



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**June 28, 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, June 28, 2017**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, June 28, 2017, at 4:45 pm.**

The meeting will take place at:

**602 Wright Avenue  
Tacoma, WA 98418**

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

---

I, Sha Peterson, certify that on or before June 28, 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.

---

Sha Peterson  
Executive Assistant



# TACOMA HOUSING AUTHORITY

## AGENDA

### REGULAR BOARD OF COMMISSIONERS MEETING

June 28, 2017 4:45 PM

602 South Wright Avenue, Tacoma, WA 98418

---

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
  - 3.1 Minutes of May 24, 2017—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Client Services
  - 7.3 Property Management
  - 7.4 Real Estate Development
  - 7.5 Motion to Increase Budget for the FIC/Maintenance Shop Tenant Improvement Project
8. **OLD BUSINESS**
9. **NEW BUSINESS**
  - 9.1 2017-06-28 (1) Increase in Number of College Housing Assistance Program Rental Subsidies
  - 9.2 2017-06-28 (2) Amendments to Rapid Rehousing Contracts with Pierce County
  - 9.3 2017-06-28 (3) Updating THA's Administrative Plan
  - 9.4 2017-06-28 (4) Architectural and Engineering Services—FIC/Maintenance Shop – Buffalo Design Increase
  - 9.5 2017-06-28 (5) Acceptance of Property Located at 1120 and 1124 Martin Luther King Way
  - 9.6 2017-6—28(6) Authorizing THA's Participation in Litigation Against HUD re 2012 Shortfall of Operating Subsidy
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any.**
12. **ADJOURNMENT**



# **TACOMA HOUSING AUTHORITY**

## **MINUTES**



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, May 24, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L. Street, Tacoma, WA at 4:45 PM on Wednesday, May 24, 2017.

### 1. CALL TO ORDER

Vice Chair Flauding called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:53 pm.

ED Mirra, on behalf of THA, acknowledged Zoe Flauding, daughter of Vice Chair Flauding. He explained that we have watched Zoe grow from a young girl to a young woman who has just graduated from high school and who about to leave for college. He conveyed THA's congratulations.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Arthur Banks (arrived late at 4:56 pm)	
Vice Chair Janis Flauding	
Commissioner Stanley Rumbaugh (arrived late at 5:00 pm & left early at 6:41 pm)	
Commissioner Minh-Anh Hodge (left early at 5:45 pm)	
Commissioner Derek Young	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, FD Director	
Toby Kaheiki, HR Director	
Frankie Johnson, Interim PM Director	
Kathy McCormick, RED Director	
Todd Craven, AD Director	
	Greg Claycamp, CS Director
Sandy Burgess, Associate Director for AD & AM	

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 minutes for the Regular Session of the Board of Commissioners on Wednesday, April 26, 2017. Vice Chair Flauding moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

<b>Motion approved.</b>
-------------------------

### 4. GUEST COMMENTS

#### **Shamai Durette, Tenant at Fawcett**

Shamai addressed the board regarding the construction at Fawcett. According to him, workers are very loud, especially on the roof; they also messed up the wires of his smoke alarm. ED Mirra, noting that we will be hearing from a number of tenants concerning the construction, asked Director Johnson to take note of all tenant concerns. Shamai asked why it took so long for the building construction to finish. Chair Banks responded that there is a priority of order to follow. According to Director Johnson, she spoke to all the tenants in attendance and she will be meeting with Fawcett residents to address their concerns. Shamai asked the board if THA can install air conditioners at the Fawcett building and a change machine in the large room. Director Johnson will look into the air conditioner request but didn't think a change machine would be a good idea.

#### **Nick Bayard, Director of REACH Center**

Nick addressed the board. He thanked Deputy Executive Director April Black for a thorough Rapid Rehousing report. He particularly supports the recommendation 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%. THA's Rapid Rehousing investment has been critical in helping young adults exit from homelessness. REACH needs a robust staffing model for the number of young adults they help. Its goal is not to spend THA dollars on non-rental costs, but in this particular environment, they are finding it necessary; they will be able to assist more young adults if they can spend THA dollars on services.

### **Belinda Hauff, Tenant at Wright Street**

Belinda addressed the board. According to her, tenants have been asked to be patient with the construction at Wright Street, but there have been numerous problems since the start of construction. The construction has interrupted mail deliver and hot water services. The front entrance to the building has been inaccessible. Tenants have been bringing their belongings and groceries around to another building entrance. This can be hard on tenants with limited mobility and they feel that this has not been taken into consideration. Tenants were told that they would be getting regular-sized refrigerators, but received smaller ones. Workers are using bricks to prop doors open, which is a security concern for the tenants. Workers also removed things from her apartment that were part of her reasonable accommodation; she has missing some items; other items are broker; she does not know how to get compensated for those; and she has items in storage that she cannot continue paying for. The building has not been cleaned since the construction and the dumpsters are always full. She invited the board to visit Wright Street to see how tenants are living currently.

Belinda also addressed the board on behalf of Mike Bell who is also a tenant at Wright Street. Workers brought Mike's items back to his apartment and just dropped them in the middle of his apartment. Mike is incapable of putting his own things away. ED Mirra asked Director Johnson to inquire about Belinda's issues, starting with the security concerns. Director Johnson will connect with Mike after the board meeting. Sha Peterson will try to schedule the June board meeting at Wright Street.

### **Martina Biron, Tenant at G. Street**

Martina addressed the board. She no longer resides at Wright Street but wanted to be at this board meeting in support of her friends. When she was at Wright Street, she was attacked four times due to lack of security. She cannot visit her friends due to dust and mold. Vice Chair Flauding asked if tenants lost square footage in their apartments. They did in the shower according to Director Johnson, but tenants still have the same size apartments according to Director McCormick. They did lose shelving in the bathrooms but workers are installing them today.

### **Hope Rehn, Tenant at Wright Street**

Hope addressed the board. According to her, there is no place for linen in her bathroom, the door of her refrigerator opens the wrong way, and workers built a cement wall where the garbage bins are outside, which is a safety concern to tenants. Director Johnson already spoke to Hope before the meeting and will be visiting with her again at Wright Street. Hope also mentioned that the building intercom is now going to be placed next to her living room window. Chair Banks asked how often the intercom is used. The intercom is used whenever people want to enter the building. Chair Banks informed her that THA will look into it and asked that Director Johnson work with Sha Peterson to schedule a site visit to Wright Street. Vice Chair Flauding is also interested in visiting.

**Alan Brown, Housing Services Director at Catholic Community Services**

Alan addressed the board to speak about THA's Rapid Rehousing investment. Catholic Community Services really appreciate the thoroughness of Director Black's report and hard work that she put in. They are excited about many of the recommendations, especially the added flexibility for using funds and removal of geographic restrictions. Barriers for families served in Rapid Rehousing have grown. The need for supportive services has grown and the housing market is getting tighter.

**Mike Yoder, Executive Director of Associated Ministries**

Mike addressed the board. Associated Ministries is one of the beneficiaries of the Rapid Rehousing investment from THA. He is thankful for the recommendations to continue THA's investment. As they move to serving higher barrier clients, the ability to use THA funds for other kinds of supportive services will be essential.

**Senta McKnight, Tenant, Building Rep. and SAFE VP at Wright Street**

Senta addressed the board. According to her, tenants have come to her with issues regarding the RAD construction. Tenants feel that they are not being treated well. She also asked about her stipend for being the SAFE Vice President, which she has not received. Director Johnson will look into this.

**Sandra Alexander, Tenant at Wright Street**

Sandra addressed the board. Her apartment is next to the elevator so she is assaulted by noise all night long. Security is terrible and she does not feel safe, especially on the weekends. She sees people entering the building who are not tenants. It has been terribly bad, especially this month. ED Mirra informed her that solutions come in parts. The construction will install security cameras around the building. They will help identify trespassers and those tenants who are allowing people into the building..

**Pierce County Homeless Crisis Response System Presentation by Tess Colby, Community Services Programs Manager at Pierce County Human Services**

Deputy Executive Director April Black informed the board that she will be discussing THA's Rapid Rehousing (RRH) investment. It pays that investment to Pierce County for its use in the county's RRH system. Tess Colby manages that system, and April explained, will now address the board to supplement April's report. ED Mirra noted that the report staff has no request today for the board. Instead, he anticipates presenting proposals to the board in June.

Tess addressed the board. The County estimates that for every 100 people earning the county's median income, there are only 10 affordable housing units available. The County allocates \$12M per year to respond to homelessness, which falls short of meeting the demand. The shortage of resources was a major incentive for the shift



towards a crisis response system. By shifting investments from temporary housing to permanent housing, responses have become more effective and efficient.

She discussed the priorities for Crisis Response, which starts with Coordinated Entry, the purpose of which is to prioritize housing programs. This is run by a partnership of Associated Ministries, Catholic Community Services, Comprehensive Life Resource, Greater Lakes Mental Health and soon, Community Youth Services.

Crisis Response, as a matter of priority, serves only literally homeless people or families fleeing or attempting to flee domestic violence. Coordinated Entry may be accessed by going to Associated Ministries, through street outreach and in shelters. (Martina Biron spoke up. She said that she is a tenant at G Street. She came to THA fleeing domestic violence and the Crisis Response program helped her.)

Tess explained that the types of program types. There are three types:

- (1) Diversion still predominantly serves families, thus the overall percent of children served is highest in this program.
- (2) Rapid Rehousing (RRH) provides shallow rent support and tailored services to families, young adults, and single individuals. It is the County's largest housing program. Commissioner Rumbaugh asked about the drop in enrollments between 2015 and 2016. According to Tess, this is a result of moving to prioritization on the literally homeless. Rapid Rehousing programs are now taking much more vulnerable clients; as a result, the length of time in the program is a little longer, which reduces the total number of clients served by RRH.
- (3) Permanent Supportive Housing primarily serves chronically homeless single adults with a disability, and has a low turnover rate.

Chair Banks asked about the geography of homelessness. Tess recounted the spread of originating addresses and noted that families and single adults and youth come from all over the county. Commissioner Rumbaugh asked how the County addresses unemployment in a way that would allow RRH to be sustained overtime. One of the first things in RRH is to find ways to connect families with employment training programs. They partner with Workforce Central and programs through DSHS that help connect families to employment trainings. THA's investment accounts for 37% of the RRH that the County funds, ensuring that RRH serves the most vulnerable families with children.

Director Black noted that the presentation was due to the RRH recommendations. She hopes to bring a resolution to the June board meeting.

The Board asked for a study session before then on RRH.

## 5. COMMITTEE REPORTS

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

The Real Estate Development Committee met a couple of weeks ago. They had a lengthy and productive meeting, and identified properties to purchase. This will be discussed in executive session.

### ***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 handed out the proposed Federal budget for 2018 that President Trump issued yesterday. This is an update of the chart in ED Mirra's board report.

## 7. ADMINISTRATIVE REPORTS

### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to his report. THA is in good shape with a YTD operating surplus of \$47k. He noted some challenges, including the increasing rents our voucher programs are encountering. A countervailing effect is that voucher utilization is currently down and Housing Assistance Program (HAP) payment is therefore below budget. Income producing properties will help supplement cuts from the government. Finance is in the middle of IT conversion and will not have very good financials until July. Commissioner Rumbaugh reminded staff that the reason for under utilization is because Housing and Urban Development (HUD) will not accept THA's utilization rate.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$6,247,594 for the month of April, 2017. Vice Chair Flauding seconded.

Upon roll call, the vote was as follows:

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

<b>Motion Approved.</b>
-------------------------

## **Administration**

Administration (AD) Director Todd Craven directed the board to his report. THA is doing well with the new technology system and staff are feeling comfortable with it. Staff had their share of challenges but are getting good reports out of the system. Maintenance and Inspectors are now on mobile devices. Commissioner Rumbaugh is pleased to hear that the mobile system problems are being resolved.

## **Client Services**

Client Services (CS) Director Greg Claycamp was not in attendance. Director Black addressed the board on his behalf. CS had problems gathering data for utilization due to software conversion, but utilization is at 98%. A utilization report will be provided to the board in July. CS is working on a project to open the waiting list. Commissioner Rumbaugh asked about the previous discussions to have RRH count towards utilization and if there has been any verification that THA would be able to do this. Director Black, affirmed it will be added to the annual recording and internal counts in part. Because RRH recipients do not receive assistance for a whole year, HUD will credit THA with only the FTE of recipients. Director Black noted that utilization below 97% is not in compliance with HUD's expectations, but part of the reason for THA's lower utilization is the vacancies due to the RAD reconstruction.

## **Property Management**

Property Management (PM) Interim Director Frankie Johnson started by thanking the tenants in attendance for their comments. Resolution to concerns raised will be part of her report to the board next month. Regarding tenant concerns from the last board meeting: Ms. Carson, who addressed the board in May, is happy with Denise Day-Joseph's assistance and her complaints have been resolved; THA staff did find that Ms. Reinhart's fan needed replacement and ordered a new fan; Mr. Gill's concern at 6<sup>th</sup> Avenue was not regarding landscaping but upkeep during construction and this, too, has been resolved.

Director Johnson directed the board to her report. PM addressed 100% of emergency work orders within 24 hours. Vice Chair Flauning noticed that there were fires at Salishan and asked if they were due to defective units, tenants, or a combination of both. Both fires were due to tenants according to Director Johnson. Since most fires start in the kitchen, PM is looking at options like installing fire suppression devices under the hood.

Vice Chair Flauning asked about unlocking the water spigot locks at Salishan so kids can get water in the summer. She noted that tenants are willing to pay for it. PM has been discussing this for some time. Spigot locks were installed in response to the City's request to save water. They were also installed due to numerous abuses of the water system, including car washing and filling pools, which Salishan Association rules do not

allow. PM is exploring individual metering, which Salishan is already built for, and having discussions with Metro Parks about spray parks. ED Mirra added that another reason for having locked spigots was to save money. The request to unlock the spigots will require more thought and a study of its effect on utility allowances.

## **Real Estate Development**

Real Estate Development (RED) Department Director Kathy McCormick handed out copies of the Hilltop Journal, which has articles about projects RED jump started. Bay Terrace Phase 2 will open in late June and is on budget; a grand opening is planned for August. Director McCormick urged the board to go by Bay Terrace to see the artwork being installed.

Staff showed space at the Family Investment Center (FIC) to a local child care operator who expressed interest in providing day care and before/after school programs at this location.

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 Arlington Drive Crisis Residential Center (CRC) to be managed by Community Youth Services (CYS). Vice Chair Flauding wants to make sure Salishan and the CRC get connected; Director McCormick will add Vice Chair Flauding to the planning committee. Chair Banks is interested in making sure that the surrounding communities have a chance to provide input. This is the goal, confirmed Director McCormick. She will also reach out to the board regarding community outreach.

## **8. OLD BUSINESS**

None.

## **9. NEW BUSINESS**

### **9.1 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.

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

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

**Motion Approved:** May 24, 2017

\_\_\_\_\_  
Dr. Arthur C. Banks, Chair

## **10. COMMENTS FROM COMMISSIONERS**

None.

## **11. EXECUTIVE SESSION**

The Board of Commissioners went into Executive Session at 7:08 pm for 18 minutes to discuss potential real estate purchases. The board moved back to regular session at 7:26 pm.

## **11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 7:27 PM.

**APPROVED AS CORRECT**

**Adopted:** June 28, 2017

---

Dr. Arthur C. Banks, Chair



# **TACOMA HOUSING AUTHORITY**

## **Real Estate Development Committee**

Commissioner Stanley Rumbaugh

## **Finance Committee**

Commissioner Minh-Anh Hodge

Commissioner Derek Young

## **Citizen Oversight Committee**

Chair Arthur C. Banks

## **Education Committee**

Commissioner Minh-Anh Hodge



**TACOMA HOUSING AUTHORITY**

**COMMENTS FROM THE  
EXECUTIVE DIRECTOR**





# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
**From:** Michael Mirra, Executive Director  
**Date:** June 25, 2017  
**Re:** Executive Director's Report

---

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

## 1. HUD's "SUBSTANTIALLY THE SAME" FORMULA

The Board may recall intermittent discussions about HUD's evolving interpretation of the statutory requirement that all MTW agencies plan to serve "substantially the same" number of households that each of them would serve if they were not an MTW agency. For this purpose HUD assigns a baseline number of households that each MTW agency must serve.

Earlier this summer HUD published a proposed interpretation of this requirement. THA submitted a letter critiquing the proposal. I gave the Board a copy of the letter.

Our letter recited authority for an interpretation that would define "substantially the same" to be as few as 70% of the baseline. The leeway this would give us is important for several reasons: **First**, and foremost, our voucher rents are increasing while our voucher funding is at best staying level. The arithmetic means that we will serve fewer households. Indeed, in response, some PHAs in very tight markets are not even trying for 100% utilization. Yet, HUD is not lowering our baselines to account for either the budget cuts or the rising rents. Instead, it may impose correction measures of some sort on these PHAs. **Second**, we need flexibility to pursue important initiatives like our Education Project, our Rapid Rehousing investment and our investments in new properties.

We have no news to report on this issue. HUD staff and staff from Senator Murray's office tell us that HUD's deliberations on the issue appear to be stalled. That might be good news since we did not like the direction HUD was taking. However, that leaves us with HUD's current interpretation.

That current interpretation can cause problems. I can report a recent example. We recently reported to HUD that THA was serving 99% of HUD's baseline number of families. In any normal understanding, 99% would surely count as "substantially the same" as 100% of even a baseline that HUD will not adjust to account for budget cuts or high rents. Yet, HUD responded to us by labelling THA not as "compliant" not only as "significantly compliant". HUD is requiring us to submit a plan for moving us to "compliance."

April has been managing our discussions with HUD. Here is an excerpt from her June 19<sup>th</sup> reply to HUD. It gives you a sense of the matter:

Thank you for making adjustments to our baseline calculation based on the data we provided. I added comments to tab 2 as you requested.

As THA has mentioned through discussions about “substantially the same” in the past, compliance should be measured at something less than 100% utilization and should consider factors related to decreases in federal funding, inflation and significant shifts in rental markets. Though we appreciate being labeled “significantly compliant,” we are being asked to prepare a plan to strategize how to move into “compliance.” It seems odd that we are preparing a plan to correct utilization that is at 99% of the target. Having said that, we do expect to trend below 100% for the near future. Below is our response to the request for a Baseline Plan:

The Tacoma market has been shifting for the past couple of years as Seattle's economy booms and renters are searching for more affordable housing outside of the city of Seattle. Over the past 12 months, this rental shift has led to shrinking vacancy rates and growing rents in Tacoma. With the shrinking stock, subsidized households are being screened out of the market in favor of higher income renters with large sums of cash on hand to pay escalating security and move in costs. Property owners are also screening out more households with blemishes on their rental and credit histories. These factors have been and will continue to impact our utilization rate. Housing Assistance Payments (HAP) have been going up by \$2 per household per month. Compounding these increases across 4000+ households for a 12 month fiscal year means we are paying out more and will be able to serve fewer households if we continue receiving the same of fewer federal dollars. We are contemplating strategies to increase and/or maintain utilization with the funds we do have but most of those options will cost money, forcing us to spend more money to house fewer people. These utilization strategies include: paying security and move in costs, paying vacancy costs in exchange for landlords holding their vacancies for qualified voucher holders, project basing a higher percentage of our vouchers, purchasing properties so we can control the rents, hiring a Landlord Liaison position so we can search for landlords willing to accept our

vouchers, and expanding our service area so our participants have access to more affordable housing in surrounding communities. We are also contemplating adjusting our expectations regarding leasing at 100% of our MTW baseline and engaging our Board in a conversation about whether a different target should be adopted.

We have heard that similar utilization issues are occurring across metropolitan areas nationally. We hope that HUD will be open to engaging in dialog about whether the 100% utilization target should be adjusted when certain FMR increases and/or federal funding decreases occur.

Thank you for your continued partnership in this work,

The MTW Steering Committee is continuing its efforts to engage HUD on this matter. For that purpose, it has been able to schedule some meetings with Secretary Carson. Perhaps that will help. We are also keeping Senator Murray's staff closely informed.

Stay tuned!

2. **CONGRESSIONAL BUDGET NEWS: NOT MUCH NEWS ACTUALLY**  
Congress is supposed to be writing its budget for 2018. It needs to get something done by October 1<sup>st</sup> to avert a governmental shutdown. I have been distributing the reports from Washington D.C. that Len Simon publishes. Those reports are not encouraging. Congress has made progress on only one of twelve appropriation bills – the one pertaining to veteran programs. Len's report explains that Congress is preoccupied with other matters.

In the absence of even a draft of a Congressional budget for HUD, focus remains on the proposal from the Trump Administration. Overall it would cut HUD's budget by 13%. I attach a more detailed analysis of the proposal from CLPHA. As I reported last time, and as we hear from Len, the Trump budget is not getting a very friendly reception in Congress.

3. **WASHINGTON STATE LEGISLATURE: 2017-2019 BUDGET**  
Our state legislature is having its own difficulties with budget writing. The legislature is in its third special session. It must get a budget done by June 30<sup>th</sup> to avert a July 1<sup>st</sup> shutdown of state government. The main challenge is to agree on a formula to adequately fund public education K – 12 in a way that satisfies the State Supreme Court's mandate to do so.

THA does not get operating dollars directly from the state. Instead, THA has

three other primary interests at stake in the 2017-2019 budget. **First**, THA has requested capital dollars for our Arlington Drive Youth Campus. The Senate version of the capital budget has \$3 million for Arlington. The House proposes no money. THA and Community Youth Services (CYS) have been busy with both Senators and Representatives. We may have some news by the Board meeting.

**Second**, THA would be very concerned about a governmental shutdown because our tenants and clients rely heavily on governmental services. An interruption of cash assistance, food stamps, medical services or supportive services to disabled persons or children would impose consequences that range from an inconvenience to a serious deprivation endangering health or life.

**Third**, if a shutdown interrupts an income to THA's tenants or voucher holders, their July's rent to THA and to private landlords will be late. I expect THA can wait it out. Private landlords may not be able or willing to do that.

#### **4. STAFF CHANGES: PUZZLES AND OPPORTUNITIES**

As the Board knows, Pat Patterson has left his position with us as Property Management Director to become a senior manager for the Port of Tacoma. We are now seeking his successor. We are fortunate to have Frankie Johnson as our Interim Director. I am pleased to report that Frankie will also apply to be our regular director. Another strong candidate from outside THA will also apply. The impressive strengths of these two candidates allow us to forego a wider search.

We also must seek Todd's successor as director of the Administration Department. Todd has long been planning to leave but has honorably assured us that he will not leave until we are comfortably through the Open Door conversion to allow us to do without him. Even so, we need his successor, and two project managers we will also require, to start work sufficiently in advance of Todd's departure to allow for an ample overlap. That overlap will allow for a smoother transition. For that reason, we are in a hurry to fill these positions.

Fortunately, the strong outside candidate for the property management position is also interested in the administration position, and has the skills and experiences it will require. That may give us some fortunate options all around.

I hope to make these choices this summer.

**5. MISCELLANEOUS**

Kathy's department report contains its customary update on our sale of our single family homes. The Board will recall that we are selling these homes to low-income families. To make these homes affordable, we are discounting our price. Done right, these purchases can transform a family's prospects not only for the purchasing generation but also for their children. I attach a letter from a family that wrote us hoping to buy one of our homes. The letter describes just the type of transformation we want these purchases to allow. We were able to sell the home to this family.

June 2017

## THE FY18 HUD BUDGET PROPOSAL: ANALYSIS & VIEWS

**T**he Trump Administration released its full budget proposal for fiscal year 2018 (FY18) on May 23, 2017—after providing a preview of the budget proposal (“skinny budget”) in March. If the skinny budget was a sour-tasting appetizer, the full budget is a bitter, acidic and hard-to-swallow main course with the promise of a long-lasting aftertaste. As U.S. Representative Katherine M. Clark (D-MA) said during a budget hearing, “This budget as a whole is a recipe for killing our economy.”

Overall, there is little logic to the budget except it proposes to eliminate and eviscerate programs for the poor while cost-shifting the burden onto the poor, or the persons least able to afford and carry that burden. The budget targets America’s most vulnerable citizens with drastic cuts to Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF), while also slashing disability benefits and student loan and education programs, thereby crippling essential support systems affecting many of the residents we serve in low-income housing.

The budget proposal provides the U.S. Department of Housing and Urban Development (HUD) with \$40.68 billion in gross discretionary funding for FY18—\$7.3 billion, equal to 15 percent, less than the amount enacted in FY17. This devastating decrease is realized primarily through elimination of certain programs and reductions in the rental assistance programs, including \$2 billion in cuts to public housing and related programs. These dramatic HUD reductions come at a time when the federal government should actually be investing in public housing as part of the nation’s infrastructure, as such investment generates economic growth, creates jobs, bolsters productivity, and generates tax revenue for cash-strapped localities. It also comes at a time of increasing research evidence showing a link between stable housing and social determinants of health, education and employment outcomes.

If realized, the draconian cuts included in the HUD budget would have severe and cumulative effects on public and affordable housing programs across the country, while shredding the safety net on which many low-income Americans rely. The magnitude of these proposed cuts is alarming—the Public Housing Capital Fund alone sustains a cut of over 67 percent. The bitter irony of this particular cut is that it not only undermines basic health and safety improvements, it is also counter-intuitive to promoting public-private partnerships, a goal of the Administration. This cut will make it virtually impossible to leverage private investment for the Rental Assistance Demonstration (RAD) program, which HUD claims is a major policy priority. Since RAD relies on the Capital Fund and Public Housing Operating Fund in order to convert to the housing voucher platform, cuts to these programs is self-defeating for RAD.

Similarly, the Housing Choice Voucher program, which provides housing vouchers to needy families, would receive a \$771 million reduction. These budget reductions, coupled with rising rents and inflation, will result in the loss of hundreds of thousands of vouchers—estimated at more than 250,000 low-income households—and threaten currently-housed families with homelessness.

## Rental Reform

In FY18, HUD proposes a set of policy proposals that will serve as an initial step toward a comprehensive rental reform initiative and legislative package for the following year of FY19. According to HUD's Congressional Justifications (CJ) the changes are designed *"to reduce costs while at the same time continuing to assist current residents, encouraging work, and promoting self-sufficiency. They also seek to provide administrative flexibilities and to streamline the complex and administratively burdensome calculation of income and rent."*

Policy reforms for FY18 include establishing minimum tenant rental payments of \$50 per month; eliminating utility reimbursement payments to tenants; and increasing the tenant rent contribution from 30 percent of adjusted income to 35 percent of gross income. However, while HUD will implement the 35 percent income reform in other rental assistance programs, it does not plan to implement this change in the Public Housing or Housing Choice Voucher programs in 2018. Each of the above three reforms will have HUD-defined hardship exemptions available for tenants. (Sec. 226, 227 and 228 below)

HUD will also seek broad authority to *waive statutory and regulatory requirements to provide PHAs [public housing agencies] with the flexibility to tailor and apply policies that address their individual needs and are acceptable within their local communities. Such waivers would encourage increased local discretion and flexibility in terms of how PHAs operate their public housing programs within each jurisdiction ...Specifically, HUD seeks to waive statutory and regulatory provisions related to PHA administrative, planning, and reporting requirements; energy audits; income recertifications; and program assessments."* (Sec. 230 below)

The CJ further notes, *"the requested broad waiver authority described above will help PHAs better manage their programs within their available resources and provide PHAs with a variety of options for temporary regulatory and statutory relief while HUD seeks permanent statutory reform. In addition, HUD will work with PHAs to manage the proposed changes using a full menu of options, including adjustments to existing PHA discretionary policies, new flexibilities, and voucher attrition (i.e., not reissuing vouchers when families exist the program), as needed to avoid resident displacement. This approach will empower local communities to manage the cost savings proposals in a fiscally responsible manner and help to avoid the displacement of currently assisted households, by giving PHAs the flexibility to employ those relief measures that make the most sense in relation to their own needs, priorities, and rental markets."*

***CLPHA Position: CLPHA remains deeply skeptical of certain Trump Administration rent reform proposals as they appear designed to simply generate additional rent payments from the very tenants that are least likely to afford higher payments, all in an effort to disguise or offset the proposed cuts in rental assistance funding. CLPHA is dubious of the Administration's assertion that the reforms are intended to assist residents, encourage work, and promote self-sufficiency, particularly when over half the public housing population is elderly and disabled. Also, while the 35 percent income reform does not yet apply to public housing or housing choice vouchers, its future application seems inevitable as the other***

***reforms do apply. The Administration makes the claim that without significant reform, cost increases in the rental assistance programs may be unsustainable, would not only pose challenges to the future viability of the rental assistance programs, but could also threaten other HUD initiatives. There is no evidence to support this speculative Administration argument.***

## **Public Housing Operating Fund**

HUD proposes \$3.9 billion in FY18. This is \$500 million less than the \$4.4 billion enacted in FY17, and \$1.449 billion less than the CLPHA request of \$5.349 billion. According to the CJ, the proposed funding level represents an estimated 80.7 percent proration against the formula eligibility. The proration continues a deliberate trend of disinvestment in the on-site management and operations of the public housing program since the account has only been fully funded in 4 of the last 17 years, the last time in 2011.

According to the CJ, the budget also proposes to “*extend the flexibility available to most small PHAs to utilize the Capital and Operating Funds interchangeably to all PHAs, regardless of troubled status and the condition of a PHA’s public housing portfolio.*” This proposal would extend full flexibility to all PHAs using FY18 and previous years’ funding, “*including the use of existing Operating Reserves for capital improvements. This flexibility would enable PHAs to focus scarce resources on local priorities without being constrained by the statutory limitations of each fund.*” (see Sec. 233 below)

The CJ also notes, “*while the 2018 Operating Fund level may slow the pace of [RAD] conversions, many existing awardees will still be able to convert and undertake property improvements. Interested PHAs will need to evaluate the effect of conversions in a reduced funding environment on any remaining public housing stock.*”

***CLPHA Position: We are dismayed the Administration request continues the previous trend of disinvestment in public housing operations at less than 100 percent, despite the fact that prorating operating funds jeopardizes housing authorities’ ability to increase occupancy, reduce waiting lists, and maintain decent and safe housing. CLPHA appreciates the Administration proposal recommending full fungibility between the Operating and Capital accounts to all housing authorities—a position we have long advocated. However, we do not regard full fungibility in lieu of reduced funding as a quid pro quo. Additionally, successful conversion of public housing units under RAD are jeopardized. The success of RAD is dependent upon stable funding levels for the Operating Fund and Capital Fund in order to capitalize properties with private sector debt and equity.***

***CLPHA will continue to advocate with Congress for full funding of \$5.349 billion for the Operating Fund in FY18.***



## Public Housing Capital Fund

HUD proposes \$628 million in FY18. This is \$1.314 billion less than the \$1.942 billion enacted in FY17, and \$4.372 billion less than the CLPHA request of \$5.0 billion. HUD proposes approximately \$600 million will fund capital grants to public housing agencies; a \$10 million set-aside under the Capital Fund for the Jobs Plus Initiative, which is \$5 million less than the FY17 enacted level; \$20 million for emergency capital needs; and up to \$8.3 million for financial and physical assessments of public housing and other HUD-assisted properties. HUD also proposes to “provide bonus awards in fiscal year 2018 to public housing agencies that are designated high performers.” HUD is once again proposing no funding for Resident Opportunity and Supportive Services (ROSS) in FY18.

According to HUD’s budget appendix, “the Budget proposes a set of policies to reduce costs while continuing to assist current residents. These policies serve as a starting point as the Administration works towards a more comprehensive package of rental assistance reforms.” The CJ further states, “this budget proposal recognizes that public housing is a partnership between Federal, State, and local governments. The Capital Fund remains essential to improving and sustaining the quality of the public housing stock, but PHAs must leverage outside public and private investment in addition to federal funds to meet the capital repair and modernization needs of the properties. This proposal intends to make public housing more sustainable in the long term and provide flexibilities to HUD’s partners allowing them to use funds in a way best suited to address local needs.”

***CLPHA Position: CLPHA is alarmed by the deep and massive cut to the Capital Fund program representing a two-thirds reduction in program funding. Slashing the program to this extent, which can ill-afford any further reductions, demonstrates a callous disregard for the condition of the nation’s public housing. We have repeatedly decried chronic underfunding of the Capital Fund contributes to a deteriorating housing stock, greatly diminished health and other life outcomes for public housing residents, especially children and seniors, and the loss of approximately 10,000 public housing units per year. The capital backlog of more than \$26 billion continues to grow; annual accrual needs continue to be underfunded; and successful conversion of public housing units under RAD are jeopardized. The success of RAD is dependent upon stable funding levels for the Operating Fund and Capital Fund in order to capitalize properties with private sector debt and equity.***

***CLPHA will advocate with Congress for an adequate funding level of \$5 billion for the Capital Fund in FY18.***

## Rental Assistance Demonstration (RAD)

HUD proposes no funding in FY18. This is equal to the enacted amount in FY17, and \$50 million less than the CLPHA request of \$50 million. The budget also proposes elimination of the unit cap, and would extend conversion authority to enable owners with Section 202 Housing for the Elderly the op-

tion to convert to Section 8 contracts. According to HUD's budget appendix, *"the Budget supports preservation of Section 202 properties through the expansion of the Rental Assistance Demonstration program to include elderly properties developed through the Capital Advance program.*

In addition, the budget eliminates the September 30, 2018 deadline for submission of RAD applications; standardizes ownership and control requirements for converted Public Housing properties in situations where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs; and protects tenants' right to continue occupancy under second component conversions. (Sec. 219 below)

According to the Congressional Justifications, *"as of May 2017, PHAs have converted more than 61,000 public housing units and have leveraged \$4 billion in construction investments to improve, replace, and preserve these properties."* An additional 23,000 units have also been preserved through conversion under the Moderate Rehabilitation (MR), Rent Supplement (RS), and Rental Assistance Payment (RAP) programs—the second component of RAD.

***CLPHA Position: CLPHA was a key stakeholder in the coalition that developed and advocated for creation of the Rental Assistance Demonstration, a leader in the coalition to lift the unit cap, and a convener of the RAD Collaborative with other public-private stakeholders to provide support to housing authorities and their partners to preserve and revitalize their public housing properties. CLPHA strongly supports the Administration's proposal to eliminate the unit cap, though RAD is severely undermined by cuts to the Operating and Capital Fund. CLPHA strongly supports the Administration's proposal to repeal the sunset date; and CLPHA will continue to advocate for \$50 million in funding for the program.***

## **Housing Choice Voucher (HCV) Program**

HUD proposes \$17.584 billion in FY18 for HCV renewals. This is \$771 million less than the \$18.355 billion enacted in FY17, and \$1.806 billion less than the CLPHA request of \$19.39 billion. In a replay of previous budget cycles, HUD has retained language providing authority to offset FY18 allocations by *"the excess amount of public housing agencies' net restricted assets accounts, including HUD held programmatic reserves,"* and, once again, proposes to delete the language providing for exclusion of funds subject to MTW single fund budget authority provisions. The offset would be used to prevent the termination of rental assistance as a result of insufficient funding and to avoid or reduce the proration of renewal funding allocations.

HUD proposes a set-aside adjustment fund of up to \$75 million, for increases due to unforeseen circumstances or portability; for vouchers not in use during the previous 12 months due to a project-basing commitment; for costs associated with HUD-VASH; and for agencies that, despite taking reasonable cost savings measures, would otherwise be required to terminate assistance due to insufficient funding.

***CLPHA Position: CLPHA is alarmed at the reduction in funding for HCV***

***renewals, thereby placing more families at risk of homelessness. CLPHA continues to strongly oppose the authorization of offset authority to reduce any downward proration or to prevent terminations due to insufficient funding. Housing authorities have continually faced tremendous uncertainty about their funding, including sequestration cuts, offsets and lack of reserves. Housing authorities who have managed the issuance of vouchers to prevent termination of current voucher holders, should not be penalized. Additionally, MTW agencies must be funded according to their contracts; both adjustments to their funding for savings, and offsets of reserves are violations of their agreements.***

***CLPHA will advocate with Congress for full funding of \$19.39 billion to renew all housing choice voucher contracts.***

***HCV Administrative Fees*** – HUD proposes \$1.55 billion in FY18. This is \$100 million less than the \$1.65 billion enacted in FY17, and \$734 million less than the CLPHA request of \$2.284 billion. The CJ calls administrative fees “a vital component of the HCV program, providing PHAs with the resources necessary to administer the requested rental assistance for over 2.2 million families” yet does not provide any further mention or justification for administrative fees and their \$100 million reduction in funding for FY18.

***CLPHA Position: CLPHA is frustrated with the Administration’s failure to explain the significant reduction in funding request for administrative fees, an aspect of the HCV program considered vital to fulfill the purpose of the program. However, CLPHA is pleased the budget does not call for implementation of the new administrative fee formula as we continue to oppose it, and have raised strong objections to the study and the methodology on which the formula is based. Despite our objections, it should be noted that the recent study shows administrative fees are significantly underfunded.***

***Tenant Protection Vouchers (TPVs)*** – HUD proposes \$60 million in FY18. This is \$50 million less than the \$110 million enacted in FY17, and \$105 million less than the CLPHA request of \$165 million. According to the CJ, “the HCV program will no longer provide higher payments for enhanced vouchers. This change will apply the same cost limitation on the maximum subsidy that may be paid under the voucher program to enhanced vouchers in order to control program costs; however, the tenant rent limitation will be waived so that families will not be required to relocate as a result of this change.” Tenant protection vouchers (TPVs) are essential to PHAs’ ability to demolish or dispose of deteriorated or outdated public housing that cannot or should not remain in the portfolio. Without an adequate supply of TPVs, PHAs are unable to relocate or provide replacement housing for tenants, who must remain in those existing public housing units. CLPHA has been urging the Administration to loosen up its approval process on public housing demolition and disposition applications. Additional TPVs for relocation and replacement go hand in hand with that request.

***CLPHA Position: CLPHA supports a funding level of \$165 million in FY18 for tenant protection vouchers. We are concerned that HUD is currently***

***proposing to impose limitations on the maximum subsidy that may be paid under the guise of presenting more comprehensive rent reform in a forthcoming legislative proposal. CLPHA strongly urges the Administration to loosen up its approval process on public housing demolition and disposition applications.***

**HUD-VASH Vouchers** – HUD proposes no new funding for HUD-VASH vouchers in FY18. This is \$40 million less than the amount enacted in FY17, and \$75 million less than the CLPHA request of \$75 million.

***CLPHA Position: CLPHA supports a funding level of \$75 million for HUD-VASH vouchers in FY18. HUD-VASH has been enormously successful and is a good example of cross-sector inter-agency partnerships.***

### **Project-Based Rental Assistance (PBRA)**

HUD proposes \$10.751 billion for PBRA in FY18. This is \$65 million less than the enacted level in FY17 and \$649 million less than the CLPHA request of \$11.4 billion. Of the amounts made available in FY18, no more than \$285 million shall be made available for HUD agreements with performance-based contract administrators.

According to the CJ, the proposal will provide over 16,000 Section 8 contracts with 12 months of renewal funding. Since a small portion of contracts will receive less than 12 months funding in FY17 to conform to the calendar year model, in FY18 HUD “will return to a full 12-month funding baseline for all contracts, representing a significant increase in baseline renewal needs.” However, HUD asserts that their savings initiatives “will allow for annual funding of all renewal contracts and the continuation of rental assistance for same number of units currently served, with only a modest increase over 2017 CR levels.”

“The PBRA request includes renewal funding for public housing properties that converted to PBRA in 2013 through 2016 through the Rental Assistance Demonstration (RAD). HUD will continue the conversion of some Public Housing to long-term Section 8 contracts in 2018 under the RAD program. The request also includes renewal funding for Rent Supplement (RS) and Rental Assistance Payment (RAP) properties converting to PBRA in 2017 under the second component of RAD (under authority provided in the 2015 Appropriations Act).”

***CLPHA Position: CLPHA supports a funding level of \$11.4 billion for Project-Based Rental Assistance in FY18.***

### **Family Self Sufficiency (FSS) Program**

HUD proposes \$75 million to fund the consolidated HCV, Public Housing, and PBRA FSS Program in FY18. This is equal to the enacted amount in FY17, and \$20 million less than the CLPHA request of \$95 million. The budget request would allow HUD to fund approximately 1,300 FSS Program Coordinators that will serve approximately 72,000 families.

***CLPHA Position: CLPHA supports a funding level of \$95 million for FSS***

***vouchers in FY18. FSS is a part of the arsenal of programs helping families achieve self-sufficiency. Since the Administration places a high-value on lower-income families attaining self-sufficiency, it is puzzling that HUD did not ask for more funding to help families achieve this goal and Administration priority.***

## **Choice Neighborhoods Initiative (CNI)**

HUD proposes no funding in FY18. This is \$137.5 million less than the amount enacted in FY17, and \$200 million less than the CLPHA request of \$200 million. According to the budget appendix, “the 2018 Budget does not request funding for Choice Neighborhoods in recognition of a greater role for State and local governments and the private sector to address community revitalization needs, and redirects constrained Federal resources to higher priority activities. The Department will continue to monitor and provide assistance for existing HOPE VI and Choice Neighborhood projects.” In addition, the budget proposes that all recaptured funds in CNI and HOPE VI be redirected to the Public Housing Capital Fund.

***CLPHA Position: CLPHA strongly supports \$200 million in funding for CNI in FY18, and urges Congress to reject the Administration proposal to eliminate funding for the program. CNI is a comprehensive neighborhood-based redevelopment strategy that relies on leveraging public-private partnerships to encourage mixed-financed, mixed-income and mixed-use communities.***

***CLPHA continues to support the CNI requirement from previously enacted appropriations that directs a significant portion of the funding to public housing. Since public housing revitalization and capital repair continue to be underfunded, evidenced by the more than \$26 billion in capital backlog, specific funding targeted to public housing under CNI remain necessary.***

## **Housing Trust Fund**

The FY18 budget proposes to eliminate assessments and discontinue funding for the Housing Trust Fund (HTF). Prior statute directed that HTF be funded from assessments on Fannie Mae and Freddie Mac.

***CLPHA Position: CLPHA supports assessment allocations from Fannie Mae and Freddie Mac to continue to fund the Housing Trust Fund in FY18, and supports full access to the Trust Fund by housing authorities.***

## **Research and Technology**

HUD proposes \$85 million in FY18. Per the Budget Appendix, “the request consists of \$50 million for core research support, surveys, data infrastructure, and knowledge management (i.e., research dissemination); \$10 million for research, evaluations, and demonstrations; and \$25 million for tech-

*nical assistance.*" Also, included in the request is funding for research priorities, including a long-term commitment to evaluate Moving to Work (MTW) policy initiatives and expansion.

***CLPHA Position: CLPHA supports the Administration funding proposal for Research and Technology in FY18, particularly funding to support the evaluation of MTW.***



## General Provisions

The general provisions of the budget proposal include several policy changes. Some changes were in previous years' budget proposals and some changes are new. The section on General Provisions includes the following numbered sections of interest to CLPHA.

**Sec. 201.** Amends the McKinney Homeless Act to allow up to 15 percent or recaptured or cancelled amounts to be used to provide project owners with incentives to refinance their project at a lower interest rate.

**Sec. 202.** Prohibits FY18 funds to investigate or prosecute lawful activity under the Fair Housing Act, including the filing or maintaining of nonfrivolous legal action *“that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.”*

**Sec. 207.** Limits eligibility for students to receive Section 8 assistance.

**Sec. 211.** Requires the Secretary to notify the public of the issuance of a notice of the availability of assistance or NOFA for any program or discretionary fund that is to be competitively awarded.

**Sec. 213.** Requires HUD to take action against owners of multifamily housing projects with a Section 8 contract, or contract for similar project-based assistance, when those properties do not meet minimum REAC standards. Public housing properties are exempt from this requirement.

**Sec. 214.** PHA COMPENSATION – Restricts the amount of Section 8 (under the tenant based rental assistance program) and Section 9 funding that public housing agencies can use to pay officials or employees above the annual rate of basic pay for a position at level IV of the Executive Schedule in FY18.

**CLPHA Position:** *CLPHA continues to remain opposed to the Administration's proposal to cap housing authority executive compensation. CLPHA is opposed to the federal government's intrusion into local decisions that are more properly made by the housing authority governing body—the appointed board of commissioners who are responsible for determining executive director responsibilities, evaluating performance and setting reasonable compensation policies.*

**Sec. 215.** Allows HUD, through notice, to elect to require or enforce the Physical Needs Assessment (PNA).

**CLPHA Position:** *CLPHA strongly opposes allowing HUD to determine whether to enforce the PNA. CLPHA long-advocated previous statutory language that prohibits HUD from using funds to require or enforce the PNA. In light of the proposed 67 percent cut to the Capital Fund, and the high Administration priority for regulatory relief, the HUD position on PNA is bewildering, contradictory and regressive.*

**Sec. 217.** Allows unexpended funds which are either appropriated, allocated, advanced on a reimbursable basis, or transferred to HUD's Office of Policy Development and Research for research, evaluation, or statistical purposes may be reobligated and immediately become available for research, evaluation, or statistical purposes.

**Sec. 219.** RAD Amendments – Permanently extends the application deadline by replacing the statutory language *“until September 30, 2018”* with *“for fiscal year 2012 and thereafter”*. Also, provides several perfecting amendments concerning First Component, Second Component, nonprofits, and others. eliminates the deadline of September 30, 2018 for submission of RAD applications; standardizes ownership and control requirements for converted public housing properties in situations where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs; protects tenants' right to continue occupancy under second component conversions; grants authority to Section 202 properties to convert to Section 8.

**CLPHA Position:** *CLPHA supports the Administration proposals for the RAD program in FY18; however, the proposal granting conversion authority to Section 202 properties should only be granted if the cap is fully lifted, and should be amended to allow housing authorities to acquire Section 202 properties for conversion, particularly since the proposed funding cuts to the Operating and Capital Fund will seriously undermine the current progress of RAD.*

**Sec. 226.** Tenant Rent Contribution – For FY18, HUD may raise the minimum rent up to

35 percent of monthly income for families residing in Section 202 and Section 811 units, unless hardship exemptions apply.

**SEC. 227.** Minimum Rents – For FY18, the monthly minimum rent under public housing, Section 202, Section 811, and housing choice vouchers programs is \$50, unless hardship exemptions apply. This provision begins on the tenant's first annual or interim recertification following enactment.

**SEC. 228.** Prohibition on Utility Reimbursements – For FY18, no family may receive utility reimbursements, unless that family would otherwise experience a hardship as defined by HUD.

**CLPHA Position:** *CLPHA believes the reforms enumerated in Sections 226, 227 and 228 are principally about shifting the cost-burden onto tenants. The cost-shifting to tenants is not a substitute or solution for the deep cuts to the rental assistance programs. CLPHA is assessing the impact of these proposed changes on its member housing authorities and their residents.*

**SEC. 230.** Public Housing Flexibilities – Allows HUD, through federal register notice, to establish full fungibility and flexibility between the Public Housing Capital Fund and Public Housing Operating Fund through waivers or alternative requirements.

**CLPHA Position:** *CLPHA strongly supports the Administration proposal to allow full fungibility and flexibility between the Public Housing Capital Fund and Public Housing Operating Fund accounts. CLPHA has long-advocated for this flexibility.*

**SEC. 231.** Tenant-Based Rental Assistance Flexibilities – Allows HUD, through federal register notice, to establish flexibility under the Tenant-Based Rental Assistance program through waivers or alternative requirements if necessary to reduce costs or for the effective delivery and administration of funds.

**CLPHA Position:** *CLPHA strongly supports the Administration proposal to allow flexibility under the Tenant-Based Rental Assistance program*

*through waivers and has long-advocated for this flexibility.*

**SEC. 232.** Enhanced Voucher Payment Standards – Eliminates enhanced vouchers under the Section 8 program.

**CLPHA Position:** *CLPHA strongly opposes the elimination of enhanced vouchers, which for many years have permitted residents to remain in their homes when an assisted housing owner opts out or otherwise leaves certain HUD subsidy programs.*

**SEC. 233.** Capital and Operating Fund Flexibility – Allows housing authorities to use any amount of funds between the Public Housing Capital Fund and Public Housing Operating Fund for any eligible activities.

**CLPHA Position:** *CLPHA strongly supports the Administration proposal to allow full fungibility between the Public Housing Capital Fund and Public Housing Operating Fund accounts. CLPHA has long-advocated for this flexibility.*

**SEC. 236.** Allows unobligated amounts, including recaptures and carryover, from prior appropriations acts for HOPE VI and Choice Neighborhoods Initiatives to be used for purposes under the Public Housing Capital Fund, regardless of the purposes for which the funds were appropriated.

**CLPHA Position:** *CLPHA opposes the transference of funds from HOPE VI and CNI to the Public Housing Capital Fund. CLPHA prefers the funds remain with the CNI program.*



Ana [REDACTED]

4/9/2017

Dear Tacoma Housing Authority,

My two girls and I have been looking for a home in the Tacoma area to call our own for the past six months. When we came across this home's listing at 3835 S D St Tacoma we felt it was perfect for us and went to see it as soon as possible. It's within a close distance to work which allows me to spend more time with my family and is in an area that's safe for the kids. The home has all the features we've been looking for such as a second bathroom and a fenced backyard.

The grant program associated with the house is an amazing opportunity and we would love to purchase this property. We are pre-approved with Greg Legas from Evergreen Home Loans for a WSFHC FHA loan with down payment assistance. We are making a full net price offer and I'm happy to complete any home buyer education classes or other requirements to be eligible for this property.

Thank you for your consideration of our offer. We look forward to making many lifelong memories in this house as we make it our long-term home.

Sincerely,

Ana [REDACTED]



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION**  
**REPORTS**



**TACOMA HOUSING AUTHORITY**

**FINANCE**



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,496,768 for the month of May, 2017.

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair

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

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	89,837	-	90,107	
Business Support Center				437,885	Program Support
Moving To Work Support Center				71,190	
Moving To Work Buildings (used by Support Center)				13,502	
Tax Credit Program Support Center				18,229	
Section 8 Programs				115,314	Section 8 Operations
Hillside Terrace 1800 Court G				111	Properties
Hillsdale Heights				800	
KeyBank Building				1,139	
Outrigger				6	
Prairie Oaks Operations				24	
Salishan 7				15,022	
CSA Program - THDG				1,100	THDG
Education Program - THDG				2,842	
THDG - General				1,100	
Salishan Developer Fee				7,930	Development
Bus Development Activity				107,739	
MTW Development Activity				536	
Salishan Area 4				2,280	
Hilltop Redevelopment				420	
Hillside Terrace 1800 Court G Development				2,235	
New Look-Development				10,782	
CSA Program - Business Activities				2,750	Community Service
Community Services MTW Fund				3,077	
Education Private Grants (Gates, etc.)				651	
HUD-ROSS Svc Coord				49	
AMP 6 - Scattered Sites				6,468	Public Housing
AMP 7 - HT 1 - Subsidy				9,171	
AMP 8 - HT 2 - Subsidy				3,792	
AMP 9 - HT 1500 - Subsidy				952	
AMP 10 - SAL 1 - Subsidy				10,399	
AMP 11 - SAL 2 - Subsidy				11,881	
AMP 12 - SAL 3 - Subsidy				10,315	
AMP 13 - SAL 4 - Subsidy				10,848	
AMP 14 - SAL 5 - Subsidy				12,095	
AMP 15 - SAL 6 - Subsidy				12,481	
THA SUBTOTAL				905,115	
Hillside Terrace 1 through 1500				4,024	Tax Credit Projects - Reimbursable
Bay Terrace 1				2,739	
Bay Terrace 2				834,667	
Renew Tacoma Housing				284,192	
Salishan I - through Salishan 6				13,338	
				-	
TAX CREDIT SUBTOTAL (Operations - billable)				1,138,960	2,044,076
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	481,948	-	481,978	336,836
	ACH				2,494,248
					\$ 2,831,085
Payroll & Payroll Fees - ADP					\$ 621,607
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 5,496,768



**TACOMA HOUSING AUTHORITY**

**CLIENT SERVICES**



# TACOMA HOUSING AUTHORITY

**DATE:** June 28, 2017

**TO:** THA Board of Commissioners

**FROM:** Julie LaRocque  
Associate 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**

Greg Claycamp was on leave from May 29, 2017, through June 9, 2017. Please see the following Community Services and Rental Assistance reports.

### 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

May 2017	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	7	7	24	49
Families in Transition (FIT)	0	1	2	8
Family Self Sufficiency (FSS)	2	6	163	170
General Services	17	2	109	143
Hardship	0	0	4	4
Housing Opportunity Program (HOP) Case Management	2	2	48	58
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	3	0	49	52
Senior & Disabled	2	0	186	188
<b>DEPARTMENT TOTAL</b>	<b>33</b>	<b>18</b>	<b>679</b>	<b>766</b>



## **3.2 PROGRAM UPDATES**

### **3.2.1 Education Project Update**

Four staff members from Client Service's Education Project team attended the annual Office of Superintendent of Public Instruction (OSPI) Student Support Conference in Yakima in May. Among the guest speakers was former THA-employee Andrea Cobb, who provided a presentation on "The Development and Implementation of the Washington Integrated Student Support Protocol." THA staff were also impressed with the Trauma Informed Care lens to the conference, and particularly the keynote presentations by Dr. Shawn Ginwright and Kanwarpal Dhaliwal, both of the Oakland, CA area.

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

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

We had a total of four senior and disabled properties under construction in May! As residents of these buildings supported each in the transition from home to hotel and back, Client Services kept food bank transportation available as well as Farmers market trips. Residents are excited about the opening of the Eastside Farmers Market and we have one SAFE board member (Senta McKnight) and a Fawcett resident (Desiree Tolbert) running their very own booth! They will sell hand-knitted blankets and may even be available to take special orders! Building reps have been busy assisting in any way they can with construction, relocation and property management by relaying important information as well as providing their time and energy to assist residents after hours. SAFE is gearing up for the upcoming Annual SAFE meeting and are very excited to reveal the new resident council's name! Be on the lookout for annual meeting information coming soon.

#### **Summer Programming Update**

Client Services has been very busy with summer planning. We have had the opportunity to go to every household at Hillside, Bay Terrace, Salishan, Dixon, and Bergerson to promote upcoming events. Metro Parks held a showcase event with CS at the Bay Terrace property to promote the Summer Audio Program. In this program, middle and high school youth

will have the opportunity to create music with Grammy nominated Tacoma local Will Jordan. This program is specifically targeting youth in the Hilltop area that are clients of THA. KBTC will be offering STEM focused activities during the summer for kids in Salishan, Bergerson, and Dixon. FEAST Art Center will be offering youth art and craft classes on Thursdays during the summer at the Family Investment Center (FIC), and will be offering senior and disabled art classes to our 7 S & D buildings at their location on the Hilltop. We are looking for to all of to all of the exciting activities that will begin in June!

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

Housing Choice Voucher utilization is reported at 95.67% for the month of May, 2017. This does not include utilization through Rapid Rehousing.

Below is a breakdown of the utilization of THA's special programs and project based vouchers:

Program Name	Units Allocated	Units Leased	Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	140	32	79%
NED (Non Elderly Disabled) Vouchers	100	91	9	91%
FUP (Family Unification Program)	50	47	4	94%
CHOP (Child Welfare Housing Opportunity Program)	20	16	4	80%
McCarver Program	50	34	15	68%
CHAP (College Housing Assistance Program)	25	23	20	92%
<b>TOTAL</b>	<b>422</b>	<b>351</b>	<b>84</b>	<b>90%</b>

*\* The CHAP program is currently over issuing vouchers in an attempt to increase utilization. We continue to take referrals in preparation for the CHAP expansion.*

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	19	95%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	11	79%
Guadalupe Vista	40	38	95%
Harborview Manor	125	124	99%
Hillside Gardens	8	6	75%
Hillside Terrace	9	9	100%
Nativity House	50	48	96%
New Look Apts.	42	42	100%
Pacific Courtyards	23	23	100%
New Tacoma Phase II	8	5	63%
Salishan 1-7	340	332	98%
Tyler Square	15	6*	33%
<b>TOTAL</b>	<b>704</b>	<b>673</b>	<b>96%</b>

*\* Tyler Square has repaired damage from a fire at their property and has forwarded referrals for this property. They expect to be fully leased up during June.*

Rental Assistance continues to learn new processes with Open Door. Over the last month, many improvements have been made to the program to ensure staff can perform their day-to-day duties. Improvements continue and repairs are made quickly. Rental Assistance has dedicated one staff person to the Open Door conversion, as a subject matter expert. She has been able to help Rental Assistance staff learn these processes quickly and accurately. She has also worked with IT regarding process concerns and clarifying need for some changes.

Rental Assistance completed the meetings with Renew Tacoma residents explaining their opportunity to utilize Choice Mobility Vouchers. Only 5 residents were interested. This is good news for the properties and confirms residents are happy with their homes.

Client Services continues to review the Landlord Liaison position. We are having trouble finding the person we need. We have reviewed several agencies throughout the country to compare our job description to ensure it has what it takes to attract the best applicants. This is an important position at THA and we are being fussy when choosing candidates.



**TACOMA HOUSING AUTHORITY**

**PROPERTY MANAGEMENT**



# TACOMA HOUSING AUTHORITY

**Date:** June 28, 2017

**To:** THA Board of Commissioners

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

**Re:** Property Management Monthly Board Report

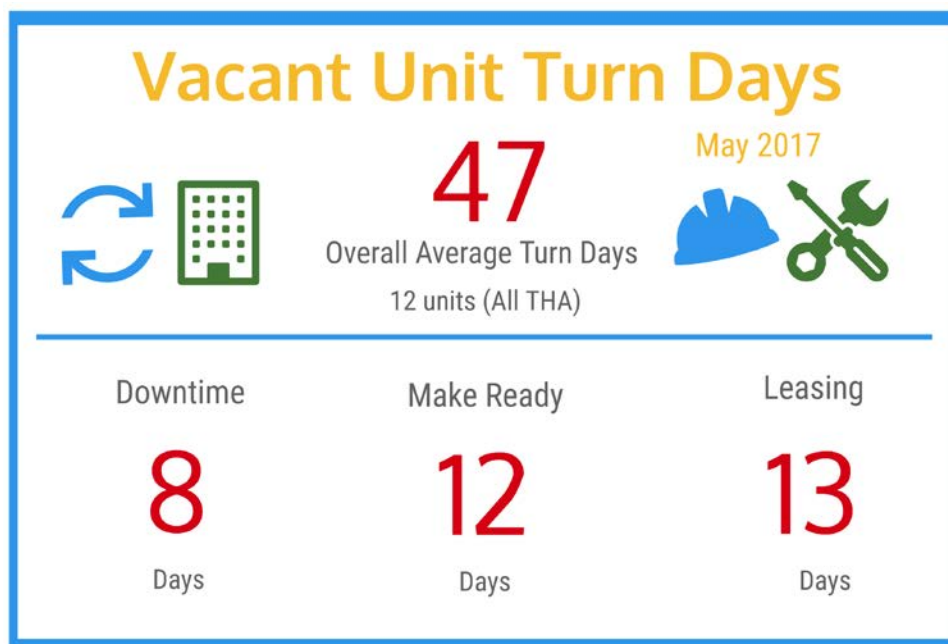
## 1. OCCUPANCY OVERVIEW

### 1.1 Occupancy

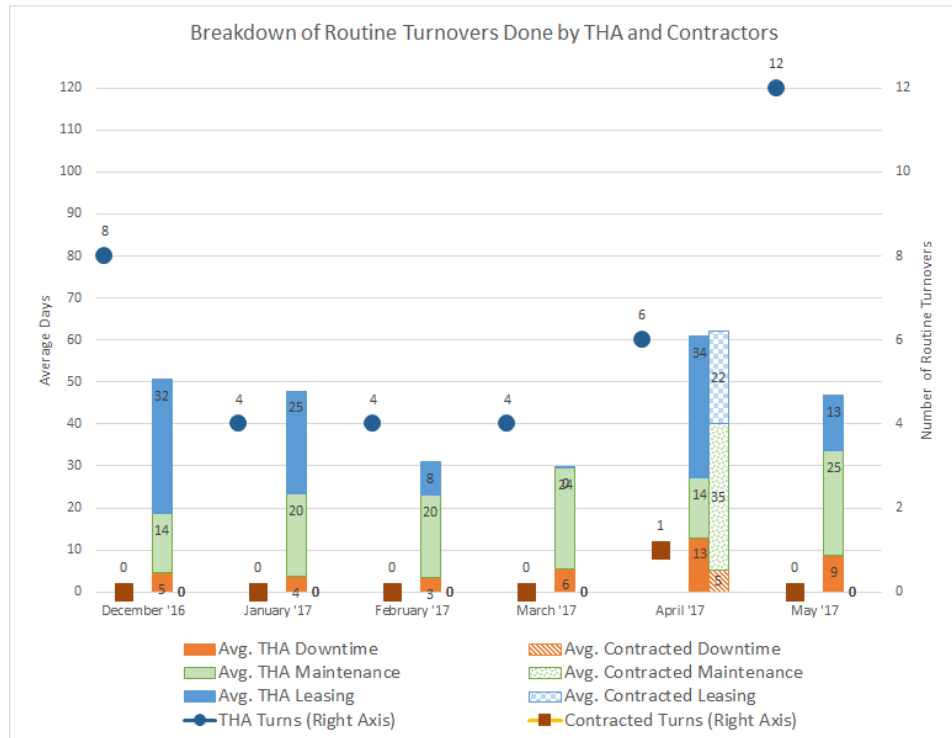
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	132	4	2	126	95.45%	96.78%
Family Properties	118	4	0	114	96.61	98.09%
Salishan	631	4	0	627	99.36	99.20%
Senior/Disabled	353	17	2	334	94.6	95.53%
All Total	1,234	29	4	1,201	96.48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

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

### 1.2 Vacant Clean Unit Turn Status



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



Today's Date 6/20/2017

Select End Month & Year **May** **5** **2017**

April 4 2017

March 3 2017

February 2 2017

January 1 2017

Beginning Month **December** **12** **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	May	12	12	0	46.8	8.5	25.0	13.3
2017	April	7	6	0	60.8	12.8	14.3	33.7
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

		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	May	12	0	0	0.0	0.0	0.0	0.0
2017	April	7	1	0	62.0	5.0	35.0	22.0
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

The average unit turn time for the month of May was **47** days for twelve (12) 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 or 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**

**2530 Court G-2** – Two applicants dropped out during lease up; 1<sup>st</sup> one was over income and the 2<sup>nd</sup> one just walked away. 3<sup>rd</sup> applicant was leased.

**2547 South Yakima #112** – Issue regarding tenants personal items; tenant vacated due to illness. It was requested that we hold the unit for an additional two weeks before moving items that were left by tenant. Difficulty reaching family.

**2327 Court G #223** – Instructed to hold off on leasing unit due to upcoming conversion. Once the conversion was completed, unit was leased.

**2324 South G #196** – Instructed to hold off on leasing unit due to upcoming conversion. Once the conversion was completed, unit was leased.

**1202 South M Street #212** – Tenant passed away and waited for the family to remove tenant's items. In addition, maintenance was busy due to the large amount of vacant units.

**2302 6<sup>th</sup> Avenue #110** – It was on hold for RAD but there was an emergency transfer from Salishan and the unit was leased in May.

**4374 East Q. Street** – Performance issues by the flooring contractor contributed to delays. Flooring contractor installed on day 14 of unit turn process. However, due to unsatisfactory installation of the carpet, the contractor was required to return to the unit and reinstall the carpet on the earliest date available, which was day 21 through 23. Putback and final were delayed as a result. Unit was leased on the 30<sup>th</sup> day.

**4615 East R. Street** – Contractor delays with flooring and paint. Ten day delay in scheduling due to lack of availability with both vendors.

**3917 Roosevelt** – Pest control delay due to infestation of fleas, requiring multiple treatments, which extended the turn process by 21 days. Complete removal and installation of carpet.

**Extraordinary Explanation**

None

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

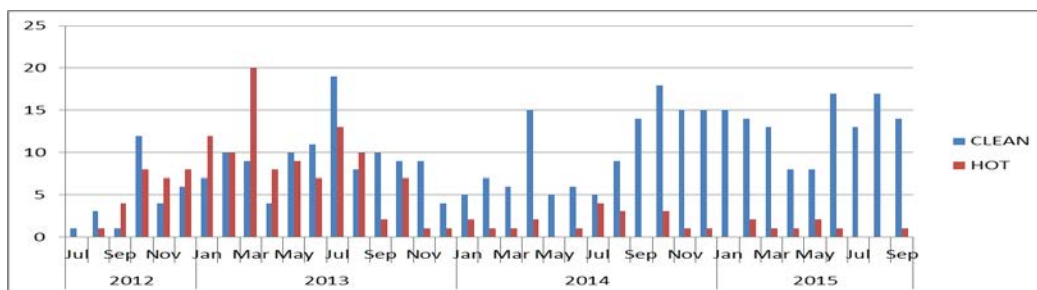
- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
  - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
  - ✓ Procure contractors who will respond to request for service if needed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

COMPLETED WORK ORDERS				
For Month Ending May 31, 2017				
Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	7	4	1	12
Bay Terrace Phase One	5	0	0	5
Bergerson Terrace	38	22	2	62
Dixon Village	13	2	1	16
E.B. Wilson	3	0	0	3
Fawcett Apartments	4	0	0	4
Hillside Terrace Ph 1	4	0	0	4
Hillside Terrace Ph II	1	0	0	1
Ludwig Apartments	44	1	0	45
North G St	8	2	0	10
North K St	4	0	0	4
Public Housing Scattered Sites	0	3	0	3
Salishan Five	11	1	0	12
Salishan Four	7	0	1	8
Salishan One	14	1	0	15
Salishan Seven	11	1	0	12
Salishan Six	9	0	0	9
Salishan Three	12	0	0	12
Salishan Two	7	0	0	7
Wright Ave	6	9	1	16
<b>Grand Total</b>	<b>208</b>	<b>46</b>	<b>6</b>	<b>260</b>

#### Completed Work Orders:

In the month of May, 100% of emergency work orders were completed within 24 hours. In May, maintenance staff completed 208 non-emergency work orders with a total of 1,794 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 11<sup>1</sup> days.

---

<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.

**Open Work Orders:**

Due to the software conversion, we are unable to report the number of work orders that are 25 days or greater. We are currently working with IT to redevelop our board report material to capture this data. We will report for both May and June in July's board report

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.



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
Michael Mirra, Executive Director  
April Black, Deputy Director

**From:** Kathy McCormick, Director of Real Estate Development  
Frankie Johnson, Interim Director of Property Management

**Date:** June 13, 2017

**Re:** RAD and Resident Concerns

## 1. PURPOSE

The purpose of this memo is to provide a response to concerns residents raised at the May 24<sup>th</sup> Board meeting. The memo will provide background information and the solutions that have been put into place to minimize these concerns.

## 2. CONTEXT

RAD is a \$37 million fix up of 456 units arranged in nine different locations. The work began in April, 2016 and is expected to be completed by the fall of 2017. In 2014-2015, staff from Asset Management held a series of resident meetings to get input from residents about their rehabilitation hopes and dreams. The RAD process was generally described to residents; however, specifics were thin since scopes of work had not been developed for the individual properties and units. To develop the initial scopes of work, staff teams consisting of Asset Management, Property Management and Real Estate Development (RED) walked every unit in the nine properties. From this walk, preliminary scopes of work were defined and it was determined that the budget would not support all of the “wish list” items. The focus was on replacing items with a remaining useful life of five years or less. This is important to understand since it means that only critical items would be replaced and the levels of replacement would vary from property to property and unit to unit.

To complete the renovation work, THA contracted with Walsh Construction. Walsh oversees the sub-contractors and works closely with RED in organizing and executing the work. In addition, RED formed two construction oversight and relocation teams and designated different sites for the individual teams to manage, depending on the location of the property. (Please see attachment A “Anatomy of Occupied Unit” and Relocation). Final scopes of work are prepared 30 days prior to initiating the work and relocation staff reviews the proposed work, timeline and relocation requirements with each resident. Relocation teams work with residents on scheduling the movers if overnight or extended relocation is required, as well as setting up places for residents to stay during the construction. Many residents have “day relocates” whereas others may be in a hotel or living with friends for several weeks.

## 2.1 Challenges

Challenges are expected in a project of this scope and magnitude, particularly when the day to day living arrangements for residents is disrupted. We are two-thirds of the way through this project and resident concerns and related issues have surfaced, and been addressed in a timely and thoughtful manner. Additional challenges in this project include:

- 2.1.1 The scopes of work for the various properties focus on making replacements and improvements where the remaining useful life is five (5) years or less. This can result in a resident getting new flooring, but not new painting or cabinets. It has also resulted in residents who have maintained their apartments in pristine condition, not receiving as many improvements as a family/individual whose care of their home has been indifferent. This has been a challenge for staff managing this project as well as residents.
- 2.1.2 The RAD is funded with Low Income Housing Tax Credits. Items that we thought could be covered by RAD, such as cleaning apartments after construction, are not considered an allowable expense. Property management has had to step in under these circumstances and pay for this work;
- 2.1.3 Lincoln moving was enlisted as the initial moving company. It quickly became clear that they did not have the capacity to deal with this volume of work, so an additional moving company was hired;
- 2.1.4 Lines of communication have been challenging, particularly between RED and Property Management. For example, property management contracted for outside services to repair a leak in a building in which work being completed under RAD was being done. It was assumed that RED was overseeing this work, which led to confusion for the contractor, RED and residents;
- 2.1.5 There has been turnover in several key positions – Director of Property Management and Construction Site Management and Relocation. A plan was immediately put into place to address these staffing changes; however, it has taken some time to ensure everyone is clear about the timelines, processes, etc.

## 3. QUESTIONS FROM THE EXECUTIVE DIRECTOR

Following the Board meeting, the Executive Director posed nine (9) questions to PM staff:

- 3.1 **Was there a poor design or redesign of units?** The enlargement of the tub/shower required the removal of the shelves so the fixtures would fit. Upon learning the residents wanted shelving, the RAD team found shelving that would fit into a different space in the bathroom. The shelving will be installed by the RAD team and PM staff.
- 3.2 **Were the refrigerators inadequate?** The new refrigerators are functional, just smaller than the originals. The refrigerator doors can be changed to open in a different direction and

those changes will be made for tenants who prefer the door to open in a different direction. Some tenants like the layout of the new kitchen and others do not.

**3.3 Is there an inadequate number of communal washers and dryers?** The average number of washers and dryers for buildings of 100 units or less is 3 of each; Wright has that number with 58 units. An additional washer may be added, but space limits the addition of both.

**3.4 Is there poor workmanship at Wright?** There are a number of projects in the common areas that have not yet been punched for completion and therefore appear incomplete. Some of the concerns raised were outside of the scope of work identified in the rehab.

**3.5 Was there sloppy or inconsiderate moving services?** It was identified early on that the original mover did not have the capacity to provide all the moving services, so another moving company was added to the team. There were few complaints with the original moving company. The new movers do not have the care, patience and customer service that we desire for our tenants. We have since switched back to the original movers for future moves.

**3.6 Is the building dirty? Noisy? The air quality suffering?** The contractor had dust and dirt control measures in place. They agreed to add additional plastic sheeting to further minimize dust in the air (see Exhibit B). Each wing of Wright Ave was remodeled separately, which meant some tenants remained in the building while work was being done and others were relocated while work was completed on their floor and their unit. Staff suspects that the worst of the dust occurred during work done by a third party contractor who was not part of the RAD Team. They had been called in by Property Management to attend to a fire remediation and may not have understood the protocol for reducing dust in the system.

The noise is an unfortunate byproduct of construction, but the quiet hours will be strictly observed.

**3.7 Was there inadequate communication with tenants?** Communication with tenants is the first priority. There were several meetings prior to RAD that involved the tenants, including the discussion of the scope of work for the property and different apartments. The challenge is all the originally-scheduled work was not included in the final scope and there was not sufficient follow up to share information on the changes.

**3.8 Why did tenants find it necessary to bring complaints to the Board meeting, bypassing property management and RAD staff and RAD relocation staff?** Several tenants noted they had spoken with staff and felt as though their concerns were not being adequately addressed. Others felt it would be better to “go straight to the top”. Much of the work to address tenant concerns was underway; however, tenants did not know the timing or scope of services to be performed. To address this in the future, coordination of services, extraordinary work and impacts on regular business will be updated on a dry erase board at the properties where work is being completed.

**3.9 Have we reached out to other RAD properties to inquire about similar issues?** Yes, a survey will go out to the completed RAD properties asking for feedback on the project. We will report this in the July Board report.

#### 4. RESIDENT CONCERNS PRESENTED AT THE BOARD MEETING

Four current and one former resident attended the May 24<sup>th</sup> Board meeting to share some concerns with the conditions at Wright Ave and Fawcett, while under construction. Their concerns and our responses were as follows:

##### 4.1 Hope Rehn (former President of Seniors Advocating For Equality – SAFE)

- refrigerator too small and the door swing needs to be reversed
- no shelves in bathroom, the towel rack is on the opposite wall and medicine cabinet does not fit
- the intercom (located in the lobby) is right outside of her door and she is awakened all night
- the addition of the garbage corral offers opportunity for people to hide behind, posing a safety concern

##### 4.2 Sandra Alexander- Brown

- lives on the first floor near the elevator and is disturbed by the amount of traffic
- the front door closes too quickly

##### 4.3 Martina Baron (former tenant)

- visits friends frequently; concerned about the dust and no one appears to be cleaning
- the air quality in the building is challenged, smells of mold

##### 4.4 Belinda Huff (building representative)

- no hot water
- no carts in the building for tenant use
- entry doors offline for 6 weeks
- neighbors unit across the hall infested with bugs, even at move out
- refrigerator too small
- security in building compromised during construction with workers propping doors open
- general cleanliness of building has declined

#### 5. MANAGEMENT RESPONSES

Following the Board meeting, the PM Director visited Fawcett and Wright. Several of the tenants present at the meeting allowed the director to walk through and view the issues they presented for follow up the next day.

A tenant meeting was arranged with an invitation to PM and RED. Twenty or more tenants attended and expressed their concerns individually. The issues were reviewed with staff and compiled into work orders. A questionnaire was distributed asking residents three questions:

- Do you want your refrigerator door swing changed (to open from the opposite direction)
- Do you want a taller shower dam
- Do you want a shelf in your bathroom

The work orders to make the changes to the responses noted above will be completed by RED and PM staff. The refrigerator is the same size across all the properties and cannot be changed.

Staff did address with our construction manager the importance of maintaining a secure environment, even during construction. Changes have been implemented to keep the doors closed when not in use.

The hot water was restored immediately. Tenant concerns centered on not having sufficient notice when the water would be off.

In order to better communicate changes and schedules, a dry erase board has been added to the community room. This board will be updated by RED and PM staff daily or as direction changes.

Revised 12.08.2015

# The Anatomy of Occupied Unit Renovations

Occupied unit renovations require an incredible amount of planning, phasing and execution. Every occupied unit renovation impacts a resident and their family. Extensive due diligence and planning will help control cost and predetermine obstacles for the duration of the project.

The primary function of the THA RED Construction Team is to provide direct oversight of Walsh Construction as well as working with the THA Relocation Team to facilitate resident interactions and relocation, if any. The THA Relocation Team's primary function is to coordinate with and assist the resident as it relates to construction activity in their unit, assist with relocation, if any, and general coordination with the THA RED Construction Team. Walsh Construction's primary function is to schedule and implement the construction work within the unit. The THA RED Construction Team is to determine the interior work to be completed, create scopes and work matrixes for Walsh Construction. The Development Project Manager will administer the oversight of budget tracking.

## The Players:

### **Walsh Construction**

Ron Ward – Project Manager

Steve Schneider – Field Superintendent

Project Site Superintendents

### **THA Project Management**

(DPM) – Development Project Manager -- Karen Peterson

Administrative Specialist -- Carol Gjerstad

RED Consulting -- Tina Hansen

## Staffing KEY:

### **THA RED CONSTRUCTION:**

(SCM) – Senior Construction Manager -- Harvey Adams

(CM) – Construction Manager – Vickie Stark

(CSM) – Construction Site Manager – David Palomino and Clinton Woods (currently vacant)

### **THA RELOCATION:**

(RM) – Relocation Manager – Antoinette Ellis

(RS) – Relocation Specialists – Irma Chism and Sharday Cruell

### **LINCOLN and Olympia MOVING TEAM**



## **Background**

Walsh Construction shall provide a basic construction schedule for all 9 RAD traditional project sites to all team. The schedule shall include the start date and estimated completion date of construction work for every all 9 RAD traditional project sites overlapped by the roofing and elevator modernization schedules. Walsh shall provide construction teams commensurate with the construction schedule; one group of which dedicated to vacant. With the exception of vacant units, Walsh will work with THA to define the sequence of work/projects

Notwithstanding the basic construction schedule, Walsh shall provide the team with updated project construction schedules as the overall work progresses at least 60-days prior to the scheduled commencement of work on any project except in the event of unforeseen events. **Unit Inspections - General**

60-days prior to Walsh Construction commencing the renovation on any project, the THA RED Team shall coordinate and schedule an “all-team” [THA (RED Construction Team), THA (Relocation), WCC], meeting to discuss the logistics of scheduling (referred to as a “logistic meeting”) and unit inspections for the project.

RED shall prepare and distribute an agenda for the meeting which shall include the following:

- a) address the members of the inspection team
- b) construction periods
- c) review general work parameters (based on the initial inspections completed earlier)
- d) time and date of inspections, notices, etc. WCC will use info to order long time delivery materials; i.e.; cabinets.

### **a. Unit Notices**

1. Within two (2) days of the 60 day logistic meeting, Relocation Team shall deliver inspection notices to all residents indicating the dates of inspection.
2. The inspections shall commence and be completed within four (4) days and no greater than 55-days prior to the start of construction.

### **b. Inspection Report Form**

1. THA Senior Construction Manager (SCM/Harvey), Construction Site Mangers (CSMs/David and Clinton) shall work with the RED Development Project Manager (SCM/Harvey) and Walsh to create a unit inspection form which shall identify those components which shall be replaced, repaired or “left as-is.” In addition, the form should utilize the unit bid prices for each component as indicated in Walsh’s unit pricing bid forms. Unit inspections forms will require revision as necessary, to correlate with building work scope.
2. At THA’s option, staff shall use Surface Pro or other Electronic device to record and store data electronically. (Per Brawner, it is highly recommended that an electronic device not be used for this work as there is typically too many notes that need to be taken which creates inefficiencies and time consuming inspections.)
3. Team will meet at minimum one day prior inspections to plan and prepare for coordinated inspections.
  - a. Confirm inspection team attendees
  - b. Provide a floor plan/unit layout and ID where to begin and end site inspections
  - c. ID common or other areas to be included in inspection
  - d. ID who will scribe
  - e. ID vacant units

### **c. Inspection Members**

1. The inspection team shall include at least one member from each group.

2. The THA Construction Site Managers (CSM/David and Clinton) (it is highly recommended that the SCM/Harvey, together with the (CSM) responsible for that project and the Relocation Specialist (RS) responsible for that project be required to attend. It is important that all key players are involved in this initial inspection such that there is a sense of collaboration and that everyone understand the key issues, challenges and goals at every project.
3. A representative from THA's Construction Team and/or Relocation Specialist (RS) shall be the "scribe" and be responsible for describing the work to be completed in each unit using the re-inspection sheet.

d. Inspections

1. The inspection team, which again shall include at least one member from RED and if, desired, PM and Walsh shall attend the inspection as scheduled.
2. The THA Construction with input from other team members (Walsh, THA RED) shall be responsible for determining the scope of work to be completed in each unit.
3. During the inspection and based on the anticipated work to be completed in the unit, a member of the Relocation team shall survey the unit and make notes as to various resident requirements in order for the construction to take place. Notes should include the general condition of the unit, unit demographics and the amount of resident personal property. Portions of this information shall be included as part of the final report to Walsh (described in [e] below).
4. Note: Communication in the presence of the resident regarding potential relocation, the type of work anticipated to be completed, or condition of the unit or any other personal references should be avoided.

e. Inspection Report (Unit Scope of Work)

1. During the inspection, complete the Unit Inspection Reports and prepare the "unit matrix" report.
2. In addition, the Construction and Relocation teams, respectively, utilizing the Unit Inspection Report shall prepare a unit-by-unit general scope and resident responsibility ("Resident Work Responsibility Notice") form as well. This form (see Relocation Plan, Exhibit C) shall include those components being replaced and what the residents' responsibility is relating to work they need to do to have that component replaced.
3. The SCM/Harvey shall analyze the matrix and determine the estimated per unit cost utilizing Walsh's per unit pricing. Within 72-hours of completing the reports with the related pricing, the SCM/Harvey shall prepare a side-by-side summary of the corresponding budget from the Inspection Report with that of the initial scope/budget report by project and create a variance report by project.
4. The SCM shall immediately forward variance report information to RED's DPM/Karen for approval. Once approved by DPM/Karen.
5. The SCM/Harvey shall deliver to the Relocation Team the final Unit Scope of Work along with the Resident Work Responsibility Notice for each unit.

f. Scope Report Delivery

1. Any questions that Walsh Construction has relating to the scope shall be directed to the SCM.
2. If there are any significant changes required to the unit scope after delivery, the CSM/Harvey shall inform DPM/Karen and obtain approval of those changes. The CSM/Harvey shall provide the DPM/Karen with variances in scope and cost. The SCM shall update the unit inspection reports and distribute accordingly.
3. **Summary – inspections shall be finalized and reports shall be completed and delivered within 10-days after the initial 60-day inspection.**

g. Apply Relocation Plan Throughout Process

## **Construction Schedule – General**

### **h. Walsh Construction's Scope and Schedule**

1. Within ten (10) working days of receiving the final Unit Scope of Work, Walsh Construction shall deliver to the SCM their construction schedule by unit. Once approved by the SCM, the SCM shall deliver such schedule by unit to the Relocation Team.
2. The individual Scope of Work form shall also be accompanied by a unit budget by component. The form shall also include specific allowances related to drywall, electrical, plumbing, carpentry and general repairs.
3. Once the schedule is delivered, the construction team shall meet to strategize on the work schedule, determine flow of resident notifications, etc. **Summary – All of the work indicated above from a) through h) shall be completed no later than 30-days prior to the start of construction.**

### **i. Preconstruction Schedule (Consult Relocation Plan)**

During this period, defined as 30-days prior to start of construction, resident notifications will be delivered, resident move status will be planned and other critical scheduling will be identified. THA's Relocation Team will have completed a detailed Relocation and Staffing Plan, which should be referred to for more specifics on resident relocation. The schedule and overall plan indicated below includes some key excerpts from THA's Relocation and Staffing Plan.

### **j. Start of Construction**

1. On the morning in which the construction commences at the project, the Construction Site Manager (CSM) will be present. Relocation Specialist (RS) and Relocation Packer (RP) shall be at the site at 8:00 a.m. when residents are being relocated.
2. The CSM & RS shall initially accompany Walsh's construction crew into every unit in which they will be working.
3. If there are any issues within the unit that would impede Walsh from working on the unit, Walsh shall notify the CSM immediately.
4. THA's Relocation Management Team shall be available every morning at 8:00 a.m. of the construction period at the project to work with residents and answer any questions they might have when there is relocation activity and assigned thereafter.
5. Once Walsh has been let into all of the units requiring work that day, the CSM's will be available to inspect the work and to answer any questions the Walsh Site Superintendents have.
6. The CSM's shall approve all allowance charges requested from the Walsh Site Superintendents.
7. CSM's together with the Walsh Site Superintendents shall sign-off on the work completed, allowance charges and any other items requiring verification.
8. If the unit work is completed within that day, the CSM's shall approve all work and sign-off the unit inspection sheet. THA and Walsh shall sign-off on each other's sheet.
9. If work in a unit requires multiple days, then both THA and Walsh shall sign off on the work completed that date and signify with initials and date.
10. The CSM is available to answer any questions the resident might have relating to the work being completed in their unit.
11. The RS, RM & CSM shall endeavor to "shield" Walsh's construction crew from resident questions and requests.
12. If there is a significant change in the work discovered, the CSM shall notify the SCM of the work and estimated related cost. CSM shall make the call on the work as long as the estimated cost is not greater than [\$1,000.00]. If costs are greater than [\$1,000.00], the CSM shall notify the SCM.
13. CSM shall work closely with Walsh Superintendents daily regarding their schedule and any potential of that schedule "slipping" or accelerating. CSM shall notify the site's RS immediately if there appears that there might be a change in the schedule.

14. Once a unit has been completed and the final unit inspection form has been approved by both the CSM and Walsh, the CSM shall deliver a copy of that form to SCM/Harvey. The unit scope of work forms will be submitted by Walsh as part of the Draw Application.
15. Weekly OAC meetings shall occur to discuss scheduling and issues with all team members. The Walsh Project Manager shall lead the meetings which should include Walsh Superintendents and Foreman, RED's DPM/Karen and SCM/Harvey, as well as the CSM, Property Management and if necessary, RS and the RM

## **Post Construction – General**

### **k. Unit Completion Scope**

1. As indicated above, once a unit has been completed the final approved form shall be forwarded to SCM
2. Walsh prepares a monthly budget to actual estimate by unit to RED Construction Team.

### **l. Resident Notification and Inspection**

1. If Resident has been temporarily relocated from the unit, THA's Relocation Team shall keep resident informed of progress and/or delays in returning.
2. Relocation Team shall coordinate with movers/packers of any potential delays.
3. Relocation Team and Construction Site Manager shall be on-site the day after the unit has been approved and signed-off to coordinate the movers/packers and move-in of the resident, if they have been relocated and ensure required documents are signed.

**This is an example of a completed form Relocation Staff use when working with residents on their upcoming moves. It includes a description of work being done in the unit.**

**Tacoma Housing Authority Traditional**  
Resident Work Responsibility Notice

Date:

Address:

Dear \_\_\_\_\_,

We are excited to inform you of all the new updates that will be taking place within your home! In order to make the process as smooth as possible, we have outlined your responsibilities below.

**If you require assistance with any of these tasks, please contact your Relocation Specialist at (253) 345-9695 to make arrangements.**

<b>Packing Day/Time:</b>		<b>Movers Coming Day/Time:</b>	
<b>Move out Day/Time:</b>		<b>Move In Day/Time:</b>	

<b>Work Being Done</b>	<b>Your Responsibility</b>
<b>Replace all windows in Living room and Bedroom</b>	<b>Clear all items away from all windows</b>
<b>Living room: Remove Hydronic Radiator &amp; Cap Lines</b>	
<b>Living room: Install new heater</b>	
<b>Living room: Install Programmable Thermostat</b>	
<b>Living Room: Replace ceiling light fixture</b>	
<b>Water Conservation Kit</b>	
<b>Bathroom: Replace door hardware</b>	<b>Clear all items from off door</b>
<b>Bathroom: Install new sink</b>	<b>Clear all items off sink and out of cabinet</b>
<b>Bathroom: Replace faucet and supply lines</b>	<b>Clear out bottom of bathroom sink cabinet</b>
<b>Clean vent ducting</b>	
<b>Bathroom: Install new bar light fixture</b>	<b>Clear all items from under light fixture</b>

**This is an example of a completed form Relocation Staff use when working with residents on their upcoming moves. It includes a description of work being done in the unit.**

## **Tacoma Housing Authority Traditional**

### **Resident Work Responsibility Notice**

<b>Kitchen: Replace countertops</b>	<b>Clear out cabinets and remove all items off of countertops</b>
<b>Kitchen: Replace faucet and supply lines</b>	<b>Clear out under bottom of kitchen sink cabinet</b>
<b>Kitchen: Stove</b>	<b>Make sure stove is empty and cleared for removal</b>
<b>Kitchen: Range Hood</b>	
<b>Kitchen: Ceiling Light Fixture</b>	<b>Clear items under light fixture</b>
<b>Bedroom: Replace door hardware</b>	<b>Clear bedroom door of items</b>
<b>Bedroom: Remove radiator</b>	<b>Make sure no items are on the radiator</b>
<b>Bedroom: Install new heater</b>	
<b>Bedroom: Install programmable thermostat</b>	
<b>Bedroom: Ceiling Light fixture type</b>	

**Important Notes:**

- **THA will provide you with all the boxes, packing materials, and tape at least 15 days prior to your move.**
- **You are required to take any valuable belongings with you during the relocation period. THA will not be held responsible for the storage of these items.**
- **You are requested to bring all of your belongings, clothing, food, and medicine needed for the number of days/nights you will be relocated from your unit.**
- **Belongings stored either in the unit or in an off-site storage will not be accessible during the relocation period.**

*I have read and understand the above requirements as they relate to my responsibility.*

\_\_\_\_\_  
Resident Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Relocation Specialist Signature

\_\_\_\_\_  
Date

## Dust Mitigation Measures

### SITE OBSERVATIONS:



Unit 209 Air Vac Unit in operation.



Unit 204 Air Vac Unit in operation.



Second Floor Access Door



Second Floor Seal at Access Door

### STATUS:

- a. Second Floor corridor is closed at each end with plastic curtain seal.
- b. Two air evacuation unit were observed in operation creating negative air pressure in construction areas to assist in minimizing dust escape.
- c. Windows were opened in stairwells to improve air exchange.
- d. These measures have been in place during construction.

### SUMMARY:

Proper measures are in place to minimize dust infiltration outside of construction zone. Changes in outside wind direction and barometric air pressure will impact effectiveness. In addition, differing types of work scope create more dust than others.

[www.tacomahousing.org](http://www.tacomahousing.org)

Project: RAD Wright Avenue



**TACOMA HOUSING AUTHORITY**

**REAL ESTATE DEVELOPMENT**





# TACOMA HOUSING AUTHORITY

**DATE:** June 28, 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

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 94.9% complete. Building J – Contractor is continuing with interior finishes. Completion is scheduled by June 23, 2017. Building G & H – Was turned over for occupancy with a Temporary Certificate of Occupancy dated May 25, 2017. The contractor has some punch list items yet to complete for Buildings G & H. Overall the project is on budget and schedule.

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

#### Building J Potential Issues

Staff is working with the contractor regarding the TPO roofing system on Building J. The roof was installed during this winter's rainy weather. Our building envelope special inspector (Wetherholt & Assoc.) had documented potential high moisture saturation within the roofing system. The moisture has been dissipating with the recent favorable weather. Staff is consulting with the contractor, roofing material manufacturer (GAF) and the installer (MFG) and Special Inspector after GAF indicated they were accepting the installation as is. To date GAF is willing to warranty the system. THA staff and our special inspector are not accepting the

roofing system at its current condition. A letter was sent to Absher requesting further testing and favorable results before THA is willing to accept the roofing system.

*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 14 dated 5/10/2017.

**Budget**

**% Complete 94.9%**

Item	Original Budget	Revised Budget	Expended	Balance
Soft Cost Inc. Reserves	4,861,258	4,900,617	2,786,776	2,113,841
Interest Reserve	1,000,369	1,000,369	147,603	852,766
Hard Cost Inc. Contingency	16,980,410	16,941,051	14,126,271	2,814,780
<b>Total Budget</b>	<b>22,842,037</b>	<b>22,842,037</b>	<b>17,060,650</b>	<b>5,781,387</b>
<i>Owners Contingency</i>	<i>880,000</i>	<i>840,641</i>	<i>823,389</i>	<i>17,252</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 5/31/2017
<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%	25%	27.27%
<b>Apprenticeship</b>	15%	12.47%	13.04%

### 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.

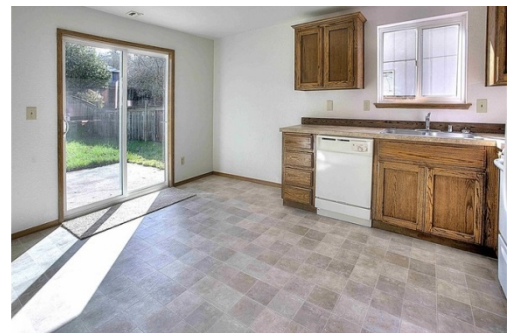
Two homes were purchased by residents of public housing. These are defined as priority 2 buyers.

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
14	\$2,868,000.00	\$2,870,955.78	\$332,793.00	\$599,207.48	\$1,938,955.30
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
4	\$824,050.00	\$815,000.00	\$98,090.00	\$163,070.00	\$562,890.00
Units in Construction	Scope Preparation	Occupied			
2	2	12			



**635 S Fife –SOLD**



**8019 S. Yakima –SOLD**

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

- CYS is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity.
- 8019 S. Yakima, 4939 32<sup>nd</sup> St NE and 1818 S 92<sup>nd</sup> St have recently been sold and recorded.
- All 4 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.
- 5814 Swan Creek and 4823 E M st have been vacated and are in scoping. They will go out to bid in July.
- Relocation for households with children has begun. Households are given 90 days to relocate. Households have recently needed extensions in order to utilize their voucher and this will allow them to be ahead of the summer rush or utilize the summer when students are out of school to move. 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.

Staff is also working with the Korean Women's Association (KWA). They have asked THA to be their development advisor for a 150-unit senior building with a 60-bed skilled nursing center and an aquatic facility.

### **3.3 New Look Capital Planning and Resyndication**

THA selected Buffalo Design to plan the capital work for the New Look Apartments. Responses by lenders and investors for the New Look resyndication were very strong. Staff will be recommending Banner Bank as the lender. Negotiations are underway with investors. Rehabilitation work is slated to start in the fall.

### **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 (CRC) 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.

The kick-off meetings for the Design were held in early June. The team is working on the design for the CRC and construction is scheduled to begin in early June 2018. The team is also concurrently working on the Master Plan for the site and THA plans to submit a 9% tax credit application for the Campus.

The firm of BDS Planning and Urban design were selected as the consultant for the community engagement and consultation effort. A team kick off meeting was held in early June 2018. They will be completing the main focus of their work by the end of September 2018.

#### **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.

Safe Streets has been selected as the consultant for the community engagement and consultation for the project. Their work will begin in 2018.

##### **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	6/21/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	6/9/2017	41	0	0
Fawcett	1/9/2017	6/26/2017	30	0	0
K Street	10/11/2016	8/30/2017	43	0	0
Wright Street	12/27/2016	10/31/2017	28	10	20
6 <sup>th</sup> Avenue	4/11/2017	7/21/2017	23	41	0
G Street	3/7/2017	6/28/2017	50	0	0

#### 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

The *Certificates of Substantial Completion* for Ludwig and Fawcett have been issued. It is anticipated that K Street should receive a *Certificate of Completion* in the very near future. Temporary Certificates of Completion are issued due to the exterior and/or landscaping work that remains. Once complete, a Substantial Completion will be issued.

Including elevator work at the sites, five of the 2017 projects are under some degree of construction. Walsh Construction and THA staff are managing all projects simultaneously.

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

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. The remaining projects are tracking well. Staff and the Brawner team routinely discuss the budget and forecast allocations to meet the bond “50% test” for the 2017 projects.

#### Elevators

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

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.

The relocation at 6<sup>th</sup> Avenue consisted of vacating the 2<sup>nd</sup> and 3<sup>rd</sup> floor residents over a condensed period of time. This was a challenging effort for residents, the Rental Assistance Demonstration (RAD) team and the moving company.

## **5.2 Relocation**

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

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

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

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

All units are completed at North G Street. No more relocation activity is happening. Relocation activity ended May 15, 2017.

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

Sixth Avenue Apartments are currently underway. The first floor units are completed, which total twenty three units. The second and third floor units have all been relocated as of June 2, 2017. The residents are not set to begin returning to their units until July 10, 2017.

### **5.3 Watch list**

#### **5.3.1 Site Construction Assemblage and Activity**

We have received communication regarding the affect that construction activity has on the project residents and the surrounding neighborhood. It is often inherent with construction (especially rehab) that site changes must be made in order to accommodate contactor site assemblage and construction. Options to minimize the impacts will be considered when issues are communicated to the RAD Team; however, some of the temporary inconveniences are simply inescapable.

***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 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 there are no vapor issues. THA's consultant prepared the *Remedial Investigation and Feasibility Study and Recommendation Report*



for DOE review at the end of April. THA and its consultant met with DOE staff the end of May. DOE will prepare an opinion letter in approximately 90 days but did state that they were going to recommend some monitoring to be performed. DOE anticipates 3-4 monitoring events and then long-term monitoring at longer intervals over the next 5 years.

Wright Street:

Contaminated Dirt: THA staff and Robinson Noble met with DOE and a report with mitigation requirements is forthcoming from DOE. At the meeting, DOE staff verbally reported that two monitoring wells and long-term monitoring will be required. DOE staff verbally stated that removal of dirty dirt is not required because of the cost and anticipate they can issue an NFA upon implementation of the monitoring wells.

Underground Storage Tank: Pierce County stated that if an Underground Storage Tank (UST) is confirmed, it can stay in place with the following conditions: 1) an annual permit is required at an annual fee of \$1,200/year (current cost); and 2) restrictive covenant is placed against the property.

Robinson Noble will conduct 2 more test borings to test if the dirty dirt has moved upward. The contamination is likely bunker oil.

Robinson Noble suggests that THA buy the contaminated portion of the neighbor's property or encumber the property with an environmental covenant. The property owner may object to the covenant. If we buy the portion with the contamination, we may want to offer the neighbor an easement to continue using it for parking. Environment condition exists only on the edge adjoining THA property. Of two test bores one tests clean and the other dirty. The toxic dirt is so far below the surface that no risks for gardening exist right now.

Robinson Noble will prepare 1) a work plan for mitigation activities; and 2) an assessment report for investors that identify anticipated costs, predicted outcomes, and the likely receipt of NFA from DOE.

Legal Counsel sent a letter to Superior Linen informing them that a formal complaint will be filed against them for restitution for environmental expenses. Superior Linen's legal counsel has not responded to any of the letters. THA staff is meeting later this month to determine if a lawsuit will be filed against Superior Linen as the previous owner of the site.

#### 5.4 Issues Encountered/Status

<b>Budget</b>	<b>Total budget</b>	<b>Expended</b>	<b>Outstanding</b>
Soft Costs*	\$24,023,498	\$8,010,994	\$16,012,504
Construction	\$29,812,529	\$28,771,255	\$1,041,274
Owner's contingency	\$3,343,026	\$2,905,277	\$437,749***
Environmental Escrow	\$3,500,000	\$600,000**	\$2,900,000

*NOTE: The above reflects the budget status through Draw13 (May 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.

\*\*\*Unit allowance credit of approximately \$100,000 is anticipated (unless there is an unforeseen issue) to be applied towards owner's contingency; thus increasing the balance by \$100,000.

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

	<b>GOAL</b>	<b>ACTUAL AS OF 5/31/2017</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

## THA BOC Motion 2017-06-28

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Kathy McCormick  
Director of Real Estate Development

**Re:** Motion to Move FIC and Maintenance Shop Tenant Improvement Project Budget Be Increased

### Motion

Move that the budget for the Family Investment Center (FIC) and Maintenance Shop Tenant Improvement project be increased.

### Intent

In the 2017 Operating Budget, the Board approved \$955,600 for the FIC and Maintenance Shop Tenant Improvement Project. This motion is to increase the budget by \$309,394 for a revised budget of \$1,264,929.

### Implementation

The work will be completed through design and construction activities in late 2017 through early 2018.

### Cost

\$309,394 increase for a revised total of \$1,264,994.

### Rationale

During design activities for the FIC/Shop, several factors surfaced that will impact the budget for the tenant improvement project:

1. HVAC FIC – THA's engineers examined the existing HVAC system and it was determined that it has reached its useful life, both in years and in wear and tear. Tests indicate that the system is working inefficiently. Staff determined that the best time to address the aging HVAC system was during construction activities. This work increases the budget by \$181,213. The current HVAC system was designed to service a much different usage of space than the building is currently configured. The reconfigured system with new air handlers will be able to efficiently service the new space and be flexible to work with in the future day care facility.

2. The existing IT cabling is CAT 5 and is outdated. Staff has determined that it would be best to replace the cabling with CAT 6 during construction activities. The estimate for this work is \$54,216.
3. The alarm system will be upgraded to include cameras and additional card swipes at the FIC, Shop, and Heritage Bank area. This work is funded through a Housing and Urban Development (HUD) Emergency and Security grant. The estimate for this work is \$61,665.
4. Additional Architectural fees for reimbursables and furniture coordination both of which will be charged at Time and Materials equals \$12,300.

FIC/Shop TI			
Budget increase request			
HVAC			
Construction		\$155,313	
Design			
Architectural	\$2,000		
Structural	\$2,000		
Mechanical	\$8,500		
Electrical	\$1,600		
Testing Existing system	\$3,000		
Commissioning new system	\$8,800		
	<u>\$25,900</u>		
	Total Design	\$25,900	
	Total HVAC		<u>\$181,213</u>
New cabling for IT system		\$54,216	
	Total		<u>\$54,216</u>
Access control	\$28,130		
Security Upgrade	\$33,535		
	Total		<u>\$61,665</u>
Architectural			
Reimbursables	\$5,000	T&M	
Furniture coordination	\$7,300	T&M	
	Total		<u>\$12,300</u>
Total Increase to budget			<u>\$309,394</u>
Original Budget			<u>\$955,600</u>
New Budget			<u>\$1,264,994</u>



**TACOMA HOUSING AUTHORITY**

**NEW BUSINESS**

# Resolution 1



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (1)

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Increase in Number of College Housing Assistance Program Rental Subsidies

*This resolution would increase the number of rental subsidies available for the College Housing Assistance Program.*

### Background

Tacoma Housing Authority (THA) has been working with Tacoma Community College (TCC) since 2014 to administer the College Housing Assistance Program (CHAP). This pilot program currently has 25 rolling subsidies assigned for homeless enrolled TCC students. Students may use the program for three years or until completion of their TCC degree or certificate, whichever comes first.

We reviewed this program in fall 2016. Since January 2014, 201 students had applied for the program. Of the 201, THA could serve only 47 students (and their families) because program was only a limited pilot. We evaluated the unserved students as a comparison group. Our main metrics were retention and graduation rates, and grade point averages. The results to date have been very positive:

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

Additional data about the program includes:

- Average age of CHAP participants is 34
- 76% of participants are parents
- Average monthly rental assistance cost is \$520



The program has gained national attention as more data has shown that housing and food insecurity prevents students across the country from completing post-secondary education. THA and TCC were approached by a nationally-recognized research team from Temple University to apply for a three-year evaluation of the program. The research will be fully funded by Temple, in partnership with private funders. In order to move forward with this evaluation, and complete a more relevant evaluation of the program, THA must significantly increase the size program.

More importantly, our own data since 2014 fully justifies this expansion simply to serve more homeless enrolled TCC students. The chart above shows how it leads to greatly increased retention and graduation rates among homeless TCC students. Moreover, the expansion of the program fits the scale of the problem at TCC. In 2016, the University of Wisconsin surveyed TCC students to determine the extent of homelessness among them, and other needs. I attach the survey results. They are alarming:

**Table 3: Prevalence of Housing Insecurity (Past 12 Months)**

	<b>TCC</b>	<b>Region's Colleges</b>	<b>National</b>
Any of the below items:	69%	53%	51%
<i>...Didn't pay full amount of rent or mortgage</i>	36%	22%	21%
<i>...Didn't pay full amount of utilities</i>	45%	29%	28%
<i>...Moved 2 or more times per year</i>	26%	14%	14%
<i>...Doubled up</i>	32%	19%	17%
<i>...Moved in with other people due to financial problems</i>	39%	20%	18%

**Table 4: Prevalence of Homelessness (Past 12 Months)**

	<b>TCC</b>	<b>Region's Colleges</b>	<b>National</b>
Any of the below items:	27%	16%	14%
<i>...Thrown out of home</i>	8%	7%	6%
<i>...Evicted from home</i>	9%	4%	3%
<i>...Stayed in a shelter</i>	7%	2%	2%
<i>...Stayed in an abandoned building, auto, or other place not meant as housing</i>	9%	5%	4%
<i>...Did not know where you were going to sleep, even for one night</i>	16%	9%	8%
<i>...Didn't have a home</i>	8%	3%	2%

A program expansion is also a chance to serve TCC students who start their studies in prison. Commissioner Rumbaugh, April and I met with TCC officials in late 2016 to discuss these students. These students begin their TCC studies while in prison and continue their course work on campus once they get out of prison. TCC shared information about a Second Chance

Financial Aid program that they have been selected to participate in. This program will allow individuals exiting the prison system to access financial aid and attend TCC. But the lack of housing is a barrier to their success. Through these discussions, we committed to looking for ways to make CHAP program accessible to these households.

An increase in the size of the CHAP program will require a commensurate increase in the TCC staff resources necessary for TCC to administer its part of the program. On May 23, 2017, THA Commissioners Banks and Rumbaugh met with the TCC Board Chair and Interim co-Presidents. On June 23, 2017 THA Executive Director and Deputy Executive Director met with the full TCC Board of Trustees. In both meetings, TCC's officials expressed strong interest in growing the partnership with THA, including a tentative commitment to make the increased TCC investment of staff support that a CHAP program expansion would require.

With the initial data and potential opportunities in mind, staff is proposing the following:

- Expand the CHAP program from 25 to 150 households by the end of 2018. This increase in vouchers will not require a change in the 2017 budget. This program is included in the larger agency Housing Assistance Program (HAP) budget. HAP funds are currently underutilized and we do not envision this program leasing quickly through the end of the year. This program expansion in 2018 and beyond will cost THA about \$1 million a year. That amount will rise as the rental market continues to tighten. That amount too will come out of the HAP budget.
- Expand the eligibility for the program to households that may not be homeless but participate in the Second Chance Financial Aid program. In order to incorporate this change and reflect the basics of this program in THA's policy documents, we propose adding an additional chapter to the THA Administrative Plan. This will be Chapter 19;
- Remove the criminal background screening from the program, where allowable by Housing and Urban Development (HUD). Changes to the criminal background screening will require changes to Chapter 3 of the Administrative Plan.

We may need to make other changes to how TCC administers the waiting list for this program and selects students for referral to THA. Those changes will show in TCC's Program Manual. They will not require THA Board approval but we will post this manual on THA's website.

## **Recommendation**

Authorize THA's Executive Director to direct staff to make up to 150 rental subsidies available for the College Housing Assistance Program by the end of 2018, to amend THA's criminal screening policies for this program and reflect those changes in Chapter 3 of THA's Administrative Plan, to add a new chapter to THA's Administrative Plan regarding the administration of this program, and to expand the eligibility for the program to include participants in Tacoma Community College's Second Chance Finance Aid program, regardless of whether those students are homeless.

Authorize the Executive Director to modify the extent or timing of the CHAP expansion as necessary in his judgment to account for any shortfall in TCC's ability to commit the staff resources necessary for its success.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (1)

### (Increase in Number of College Housing Assistance Program Rental Subsidies)

**WHEREAS**, THA has been providing 25 rental subsidies for the pilot College Housing Assistance Program (CHAP) in partnership with Tacoma Community College (TCC) since 2014 to house homeless enrolled TCC students and their families;

**WHEREAS**, The program has resulted in much greater retention and graduation rates among assisted households as compared to other homeless TCC students who get no assistance;

**WHEREAS**, this program also offers a chance to complement TCC's Second Chance Financial Aid Program that provides financial aid to students who begin their TCC studies in prison and to continue their studies on campus once they get out of prison;

**WHEREAS**, THA's Education Project is an effort to find ways to spend a housing dollar, not only to house people, but also to help them to prosper and to promote the success of Tacoma's educational institutions serving low-income students;

**WHEREAS**, this investment in TCC's homeless students and this partnership with TCC are a very good fit for THA's Education Project. The collaboration between THA and TCC is a very good match of capacities, mission and values;

**WHEREAS**, TCC's Board of Trustees has expressed a reciprocal interest in this partnership to allow THA to anticipate TCC's commitment of the increased staff resources an expansion of the CHAP will require of it; this increase will be necessary to make the expanded program work;

**WHEREAS**, THA should increase the CHAP to 150 rental subsidies by the end of 2018;

**WHEREAS**, Chapter 3 of THA's Administrative Plan should be amended to remove criminal screening for this program's participants, wherever HUD's rules allow;

**WHEREAS**, THA's Administrative Plan should incorporate a new chapter (Chapter 19) to reflect THA's administration of this program; and,

**WHEREAS**, The program should be expanded to include Tacoma Community College's Second Chance Financial Aid Program students, regardless of whether those students are homeless; now, therefore, be it

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

1. THA's Executive Director is authorized to direct staff to make up to 150 rental subsidies available for the College Housing Assistance Program by the end of 2018, to amend THA's criminal screening policies for this program and reflect those changes in Chapter 3 of THA's Administrative Plan, to add a new chapter to THA's Administrative Plan regarding the administration of this program, to expand the eligibility for the program to

include participants in Tacoma Community College's Second Chance Finance Aid program, regardless of whether those students are homeless, and to make other administrative changes as necessary for this expansion..

2. THA's Executive Director is authorized to modify the extent or timing of the CHAP expansion as necessary in his judgment to account for any shortfall in TCC's ability to commit the staff resources necessary for its success.

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair

## School Name: Tacoma Community College (WA)

### Report from Fall 2016 Survey of Student Basic Needs

In fall 2016 the Wisconsin HOPE Lab at the University of Wisconsin-Madison and the Association of Community College Trustees (ACCT), with support from the Kresge Foundation, conducted a large-scale survey to better understand food and housing insecurity among community college students. The effort built on a similar survey of ten community colleges during the 2014-2015 academic year. In total, seventy institutions from twenty-four states participated in the 2016 survey.

This report presents a profile of survey participants at your college. In addition, the report compares institution-level results with aggregated results from the other colleges in your institution's region of the country (not including your own) and from the national survey sample. National sample results are similar to those found in the associated survey report *Hungry and Homeless in College: Results from a National Study of Basic Needs Insecurity in Higher Education*.<sup>i</sup> (Please note that some values are not listed due to small sample size.)

#### Food Insecurity

Food insecurity is the limited or uncertain availability of nutritionally adequate and safe foods, or the ability to acquire such foods in a socially acceptable manner.<sup>ii</sup> To assess food insecurity among students, the survey instrument included the U.S. Department of Agriculture's (USDA) 6-item Food Security Survey Module (FSSM).<sup>iii</sup> Table 1 displays results from the FSSM.

**Table 1: Responses to Specific Items in USDA 6-Item Food Security Scale (Last 30 Days)**

	Institution	Region	National
<i>The food that I bought just didn't last and I didn't have enough money to get more</i>	71%	54%	52%
<i>I couldn't afford to eat balanced meals</i>	75%	62%	60%
<i>Did you ever cut the size of your meals or skip meals because there wasn't enough money for food?</i>	61%	48%	46%
<i>3 or more days: Did you ever cut the size of your meals or skip meals because there wasn't enough money for food?</i>	52%	34%	32%
<i>Did you ever eat less than you felt you should because there wasn't enough money for food?</i>	62%	46%	43%
<i>Were you ever hungry but didn't eat because there wasn't enough money for food?</i>	48%	38%	36%

The USDA recommends assigning each respondent a score based on the total number of affirmative answers on the 6-item instrument. That score determines a person's food security status via a four-category scale, where a score of zero corresponds to high food security, one to marginal food security, two to four translate to low food security, and scores of five or six indicate very low food security. Taken together, people who report low and very low food security can be referred to as food insecure.<sup>iv</sup> Figure 2 shows food security scores and categories across the three samples.

**Table 2: Prevalence of Food Insecurity (Last 30 Days)**

	Institution	Region	National
<i>Food security (last 30 days)</i>			
High security (score = 0)	17%	30%	33%
Marginal security (score = 1)	10%	11%	12%
Low security (score = 2-4)	24%	23%	23%
Very low security (score = 5-6)	50%	35%	33%

### Housing Insecurity

Housing insecurity can involve unaffordable housing, poor housing quality, crowding, and frequent moves.<sup>v</sup> The survey instrument included five items to assess whether a student has experienced housing insecurity in the past twelve months. Students are classified as housing insecure if they answered affirmatively to at least one of those items. Table 3 shows institutional, regional, and national housing insecurity statistics. Over half the students in the national sample experienced housing insecurity in the past 12 months, similar to the rates measured in the Wisconsin HOPE Lab's 2014-15 survey.

**Table 3: Prevalence of Housing Insecurity (Past 12 Months)**

	Institution	Region	National
Any of the below items:	69%	53%	51%
...Didn't pay full amount of rent or mortgage	36%	22%	21%
...Didn't pay full amount of utilities	45%	29%	28%
...Moved 2 or more times per year	26%	14%	14%
...Doubled up	32%	19%	17%
...Moved in with other people due to financial problems	39%	20%	18%

## Homelessness

Homelessness indicates that a person is without a place to live, often residing in a shelter, automobile, an abandoned building, or outside. Students are considered homeless if they answered affirmatively to at least one of six items. These items, and an overall measure of homelessness, are displayed in Table 4. National rates of homelessness are similar to those found in the 2014-15 survey, which found that thirteen percent of students had experienced homelessness in the past year.

**Table 4: Prevalence of Homelessness (Past 12 Months)**

	Institution	Region	National
Any of the below items:	27%	16%	14%
<i>...Thrown out of home</i>	8%	7%	6%
<i>...Evicted from home</i>	9%	4%	3%
<i>...Stayed in a shelter</i>	7%	2%	2%
<i>...Stayed in an abandoned building, auto, or other place not meant as housing</i>	9%	5%	4%
<i>...Did not know where you were going to sleep, even for one night</i>	16%	9%	8%
<i>...Didn't have a home</i>	8%	3%	2%

## Demographic Disparities in Basic Needs Security

Tables 5, 6, and 7 present measures of food insecurity, housing insecurity, and homelessness, respectively, for various demographic groups. In the national survey sample, students with children and students who had ever been placed in foster care showed higher levels of both food and housing insecurity than their counterparts. One of the most striking results described in the national report is the vast disparity in homelessness for students who have experienced foster care. These statistics imply that institutional outreach efforts targeted toward former foster youth are likely to connect with many students who could benefit from food and housing assistance.



**Table 5: Demographic Disparities in Food Insecurity**

	Institution	Region	National
<b>Sex</b>			
Female	77%	59%	58%
Male	67%	57%	52%
<b>Race</b>			
White, non-Hispanic or Latino	67%	53%	52%
African American	86%	75%	69%
Hispanic		59%	57%
American Indian		72%	70%
SE Asian		46%	47%
Other Asian		46%	47%
More than one race	77%	63%	61%
<b>Age</b>			
18-20	63%	48%	46%
21-25	65%	63%	59%
26-30	78%	63%	62%
Over 30	80%	62%	61%
<b>Highest level of parental education (either parent)</b>			
High school or less	78%	62%	61%
Some college	85%	60%	59%
Associate's degree	65%	57%	53%
Bachelor's degree	76%	51%	48%
Graduate degree	38%	48%	44%
<b>Immigration status</b>			
Student a citizen or permanent resident	74%	59%	56%
Student NOT a citizen or permanent resident		52%	51%
Either parent a citizen or permanent resident	74%	59%	56%
Neither parent a citizen or permanent resident		54%	53%

**Table 5: Demographic Disparities in Food Insecurity (Continued)**

	Institution	Region	National
<i>Pell Grant receipt</i>			
No	62%	53%	49%
Yes	85%	66%	65%
<i>Ever served in the armed forces</i>			
No	76%	58%	56%
Yes	60%	59%	54%
<i>Current relationship status</i>			
Single	80%	58%	55%
Divorced or widowed	94%	72%	70%
In a relationship	71%	62%	59%
Married	54%	50%	50%
<i>Parent claims student as a dependent</i>			
No	76%	61%	60%
Yes	60%	51%	48%
<i>Student has children</i>			
No	67%	56%	53%
Yes	81%	63%	63%
<i>Ever placed in foster care</i>			
No	72%	57%	56%
Yes	93%	78%	75%

**Table 6: Demographic Disparities in Housing Insecurity**

	Institution	Region	National
<b>Sex</b>			
Female	70%	54%	53%
Male	64%	48%	44%
<b>Race</b>			
White, non-Hispanic or Latino	64%	50%	48%
African American	90%	72%	64%
Hispanic		51%	49%
American Indian		69%	68%
SE Asian		43%	42%
Other Asian		38%	40%
More than one race	61%	56%	54%
<b>Age</b>			
18-20	58%	34%	33%
21-25	74%	54%	52%
26-30	61%	64%	62%
Over 30	75%	61%	60%
<b>Highest level of parental education (either parent)</b>			
High school or less	74%	55%	54%
Some college	75%	55%	53%
Associate's degree	61%	52%	48%
Bachelor's degree	67%	45%	43%
Graduate degree	44%	47%	43%
<b>Immigration status</b>			
Student a citizen or permanent resident	69%	53%	50%
Student NOT a citizen or permanent resident		50%	49%
Either parent a citizen or permanent resident	68%	53%	50%
Neither parent a citizen or permanent resident		49%	49%

**Table 6: Demographic Disparities in Housing Insecurity (Continued)**

	Institution	Region	National
<i>Pell Grant receipt</i>			
No	60%	48%	44%
Yes	77%	61%	60%
<i>Ever served in the armed forces</i>			
No	70%	52%	50%
Yes	60%	58%	54%
<i>Current relationship status</i>			
Single	75%	51%	48%
Divorced or widowed	81%	71%	71%
In a relationship	64%	54%	50%
Married	52%	49%	51%
<i>Parent claims student as a dependent</i>			
No	73%	58%	57%
Yes	35%	37%	35%
<i>Student has children</i>			
No	64%	49%	45%
Yes	73%	62%	63%
<i>Ever placed in foster care</i>			
No	69%	51%	49%
Yes	67%	74%	72%

**Table 7: Demographic Disparities in Homelessness**

	Institution	Region	National
<b>Sex</b>			
Female	24%	15%	14%
Male	35%	17%	16%
<b>Race</b>			
White, non-Hispanic or Latino	26%	13%	12%
African American	43%	28%	22%
Hispanic		13%	12%
American Indian		23%	22%
SE Asian		13%	13%
Other Asian		13%	14%
More than one race	17%	20%	19%
<b>Age</b>			
18-20	29%	13%	13%
21-25	22%	17%	15%
26-30	27%	17%	15%
Over 30	29%	17%	15%
<b>Highest level of parental education (either parent)</b>			
High school or less	21%	16%	15%
Some college	29%	17%	15%
Associate's degree	22%	15%	13%
Bachelor's degree	43%	12%	12%
Graduate degree	13%	13%	12%
<b>Immigration status</b>			
Student a citizen or permanent resident	27%	16%	14%
Student NOT a citizen or permanent resident		14%	14%
Either parent a citizen or permanent resident	28%	16%	14%
Neither parent a citizen or permanent resident		14%	14%

**Table 7: Demographic Disparities in Homelessness (Continued)**

	Institution	Region	National
<i>Pell Grant receipt</i>			
No	25%	14%	12%
Yes	30%	18%	16%
<i>Ever served in the armed forces</i>			
No	27%	15%	14%
Yes	27%	19%	16%
<i>Current relationship status</i>			
Single	32%	17%	16%
Divorced or widowed	31%	22%	20%
In a relationship	31%	16%	14%
Married	7%	8%	7%
<i>Parent claims student as a dependent</i>			
No	30%	17%	14%
Yes	10%	12%	12%
<i>Student has children</i>			
No	24%	15%	14%
Yes	30%	16%	14%
<i>Ever placed in foster care</i>			
No	27%	15%	13%
Yes	33%	33%	29%

### Accessing Public Assistance

In addition to measuring basic needs insecurity, the survey included multiple items to characterize food insecure and housing insecure students' strategies for addressing the shortfalls they experience. Students were asked whether they had received assistance from a variety of social programs during the past year. Undergraduates may be eligible for multiple social programs to assist with food, housing, child care, transportation, health care, and other expenses. However, program restrictions often prevent students from receiving assistance. For example, the Supplemental Nutrition Assistance Program (SNAP) requires undergraduates without children to work at least twenty hours per week. Due to shortages in subsidized housing, eligibility for housing assistance does not guarantee participation.

Students' utilization of public assistance is shown in Tables 8 and 9. In the national sample, SNAP, Medicaid or other public health insurance, and tax refunds were the most common forms of support. Very few needy students, however, received the help they needed.

**Table 8: Public Assistance for Food Insecure Students**

	Institution	Region	National
<i>Financial aid receipt and employment</i>			
Pell Grant	59%	46%	49%
Other federal or state grants	47%	22%	23%
Institutional grants	20%	10%	8%
Any grant	76%	60%	61%
Employed in last week	39%	49%	56%
Any grant and employed in last week	30%	26%	31%
<i>Food-related public assistance</i>			
SNAP (food stamps)	66%	29%	29%
WIC (nutritional assistance for pregnant women and children)	10%	6%	6%
Receive free food or meals	43%	23%	23%
<i>Housing-related public assistance</i>			
Housing assistance	26%	15%	13%
Utility assistance	9%	4%	5%
<i>Other public assistance</i>			
TANF	14%	6%	4%
SSI	4%	4%	4%
SSDI	9%	4%	4%
Medicaid or public health insurance	46%	25%	26%
Child care assistance	13%	4%	5%
Unemployment compensation/insurance	4%	3%	3%
Transportation assistance	10%	4%	4%
Tax refunds	25%	20%	24%
Veteran's benefits	7%	3%	4%

*Table Notes: Housing assistance includes direct housing assistance, living in a housing project, and receiving a housing voucher.*

**Table 9: Public Assistance for Housing Insecure or Homeless Students**

	Institution	Region	National
<i>Financial aid receipt and employment</i>			
Pell Grant	58%	47%	50%
Other federal or state grants	47%	22%	23%
Institutional grants	21%	10%	8%
Any grant	77%	60%	62%
Employed in last week	38%	51%	57%
Any grant and employed in last week	29%	27%	32%
<i>Food-related public assistance</i>			
SNAP (food stamps)	68%	31%	32%
WIC (nutritional assistance for pregnant women and children)	10%	7%	7%
Receive free food or meals	44%	25%	24%
<i>Housing-related public assistance</i>			
Housing assistance	25%	14%	13%
Utility assistance	11%	5%	6%
<i>Other public assistance</i>			
TANF	10%	7%	5%
SSI	5%	4%	4%
SSDI	7%	4%	4%
Medicaid or public health insurance	49%	26%	28%
Child care assistance	12%	4%	5%
Unemployment compensation/insurance	6%	3%	4%
Transportation assistance	11%	5%	4%
Tax refunds	26%	22%	26%
Veteran's benefits	8%	3%	4%

*Table Notes: Housing assistance includes direct housing assistance, living in a housing project, and receiving a housing voucher.*



### Summary Statistics

To better facilitate comparisons with regional and national data and to assess which students at your college may have been more or less likely to respond to the survey instrument, Table 10 presents summary statistics for each of the three samples.

**Table 10: Summary Statistics**

	Institution	Region	National
Female	73%	72%	72%
<i>Race</i>			
White, non-Hispanic or Latino	53%	33%	44%
African American	14%	10%	11%
Hispanic	3%	35%	25%
Native American	1%	1%	1%
SE Asian	4%	3%	2%
Other Asian	5%	6%	5%
More than one race	21%	13%	12%
<i>Age</i>			
18-20	16%	26%	30%
21-25	15%	26%	26%
26-30	15%	15%	15%
Over 30	52%	33%	29%
<i>Highest level of parental education</i>			
High school or less	27%	41%	35%
Some college	32%	28%	29%
Associate's degree	16%	7%	9%
Bachelor's degree	14%	15%	17%
Graduate degree	11%	9%	10%
<i>Immigration status</i>			
Student a citizen or permanent resident	97%	95%	95%
Student NOT a citizen or permanent resident	3%	5%	5%
Either parent a citizen or permanent resident	97%	88%	91%
Neither parent a citizen or permanent resident	3%	12%	9%

**Table 10: Summary Statistics (Continued)**

	Institution	Region	National
<i>Family characteristics</i>			
Parent or guardian claims student as dependent	13%	28%	30%
Ever placed in foster care	10%	5%	5%
Have children	49%	27%	28%
<i>Relationship status</i>			
Single	42%	51%	49%
Divorced or widowed	10%	5%	4%
In a relationship	29%	25%	29%
Married or domestic partnership	18%	19%	18%
<i>Year in college</i>			
Less than 1	33%	26%	29%
1 to 2	43%	38%	39%
More than 2	25%	36%	32%
<i>Financial aid and employment</i>			
Receives the Pell Grant	48%	40%	42%
Enrolled full-time	74%	58%	59%
Employed in last week	45%	52%	58%
Number of hours worked last week	24	26	27

### Questions?

If you have any questions about this report or food and housing resources, please contact Wisconsin HOPE Lab Acting Director Jed Richardson by email at [jed.richardson@wisc.edu](mailto:jed.richardson@wisc.edu) or by phone at (608) 890-2946.

#### **The Wisconsin HOPE Lab – Food and Housing Resources for Students and Institutions**

The Wisconsin HOPE Lab was established in 2013 on the University of Wisconsin–Madison campus to engage in translational research aimed at improving equitable outcomes in postsecondary education. For more information on material need among college students, and for helpful food and housing resources for those seeking to help struggling students, visit the Wisconsin HOPE Lab at <http://www.wihopelab.com/events/realcollege.html>.

#### **About the Association of Community College Trustees**

The Association of Community College Trustees (ACCT) is a non-profit educational organization of governing boards, representing more than 6,500 elected and appointed trustees who govern over 1,200 community, technical, and junior colleges in the United States and beyond. For more information, go to [www.acct.org](http://www.acct.org). Follow ACCT on Twitter at [twitter.com/CCTrustees](https://twitter.com/CCTrustees).

<sup>i</sup> Goldrick-Rab, S., Richardson, J., & Hernandez, A. 2017. Hungry and homeless in college: Results from a national study of basic needs insecurity in higher education. Wisconsin HOPE Lab. Retrieved from <http://www.wihopelab.com/publications/Hungry-and-Homeless-in-College-Report.pdf>

<sup>ii</sup> Anderson, S.A. 1990. Core indicators of nutritional state for difficult-to-sample populations. *The Journal of Nutrition*, 120(11), 1557-1599.

<sup>iii</sup> U.S. Department of Agriculture. 2017. Survey tools. Retrieved from <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/survey-tools/>

<sup>iv</sup> U.S. Department of Agriculture Economic Research Service. 2012. U.S. household security survey Module: Six-item short form. Retrieved from <https://www.ers.usda.gov/media/8282/short2012.pdf>

<sup>v</sup> Cutts, D.B., Meyers, A.F., Black, M.M., Casey, P.H., Chilton, M., Cook, J.T., ... & Frank, D.A. 2011. U.S. housing insecurity and the health of very young children. *American Journal of Public Health*, 101(8), 1508-1514.

# **Resolution 2**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (2)

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Amendments to Rapid Rehousing Contracts with Pierce County

*This resolution would amend Tacoma Housing Authority's (THA) Rapid Rehousing (RRH) contracts with Pierce County.*

### Background

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.

Over the past several months you have been hearing about the evaluation that staff have completed of these contracts. The report in the May 24, 2017, board report showed the full analysis and we summarized these findings in the June 14, 2017, study session.

Based on the results of this analysis, community consultation and discussion with the Board, we recommend the following:

- (1) THA to fully 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) 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.

- (3) 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%.
- (4) 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%.
- (5) Amend the family contract to expand the definition of "family" to include parents whose children Department of Social and Health Services (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.
- (6) 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.
- (7) 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.

### **Recommendation**

Authorize THA's Executive Director to negotiate these changes to the respective Pierce County contracts.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (2)

### (Amendments to Rapid Rehousing Contracts with Pierce County)

**WHEREAS**, THA has been investing in the Pierce County Rapid Rehousing system since 2013; and

**WHEREAS**, Staff completed a full analysis of this program; and

**WHEREAS**, The following changes should be made to the contracts:

#### *1. Annual Reviews*

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.

#### *2. Reduce spending THA funds on supportive services in the family contract and increase this spending to the young adult contract*

The family contract should be amended as follows:

**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.

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 significant but not excessive flexibility to expend THA housing funds on non-housing 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.

3. *Allow spending on parents attempting to reunify with their children*

The family contract should be amended as follows:

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.

4. *Allow spending on non-RRH*

Both contracts should be amended as follows:

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.

5. *Remove geographic restrictions (Scope of Services 7.1)*

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; and~~

**WHEREAS**, Each of these changes and their effective dates must be negotiated between Pierce County and THA; now, therefore, be it



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

THA's Executive Director is authorized to negotiate these changes to the respective Pierce County contracts.

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair

# **Resolution 3**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (3)

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Updating Tacoma Housing Authority's Administrative Plan

*This resolution would approve updates to Tacoma Housing Authority's (THA) Administrative Plan to reflect changes in Housing and Urban Development (HUD) regulations.*

### Background

The Administrative Plan governs THA's administration of the Housing Choice Voucher program. HUD requires this plan to conform to HUD requirements and local goals and objectives contained in THA's Moving to Work Plan. This administrative plan is a supporting document to the Public Housing Agency (PHA) plan, and is available for public review as required by CFR 24 Part 903.

### Proposed Revisions

HUD has published a number of notices that require THA to change its Administrative Plan. The revisions to the Administrative Plan are as follows:

<b>Reasonable Accommodation</b>	<ul style="list-style-type: none"><li>• Changes the title "Civil Rights Compliance Auditor" from "Civil Rights Compliance Coordinator".</li><li>• Removes HR Director from RA review committee.</li><li>• Adds two new forms: Reasonable Accommodation Implementation Plan and Service Animal Agreement.</li><li>• Removes breed and size restrictions for service/companion animals, and clarifies that tenants must follow all other provisions of pet policy.</li><li>• Changes tenant's right to a "hearing" to tenant's right to an "informal review".</li></ul>
---------------------------------	---

<b>Social Security Numbers</b>	<ul style="list-style-type: none"> <li>• Clarifies the SSN and documentation requirements for all household members, including exemption for households 62 and older as of January 1, 2010 who were previously documented as eligible.</li> <li>• Deletes language stating SSN documentation is removed from the tenant file after verification. Removing SSN documentation is optional and not the current THA practice.</li> </ul>
<b>Independent Student Status/Verification of Student Status/Definition of Vulnerable Youth</b>	<ul style="list-style-type: none"> <li>• Clarifies and adds to the definitions of “independent student” and “vulnerable youth”.</li> <li>• Identifies status as “vulnerable youth” as sufficient for using only the student’s income in calculating assistance.</li> <li>• Excepting “vulnerable youth” from the requirement for written documentation of parental support for students.</li> </ul>
<b>Changes in Payment Standards</b>	<ul style="list-style-type: none"> <li>• Updates Tiered Rent Tables for income based subsidies.</li> <li>• Requires 12 months’ notice for payment standard reduction before it applies to contract rent.</li> </ul>
<b>Inspections-Life Threatening Conditions definition, the Inspection Process and other changes</b>	<ul style="list-style-type: none"> <li>• Adds language clarifying the timeframes for contracted landlords to begin remedial action.</li> <li>• Updates list of items that would cause a unit to fail inspection.</li> </ul>
<b>Moving with Continued Assistance</b>	<ul style="list-style-type: none"> <li>• Adds requirement for THA to have an emergency transfer plan for those protected under VAWA.</li> <li>• Adds language allowing THA to deny a move if the receiving PHA is not absorbing vouchers.</li> <li>• Adds language that THA cannot only allow a move at re-examination.</li> <li>• Clarifies communication requirements of initiating and absorbing PHA. Name, address and contact information must be provided to tenant.</li> <li>• Changes Initial Billing Deadline to allow 30 day extension.</li> <li>• Allows extension of the expiration of the new voucher to 30 days after expiration of the initial voucher.</li> </ul>

	<ul style="list-style-type: none"> <li>• Updates of form HUD-50058.</li> <li>• Adds requirements for notifying initial PHA if absorbing a family.</li> </ul>
<b>Changes in Payment Standards and Utility Allowances</b>	<ul style="list-style-type: none"> <li>• Allows flexibility about when to decrease the HAP contract rent when the payment standard decreases.</li> </ul>
<b>Congregate Housing Payment Standard, UA and HAP Calculation</b>	<ul style="list-style-type: none"> <li>• Allows for the utility allowance in shared housing to be the lower of the utility allowance for the family's voucher size or a pro rata share of the utility allowance for the shared house unit size.</li> </ul>
<b>Manufactured Homes Payment Standards, UA and Space Rent</b>	<ul style="list-style-type: none"> <li>• Allows for the payment standard to be used for space rent for manufactured homes and allows for remaining funds (if applicable) to go to the utility company or directly to the family and can be used to help pay their mortgage.</li> </ul>
<b>Down Payment Assistance Grants</b>	<ul style="list-style-type: none"> <li>• Removal of language referencing down payment assistant grants as THA no longer operates vouchers for homeownership.</li> </ul>
<b>Scheduling an Informal Hearing</b>	<ul style="list-style-type: none"> <li>• Clarifies the timeframe for THA to receive the request for an informal hearing and sets a window of time for families to arrive for hearing.</li> <li>• Clarifies THA discovery policy when a tenant requests information.</li> </ul>
<b>VAWA</b>	<ul style="list-style-type: none"> <li>• Adds the following forms and documents:</li> <li>• Form HUD-5380 Sample Notice of Occupancy Rights Under the Violence Against Women Act</li> <li>• Form HUD-5382 Certification of Domestic Violence, Dating Violence, and Sexual Assault or Stalking and Alternate Documentations</li> <li>• PHA Emergency Transfer Plan</li> <li>• FORM HUD-5383 Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Staking</li> </ul>
<b>Project-Based and Special Program Vouchers</b>	<ul style="list-style-type: none"> <li>• Allows THA to project base additional units in several circumstances.</li> <li>• Allows exceptions to the rule limiting the number of project based vouchers in one project to 25% of the units in the project.</li> </ul>

	<ul style="list-style-type: none"> <li>• Gives THA the right to add units to HAP contract under certain circumstances.</li> <li>• Outlines selection preferences and when they apply.</li> <li>• Provides choice mobility waiting list guidelines</li> <li>• Adds one time use policy for Choice Mobility</li> </ul>
--	--

### Comments

Pursuant to HUD requirements, THA offered the proposed changes for public comment and invited views from community partners. Here is the one comment we received, and our response:

Comment	Response
<p><b>Topic: Moving with Continued Assistance.</b></p> <p>Release of the voucher to allow portability to accommodate seniors' choice to relocate to a senior housing facility in another authority's jurisdiction makes sense and is reasonable.</p>	<p>THA has decided not to have portability options extended based only on a tenant's status as elderly/disabled. The Reasonable Accommodation process is available and addresses portability based on necessity. We have chosen to limit portability. This gives us better control the costs associated with portability. Due to the large number of elderly and disabled households we serve, allowing ports only based on that status could have a large financial impact.</p>

### Recommendation

THA is authorized to adopt the updates to the Administrative Plan to reflect changes in the Housing and Urban Development regulations.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-06-28 (3) (Updating THA's Administrative Plan)**

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

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

**WHEREAS**, Changes to the Administrative Plan must be approved by THA Board of Commissioners; now, therefore, be it

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

THA is authorized to adopt the following updates to the Administrative Plan to reflect changes in the Housing and Urban Development regulations.

<b>Reasonable Accommodation</b>	<ul style="list-style-type: none"><li>• Changes the title “Civil Rights Compliance Auditor” from “Civil Rights Compliance Coordinator”.</li><li>• Removes HR Director from RA review committee.</li><li>• Adds two new forms: Reasonable Accommodation Implementation Plan and Service Animal Agreement.</li><li>• Removes breed and size restrictions for service/companion animals, and clarifies that tenants must follow all other provisions of pet policy.</li><li>• Changes tenant’s right to a “hearing” to tenant’s right to an “informal review”.</li></ul>
<b>Social Security Numbers</b>	<ul style="list-style-type: none"><li>• Clarifies the SSN and documentation requirements for all household members, including exemption for households 62 and older as of January 1, 2010 who were previously documented as eligible.</li></ul>

	<ul style="list-style-type: none"> <li>Deletes language stating SSN documentation is removed from the tenant file after verification. Removing SSN documentation is optional and not the current THA practice.</li> </ul>
<b>Independent Student Status/Verification of Student Status/Definition of Vulnerable Youth</b>	<ul style="list-style-type: none"> <li>Clarifies and adds to the definitions of “independent student” and “vulnerable youth”.</li> <li>Identifies status as “vulnerable youth” as sufficient for using only the student’s income in calculating assistance.</li> <li>Excepting “vulnerable youth” from the requirement for written documentation of parental support for students.</li> </ul>
<b>Changes in Payment Standards</b>	<ul style="list-style-type: none"> <li>Updates Tiered Rent Tables for income based subsidies.</li> <li>Requires 12 months’ notice for payment standard reduction before it applies to contract rent.</li> </ul>
<b>Inspections-Life Threatening Conditions definition, the Inspection Process and other changes</b>	<ul style="list-style-type: none"> <li>Adds language clarifying the timeframes for contracted landlords to begin remedial action.</li> <li>Updates list of items that would cause a unit to fail inspection.</li> </ul>
<b>Moving with Continued Assistance</b>	<ul style="list-style-type: none"> <li>Adds requirement for THA to have an emergency transfer plan for those protected under VAWA.</li> <li>Adds language allowing THA to deny a move if the receiving PHA is not absorbing vouchers.</li> <li>Adds language that THA cannot only allow a move at re-examination.</li> <li>Clarifies communication requirements of initiating and absorbing PHA. Name, address and contact information must be provided to tenant.</li> <li>Changes Initial Billing Deadline to allow 30 day extension.</li> <li>Allows extension of the expiration of the new voucher to 30 days after expiration of the initial voucher.</li> <li>Updates of form HUD-50058.</li> </ul>



	<ul style="list-style-type: none"> <li>• Adds requirements for notifying initial PHA if absorbing a family.</li> </ul>
<b>Changes in Payment Standards and Utility Allowances</b>	<ul style="list-style-type: none"> <li>• Allows flexibility about when to decrease the HAP contract rent when the payment standard decreases.</li> </ul>
<b>Congregate Housing Payment Standard, UA and HAP Calculation</b>	<ul style="list-style-type: none"> <li>• Allows for the utility allowance in shared housing to be the lower of the utility allowance for the family's voucher size or a pro rata share of the utility allowance for the shared house unit size.</li> </ul>
<b>Manufactured Homes Payment Standards, UA and Space Rent</b>	<ul style="list-style-type: none"> <li>• Allows for the payment standard to be used for space rent for manufactured homes and allows for remaining funds (if applicable) to go to the utility company or directly to the family and can be used to help pay their mortgage.</li> </ul>
<b>Down Payment Assistance Grants</b>	<ul style="list-style-type: none"> <li>• Removal of language referencing down payment assistant grants as THA no longer operates vouchers for homeownership.</li> </ul>
<b>Scheduling an Informal Hearing</b>	<ul style="list-style-type: none"> <li>• Clarifies the timeframe for THA to receive the request for an informal hearing and sets a window of time for families to arrive for hearing.</li> <li>• Clarifies THA discovery policy when a tenant requests information.</li> </ul>
<b>VAWA</b>	<ul style="list-style-type: none"> <li>• Adds the following forms and documents:</li> <li>• Form HUD-5380 Sample Notice of Occupancy Rights Under the Violence Against Women Act</li> <li>• Form HUD-5382 Certification of Domestic Violence, Dating Violence, and Sexual Assault or Stalking and Alternate Documentations</li> <li>• PHA Emergency Transfer Plan</li> <li>• FORM HUD-5383 Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Staking</li> </ul>

<b>Project-Based and Special Program Vouchers</b>	<ul style="list-style-type: none"> <li>• Allows THA to project base additional units in several circumstances.</li> <li>• Allows exceptions to the rule limiting the number of project based vouchers in one project to 25% of the units in the project.</li> <li>• Gives THA the right to add units to HAP contract under certain circumstances.</li> <li>• Outlines selection preferences and when they apply.</li> <li>• Provides choice mobility waiting list guidelines</li> <li>• Adds one time use policy for Choice Mobility</li> </ul>
---	---

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair

# **Resolution 4**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (4)

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Architectural and Engineering (A&E) Services - Family Investment Center (FIC)  
Tenant Improvement and Salishan Maintenance Shop Improvement

---

*This Resolution would authorize Tacoma Housing Authority's (THA) Executive Director to add \$38,200 to the amount of the contract with Buffalo Design for A&E services needed for the FIC Tenant Improvement and Salishan Maintenance Shop Improvement to Buffalo Design.*

### Background

On March 23, 2011, the Board authorized THA's Executive Director to award Buffalo Design the contracts for A&E services for THA's administrative buildings, including 902 South L Street, FIC, Salishan Maintenance shop (Shop), Key Bank and any administrative sites at THA's various remote locations. The 902 South L Street work is done.

On December 14, 2016, the Board authorized THA's Executive Director to proceed with improvements to the FIC and the Shop and authorized a total contract of \$127,314 to Buffalo Design.

At this time, THA would like to revise the total contract for Buffalo Design due to additional scope. This additional scope includes replacing the existing HVAC, furniture coordination and reimbursable expenses that the contractors will charge. The additional design fee for the HVAC work is \$25,900, the furniture coordination effort is \$7,300 (billed at time and materials) and the reimbursable fee is \$5,000 (also billed at time and materials) for a total increase of \$38,200.

### Recommendation

Authorize THA's Executive Director to increase the contract amount for the A&E Services for the FIC Tenant Improvement and Salishan Maintenance Shop Improvement in an amount not-to-exceed \$38,200 for a total not-to exceed contract of \$165,514 with Buffalo Design.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-06-28 (4)**

### **(A&E Services—FIC Tenant Improvement and Salishan Maintenance Shop Improvement)**

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

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

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

**WHEREAS**, On December 14, 2016, the Board authorized THA's Executive Director to proceed with improvements to the FIC and the Shop and to authorize a total contact of \$127,314 to Buffalo Design; and

**WHEREAS**, The FIC's HVAC system will need to be replaced, additional coordination is necessary for the furniture, and reimbursable expenses that the contractors charge need to be added to the contract; and

**WHEREAS**, The additional design work which includes Design Development through Construction Administration for the FIC and Salishan Maintenance Shop improvements for the HVAC, furniture coordination and reimbursable expenses will cost \$38,200; now, therefore, be it

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

Authorize THA's Executive Director to increase the contract amount with Buffalo Design by \$38,200 for a total not to exceed of \$165,514.

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair

# **Resolution 5**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (5)

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Acceptance of Property Located at 1120 and 1124 Martin Luther King Way

---

*This resolution will authorize Tacoma Housing Authority (THA) to take title from the City of Tacoma to property located at 1120 and 1124 Martin Luther King Way (MLK).*

### Background

In 2013, the City of Tacoma entered into an agreement with THA to donate to THA land located at 1120 and 1124 MLK to develop affordable housing. The donation to THA was planned after the design and financing for the project was in place.

The property contains a parking lot and retail space that has been leased to Morris McCollum, who owns and operates Mr. Mac Retail Space. The City approached THA staff about transferring the title now to both lots to THA and to have THA take over management of the property and collection of rents. Title will be transferred by a quit claim deed and the lease will be assigned to THA. The conveyance will be subject to Covenants and Conditions for the development. These conditions require the development of affordable housing, with financing to be in place by the end of 2018.

### Recommendation

Authorize THA's Executive Director to finalize any and all documents needed to transfer the property from the City of Tacoma to Tacoma Housing Authority.



# TACOMA HOUSING AUTHORITY

## RESOLUTION NO 2017-06-28 (5)

### (Acceptance of Property Located at 1120 and 1124 Martin Luther King Way)

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

**WHEREAS**, In 2013 the Tacoma City Council passed resolution 38718, approving the surplus and disposition of 1120 and 1124 Martin Luther King Way to the Tacoma Housing Authority for affordable housing development;

**WHEREAS**, the City offers to transfer title of the parcels to THA now and have THA assume their management;

**WHEREAS**, THA has completed preliminary planning and designs for developing this property as the Hilltop Lofts; and

**WHEREAS**, THA will seek financing to complete the affordable housing development; and

**WHEREAS**, THA is able to provide the services needed to collect rent, maintain the property in its current use in good condition; now, therefore, be it

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

Authorize THA's Executive Director to finalize any and all documents needed to transfer the property from the City of Tacoma to Tacoma Housing Authority.

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair



# **Resolution 6**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-06-28 (6)

**Date:** June 28, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Approving Litigation Against HUD re Proration of 2012 Operating Subsidy

---

*This resolution would authorize THA to join litigation against HUD challenging its proration of 2012 operating subsidies.*

### Background

NAHRO (National Association of Housing and Redevelopment Officials) and PHADA (Public Housing Authority Directors Association) invite THA to join litigation against HUD that they will manage on behalf of up to 1,300 housing authorities. I attach a letter from NAHRO and PHADA explaining the basis for the litigation. I also attach an email exchange between the lead counsel to Ken Shalik. Those emails provide some further details. Joining the litigation would cost THA \$3,000 as our contribution to the filing fee and attorney's fees. We have until August 15, 2017 to join the litigation.

### The Claim:

In 2012, Congress did not appropriate enough money to cover what HUD's formula would have provided to operate the public housing program. Instead, it "prorated" the amount down to 81.04%. We should have received that percentage of our formula amount in a straight proration. Instead, we and many other housing authorities received less than that. The reason we received less is that instead of a straight proration HUD, with Congressional approval, also considered our "excess reserves" and further reduced our funding below the proration level. The litigation will claim that HUD violated the Annual Contribution Contract (ACC) when it did that.

### THA's Potential Recovery

THA's claim would be for \$225,522. That is the amount our 2012 funding for public housing operations fell short of the straight 81.04% proration.

### The Chances of Success

NAHRO and PHADA judge the chances of success to be very good because a first round of litigation on this exact issue was successful. On January 18, 2017, the United States Court of

Federal Claims ruled in favor of 309 plaintiff housing authorities bringing the claim, including 10 from Washington State. The court awarded them an aggregate of \$135 million. The main uncertainty for a second round of litigation arises because HUD may appeal that first judgment and it may prevail on appeal. HUD has until August 8, 2017 to file its appeal.

### **The Risks**

The plaintiff's attorney advises us that THA risks only its \$3,000 contribution to the fee.

Other risks may arise if HUD retaliates in some way against the plaintiff housing authorities. The attorney advises that he knows of no such retaliation against the first round of plaintiffs or against other public housing authorities who have sued HUD.

### **Who will Manage the Litigation**

NAHRO and PHADA will manage the litigation, as they did the first round of litigation.

### **Recommendation**

I recommend that the Board authorize THA's participation in this litigation and commit \$3,000 for THA's share of the filing fee and attorney's fees.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-06-28 (6)**

### **(Authorizing THA's Participation in Litigation Against HUD re 2012 Shortfall of Operating Subsidy)**

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

**WHEREAS**, On January 18, 2017, the United State Court of Federal Claims ruled that HUD, in 2012, underfunded public housing operations for 309 plaintiff public housing authorities in violation of their Annual Contribution Contract (ACC); and

**WHEREAS**, NAHRO (National Association of Housing and Redevelopment Officials) and PHADA (Public Housing Authority Directors Association) managed that litigation for the plaintiff housing authorities; and

**WHEREAS**, NAHRO and PHADA now plan on managing a second round of litigation on the same issue on behalf of housing authorities who did not participate in the first round; and

**WHEREAS**, NAHRO and PHADA invite THA to join the second litigation; and

**WHEREAS**, THA's share of recovery from a successful ruling would be \$225,522; and

**WHEREAS**, Participating in the litigation would cost THA \$3,000, which is its share of the filing fee and the attorney's fees; now, therefore, be it

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

1. THA is authorized to participate in the litigation that NAHRO and PHADA will manage against HUD seeking recovery for underfunding in 2012 of public housing operations.
2. THA may commit \$3,000 of its non-federal funding for its share of the filing fee and attorney's fees.
3. The executive director is authorized to manage THA's participation in the litigation, including approving any compromise of its claims.

**Approved: June 28, 2017**

---

Dr. Arthur C. Banks, Chair



May 17, 2017

Tacoma Housing Authority  
902 South L Street, #2A 98405  
Tacoma, WA

RECEIVED

MAY 25 2017

Tacoma Housing Authority  
902 South L Street  
Tacoma, WA 98405  
[www.tacomahousing.org](http://www.tacomahousing.org)

**RE: Money Damages Owed to Your Housing Authority**

Dear Executive Director:

As you may have heard, we achieved a successful outcome in a lawsuit challenging the operating reserve offset that Congress and HUD imposed on your 2012 operating subsidies. In a decision handed down on January 18, 2017, the United States Court of Federal Claims (Claims Court) held that the operating reserve offset was a breach of the Annual Contributions Contract between HUD and Public Housing Agencies.

The Claims Court found that the 2012 appropriation for operating subsidies should have been prorated for all housing authorities. The Claims Court agreed with us that any HA that received operating subsidies that were less than 81.04 percent of its eligibility amount was entitled to money damages equal to the difference. **In this lawsuit, 309 housing authority plaintiffs were awarded a total of over \$135 million.**

You are among a large number of HAs who would have been entitled to money damages if you had joined the lawsuit. **The total amount of money damages for you and the other HAs that did not participate in the lawsuit is over \$230 million.** All this money will be lost if a second lawsuit is not filed before November 18, 2017, which is the end of the six-year statute of limitations period for the filing of a breach of contract lawsuit against the United States. To avoid this, we are advising you of your legal option to participate in a second lawsuit against HUD. The estimated amount of money damages you are eligible to receive, based on the Claims Court's January 18 decision, is \$225522

As we did for the first lawsuit, PHADA and NAHRO will administer a second lawsuit in order for HAs, like yours, to have the opportunity to obtain the money damages to which you are entitled. As with the first lawsuit, the Washington, D.C. law firm of Coan and Lyons will manage the litigation and provide necessary legal services. That law firm developed the strategy, and represented the HAs that were the plaintiffs, in the first lawsuit that we won. PHADA and NAHRO will not be parties to the second lawsuit. We will not benefit in any way from the result of the second lawsuit, as we similarly will not benefit from the result of the first lawsuit. PHADA and NAHRO's role in this second lawsuit is solely advisory and administrative. Additionally we cannot guarantee you will receive money damages since there is a possibility that HUD might appeal the Claims Court decision and win that appeal.



We do not know yet whether HUD will appeal the January 18 decision to the United States Court of Appeals for the Federal Circuit, the court to which appeals from the Claims Court are made. We will let you know as soon as we know. Meanwhile, time is short. If you want to file suit to receive money damages, you should obtain board approval to participate in the second lawsuit and identify the **non-federal funds** you can use to pay legal fees as soon as possible. Even if HUD appeals the decision, you will still need to participate in a lawsuit filed before November 18, 2017, to receive the money damages to which you are entitled for HUD's breach of your ACC.

The fee for small HAs (less than 250 units) is \$1,000. The fee for HAs with 250 or more units is \$3,000. These amounts include a \$400 filing fee the Claims Court is expected to charge each plaintiff. These fees were determined, in part, by the costs incurred in the first lawsuit. Again, **the money used to pay for the legal fees must come from non-federal funds.**

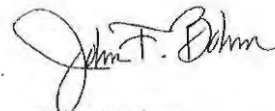
If you wish to participate in this lawsuit, please so indicate in a **signed letter, showing the full formal name of your agency, the name of a contact person with that person's email address and phone number**, and include a check made out to "Operating Reserves Litigation" for the requisite amount. Send the payment to: PHADA 511 Capitol Court NE Washington DC 20002. **The submission deadline is August 15, 2017.**

If you have questions, please email them to [ccoan@coanlyons.com](mailto:ccoan@coanlyons.com) and [raykjames@comcast.net](mailto:raykjames@comcast.net). Thank you.

Sincerely,



Timothy G. Kaiser  
PHADA Executive Director



John Bohm  
NAHRO Acting CEO

## Michael Mirra

---

**From:** RAYMOND James <raykjames@comcast.net>  
**Sent:** Tuesday, June 20, 2017 1:21 PM  
**To:** Ken Shalik; ccoan@coanlyons.com  
**Subject:** Re: Money Damages owed Housing Authorities

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

In the first lawsuit, 355 HAs, including 10 in Washington State, signed up to be plaintiffs. This was the first ever lawsuit in the Federal Claims Court asking for money damages for a breach of the ACC. You can talk to John Harmon, who represented two Washington agencies in the suit. ([jharmon@bwcha.org](mailto:jharmon@bwcha.org)).

Your only risk is that you would lose the \$3000 fee if the suit was not successful. The fee for the second suit is substantially less than the fee for the first suit: 50% lower for small agencies and 25% lower for larger agencies.

In the Claims Court decision in our favor our plaintiffs were awarded over \$136 million in damages. HUD has until about Aug. 8 to decide whether to appeal this decision.

Your potential damages of \$225,522 were calculated as follows: 81.04% of your eligibility amount minus the operating subsidy you received in 2012. The basis of our claim is that the ACC incorporated the HUD operating subsidy regulations, that those regulations require that insufficient operating subsidy appropriations be prorated, that the 2012 HUD appropriations Act instead allocated operating subsidies based on an HA's excess reserves that resulted in prorations ranging from zero to just less than 95%, and that if the 2012 operating subsidy appropriations were prorated as required by the ACC the proration would be 81.04%.

We have sued HUD multiple times on behalf of both public housing agencies and private owners of assisted housing and we are not aware of any retaliation against our plaintiffs by HUD. Given that we won the first suit, we expect that most HAs with potential damages will want to participate in a second suit before the statute of limitations bars further litigation on these claims. The only limitation on the second suit being of enormous size (there are over 1300 potential plaintiffs) is that many small agencies have trouble finding non-federal funds for the fee. In our first suit many small agency plaintiffs were assisted by state associations and the same assistance appears to be available in the second suit. I have no doubt you would be joined by hundreds of fellow plaintiffs in a second suit.

On June 20, 2017 at 3:28 PM Ken Shalik <[kshalik@tacomahousing.org](mailto:kshalik@tacomahousing.org)> wrote:

Good afternoon:

We are in receipt of the letter from PHADA regarding the Operating Reserves Litigation for the 2012 Operating Subsidy.

We are interested in investigating further what this might mean for the Tacoma Housing Authority.

Is there a way you can let us know who received funds in the current settlement so we can find out about the process and what occurred. Also, it would be helpful to obtain a little more context, what to expect, and also what the risk is to the Housing Authority.

You also provided a figure to what we would be eligible to receive. Could you let us know what that was based upon.

Also, could you let us know how many HA's have signed up for the second round of litigation. As this is a lawsuit against HUD, it comes with it's own set of risks, and we want to ensure we are thoughtful in making a decision to move forward on this. It is important we have significant enough information to present to our board in order for them to sign off on us joining the second lawsuit.

Thank you for you consideration.

*Ken*

**Kenneth Shalik**

Director of Finance



Tacoma Housing Authority

902 South L Street

Tacoma, WA 98405

253-207-4425

[kshalik@tacomahousing.org](mailto:kshalik@tacomahousing.org)

[www.tacomahousing.org](http://www.tacomahousing.org)

