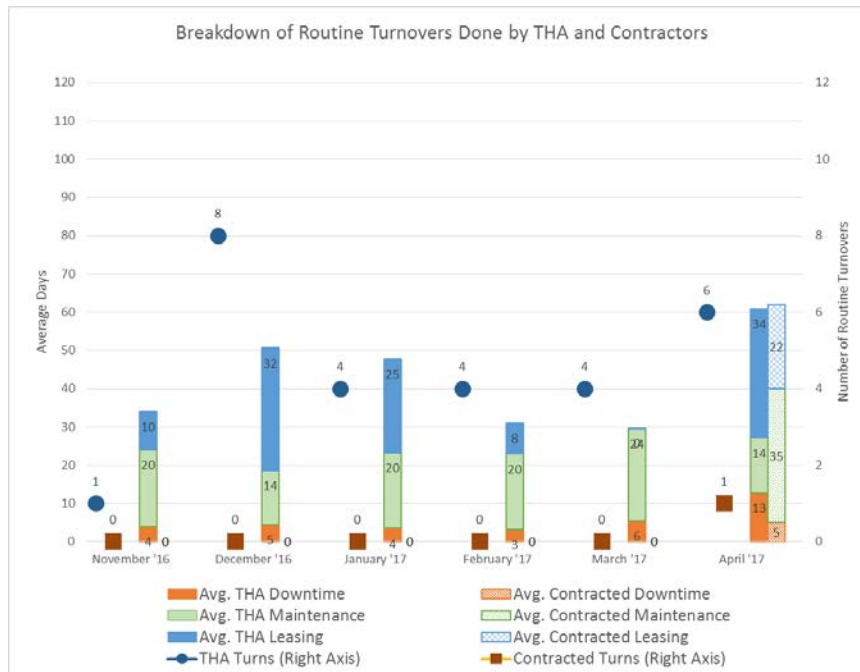
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	4	2	126	95.45%	96.78%
Family Properties	118	4	0	114	96.61	98.09%
Salishan	631	4	0	627	99.36	99.20%
Senior/Disabled	353	17	2	334	94.6	95.53%
All Total	1,234	29	4	1,201	96.48	97.49%

Unit occupancy is reported for the first day of the month. This data is for the month of March, 2017.

### 1.2 Vacant Clean Unit Turn Status



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



Today's Date 5/11/2017

Select End Month & Year	April	4	2017
	March	3	2017
	February	2	2017
	January	1	2017
	December	12	2016
Beginning Month	November	11	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	April	7	6	0	64.3	13.0	16.8	34.5
2017	March	5	5	0	45.6	22.8	20.6	2.2
2017	February	7	4	0	31.0	3.3	19.8	8.0
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

		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	April	7	1	0	41.0	4.0	20.0	17.0
2017	March	5	0	0	0.0	0.0	0.0	0.0
2017	February	7	3	0	104.3	49.0	37.3	18.0
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

The average unit turn time for the month of April was **61** days for seven (7) units turned by Tacoma Housing Authority (THA) staff and contractors that were non Rental Assistance Demonstration (RAD). There were a total of eight 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 either Routine and Extraordinary turns.

**Routine** means units that receive normal wear and tear that can be repaired in 5-10 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**

None

**Extraordinary Explanation**

2327 Court G Street, Apt #220: Ms. O'Neal vacated #220 on 3/3/2017. Ms. Spring was a tenant at Hillside unit 2341 #226, she had a Reasonable Accommodation (RA) for a unit with no stairs. She was moved to unit #220 on 4/7/2017, to accommodate her (RA) request. An RA move requires that THA manage and absorb the cost of the move. This move could not be arranged prior to 4/7/2017, which caused additional days for the vacant unit.

2351 Court G Street Apt #231: Tenant had a kitchen fire on 11/2016. The contractor was actively working on fire damage in #234, #236 and #238, causing a delay of one month for unit #231. THA secured an alternate contractor, but did not begin until mid-January, 2017. Tenant expressed anxiety over returning to the unit following the fire. The tenant was transferred. The unit was completed first of March and leased 4/4/2017.

911 North K St Apt #101: Four applicants offered unit or otherwise declined. Fifth applicant was approved and signed lease on 3/31/17.

911 North K St Apt #113: Unit infested with bedbugs prior to vacate, requiring additional time for treatment plan. Two applicants were pulled from the waitlist. The new resident moved in 4/17/17.

911 North K St G10: 2<sup>nd</sup> applicant from waitlist moved in 4/12/17.

4004 Salishan Blvd: High number of vacancies in April. Maintenance pulled to complete previous month's vacancies and upcoming REAC work.

1903 East 44<sup>th</sup>: High number of vacancies in April. Maintenance pulled to complete previous month's vacancies and upcoming REAC work, in addition to a delay in receiving the appliances. Two offers were made to tenants on the Transfer list; both refused.

**Proposed Changes for Improvement in Unit Turn Times:**

- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.

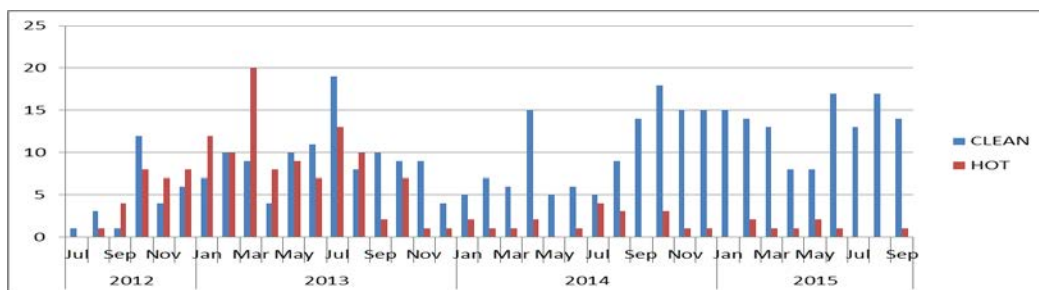
- **Repair make ready**
  - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
  - ✓ Procure contractors who will respond to request for service if needed that have the appropriate staff to assign multiple units.
  - ✓ Increase inspections to deter 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 out units that are not subsidized. THA is competing with the open market in some cases. Having better tools and tactics will be helpful 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**

**Due to the software conversion effective April 1, 2017, we were not able to provide charts for the Completed and Open Work Orders. We only have the data listed below.**

##### **Completed Work Orders:**

In the month of April, 100% of emergency work orders were completed within 24 hours. In April, maintenance staff completed 344 non-emergency work orders with a total of 1,586 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 10<sup>1</sup> days.

##### **Open Work Orders:**

The open work orders that are greater than 25 days is 17 <sup>2</sup> in April, 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 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; and
- Close work orders within 48 hours of completion.

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<sup>1</sup> This number is an estimated average based on the reports. Due to software conversion, accurate and precise numbers cannot be guaranteed at the time the board report was written.

<sup>2</sup>



**TACOMA HOUSING AUTHORITY**

**REAL ESTATE DEVELOPMENT**



# TACOMA HOUSING AUTHORITY

**DATE:** May 24, 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 87.9% complete. Building J – Contractor is continuing with interior finishes. Completion is scheduled by June 23, 2017. Building G & H – Crews have been working on exterior landscapes. MEP&F final inspections are complete. THA completed the owner's punchlist and the contractor is working on those items. Overall the project is on budget and schedule with no major issues to report.

Staff has conducted several meetings for planning lease-up activities. The two townhome buildings G & H (7 units) will be available for occupancy on June 1, 2017. Building J (67 units) will be available for occupancy on July 1, 2017. The following chart identifies the projected lease-up schedule.

*Lease-Up Schedule (Pre-leasing April- June)*

Month	Units Per Mo.	Accumulative
July	30	30
August	16	46
September	12	58
October	16	74

**NOTE:**

The following information is based on Draw 13 dated 4/10/2017. BTII has not encountered any unusual problems or issues.

**Budget**

**% Complete**

**87.9%**

Item	Original Budget	Revised Budget	Expended	Balance
Soft Cost Inc. Reserves	4,861,258	4,900,617	2,777,289	2,123,328
Interest Reserve	1,000,369	1,000,369	90,357	910,012
Hard Cost Inc. Contingency	16,980,410	16,941,051	13,302,337	3,638,714
<b>Total Budget</b>	<b>22,842,037</b>	<b>22,842,037</b>	<b>16,169,983</b>	<b>6,672,054</b>
<i>Owners Contingency</i>	<i>880,000</i>	<i>840,641</i>	<i>644,175</i>	<i>196,466</i>



**Building J – At Court G**



**Building G&H – At Court G**



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

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 4/30/2017
<b>MBE</b>	10%	13%	13%
<b>WBE</b>	8%	12%	12%
<b>Section 3 Business</b>	10%	14%	14%
<b>Section 3 New Hires</b>	30%	22.58%	25%
<b>Apprenticeship</b>	15%	12%	12.47%

### 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
11	\$2,219,000.00	\$2,238,952.02	\$267,443.00	\$473,852.91	\$1,497,656.57
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
7	\$1,464,000.00	\$1,456,050.00	\$163,440.00	\$274,113.00	\$1,018,497.00
Units in Construction	Scope Preparation	Occupied			
2	1	13			



### **635 S Fife –SOLD**

#### **Rehabilitation Work on Scattered Site Units and Sold:**

- 13 of the remaining 14 occupied homes will be remodeled as residents are relocated in 2017.
- CYS is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity.
- 635 S. Fife has recently been sold and recorded.
- All 7 of the houses currently listed are under contract to sell.
- 6932 S. Madison and 4033 E. J have been contracted for renovation with Libby builders for the amount of \$74,125.00.
- Relocation for the next 12 households with children has begun. Relocation was targeted for now to avoid the summer rush for housing and to allow the summer for the families to move and not disrupt the children. Households have 90 days to relocate. Households have needed extensions in order to utilize their voucher. The intention is to make this transition as easy on the families as possible.

The number of eligible buyers has increased with consistent communication and outreach efforts. THA hosted an information session on March 16<sup>th</sup>, for real estate agents to advertise the program and explain buyer eligibility requirements more thoroughly.

### **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 syndication. Solicitation was delayed. RED expects the process for selecting tax credit investors to be complete by the end of June. Final design decisions have been made.

### **3.4 Community Youth Services (CYS): Arlington Drive Property**

The City of Tacoma will allocate \$700,000 to the Tacoma Community Redevelopment Authority (TCRA) and the TCRA will allocate \$300,000 in CDBG funds for the development of the Crisis Residential Center to be managed by Community Youth Services (CYS). SMR Architects will provide master site planning and related preliminary work. A portion of the SMR work will be reimbursed as part of the City of Tacoma Agreement and THA will fund the balance. A portion of the site will be developed with rental housing for youth age 18-24. THA will develop this rental housing and plans to fund the development with LIHTC and related sources. The initial costs to THA will not exceed \$50,000.

Staff is assisting CYS with their funding application for Pierce County Capital Projects funds. Pierce County has indicated that it will support CYS assigning the funds to THA for the project. Staff plans to submit the application by the end of May, 2017.

## **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 is evaluating other options for financing new development.

Staff purchased two single-family homes in anticipation of developing this site and is preparing to demolish them.

### **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. Many Lights continues to seek partners for this project. THA is also seeking partners.

#### 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. Staff submitted a January, 2018 9% tax credit submission; however, it did not score high enough to receive tax credits. Staff is reviewing other financing options for this site. In the meantime, the City has asked THA to take over the property and manage the lease and building with Mr. Mack. The City will quit claim the deed to THA.

##### 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	5/26/2017	30	0	0
K Street	10/11/2016	3/27/2017	43	0	0
Wright Street	2/6/2017	9/13/2017	19	10	29
6 <sup>th</sup> Avenue	4/1/2017	7/21/2017	9	3	52
G Street	3/7/2017	6/13/2017	30	5	5

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

The *Certificates of Substantial Completion* were issued on December 27, 2016, for the Bergerson, Dixon and E.B. Wilson sites required to be delivered in 2016. The tax-exempt bond "50% test" was met for each site.

##### 2017 Projects: Ludwig, Fawcett, K Street, 6<sup>th</sup> Avenue, Wright, G Street

It is anticipated that Ludwig, Fawcett and K should receive *Temporary Certificates of Completion* in the very near future. In this case, *Temporary Certificates of*

*Completion* are issued due to the exterior and/or landscaping work that remains. Once complete, a *Substantial Completion* will be issued. All six of the 2017 projects are under construction. Walsh Construction and THA staff are simultaneously managing all projects successfully.

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. 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 certain times of the 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, the Brawner team monitors the tax-exempt bond 50% test on both a site and project level. Staff meet regularly with the Brawner team to discuss the budget and forecast allocations to meet the bond “50% test” for the 2017 projects.

#### Elevators

Similar to Fawcett, 6<sup>th</sup> Avenue only has one elevator. Elevator modernization planning requires strategic analysis to arrive at the optimum approach considering construction schedule, relocation costs, resident welfare and overall project timing. Sixth Avenue will also have the upper floors vacated and residents relocated during the elevator modernization.

Modernization of both elevators at E.B. Wilson passed inspection on December 29, 2016. The modernization of the Fawcett elevator is complete. One of two elevators at G Street is complete. Similar to the approach with roofing, the elevator modernization work has an independent schedule to retain the subcontractor and accelerate completion.

## **5.2 Relocation**

### April, 2017 Relocation Report

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 completed at Ludwig. No more relocation activity is happening. Relocation activity ended February 27, 2017.

All unit are completed at North K Street. No more relocation activity is happening. Relocation activity ended March 1, 2017

All unit are completed at Fawcett Street Apartment. No more relocation activity is happening. Relocation activity ended March 17, 2017

Wright is currently underway. Nineteen units are completed and ten units are currently under construction with the residents fully relocated at hotels and friends' or relatives' homes. There are twenty nine units left for relocation

North G Street is currently underway. Thirty units are completed and five units currently in progress with construction and day relocation and five units remaining.

6<sup>th</sup> Ave apartments had their RAD Informational meeting on March 22, 2017. Relocation activity began on March 15, 2017. Intakes are currently happening with the residents. Nine units are completed and there are three units currently under construction. Due to a change with WALSH Construction, the remaining units on the first floor will be relocated over-night to a hotel. There are twelve units remaining on the first floor to be completed. The second and third floor will move out beginning March 22, 2017

### **5.3 Watch list**

***Environmental*** – The Department of Ecology (DOE) issued a *No Further Action* letter for 6<sup>th</sup> 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/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. We have been successful in getting permission to test the subject property with the testing performed in February, 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 the Wright Street site. 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 Issues Encountered/Status**

##### *5.4.1 Description and Resolution*

###### **Wright and G Street Boiler Replacements**

Installing the new boiler at each of these sites will require a temporary shut-down of the existing boilers. Walsh and subcontractor are working on a plan to remove the existing boilers and install new boilers with minimal disruption to residents.

##### *5.4.2 Description and Resolution*

###### **G Street Transformer**

The G Street Transformer work is expected to be complete May 5<sup>th</sup>. The conversion from the generator to the transformer will result in a temporary, short-term loss of power (NTE 8 hours). Tenants will receive a notice and relocation staff will accommodate residents that have medical devices requiring electricity. The G street transformer work is coming in under – budget.

<b>Budget</b>	<b>Total budget</b>	<b>Expended</b>	<b>Outstanding</b>
Soft Costs*	\$24,023,498	\$7,355,858	\$16,667,640
Construction	\$29,812,529	\$24,741,698	\$5,070,831
Owner's contingency	\$3,343,026	\$2,454,056	\$888,970
Environmental Escrow	\$3,500,000	\$600,000**	\$2,900,000

*NOTE: The above reflects the budget status through Draw 11 (April 2017 draw).*

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

\*\*Reallocated to construction budget due to 6<sup>th</sup> Avenue "No Further Action Letter" issued by DOE.

## 5.5 Walsh Construction - MWBE and Section 3 Reporting

	<b>GOAL</b>	<b>ACTUAL AS OF 4/30/2017</b>
<b>MBE</b>	14%	8.78%
<b>WBE</b>	8%	.29%
<b>Section 3 Business</b>	----	7.41%
<b>Section 3 New Hires</b>	30%	27.78% (20 new hires)

### Section 3 New Hires:

- The above information represents a combination of Section 3 hires that were hired by Walsh prior to the start of RAD and subsequently assigned to RAD and new Section 3 hires in which their initial assignment is the RAD project.
- Also please note that the above information is a computation of the % of new hires that meet the Section 3 guidelines under RAD. There were 70 hires total for the RAD project.

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

- The small work scope is such that it is difficult to package scopes into smaller packages to achieve Minority and MWBE results. This is easier to do on larger, single purpose projects;
- The RAD project is complex and maintaining the aggressive schedule is critical. There are significant consequences to any delays in the work. For example, the investor is expecting delivery of 3 projects by the end of 2016. If any one of the projects is not delivered, there is a serious financial and reputational risk. Also, if there are delays in the work, the project will face increased relocation costs;



- AVA Siding is a Section 3 business; however, due to market conditions and their work load, RDF Builders has had to step in and take over some of the siding scope simply to finish the project on time;
- Cerna Landscaping, WCC's go-to MBE landscape subcontractor failed on the Bergerson project, again due to an excessive amount of work that they could not complete;
- There has been difficulty identifying MWBE subs, unfortunately Walsh's outreach results were not what they had hoped; and,
- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at National Association of Minority Contractors (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 2017-05-24 (1)

**Date:** May 24, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** 1-Year Extension of Trades Collective Bargaining Agreement

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*This resolution would authorize Tacoma Housing Authority's Executive Director to sign a Memorandum of Understanding (MOU) to approve a 1-year extension of the Collective Bargaining Agreement (CBA) between THA and the Pierce County, Washington Building and Construction Trades Council.*

### Background

The current CBA between THA and the Trades Council is scheduled to expire on May 31, 2017. This resolution would authorize the executive director to sign an agreement with the Trades Council to extend it by one year, with some changes. The Trade Council staff have already voted to approve this extension.

THA staff and the Trades Council favor a one-year extension to account for the uncertainty of federal funding in 2018. The agreement will do the following:

1. Extend the THA & Trades Council CBA for the additional period from June 1, 2017 through May 31, 2018.
2. Revise Schedule A of the CBA as follows:

In the first full pay period in July 2017, current bargaining unit employees will be eligible for a wage increase based on the following factors:

- a. All regular bargaining unit employees not covered by (b) or (c) will receive a 3% wage increase.
- b. A bargaining unit employee, who was hired between April 1, 2017 and June 30, 2017, will receive a general wage increase of 1.5%.
- c. Bargaining unit employees hired on or after July 1, 2017, will not be eligible for a wage increase in 2017.

3. The 2017 Six-Month Performance Based Pool set forth in section 6 of Schedule A is extended to be a 12-Month Performance Based Pool covering calendar year 2017.

4. Schedule A of the CBA is also revised as follows:

For the first six (6) months of 2018, THA will create a target Performance Based Pool. All bargaining unit employees who are employed in a regular classification at the time of any distribution will be eligible to participate in this performance based pool. THA reserves the right to determine how to distribute this pool.

Pre-established business and operational factors will determine the size of the pool, up to a maximum of 1.5% of the Maintenance payroll. THA reserves the right to decrease the size of this target pool should THA incur a significant revenue shortfall as a result of state or federal budget reductions or based on the percentage of established business and operational factors met.

5. During this extension period, all other terms of the CBA shall be unchanged.

6. The extended Collective Bargaining Agreement shall terminate on May 31, 2018.

### **Recommendation**

Authorize Tacoma Housing Authority's Executive Director to sign an agreement to extend the Collective Bargaining Agreement (CBA) between THA and the Pierce County, Washington Building and Construction Trades Council by one year with the changes set forth above.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-05-24 (1) (1-Year Extension of Trades Collective Bargaining Agreement)**

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

**WHEREAS**, The agency has a Collective Bargaining Agreement (CBA) with the Pierce County Building and Construction Trades Council; and

**WHEREAS**, The current CBA is scheduled to expire on May 31, 2017; now, therefore, be it

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

THA's Executive Director is authorized to sign an agreement extending the CBA by 1-year as follows:

1. All regular bargaining unit employees will receive wage increases ranging of 3% except that employees hired between April 1, 2017 and June 30, 2017, will receive a general wage increase of 1.5%, and employees hired on or after July 1, 2017, will not be eligible for a wage increase in 2017.
2. The 2017 Six-Month Performance Based Pool set forth in section 6 of Schedule A is extended to be a 12-Month Performance Based Pool covering calendar year 2017.
3. For the first six (6) months of 2018, THA will create a target Performance Based Pool. Pre-established business and operational factors will determine the size of the pool, up to a maximum of 1.5% of the Maintenance payroll.

**Approved: May 24, 2017**

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Dr. Arthur C. Banks, Chair