



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

August 23, 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

ANNUAL MEETING Board of Commissioners

WEDNESDAY, August 23, 2017

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Annual Meeting on **Wednesday, August 23, 2017, at 4:45 pm.**

The meeting will take place at:

**Bay Terrace
2550 South G. Street
Tacoma, WA 98405**

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

I, Sha Peterson, certify that on or before August 23, 2017, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123 email: CityClerk@cityoftacoma.com
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	email: tips@q13fox.com
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

and other individuals and organizations with residents reporting applications on file.

Sha Peterson
Executive Assistant



TACOMA HOUSING AUTHORITY

AGENDA

ANNUAL BOARD OF COMMISSIONERS MEETING

August 23, 2017 4:45 PM

Bay Terrace, 2550 South G. Street, Tacoma, WA 98405

1. Election of Officers
2. Review of By-Laws
3. Annual Certification



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

August 23, 2017 4:45 PM

Bay Terrace, 2550 South G. Street, Tacoma, WA 98405

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of July 26, 2017—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Administration
 - 7.3 Client Services
 - 7.4 Property Management
 - 7.5 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
 - 9.1 2017-08-23 (1) Interim Housing Opportunity Program (HOP) Hardship Policy
 - 9.2 2017-08-23 (2) Intent to Sell Bonds to Provide Financing to Alberta J. Canada, LLLP
 - 9.3 2017-08-23 (3) Authorize Investment Institutions and Authorized Signers
 - 9.4 2017-08-23 (4) Authorize Acquisition of James Center
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION, if any.**

Discussion of real estate transactions.
12. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, July 26, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 401 North G. Street, Tacoma, WA at 4:45 PM on Wednesday, July 26, 2017.

1. CALL TO ORDER

Chair Banks called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:51 PM.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
Chair Arthur Banks	
Vice Chair Janis Flauding	
Commissioner Stanley Rumbaugh (arrived late at)	
Commissioner Minh-Anh Hodge	
Commissioner Derek Young	
Staff	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
	Toby Kaheiki, Human Resources Director
Frankie Johnson, Interim Property Management Director	
Kathy McCormick, Real Estate Development Director	
Todd Craven, Administration Director	
Greg Claycamp, Client Services Director	
	Sandy Burgess, Associate Director for AD & Asset Management

Chair Banks declared a quorum present @ 4:52 and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Banks asked for any corrections to, or discussion of the minutes of the Study Session of the Board of Commissioners on Wednesday, June 14, 2017. Vice Chair Flauding moved to adopt the minutes, Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Chair Banks asked for any corrections to, or discussion of the minutes of the Regular Session of the Board of Commissioners on Wednesday, June 28, 2017. Commissioner Rumbaugh moved to adopt the minutes, Vice Chair Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Greg Tanbara addressed the board. His father was Dr. George Tanbara, a Tacoma pediatrician and civic leader. In particular, Greg noted that Dr. Tanbara founded the Community Health Care clinic at Salishan, which is now named for Dr. Tanbara and his wife, Kimi. Dr. Tanbara passed away on July 1. Greg thanked the board and THA for the support they provided to his father and his father's work throughout the years.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Although the committee did not have a formal meeting this week, there were informal communications regarding a couple of properties and a few significant opportunities. The committee will try to have a meeting by the end of summer.

Finance Committee—Commissioner Hodge and Commissioner Young

The committee held an entrance conference with the auditors last Monday. Finance is working hard with the auditors to make sure everything is in order and also working on an upcoming REAC audit.

Education Committee—Commissioner Hodge

Nothing to report.

Citizen Oversight Committee—Vice Chair Banks

Nothing to report.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. As the board works towards the 2018 budget, ED Mirra wants the board to be aware that THA faces some budget dilemmas mostly related to Congressional appropriations and Housing and Urban Development (HUD) rules, and to uncertainty about those appropriations and rules. THA is being squeezed by three factors: (1) a rising rental market that makes THA's rental assistance programs more expensive per household, (2) flat-lined appropriations, and (3) HUD's requirement that THA serve the same number of households. Doing all these at the same time is arithmatically impossible without cuts somewhere else.

The main puzzle for the 2018 budget is finding a reasonable balance among several strategies: (1) thin the soup further by lowering the value of the voucher, which, however, would make those vouchers less competitive in this market; (2) increase the value of vouchers to make them more competitive in the rising market, which, however, would mean we would serve fewer households; or (3) shift MTW dollars from other expenditures to pay for vouchers, which, however, would weaken other services or programs. THA's answers for 2018 will arise from the budget process. Perhaps the Congressional budget appropriations and HUD's rules will clarify, and perhaps further, the clarification will be helpful.

Commissioner Rumbaugh inquired about THA's Rapid Rehousing investment and Pierce County's efforts to show that it can utilize THA's assistance. Pierce County is presently using only 67% of THA's money. Commissioner Rumbaugh is concerned that THA will have this yearly under-utilization. He also asked about the rate of THA's utilization of its own vouchers. Director Claycamp will present his utilization recommendation to the board in time for the budget process.

Vice Chair Flauding inquired about providing incentives to entice landlords to participate in the voucher program.

The Bay Terrace II Ribbon Cutting celebration is scheduled for August 7 at 1 pm. Senator Murray and Representatives Derek Kilmer and Danny Heck are expected to attend.

ED Mirra reported that HUD representatives told him to anticipate a call from the White House HUD transition team regarding THA's education project and rent reform programs. ED Mirra said that he may need help from the board.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the expense report. The good news is that the new OpenDoor system is now able to generate the necessary financial information. The bad news is that there is a 97% Congressional Housing Assistance Program (HAP) proration of funds for 2017, which is a \$1.1M reduction in funds. At the same time, because of rising rents in the markets, THA's HAP payment continues to increase.

Finance is getting ready to start the 2018 budget process. The Bay Terrace development is on budget and Rental Assistance Demonstration (RAD) is on track. Cash is in good shape for 2018.

THA requested \$3M for Arlington Drive from the state legislature. The Senate and the House version of the capital budget contains this appropriation, but the legislature was not able to approve a capital budget before adjourning.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$5,758,526 for the month of June 2017. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

Client Services

Client Services (CS) Director Greg Claycamp directed the board to his report. Pierce County Housing Authority wants THA to absorb those of its vouchers in use in Tacoma. THA is continuing its discussion with PCHA. Absorbing the vouchers will increase THA's utilization rate to about 98% without opening the waitlist. Director Claycamp will have a voucher utilization recommendation to the board soon.

Property Management

Property Management (PM) Interim Director Frankie Johnson directed the board to her report. She noted a slight increase in the average time to turn a unit. This resulted from vendor delays and pest control. Another factor was the number of households who declined an offer of a unit. Some discussion ensued about the reasons for why ostensibly needy families, having waited a long time for an affordable and desirable apartment, would turn it down. Director Johnson listed some reasons, including households that are stuck in the middle of a lease and households whose circumstances have changed since they applied. Director Johnson will add turn down specifics to her future reports. In 2015, partial exterior painting was done at Salishan. A bid went out in June for exterior painting at the remaining buildings in Sals 1-6. The winning bid came in way under budget. The amount does not require Board approval but Director Johnson wished the Board to know.

Commissioner Rumbaugh received a call from a cable company representative regarding a program for wireless and internet service for THA residents. The program would provide basic cable, internet, and computer service at a reduced price. He believes this would be a very beneficial program for THA residents. The representative is waiting to hear back from THA. Director Johnson will be replying. She will inquire with other cable service providers.

THA's experience with meth contamination has diminished so much that it has become a small and manageable part of ordinary work. As a result, the Board agreed that property management can remove the meth report from the monthly board report.

Real Estate Development

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

- THA is under contract to acquire James Center. Director McCormick will know more next week regarding financing, but THA will have no out-of-pocket expense. She will reach out to Tacoma Community College regarding their involvement once the sale is closed.
- Highland Crest apartments is also under contract. RED staff did a walk through of Highland Crest. It is in better shape now than it was three years ago when THA last considered its purchase. The owner is providing financing so RED is pulling together a bond. She will round up the commissioners' schedules for a tour of Highland Crest.
- The New Look project fix up will cost about \$3 million. Bids will going out shortly.

- Director McCormick is reviewing the final Arlington Drive Campus plan with the City. The first Arlington Drive Advisory Committee meeting went well; the committee will meet four times in total. Chair Banks recommends bringing the plan to the churches around the area to acquire input and get buy in. BDS Planning and Urban design was selected as the consultant for community engagement and consultation effort and will be making the initial contact. Vice Chair Flauding thinks the neighborhood will express concerns about safety. According to Commissioner Hodge, The Wallace Foundation awarded \$20M to Tacoma Public Schools and Greater Tacoma Foundation to pilot a program in collaboration with after-school programs to expand social and emotional learning.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 RESOLUTION 2017-07-26 (1) (RAD A&E Work Addendum #8, Casey + DeChant Architects)

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

WHEREAS, On June 24, 2015, THA's Board of Commissioners approved Resolution 2015-06-24 (1) authorizing THA's Executive Director to award a contract for the Architectural and Engineering Services for the RAD Conversion Project to Casey + DeChant Architects in an amount not-to-exceed of \$500,000; and

WHEREAS, On January 27, 2016, THA's Board of Commissioners approved Resolution 2016-01-27 (1) in the amount of \$531,000 for additional A&E work scope for the project; and

WHEREAS, THA has estimated an additional \$240,500 in A&E services will be needed for the RAD Conversion project; now therefore, be it

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

Authorize THA's Executive Director to increase the contract amount with Casey + DeChant Architects by \$240,500 for a total not-to-exceed of \$1,271,500.00.

Chair Banks motioned to approve the resolution. Vice Chair Flauding seconded the motion.

AYES: 5
NAYS: None

Abstain: None
Absent: None

Motion Approved: 2017-07-26

Dr. Arthur C. Banks, Chair

9. COMMENTS FROM COMMISSIONERS

National Night Out is scheduled for August 1, from 4-8 pm, and will be held at the Family Investment Center.

10. EXECUTIVE SESSION

None

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 6:23 PM.

APPROVED AS CORRECT

Adopted: August 23, 2017

Janis Flauding, 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: August 17, 2017
Re: Executive Director's Report

This is my monthly report for August 2017. It supplements the departments' reports.

1. **NEWS FROM CONGRESS: BUDGET AND POLICY**

I will recap, with some elaboration, my recent emails to the Board reporting some news from Congress concerning HUD and HUD appropriations. Last month I reported on the 2018 HUD budget proposal from the House Appropriations Committee. This time I can convey news from the Senate Appropriations Committee. By today's standards, the news is good.

On Thursday, July 27th the Senate Appropriations Committee approved its version of a 2018 budget for HUD. I attach CLPHA's updated helpful chart. The chart compares the 2018 proposals from the Trump administration, the House Appropriation Committee, now the Senate Appropriation Committee, and the appropriation levels that Congress provided in 2015, 2016 and 2017. While the House Appropriation Committee proposal would keep us at about 2017 levels, the Senate Appropriation Committee proposal would provide some modest increases. Both of these proposals count as an encouraging repudiation of the Trump proposed budget that would impose steep cuts.

The Senate Appropriations Committee also rejected the Trump Administration's policy proposals for HUD's mainline programs. These proposals have an interesting pertinence to THA.

The Trump administration proposes to increase the tenants' share of rent in public housing and voucher programs from 30% to 35% of household income. It also proposes to eliminate utility allowances. The Senate committee rejected these proposals for reasons that CLPHA describes in the attached summary.

Interestingly, the Trump proposals resemble THA's policy choices for its own rental assistance programs. THA too has increased the tenants' share of the rent. We do this through our HOP program and its fixed subsidy. We decreased the effective value of our voucher by tightening our occupancy standards. We, too, eliminated utility payments to tenants. All these THA policy choices, like those from the Trump administration, mean that tenants pay more. To this extent, perhaps we do resemble the Trump proposals. Moreover, HOP imposes a 5-year time limit on work-able households. Our rental assistance programs tied to education require behavioral compliance from program participants. These proposals may also appeal to the administration. Indeed, some people have long

viewed THA, because of our policy choices, as a “conservative” housing authority.

However, there are important differences between what THA is seeking to achieve by its policies and what would result from the Trump proposals. Here are three main differences:

First, the most important difference concerns what happens to the program savings that results when tenants pay more. By requiring tenants to pay more, both THA and the Trump proposals save money for the programs. In THA’s case, the savings stay with THA so we may serve more families or pay for other services they need. I have written and spoken to you at length and frequently about the various uses we make of the savings that our policy choices give us (*e.g.*, serve more families, maintain the portfolio in good shape, pay for supportive services, build or buy more housing, improve administrative services). In contrast, the Trump proposal would take these savings out of the HUD budget and therefore away from housing authorities where they serve poor households. The Trump proposal would instead use the savings to pay for other expenditures that may confer little benefit on those households and their prospects or the prospects of their children. For example, the main new expenditures in the Trump budget proposals seem to be huge defense spending increases and tax cuts for wealthy people and corporations.

Second, the next important difference concerns supportive services. THA does ask tenants to pay more and we do impose time limits on their rental assistance. At the same time, and as part of the program, we offer them enhanced supportive services to help them increase their earned income. The Trump proposal offers no such companion services. Instead, its proposed deep cuts in HUD spending would reduce funding for these services.

Third, the final difference concerns the need to make these policy choices locally and not nationally, and the need to evaluate the results. THA makes its policy choices to account for our local market. In our market thousands of needy families cannot even get on our waiting list. Large parts of Tacoma are not accessible even to our voucher holders unless we buy the property. The success of vital local schools and colleges in serving low income students requires a partnership with THA. We recognize that our choices may not work or may not be necessary in other markets. We also closely evaluate the results of our choices. (Our HOP analysis, for example, should be ready later this year.) In contrast, the Trump proposal would impose these policies nationwide with no local flexibility, and without evaluation.

I hope this information helps you to place us and our work within this interesting national policy debate. I hope it equips you to participate effectively in discussions with others about our work and our policy choices.

As I noted in my earlier emails, all these budget and policy proposals are quite preliminary. Congress still has a lot of work to do by September 30th. This work of the congressional budget committees, however, is good news. By itself this work is a good sign of a Congress that, amid all the other distractions of our national life, is functioning at least to that extent.

2. WASHINGTON STATE LEGISLATURE: 2017-2019 BUDGET

I expect you know already that the state legislature adjourned without passing a state capital budget. That has not happened before. The matter affects THA because both the House and the Senate version of the capital budget contain \$3 million for our Arlington Drive Youth Campus. At the board meeting, I will share what we have learned about what may happen next, and when.

3. RESIDENT COUNCIL CHANGES

Greg's report relates good news from SAFE, the resident council for our seven high rise buildings for seniors and younger disabled persons. The **first** good news is that SAFE is changing its name. The new name is Tenant Representative Action Council, TRAC. This new name makes clear that the organization represents all tenants in those buildings, not just seniors.

The **second** good news is that TRAC's new leadership aspires to extend its representation to all of THA's properties. THA can better account for the interests and needs of its tenants and provide better services if those tenants are organized. We hope TRAC will do that.

The **third** good news is that TRAC's new leadership is interested in joining THA's advocacy efforts in Tacoma, the county, the state and in Congress in support of affordable housing. THA tenants have the potential to be effective advocates for affordable housing. No one has a more direct and more authentic stake in the matter than people who depend on the housing. Yet the tenants have never adequately organized for the purpose. We hope TRAC will do that too.

4. BAY TERRACE RIBBON CUTTING

On Monday, August 7th, we cut the ribbon on Bay Terrace. The program went off very nicely. Chair Arthur Banks opened the program in his distinctive style, nicely mixing his authority as Chair and Pastor with his customary warmth and humor. He then introduced Mayor Marilyn Strickland who served as Mistress of Ceremonies. She did so with her customary poise and class. Her first speaker was Commissioner Stan Rumbaugh. Perhaps more than any other person at the event, Stan brought a personal history and investment to the project and the occasion. He recounted how the history of that site, and its early controversies,

first brought him to THA's Board in 1998. His first job on the Board was to prevail upon HUD to withdraw its order that THA demolish the property even though it housed hundreds of families and THA did not have the money to rebuild. He then proceeded to serve 20 more years on the Board allowing him last Monday to cut the ribbon on the new property. Mayor Strickland took that moment to announce that she was appointing Stan to another term on the Board.

Rounding out the program were Senator Patty Murray, Congressman Derek Kilmer and Congressman Denny Heck. Their willingness to attend, and speak, was a notable tribute to the stature of THA's work.

The next to final speakers brought a special authenticity, and spice, to the occasion. Ms. Inez Lomax-Hasan and her daughter spoke. They live at Bay Terrace. They more than most could appreciate its value.

The final speaker was Keri Anderson. Ms. Anderson is a homeowner right next door to Bay Terrace. She and her family have lived in that house for the past 16 years. They patiently awaited the blossoming of the Hilltop, now underway, in part because of THA's investments. They endured three years of construction at Bay Terrace. Ms. Anderson recited a poem she wrote. In her poem, Ms. Anderson reminds us that life is also lived as close range, not just within the city, or within the neighborhood, but also block by block. Her poem is entitled, "O G Street": It is attached:

O G Street

By Keri Anderson

It's always the quiet ones...
The overlooked middle brother
on the cusp of the Hill.
Back in the day,
deals would go down
in the shady, silent
drive-by corners of my street.

We had these apartments,
condemned and abandoned,
home to rodents, transients,
vagrants and
these sudden sinkholes
that could snag an axle,
or a small child.

Almost Hilltop,
doing time for similar crimes,
G Street has churned through
a lot of folks through the years.
But, as Michael Mirra always
says,
"Beauty is contagious."

Someone lifted up their eyes
to that mountain watching over
this neighborhood.

Just like Eden,
the gardens came first,
then the churches
reached out over the cracks
in the infrastructure.
Needles, and numbers,
were exchanged,
and the clientele who
walked this street changed.

Through grace, grit,
and government grants
the asbestos abominations
have been made new.
The drive-by traffic is
two-wheeled now,
the neon ninjas who
have seen the light.

They ride by my neighbors
walking their dogs,
their kids to the bus stop,
their way to work,
walking different paces to
different places,
with forty different ways to say
"Hello!"

O.G. Street kept it gangsta,
then got saved
by the people who love gardens
and kids
and each other.
You still gotta watch out for
those potholes.

Where do I live?
G Street.
G, as in "garden".
G, as in "gritty."
G, as in "good."

Comparative Funding Chart for FY18

July 27, 2017

	FY 2015 Final	FY 2016 Final	FY 2017 Final	FY 2018 CLPHA Request	FY 2018 HUD Request (5-23-17)	FY18 House Cmte (7-17-17)	FY18 Senate Cmte (7-27-17)
Operating Fund	\$4.44 billion	\$4.5 billion	\$4.4 billion	\$5.074 billion	\$3.9 billion	\$4.4 billion	\$4.5 billion
Capital Fund [Emergency Capital Needs] [Resident Opportunity and Supportive Services] [Jobs Plus]	\$1.875 billion [\$23 million] [\$45 million] [\$15 million]	\$1.9 billion [\$21.5 million] [\$35 million] [\$15 million]	\$1.942 billion [\$21.5 million] [\$35 million] [\$15 million]	\$5.0 billion [\$21.5 million] [\$35 million] [\$15 million]	\$628 million [\$20 million] [\$0] [\$10 million]	\$1.85 billion [\$20 million] [\$35 million] [\$15 million]	\$1.945 billion [\$21.5 million] [\$25 million] [\$15 million]
Housing Choice Voucher (HCV) Renewals	\$17.486 billion	\$17.681 billion	\$18.355 billion	\$19.840 billion	\$17.584 billion	\$18.710 billion	\$19.37 billion
HCV Administrative Fees	\$1.53 billion	\$1.65 billion	\$1.65 billion	\$2.389 billion	\$1.55 billion	\$1.55 billion	\$1.725 billion
VASH Vouchers	\$75 million	\$60 million	\$40 million	\$75 million	\$0	\$7 million²	\$40 million
Family Self Sufficiency (FSS) Program	\$75 million	\$75 million	\$75 million	\$95 million	\$75 million	\$75 million	\$75 million
Tenant Protection Vouchers (TPV)	\$130 million	\$130 million	\$110 million	\$165 million	\$60 million	\$60 million	\$75 million
Choice Neighborhoods Initiative (CNI)	\$80 million [\$50 million] ¹	\$125 million [\$75 million] ¹	\$137.5 million [\$50 million] ¹	\$200 million [\$133 million] ¹	\$0	\$20 million [\$10 million] ¹	\$50 million [\$25 million] ¹
Rental Assistance Demonstration (RAD)	\$0	\$0	\$0 ³	\$50 million	\$0	\$0	\$4 million⁵
Project-Based Rental Assistance [Contract Administration]	\$9.73 billion [\$210 million]	\$10.62 billion [\$215 million]	\$10.816 billion [\$235 million]	\$11.4 billion [fully fund]	\$10.751 billion [\$285 million]	\$11.082 billion	\$11.107 billion [\$285 million]
Homeless Assistance Grants	\$2.135 billion	\$2.25 billion	\$2.383 billion	n/a	\$2.25 billion	\$2.383 billion	\$2.456 billion
Family Unification Program (FUP)	n/a	n/a	\$10 million ⁴	n/a	\$0	\$0	\$20 million
Community Development Block Grant	\$3.0 billion	\$3.0 billion	\$3.0 billion	\$3.3 billion	\$0	\$2.9 billion	\$3.0 billion
HOME Investment Partnership	\$900 million	\$950 million	\$950 million	\$1.2 billion	\$0	\$850 million	\$950 million

¹ Not less than this amount shall be awarded to public housing authorities.

² HUD-VASH Supportive Housing vouchers amount for Native American veterans only.

³ Increased the cap to 225,000 units.

⁴ New funding for incremental FUP vouchers.

⁵ Eliminated RAD cap



Senate Appropriations Committee Report Rejects Trump Rent Reform Proposals and Lifts the RAD Cap

Like 0 Share

Last week, CLPHA provided an [update](#) on the Senate Appropriations Full Committee Markup of the Transportation, and Housing and Urban Development (THUD) appropriations bill, along with [CLPHA's updated funding chart](#). The bill repudiated many of the Trump Administration's budget proposals by offering markedly higher funding to critical housing programs including the Housing Choice Voucher program, the Community Development Block Grant, and the HOME Investment Partnership program.

The Senate Appropriations Committee has now published its [Committee Report](#), which details its funding requests within the context of Senate policy objectives. Here are some highlights of significant language in the Report that matters most to our members.

Rent Reform:

In strong and unambiguous language, the Senate Appropriations Committee rejected the Trump Administration's proposals to raise maximum tenant rents to 35 percent of gross income, establish mandatory minimum rents, and eliminate utility allowance reimbursements, citing concerns that the "controversial rent reforms" "have not been subject to authorizing committee vetting and approval." The Senate Appropriations Committee criticized the Department for "seeking to achieve much of its cost-savings on the backs of its tenant population." This is consistent with views expressed in [CLPHA's FY18 Budget Analysis & Views](#), released in June. We raised deep concerns about the Trump Administration's rent reform proposals, and rejected the assertion that the proposals intended to assist residents, encourage work, and promote self-sufficiency, particularly when over half of the public housing population is elderly and disabled.

Rental Assistance Demonstration:

We are heartened that the Senate Committee has lifted the 185,000 total unit cap, as well as the related September 30, 2020 deadlines for public housing applications for RAD. "By eliminating the cap, the Committee intends to eliminate the planning uncertainty PHAs experience related to an incremental cap adjustment." We believe our advocacy is paying off. This is an important step forward.

CLPHA has consistently advocated for lifting the unit cap, which we believe arbitrarily limited opportunities for housing authorities to recapitalize their properties and improve health and safety conditions. We were a key stakeholder in the coalition that developed and advocated for the Rental Assistance Demonstration early on, and we continue to serve as a convener of the RAD Collaborative. The Collaborative supports housing authorities in their efforts to preserve and revitalize their properties through partnerships with other public-private stakeholders.

CLPHA's [FY18 Budget Analysis & Views](#) supported elimination of the unit caps and RAD sunset date, but also noted that the program will continue to be undermined if public housing operating and capital fund subsidies are cut. The Senate Committee's proposal to provide \$1.317 billion and \$600 million more to the operating and capital funds, respectively, than the Administration's request affirms our ongoing advocacy to fully fund public housing. [CLPHA's updated funding chart](#) highlights appropriations trends of key affordable housing programs. In addition, the Committee has provided \$4 million for Section 202 PRAC properties to convert to Section 8 contracts under RAD.

Operating Subsidy Methodology:

We were especially pleased that the Senate Appropriations Committee Report questioned HUD's methodology for calculating formula income and utility expenses that determine a PHAs Operating Fund subsidy. The Committee notes that the methodologies fail to accurately account for local market conditions, may that be differences in utility types or higher costs for those PHAs that serve a large elderly or disabled population. CLPHA raised this concern with Senate Appropriations staff and we are grateful for their responsiveness. When we met with HUD officials in April to discuss operating subsidy calculations, we called attention to HUD's faulty logic of applying a national inflation factor to determine local utility expenses, and emphasized that using a 5-year tenant growth rate to calculate Formula Income does not reflect the income characteristics of public housing tenants and significant increases to tenant rents in 2014 and 2015. The Committee is requiring HUD to report on "alternative methodologies for calculating PHA formula income for purposes of Operating Fund eligibility."

Performance-Based Contract Administrators:

Language in the Senate Appropriations Committee Report admonished HUD for its treatment of Performance-Based Contract Administrator (PBCA) contracts, stating that the Department has "failed to execute [previous congressional directives]" to "solicit and reward PBCA contracts under full and open competition without geographic limitation." CLPHA has long advocated for fairness and transparency in the selection of PBCAs and we are pleased by the Committee's attention to this issue.

Notable Mentions:

Fair Market Rents

Of the \$85 million awarded to the Office of Policy Development and Research, the Committee recommends "an evaluation of how PHAs are implementing and using RAD Choice Mobility option and how implementation varies between PBV and PBRA conversions" and an evaluation of the final phase of a Choice Neighborhood Implementation study. Notably, the Committee questioned the efficacy of Small Area Fair Market Rents in determining the fair market rents (FMR) in areas with rapidly rising rents, and "strongly [encouraged] HUD to expedite its research on improving its FMR estimates."

Homelessness:

CLPHA is pleased that the Senate Appropriations Committee Report includes language to eliminate the sunset date and make permanent the United States Interagency Council on Homelessness (USICH). The Committee recommends \$3.6 million for USICH in FY18, and further recommends \$2.456 million for Homeless Assistance Grants.

The funding levels proposed by the Senate Appropriations Committee have yet to be conferenced with the House Appropriations Committee through a reconciliation process. As the House and Senate are now in August recess, we expect no work will be done on appropriations until September. We will keep you informed as the appropriations process continues to develop.

Council of Large Public Housing Authorities

455 Massachusetts Ave, NW, Suite 425, Washington, DC 20001 - 202-638-1300



TACOMA HOUSING AUTHORITY

ADMINISTRATION
REPORTS



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$3,839,664 for the month of July, 2017.

Approved: August 23, 2017

Janis Flauding, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of July 2017

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	90,267	-	90,412	
Business Support Center				354,434	Program Support
Moving To Work Support Center				88,561	
Moving To Work Buildings (used by Support Center)				127,287	
Tax Credit Program Support Center				2,495	
Section 8 Programs				84,025	Section 8 Operations
Hillside Terrace 1800 Court G				178	Properties
Hillsdale Heights				22	
KeyBank Building				4,139	
Outrigger				9,474	
Salishan 7				44,719	
Renew Tacoma Housing - THA Costs				22	
Bay Terrace I & II - THA Costs				44	
New Look-Development				19,245	Development
Salishan Area 4				15,871	
Salishan Developer Fee				20,470	
Hilltop Redevelopment				2,826	
Bus Development Activity				2,080	
MTW Development Activity				319	
CS General Business Activities				479	Community Service
CSA Program - Business Activities				1,025	
Community Services MTW Fund				10,050	
Education Private Grants (Gates, etc.)				2,170	
HUD-ROSS Svc Coord				40	
AMP 6 - Scattered Sites				56,660	Public Housing
AMP 7 - HT 1 - Subsidy				22,179	
AMP 8 - HT 2 - Subsidy				2,885	
AMP 9 - HT 1500 - Subsidy				1,020	
AMP 10 - SAL 1 - Subsidy				16,191	
AMP 11 - SAL 2 - Subsidy				18,498	
AMP 12 - SAL 3 - Subsidy				16,059	
AMP 13 - SAL 4 - Subsidy				16,890	
AMP 14 - SAL 5 - Subsidy				18,832	
AMP 15 - SAL 6 - Subsidy				19,432	
AMP 16 - Bay Terrace - Subsidy				9,904	
THA SUBTOTAL				988,526	
Hillside Terrace 1 through 1500				5,662	Tax Credit Projects - Reimbursable
Bay Terrace 1 & Community Facility				3,210	
Bay Terrace 2				20,265	
Renew Tacoma Housing				45,141	
Salishan I - through Salishan 6				23,955	
				-	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				98,234	1,086,761
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,029	-	482,060	33,930
	ACH				2,718,973
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 3,839,664



TACOMA HOUSING AUTHORITY

Date: August 23, 2017

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

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

The Finance Department is submitting the financial statement for the period through June 30, 2017. This is the mid-year report, and the first one out of our new IT system. We are still working through some minor challenges, but have confidence that the financial information presented is accurate.

For 2017, we remain in good financial shape. Housing and Urban Development (HUD) has changed the way they disburse Moving to Work (MTW) funds. They currently capture MTW expenses other than Housing Assistance Program (HAP) therefore we are not always playing “catch-up” in drawing down funds after they are expended. For 2017, we remain in the midst of our Rental Assistance Demonstration (RAD) redevelopment, and are in the final phases of development for Bay Terrace 2. We will be receiving Developer Fees in the amount of approximately \$1.5 million during 2017 for those two developments. Our average HAP expenditure continues to increase at approximately \$2.00 per month for 2017. That continues to have an impact on funds available to spend on other areas to support our clientele, as HAP funding from the Federal government remains flat in 2017.

For the period ending June 30, line 68 shows a Year-to-Date (YTD) operating deficit of \$415,350. With the sales proceeds from the AMP 6 Single Family homes, the overall YTD surplus is \$1,514,926 (line 72). I have attempted to project out what the financials will look like at year end based on current information and understandings. At this point in time, using the most educated assumptions, if our trajectory does not change, I am estimating a \$1.3 million surplus at the end of 2016 (line 72) as compared to a budgeted \$1.154 million.

I do not see any areas of concern at the moment, but will comment on a few areas that contain anomalies, or to keep watch on as the year progresses. In certain areas that are affected by Property Management costs, New Look is included in our 2017 income and expenses, as it exited the Tax Credit portfolio at the end of 2016, and is part of THA’s portfolio in 2017 awaiting resyndication.

FINANCE DEPARTMENT MONTHLY REPORT

August, 2015

Page 2

- *Line 1 & 2 – Tenant Revenue* – This increased amount is due to New Look being part of THA's portfolio in 2017 and not included in the budget.
- *Line 12 – Other Revenue-Developer Fee Income* – The funds for Bay Terrace 2 and RAD redevelopment will come in the 2nd part of the year. The Projected Actual is under budget, as the timing for developer fee distribution for the New Look resyndication changed, with most of the distribution appearing after renovations are completed.
- *Lines 15 – 34 – Administrative Expenses* – There are variances both ways in this category, yet we end up with a variance of approximately 6.65% under budget. There are no major areas of concern to address.
- *Lines 36 – 40 – Tenant Services* - The Tenant Services line items are under budget for 2017 to date. Timing of grant expenditures has the biggest impact on the budget.
- *Lines 41 – 45 – Project Utilities* – This category is higher than budgeted due mainly to costs associated with New Look, which were not included in the budget.
- *Lines 46- 47 – Maintenance Salaries and Benefits* - This is another category where year to date expenditures are greater than budgeted due to New Look expenditures.
- *Line 61 – Section 8 HAP* - YTD expenditures are approximately 2.8% under budget. Average HAP has been increasing as expected, yet utilization has been less than budgeted. There is an expectation that utilization may increase over the remainder of the year, and the projected HAP reflects that increase.
- *Lines 70-71 – Capitalized Line items* – There is much fluctuation between what was budgeted and what will be accomplished in 2017. All changes have been passed through the board. The big changes are that we will not be moving forward on Bay Terrace- Phase 3, we will also not be renovating Key Bank at the level anticipated, and we will be proceeding with the FIC renovation earlier than originally determined with more expenses in 2017. Also, there is an elevator repair in the amount of \$500K that was not anticipated or budgeted. We do anticipate new acquisitions before the end of the year. Lastly, sale of our Single Family Homes (AMP 6) has been tracking as scheduled.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank currently remain at .33%. The Washington State Local Government Investment Pool currently provides a return rate of .87%.

3. AUDIT

The Washington State auditors are working on both the financial portion and compliance portion of our audit, and will have the financial portion completed in time for the REAC submission deadline of September 30th. This will be followed by the Accountability audit. Additionally, HUD auditors will be at THA from September 12 -14 to conduct a Housing Choice Voucher program audit to validate cash balances held, ensure balances match what was reported to HUD, and ensure we are not holding excess funds that should be transitioned to HUD.

4. BUDGETS

We are starting the process for the 2018 annual budget, and have distributed worksheets out to the various departments. We will start the actual budget discussions in September.

5. YEAR END UPDATE

There is no update at this time.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		June-17				Thru 12/31/2017		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	161,864	1,085,422	881,040	23.20%	2,170,844	1,762,080	23.20%
2	Tenant Revenue - Other	2,199	40,801	33,055	23.43%	81,602	66,110	23.43%
3	HUD grant - Section 8 HAP reimbursemen	3,681,974	18,715,180	19,089,623	-1.96%	37,600,000	38,179,246	-1.52%
4	HUD grant - Section 8 Admin fee earned	289,942	1,823,887	1,637,447	11.39%	3,247,774	3,274,894	-0.83%
5	HUD grant - Public Housing subsidy	160,085	674,096	556,125	21.21%	1,248,192	1,112,250	12.22%
6	HUD grant - Community Services	43,464	110,975	138,360	-19.79%	221,950	276,720	-19.79%
7	HUD grant - Capital Fund Operating Reve	0	400,000	273,918	46.03%	547,836	547,836	0.00%
8	Management Fee Income	423,772	1,462,943	1,497,457	-2.30%	2,925,886	2,994,914	-2.30%
9	Other Government grants	115,419	142,470	112,748	26.36%	284,940	225,496	26.36%
10	Investment income	5,643	22,945	17,390	31.94%	45,890	34,780	31.94%
11	Fraud Recovery Income - Sec 8	0	5,325	10,000	-46.75%	10,650	20,000	-46.75%
12	Other Revenue- Developer Fee Income	0	0	1,102,950	-100.00%	1,705,000	2,205,900	-22.71%
13	Other Revenue	362,565	521,776	553,500	-5.73%	1,043,552	1,107,000	-5.73%
14	TOTAL OPERATING RECEIPTS	5,246,927	25,005,820	25,903,613	-3.47%	51,134,116	51,807,226	-1.30%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	663,607	2,930,634	3,090,279	-5.17%	6,011,268	6,180,557	-2.74%
16	Administrative Personnel - Benefits	219,649	1,107,525	1,307,662	-15.30%	2,265,050	2,615,324	-13.39%
17	Audit Fees	0	8,500	39,122	-78.27%	78,240	78,243	0.00%
18	Management Fees	1,063,636	1,126,488	1,142,508	-1.40%	2,252,976	2,285,016	-1.40%
19	Rent	0	0	0	0.00%	0	0	0.00%
20	Advertising	142	589	8,050	-92.68%	8,678	16,100	-46.10%
21	Information Technology Expenses	31,511	154,433	194,961	-20.79%	383,866	389,921	-1.55%
22	Office Supplies	6,995	34,731	38,550	-9.91%	69,462	77,100	-9.91%
23	Publications & Memberships	278	31,338	28,410	10.31%	56,820	56,820	0.00%
24	Telephone	7,106	41,996	46,055	-8.81%	88,992	92,110	-3.39%
25	Postage	7,374	17,720	22,530	-21.35%	35,440	45,060	-21.35%
26	Leased Equipment & Repairs	4,236	77,594	48,450	60.15%	155,188	96,900	60.15%
27	Office Equipment Expensed	7,736	49,981	32,000	56.19%	99,962	64,000	56.19%
28	Legal	325	62,284	76,700	-18.80%	124,568	153,400	-18.80%
29	Local Mileage	782	3,960	7,700	-48.57%	7,920	15,400	-48.57%
30	Staff Training/Out of Town travel	2,696	88,875	142,957	-37.83%	227,750	285,914	-20.34%
31	Administrative Contracts	8,298	95,035	292,712	-67.53%	340,070	585,423	-41.91%
32	Other administrative expenses	40,915	64,302	50,550	27.20%	128,604	101,100	27.20%
33	Due diligence - Perspective Development	22,257	87,523	105,000	-16.64%	175,046	210,000	-16.64%
34	Contingency	0	0	26,250	-100.00%	0	52,500	-100.00%
35	Total Administrative Expenses	2,087,543	5,983,508	6,700,444	-10.70%	12,509,900	13,400,888	-6.65%

			June-17		Thru 12/31/2017			
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
Tenant Service								
36	Tenant Service - Salaries	96,576	413,771	465,068	-11.03%	877,542	930,135	-5.65%
37	Tenant Service Personnel - Benefits	36,842	187,409	194,478	-3.63%	394,818	388,955	1.51%
38	Tenant Relocation Costs	3,443	3,791	47,750	-92.06%	40,000	95,500	-58.12%
39	Tenant Service - Other	17,101	102,739	263,391	-60.99%	355,478	526,782	-32.52%
40	Total Tenant Services	153,962	707,710	970,686	-27.09%	1,667,838	1,941,372	-14.09%
Project Utilities								
41	Water	7,844	31,981	31,475	1.61%	63,962	62,950	1.61%
42	Electricity	8,183	42,446	28,850	47.13%	84,892	57,700	47.13%
43	Gas	190	2,140	2,425	-11.75%	4,280	4,850	-11.75%
44	Sewer	18,027	85,806	58,500	46.68%	171,612	117,000	46.68%
45	Total Project Utilities	34,244	162,373	121,250	33.92%	324,746	242,500	33.92%
Ordinary Maintenance & Operations								
46	Maintenance Salaries	15,668	75,998	81,766	-7.05%	151,996	163,531	-7.05%
47	Maintenance Personnel - Benefits	3,492	17,012	23,474	-27.53%	34,024	46,948	-27.53%
48	Maintenance Materials	7,967	56,307	28,875	95.00%	112,614	57,750	95.00%
49	Contract Maintenance	39,485	214,505	151,763	41.34%	484,010	303,525	59.46%
50	Total Routine Maintenance	66,612	363,822	285,877	27.27%	782,644	571,754	36.88%
General Expenses								
51	Protective Services	6,581	22,185	6,250	254.96%	44,370	12,500	254.96%
52	Insurance	17,075	94,654	86,777	9.08%	189,308	173,553	9.08%
53	Other General Expense	125,298	726,155	647,897	12.08%	1,452,310	1,295,794	12.08%
54	Payment in Lieu of Taxes	1,198	7,192	6,470	11.17%	14,384	12,939	11.17%
55	Collection Loss	0	0	22,261	-100.00%	45,000	44,522	1.07%
56	Interest Expense	5,495	47,046	45,836	2.64%	91,671	91,671	0.00%
57	Total General Expenses	155,647	897,232	815,490	10.02%	1,837,043	1,630,979	12.63%
58	TOTAL OPERATING EXPENSES	\$ 2,498,008	\$ 8,114,645	\$ 8,893,747		\$ 17,122,171	\$ 17,787,493	
Nonroutine Expenditures								
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	(2,001)	21,335	20,000	6.68%	42,670	40,000	6.68%
60	Casualty Losses	2,001	2,001	2,500	-19.96%	4,002	5,000	-19.96%
61	Sec 8 HAP Payments	2,861,788	17,274,054	17,773,703	-2.81%	35,298,108	35,547,405	-0.70%
62	Total Nonroutine Expenditures	2,861,788	17,297,390	17,796,203	-2.80%	35,344,780	35,592,405	-0.70%
63	TOTAL EXPENDITURES	5,359,796	25,412,035	26,689,949	-4.79%	52,466,951	53,379,898	-1.71%
64	OPERATING SURPLUS/(DEFICIT)	(112,869)	(406,215)	(786,336)	-48.34%	(1,332,835)	(1,572,672)	-15.25%
65	Debt Service Principal Payments	0	(9,135)	(33,791)	-72.96%	(67,581)	(67,581)	0.00%
66	Surplus/Deficit Before Reserve Appropriations	(112,869)	(415,350)	(820,127)	-49.36%	(1,400,416)	(1,640,253)	
67	Reserve Appropriations - Operations			0	0.00%	0	0	0.00%
68	Surplus/Deficit Before Captial Expenditures	(112,869)	(415,350)	(820,127)		(1,400,416)	(1,640,253)	
69	Capitalized Items/Development Projects	(407,544)	(959,550)	(3,729,185)	-74.27%	(3,036,250)	(7,458,370)	-59.29%
70	Revenue - Capital Grants	1,281,662	1,774,450	2,416,325	-26.56%	3,105,288	4,832,649	-35.74%
71	Reserve Appropriations - Capital	209,278	700,026	2,710,486	-74.17%	2,631,500	5,420,971	-51.46%
72	THA SURPLUS/(DEFICIT)	1,083,396	1,514,926	1,397,625		1,300,122	1,154,997	

TACOMA HOUSING AUTHORITY

CASH POSITION - June 2017

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	2,518,620	0.33%
Section 8 Checking	3,999,682	0.33%
THA Affordable Housing Proceeds-Salishan	3,424,017	0.33%
Scattered Sites Proceeds	2,270,474	0.33%
Note Fund Account	80	0.33%
Credit Card Receipts	95	0.33%
THA Investment Pool	270	0.33%
THA LIPH Security Deposits	4,210	0.33%
THDG - Tacoma Housing Development Group	420,874	0.33%
Salishan 7	1,443,310	0.33%
Salishan 7 Security Deposit	26,761	0.33%
Salishan 7 Replacement Reserve	216,939	0.33%
Salishan 7 Operating Reserve	200,164	0.33%
Outrigger Operations	68,552	0.33%
Outrigger Security Deposit	25,672	0.33%
Outrigger Replacement Reserve	73,712	0.33%
Prairie Oaks Operations	61,394	0.33%
Prairie Oaks Security Deposit	4,155	0.33%
Prairie Oaks Replacement Reserve	10,092	0.33%
Payroll Account	8,828	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,644,033	0.87%
1. TOTAL THA CASH BALANCE	\$ 16,421,934	
Less:		
2. Total MTW Cash Balance	\$ 250,465	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)	65,000	
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.10 Total Minimum Operating Reserves	\$ 791,000	
3. MTW Cash Available (Lines 2-2.10)	\$ -	
3. MTW Cash Held By HUD		
3.11 Undisbursed HAP Reserves Held by HUD	\$ -	
3.20 Total MTW Cash Held By HUD	\$ -	

TACOMA HOUSING AUTHORITY				
CASH POSITION - June 2017				
4. Non MTW Cash Restrictions				
<i>Other Restrictions:</i>				
4.01 FSS Escrows		\$	142,855	
4.02 VASH, FUP & NED HAP Reserves			156,145	
4.03 Mod Rehab Operating Reserves			87,517	
4.04 Security Deposit Accounts			75,331	
4.05 Gates Foundation			376,295	
4.06 Outrigger Reserves			73,712	
4.07 Salishan 7 Reserves			842,104	
4.08 Prairie Oaks Reserves			10,092	
4.09 THDG - 048			420,874	
4.10 Area 2B Sales Proceeds (Afford Hsg)			3,424,017	
4.11 Scattered Sites Proceeds (Afford Hsg)			2,270,474	
4.20 Total - Other Restrictions			\$	7,879,416
5. Agency Liabilities:				
5.10 Total - Agency Liabilities			\$	-
5.20 Development Draw Receipts for Pending Vendor Payments			\$	-
5.30 Development Advances/Due Diligence Commitments ¹			\$	-
6. Total Non MTW Cash Restrictions (Lines 4.20+5.10+5.20+5.30)			\$	7,879,416
7. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-6)			\$	8,292,053
8. MTW Reserve Commitments				
8.01 Renovation/Remodel of Salishan FIC Building			\$	669,100
8.02 Renovation of Salishan Maintenance Shop				286,500
8.03 Software Conversion for Operational Platform (VH)				(236,543)
8.04 Education Projects - McCarver & Others				310,000
8.10 Total Reserve Commitments (Lines 8.01 through 8.04)			\$	1,029,057
9. Agency Current Commitments:		Board Approval	Expended	Obligation Balance
¹ Total Current Commitments outstanding				\$ -
Agency Advances for Current Development Projects				
			\$	-
			\$	-
Total Agency Advances			\$	-



TACOMA HOUSING AUTHORITY

ADMINISTRATION



TACOMA HOUSING AUTHORITY

DATE: August 23, 2017

TO: THA Board of Commissioners

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

RE: Administration and Asset Management Department Monthly Board Report

1. OPENDOOR PROJECT UPDATE

OpenDoor is Tacoma Housing Authority's (THA) new software systems designed to house and connect all major software functions within the agency. OpenDoor is built on the Salesforce platform and is completely customized for THA's needs. THA went live with Track II of OpenDoor in April of this year and the report below gives an update on the implementation and describes some of the challenges with the new software.

1.1. What's Working Well

Most of the processes in OpenDoor are working well and staff are able to perform the major aspects of their job smoothly within OpenDoor. The chart below is one that I provided to the Board in May with updated numbers. It is a good gauge of the amount of work getting done in OpenDoor.

Metric	Value
Number of move ins	244
Number of move outs - RA	227
Number of move outs - PM	30
Number of waitlist pulls	773
Number of vouchers issued	440
Number of work orders	2,153
Number of inspections created	2,185
Number of inspections completed	1,934
Number of rent charges	5,076
Number of rent payments posted	6,014
Number of HAP payables	31,271
Number of 50058's successfully submitted	1,134
Number of certifications	2,740
Number of unit offers made	58

1.2. What's Not Working Well

While much of the work is going smoothly, there are a number of areas that continue to take more time than they should or are not working the way that they need to.

Intacct Integration:

The Intacct integration has been by far the most difficult part of the OpenDoor conversion and the problems continue to cause difficulty for us. We are currently only using a portion of the integrations we designed and will not move on to the next components until these are consistently smooth. I won't detail all of the historical issues we have experienced with the integration, but below is a short list of the issues we are continuing to deal with.

1. **Accounts Payable (AP) Debits:** When AP debits sync to Intacct, Intacct does not recognize them as debits and instead treats them as credits that need to be paid. We worked out a solution with Intacct, which is currently in development. In the meantime, finance runs a report in OpenDoor to identify the debits and manually changes them in Intacct prior to cutting checks. This is not optimal, but the majority of these are during the mid-month check runs when the volume is not as high, making it somewhat more manageable to deal with.
2. **Accounts Receivable (AR) Credits:** AR credits happen when we need to reduce the amount that a tenant owes us. Similar to AP debits, Intacct does not recognize the AR credits coming across as credits and when they come over, they treat them as charges instead of credit memos. We also have a solution in development that will fix this, but in the meantime fixing these is a manual exercise that finance staff need to go through.
3. **AP Payments:** AP payments are made out of Intacct and then synced back to OpenDoor so that staff are able to easily see what transactions were paid on a particular check or ACH payment. We have been trying to get the payment information over into OpenDoor but have run into several issues that prevent us from bringing them all over. I believe the list of issues is small enough now that we can bring them over, but we will still need to make some manual updates to the payments when they come over. The good news is that the remaining issues are ones that we can either fix internally in OpenDoor or have eightCloud assist us with rather than having to go to Intacct.
4. **AR Overpayments:** Each night, AR invoices and payments sync from OpenDoor to Intacct. In OpenDoor, when payments post to a tenant's ledger, a process runs in the background to apply the payment to the various charges on the account. When the payments sync, they are applied against the same invoice that they are applied against in OpenDoor. However, if there are not enough charges in OpenDoor to apply the entire payment, both systems show the payment (or remaining payment) as an open credit. When more charges are added to the account in OpenDoor, the open credit apply process applies these payments to the new charges. However, there is not a process in place to reapply the payment in Intacct, so even though it is applied in OpenDoor, it remains an open credit in Intacct. This means that finance needs to manually apply these open credits in Intacct in order for the two systems to sync.

We have heard from Intacct that they believe they can fix this and they are in the process of scoping out a fix, which they will present to us when ready.

Financial Processes in the System:

We have experienced a number of issues related to tenant accounting since going live, some of which are detailed in the section on the Intacct integration. In addition, we are still working through the following outstanding issues:

- **Payment agreements:** payment agreements setups now seem to be working properly but we still have issues with how payments against payment agreements are recorded and the cancelling of payment agreements. eightCloud just deployed a fix for this but some cleanup needs to be done to fix ones already created.
- **Payments against two separate ledgers:** occasionally a tenant will move to another unit in our portfolio, leaving a balance at their prior unit, usually related to their move out. Often, when they pay their rent, they also pay all or a portion of the vacate charge for the other unit. These payments post through our lockbox and so they are automatically posted against the current ledger. Shortly after the payment is posted, it syncs with Intacct. In order to fix this, finance needs to void the payment in both systems, then post two payments, one against each ledger. This is a pain and we need to develop a way to instead apply a portion of the payment manually against the other ledger.
- **Applying credits:** we have had a lot of difficulty getting historic credits that were brought in from VisualHOMES to apply against current charges or for current credits to apply against historic charges. The issue has to do with some of the actions that happen in the background as transactions are created and processed that is difficult to duplicate through data conversion. I believe most of these have been cleaned up and finance is now able to apply as needed, though we still have some come up that IT is asked to assist with.
- **Batch posting in-house payments:** each day, we load a file from lockbox to post any lockbox payments received that day and the payments are automatically created in OpenDoor and credit the correct charges. However, we also receive other payments, including checks/money orders from the tenant that they do not send to lockbox and payments that the lockbox cannot process. We currently have to post these manually. It is not a significant number of payments in comparison to the number we receive through lockbox, but staff would like to have a batch payment process that would enable us to post multiple in-house payments at once.

Processing Move-Ins:

Move-In processing includes all of the steps from offering a family a unit to moving them into a unit. Because of all of the different components involved in a move-in and the different records that need to be created during the process, it is complex and time-consuming. On the Rental Assistance side, the flow is relatively similar for the variety of different types of move-ins that they need to do, and they are able to process smoothly. On the Property Management side, however, move-ins come in a variety of different flavors

and require different types of records to be created depending on a variety of circumstances. We are finding that staff are struggling with this process and we are going to do three things to resolve this: 1) we will offer staff more training on the process, 2) we will provide better and more up-to-date documentation, and 3) we will work with our consultant eightCloud to streamline the process in any way possible.

Mobile Inspection Connectivity

Staff are able to perform inspections and for the most part the process is going well. The one major issue we are having is that it is very difficult and frustrating for staff when they are not able to connect to the internet when they are performing an inspection. The mobile app requires a connection in order to update the records. In some cases, staff need to complete an inspection on paper and then enter it later. We are looking into ways to address this issue and offer a way to enter them while offline.

Project Management

Project management went live in February, two months earlier than the Track II processes. Since going live, we have encountered a number of issues. We have a project in the project management database to track enhancements and are using bug tracking and tickets to track the outstanding items, so I will not repeat them all here, but I will summarize them as follows:

1. **Project Outline:** we have had a number of issues with the project outline not working properly, including batch editing functionality, moving items on the project outline, and items not re-numbering properly. There are also a number of privilege issues related to this that are described further below.
2. **Cloning Outline Templates:** certain users were not able to clone a project outline template. This appears to be working properly now, but want to mention it in case this recurs.
3. **User Privileges:** the project management tool was built using very customized permissions that are controlled through validation rules based on user type. The goal was to mimic the privileges setup in the original project database. However, Salesforce already has extremely robust and flexible permission sets and privileges built into it. What we have found is that we keep running into permission issues because the two methods are conflicting with one another. We keep patching for now, but longer term we need to figure out how to use the standard Salesforce permissions for project management.
4. **Overall Project Layout:** users should be able to fully create a project during the project creation process, including adding performance measures and strategic objectives and making a selection on the priority matrix. We have a solution for this but it will take some time to build and implement, especially because we need to do it in a way that does not conflict with the user privilege issues described above.

Reporting and Letter Templates

We currently have 126 templates built in OpenDoor that staff use for generating forms and letters. There are a handful of letters that staff are still generating outside the system because we have not yet put them into OpenDoor. This is a high priority for us and we are making it through the list of letters as quickly as possible.

1.3. Work Left to do and Enhancements Underway

There are a variety of enhancement requests that we have tracked in the system. Some of these have been completed while some of the larger, more complex requests need to be scoped and designed in order to fulfill.

There are also several functionalities that are complete or near completion but have not yet been deployed. Below is a list of a few of these with a little bit of detail for each.

Applicant and Client Portal

eightCloud completed our requirements for the portal and it is ready to be deployed when we give the word. This only applies to the applicant side of the portal, not the full client portal. The functionality will allow applicants to self-register for access, fill out applications for housing, and check the status of their applications. We provided the fields and the application information to rental assistance for review and are waiting on feedback before we finalize and deploy.

Case Management

The community services case management functionality is working well as designed. There are a few open issues as well as enhancement requests. We have also heard from CS that there are changes to the way the Case object works that they would like to discuss and develop requirements around, but we have not started this process yet.

Inventory

One of the functions we designed and developed in OpenDoor that we have not yet implemented is inventory. There are several reasons for this:

1. While the functionality has been designed and developed, THA has not thoroughly tested it to ensure it meets our needs.
2. True inventory is new to THA. We do not have a good set of data or warehouses to start with and this complicates testing and implementation.
3. During the time we designed the inventory functionality, we had turnover of key staff involved in the requirements gathering. The result was that we had to redo the requirements several times and I am still not confident that what we built is going to work within the current property management model.
4. There was significant disagreement between finance and property management at the beginning of the requirements gathering process. The disagreement was related to whether we should have inventory at all: property management and maintenance want a way to track their materials throughout the agency, whether in their vehicles or stacked on a shelf in the warehouse, while finance wants to expense all goods as they

are purchased as an inventory tracking system has implications on finance, including requirements for annual and cycle counts and establishing inventory accounts that will need periodic review and adjustment.

Due to the issues listed here, inventory was not made a priority in the implementation but it will need to be revisited soon.

Landlord Portal

The landlord portal functionality is currently built in our test environment, but has been on hold until we deploy the applicant portal. Once we get through that, we can make this a priority. However, the portal was built in Salesforce Classic (the “old” look and feel) and we will likely want to upgrade it to Lightning (the new “cool” look and feel) before implementing.

Purchasing

We built the following purchasing functionality into OpenDoor:

- **P-Card coding:** we have objects that store each p-card issued in the agency, the p-card users, and the p-card transactions. We also have the ability to upload the p-card transaction files to OpenDoor so staff can then go in and code their transactions, eliminating the need for them to go into the US Bank website and code them there.
- **Purchase Orders:** we have the ability to place orders from IT tickets, work orders, properties, units, and reasonable accommodations.
- **Integration with inventory:** we have the ability to order inventory items based on minimum stock requirements or requests from staff in the field.

To date, none of this functionality has been utilized. The initial plan was to train on purchasing the second month after go-live. However, with the number of other issues encountered, purchasing has not been the highest on the priority list. It is important and we need to get back to it as the alternatives for tracking p-card purchases is cumbersome for finance and this functionality will make it much easier for staff to reconcile.



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: August 23, 2017

TO: THA Board of Commissioners

FROM: Greg Claycamp
Director of Client Services

RE: Client Services Department Monthly Board Report

1. STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES

Tacoma Housing Authority (THA) will provide high quality housing, rental assistance and supportive services. Its supportive services will help people succeed as tenants, parents, students, wage earners and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

2. DIRECTOR'S COMMENT

The discussion with Pierce County Housing Authority (PCHA) regarding the absorption of PCHA vouchers leased within the City of Tacoma now involves our partners at Regional Housing and Urban Development (HUD). As of August 11, it appears that HUD will approve absorption of these vouchers by THA, if the two Housing Authorities follow a very specific methodology that will require amendment of our interlocal agreement. PCHA will be required to notify voucher holders that it is discontinuing subsidy for all vouchers located within the City of Tacoma. The voucher holder will be required to choose among absorption by THA to remain in their current unit, relocation within PCHA's jurisdiction, or porting to another Housing Authority with a payment standard equal to or less than PCHA's. If THA and PCHA agree to this methodology, absorption may occur more gradually than initially anticipated.

THA voucher utilization continues to hover at about 96% of Moving to Work (MTW) baseline not including utilization through Rapid Rehousing. If THA agrees to absorption of PCHA vouchers using HUD's prescribed methodology, and we wish to resume utilization near 100% for 2017 overall, we will need to reopen our Housing Opportunity Program (HOP) waiting list. An interdepartmental workgroup has been preparing for a reopening. We can reopen in September, with a likely recommendation to limit eligibility to households who are current applicants to THA's site-based portfolio waiting lists.

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

July 2017	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	0	24	26	51
Families in Transition (FIT)	0	0	2	8
Family Self Sufficiency (FSS)	3	0	168	180
General Services	6	10	109	166
Hardship	0	0	4	4
Housing Opportunity Program (HOP) Case Management	4	2	50	62
Children's Savings Account (CSA) K-5th Grade	1	0	55	55
Children's Savings Account (CSA) 6th - 12th Grade	1	0	44	44
McCarver	3	8	36	58
Senior & Disabled	8	5	189	210
DEPARTMENT TOTAL	26	49	683	838

3.2 PROGRAM UPDATES

3.2.1 Education Project Update: Children's Savings Account (CSA) Program

The CSA team had a busy July, doing a great deal of preparation and planning for the upcoming school year, as well as attending more community-oriented workshops and trainings, to supplement current outreach strategies.

Here is a list of some of the things the team has been up to this past month:

1. Salishan CSA rock painting outreach. We painted over 100 rocks and hid them all over the Salishan Community, Eastside of Tacoma and the Hilltop, all highlighting the CSA program. Children then participated in a scavenger hunt to find them. Engagement with the students in Salishan was a primary focus of this activity.
2. Planning for National Night Out with community partners. CSA's involvement included sponsoring the large vendor tent, recruitment and coordination of all 22 community partners that came out to be a part of the event, and the very popular "hamster ball" entertainment.
3. The Specialists were invited by Heritage Bank to present the program to the Tacoma Rotary Club with an emphasis on recruitment for Junior Achievement Volunteers in the classroom.
4. As a result of the *Yes, Money Matters* game staff hosted at First Creek's youth summit last year, we were invited back to host the game with participants in the First Creek Summer Academy.
5. Two members of the CSA team went to Boston, MA to attend a weeklong training at Harvard's Graduate School of Education, at the recommendation of several of our Tacoma Public School partners. The Family Engagement Institute helped impart ideas and strategies in family/schools/community partnerships that will be used to "teach out" an engagement framework and structure to other THA teams.

3.2.2 Programming Update: Senior & Disabled Portfolio

Community Services currently has a vacant position for a Senior & Disabled Services Case Worker. While we recruit for the position, various

case workers, supervisors, and managers have graciously stepped in to address the need for services in all seven buildings.

Senior and disabled residents were very busy in the month of July. The resident council hosted their annual meeting at People's Park. They made a special announcement, changing their name from SAFE (Seniors Advocating for Equality) to TRAC (Tenant Representative Action Council). The name change demonstrates an effort to be more inclusive to non-senior populations. TRAC wants to grow to include representatives from the family properties and Salishan, as well for a truly inclusive resident board. Community Services looks forward to supporting TRAC in their efforts. Thank you to Property Management maintenance staff who did an amazing job of setting everything up and grilling up the food.

Residents are also taking advantage of THA's partnership with Metro Parks. Resident Beverly Evan of K Street states: "I learned about nutrition and health at Food \$ense [WSU Nutrition and Cooking Class]. I know I need to get healthier, so after you brought those people from People's Center to our building I decided to check it out. I am taking swimming lessons now. I couldn't swim at all, but I am learning. I ride my bike from K Street to the People's Center, so I'm really getting in shape."

3.2.3 Summer Programming Update: Family Properties

The summer meal program is going strong at Bergerson Terrace, the FIC, and Hillside Terrace. Case Workers Miranda Meier and Bridgette Johnson increased their outreach in support of the struggling Hillside Terrace program through extensive marketing and door-to-door efforts, and saw participation triple! We look forward to partnering again with St. Leo's Food Connection next summer and adding a summer meal site at Bay Terrace.

The MetroArts Summer Audio Program at Hillside Terrace was a huge success! The kids at Hillside worked with MetroArts and local musician Will Jordan to create a music presentation that was a hit at Ethnic Fest, where they performed on the Main Stage! The kids also performed at the Bay Terrace Phase II Ribbon Cutting Ceremony. Client Services looks forward to partnering with MetroArts to bring the Audio Recording Program to other properties soon.

Art classes at the FIC are also going strong. FEAST Arts Center hosts youth art classes weekly on Thursdays. FEAST has also agreed to help Salishan residents decorate the little libraries that will be coming to Salishan this fall, through a THA collaborative partnership with Tacoma Rotary, First 5 Fundamentals, Salishan Association, and Foundation for Healthy Generations.

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

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	146	28	83%
NED (Non Elderly Disabled) Vouchers	100	90	6	90%
FUP (Family Unification Program)	50	47	3	94%
CHOP (Child Welfare Housing Opportunity Program)	20	15	2	75%
McCarver Program	50	36	13	72%
CHAP (College Housing Assistance Program)	25	20	28	80%
TOTAL	422	354	80	84%

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	20	100%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	12	86%
Guadalupe Vista	40	39	98%
Harborview Manor	125	123	98%
Hillside Gardens	8	7	88%
Hillside Terrace	9	9	100%
Nativity House	50	49	98%
New Look Apts.	42	39	93%
Pacific Courtyards	23	23	100%

New Tacoma Phase II	8	6	75%
Salishan 1-7	340	337	99%
Tyler Square*	15	10	67%
TOTAL	704	684	97%

** Tyler Square has repaired damage from a fire at their property. Tyler Square is still underutilized. . Rental Assistance staff met with Tacoma Rescue Mission regarding Tyler Square. They are having problems finding qualifying residents, who must meet Coordinated Entry criteria for prioritization and referral. Currently they are reviewing 5 applications.*

Housing Choice Voucher utilization is reported at 95.83% of MTW Baseline for the month of July 2017, with 4025 of 4200 vouchers leased. The proposed absorption of 195 vouchers from PCHA would bring utilization to slightly over 100%. However, a final decision on absorption is delayed as PCHA negotiates approval of a methodology for transfer with HUD. (See Director's Note.)

Rental Assistance has been busy with two audits during July and August. Regional HUD staff visited for a one week for a routine site audit. We will have results of the audit in approximately 45 days. During the exit interview, no serious concerns or potential finding were identified. State auditors are currently reviewing files for our department. They are usually here for a few months. No word on when we can expect them to finish.



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: August 23, 2017

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

1. OCCUPANCY OVERVIEW

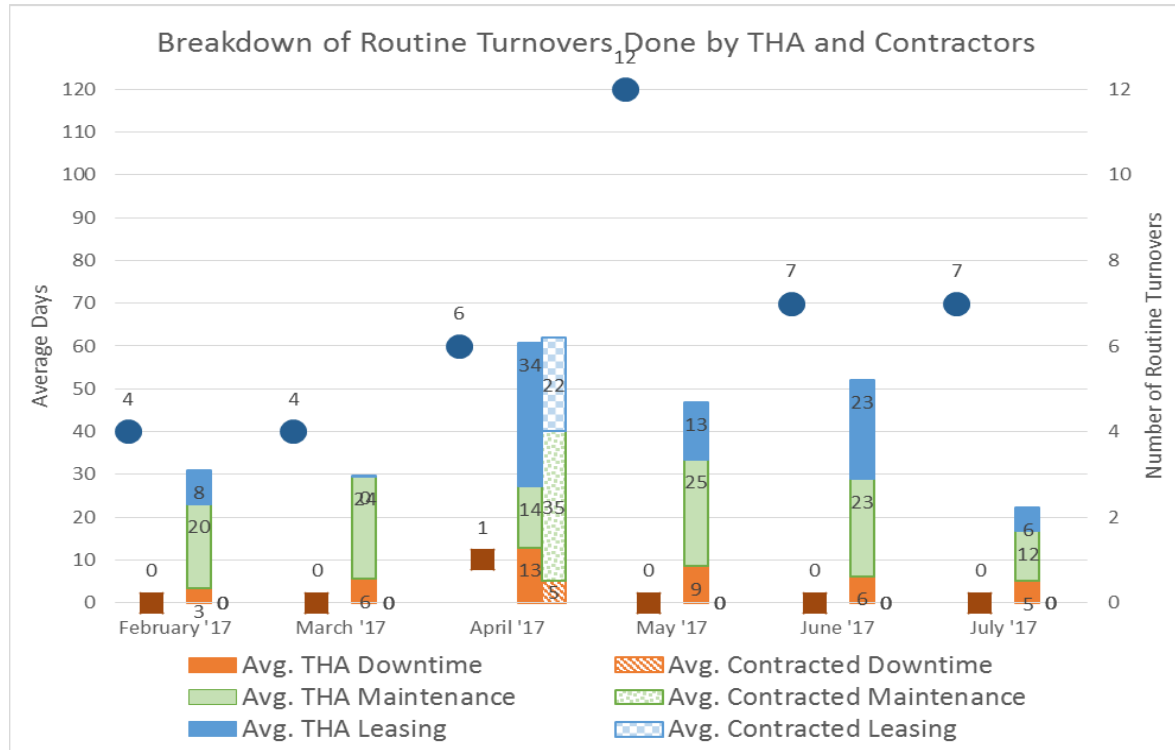
1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	162	10	0	152	94.27%	96.78%
Family Properties	118	6	0	112	94.91%	98.09%
Salishan	631	3	0	628	99.52%	99.20%
Senior/Disabled	353	16	1	336	95.18%	95.53%
All Total	1,264	35	1	1,228	97.15%	97.49%

Unit occupancy is reported for the first day of the month. This data is for the month of July, 2017. The chart above now reflects additional units for Bay Terrace II, which are have been online since July. This changes the new total units from 1,234 to 1,264.

1.2 Vacant Clean Unit Turn Status





All Turns - Performed by THA and Contractors
Today's Date 8/8/2017

Select End Month & Year **July** **7** **2017**
June 6 2017
May 5 2017
April 4 2017
March 3 2017
Beginning Month **February** **2** **2017**

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	July	7	7	0	22.3	5.0	11.7	5.6
2017	June	7	7	0	52.1	6.1	22.7	23.3
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

		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	July	7	0	0	0.0	0.0	0.0	0.0
2017	June	7	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of July was 22 days for seven (7) units turned by Tacoma Housing Authority (THA) staff and contractors that were non Rental Assistance Demonstration (RAD). 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 with repairs that fall under the category of normal wear and tear that can be repaired within 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 beyond 30 days.

Routine +20 Explanation

2547 South Yakima #207 (25 days):

Unit accrued additional days due to a third party delay for employment verification.

2547 South Yakima #306 (41 days):

Required three unit offers: First – unable to provide screening criteria within allotted timeline; second – applicant over-income; third applicant leased.

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

Per July Board discussion, Meth information will be included only when there are updates to report.

1.4 Work Orders

Completed WO's by Priority				
For Month Ending July 31, 2017				
Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	4	0	0	4
Bay Terrace Phase One	19	2	0	21
Bay Terrace Phase Two	9	1	0	10
Bergerson Terrace	64	1	1	66
Dixon Village	29	1	0	30
E.B. Wilson	7	2	0	9
Fawcett Apartments	13	1	0	14
Hillside Terrace 1500 Block	7	3	0	10
Hillside Terrace Ph 1	8	0	0	8
Hillside Terrace Ph II	6	0	0	6
Ludwig Apartments	18	1	0	19
North G St	17	0	0	17
North K St	17	1	0	18
Public Housing Scattered Sites	6	0	0	6
Salishan Five	20	0	0	20
Salishan Four	13	1	0	14
Salishan One	14	1	1	16
Salishan Seven	14	0	1	15
Salishan Six	17	1	0	18
Salishan Three	25	0	0	25
Salishan Two	16	0	1	17
Wright Ave	10	0	0	10
Grand Total	353	16	4	373

Completed Work Orders

In the month of July, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 369 non-emergency work orders with a total of 2,308 for

the calendar year. The year-to-date average number of days to complete a non-emergency work order is 12¹ days.

It should be noted that with the new software conversion, some data and reports are still in the process of being created.

**Open WO's by Priority
for Month Ending July 2017**

Property Name	Priority		Grand Total
	Routine	Urgent	
Bay Terrace Phase One	11	1	12
Bergerson Terrace	10	0	10
E.B. Wilson	3	0	3
Fawcett Apartments	3	0	3
Hillside Terrace 1500 Block	3	0	3
Hillside Terrace Ph II	3	0	3
Ludwig Apartments	3	1	4
North G St	4	0	4
Public Housing Scattered Sites	4	0	4
Salishan Five	10	10	20
Salishan Four	14	0	14
Salishan One	9	0	9
Salishan Seven	4	0	4
Salishan Six	9	0	9
Salishan Three	23	0	23
Salishan Two	7	1	8
Wright Ave	3	0	3
Grand Total	123	13	136

¹ 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.

There are some Renew Tacoma buildings that are not reporting work orders because the building is currently under Rental Assistance Demonstration (RAD) and no work orders are being completed outside of construction.

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:

- To 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

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: August 23, 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 99.4% complete. Building J – Contractor reached Substantial Completion and Temporary Certificate of Occupancy on June 23, 2017. Building G & H – Staff has occupied 6 of 7 townhome units. Substantial Completion was reached on schedule.

The following chart identifies the projected lease up schedule:

<i>Lease-Up Schedule (Pre-leasing April- June)</i>			
Month	Units Per Mo.	Cumulative	
July	30	30	Target Met
August	16	46	
September	12	58	
October	16	74	

Construction Issues

Building J Lower Roof-Staff is working with the contractor regarding the roofing system on Building J. The roof was installed during this winter's rainy weather. Our building envelope special inspector (Wetherholt & Assoc.) is recommending that

THA not accept the roof due to current and potential defects. Absher has agreed to replace the lower roof on Building J and will request a “second opinion” about the condition of the upper roof on Building J. They offered an alternative to a full roof replacement that may be acceptable. Staff is withholding \$400,000 of the contractor’s final payment until the issues are remedied.

ADA Parking Stalls

The contractor did not install the seven ADA parking stalls per code. The code requires not more than a 2% slope. Slopes range from 2% to 5.5%. The contractor regraded the parking stalls to meet the ADA requirement and design intent. The civil engineer is meeting with City inspectors to approve the rework and determine if any further work in the alley is required.

NOTE:

The following information is based on Draw 15 for period ending 7/31/2017.

Budget

% Complete

99.4%

Item	Original Budget	Revised Budget	Expended	Balance
Soft Cost Inc. Reserves	4,861,258	4,869,798	2,912,170	1,957,628
Interest Reserve	1,000,369	1,000,369	217,609	782,760
Hard Cost Inc. Contingency	16,980,410	16,971,870	15,956,986	1,014,884
Total Budget	22,842,037	22,842,037	19,086,765	3,755,272
<i>Owners Contingency</i>	<i>880,000</i>	<i>840,641</i>	<i>824,278</i>	<i>16,363</i>



Building J – At Court G



Buildings 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 7/31/2017
MBE	10%	13%	13%
WBE	8%	12%	12%
Section 3 Business	10%	14%	14%
Section 3 New Hires	30%	29.41%	29.41%
Apprenticeship	15%	13.05%	13%

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

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

Units Sold	Combined Market Value	Combined Sold Price	Combined Rehab Costs	Total Sales Costs	Net Proceeds
18	\$3,683,000.00	\$3,687,964.60	\$430,883.00	\$741,562.89	\$2,515,518.71
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
2	\$447,000.00	\$447,000.00	\$74,125.00	\$36,820.00	\$336,055.00
Units in Construction	Scope Preparation	Occupied			
2	1	12			



1830 S 92nd –SOLD

Rehabilitation Work on Scattered Site Units and Sold:

- 11 of the remaining 12 occupied homes will be remodeled as residents are relocated in 2017.
- Community Youth Services (CYS) is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity.
- 1830 S. 92nd has recently been sold.
- 6932 S. Madison and 4033 E. J have been completed and are being listed.
- Construction contracts for 5814 Swan Creek and 4823 E. M Street have been awarded to XRT Pro and are expected to be completed by the end of September.
- Relocation for the last 11 households with children has begun. Households are given 90 days to relocate. Households have recently needed extensions in order to utilize their voucher.

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

3.2 Consulting and Community Engagement

Staff is 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 allocated \$700,000 to the Tacoma Community Redevelopment Authority (TCRA) and \$250,000 in CDBG funds for the development of the Crisis

Residential Center (CRC). Pierce County is contributing \$250,000. Community Youth Services (CYS) will manage the campus. 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 ages 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 conceptual design has been finalized and SMR has a meeting scheduled with the City at the end of August to discuss the project. 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 was selected as the consultant for the community engagement and consultation effort. The second focus meeting was held August 15 at the Family Investment Center (FIC). 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	9/16/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	3/15/2017	41	0	0
Fawcett	1/9/2017	5/24/2017	30	0	0
K Street	10/11/2016	3/27/2017	43	0	0
Wright Street	2/6/2017	8/18/2017	38	8	12
6 th Avenue	4/1/2017	8/8/2017	64	0	0
2G Street	3/7/2017	6/12/2017	40	0	0

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

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

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

In addition to the 2016 projects described above, the *Certificates of Completion* were issued for Ludwig, K Street and Fawcett. *Certificates of Completion* will be issued for the remaining sites by the end of September, 2017.

Walsh Construction and THA staff continue to manage multiple projects successfully. All sites are projected to complete construction by the end of September, 2017.

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. Roofing at Fawcett and Wright is estimated to be done early August, 2017. G Street's roof will be done after additional roof venting. Sixth Avenue will be done in the very near future and then work will be at K Street.

The RAD project manager is working closely with the financial consultant to forecast and monitor the tax-exempt bond 50% test on both a site and project level. Construction will be complete the end of September, 2017 so "time is of the essence" if additional scope needs to be added to a project to ensure meeting the 50% bond test. A recent projection indicated that additional work at Sixth Avenue and G Street was required to be in a comfortable position to meet the 50% bond test. Because of proactive monitoring and two months left in the construction schedule we were able to add an estimated \$500,000 in additional scope to 6th Avenue and an estimated \$175,000 to G Street.

Elevators

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 Fawcett and Ludwig elevators are also complete. K Street's elevator no. 1 is estimated to be complete mid-August and the second elevator mid-September. Wright's elevator no. 1 is estimated to be complete the first of September and the second elevator to follow. Similar to the approach with roofing, the elevator modernization work has an independent schedule to retain the subcontractor and accelerate completion.

RED staff are coordinating a meeting with appropriate staff to educate and provide warranty, etc. information on the elevators.

5.2 Relocation

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

All units are 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 Street Apartment modernization is currently underway. Thirty-Eight units are completed and eight units are currently under construction with the residents fully relocated at hotels and friend's or relative's homes and are set to start returning to the site on August 11, 2017, to August 15, 2017. There are twelve units left for relocation. Two units were pulled out of the prior relocation schedule for the second floor due to bed bug activity and will be added to final relocation schedule for the first floor units. The first floor will begin their relocation on August 7, 2017. All relocation activity should be completed by September 19, 2017.

All units are completed at Sixth Avenue Apartments. No more relocation activity is happening. Relocation activity ended August 3, 2017.

5.3 Watch list

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

DOE requires 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 be performed. They anticipate 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, Ecology staff verbally reported that two monitoring wells and long-term monitoring will be

required. Department of Ecology staff verbally stated that removal of dirty dirt is not required because of the cost and anticipate they can issue an NFA letter.

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 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 tests bores one tested 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 Department of Ecology.

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 evaluating whether to file a lawsuit against Superior Linen as the previous owner of the site.

5.4 Issues Encountered/Status

Wright Street: Sewer investigation is being performed to assess suspected issues such as cracks in the pipes and/or lines. Access to the crawl space is required to further assess the situation. However, there is asbestos insulation around the pipes that must be addressed first. Contractor and RAD team are meeting with consultants to identify steps necessary to make the crawl space safe for further testing. There isn't enough information yet to estimate the cost of the work. However, a "placeholder" estimate is being included in the budget.

The following information provides a status as of Draw #14. Overall, the project is significantly under budget and anticipated to remain significantly under budget.

Just one factor contributing to the project being under-budget is related to the unit rehab estimates. Interior unit work was budgeted based on an allowance schedule. Reconciliation occurs as each site's units are complete. We have received several credits to-date and when 6th Avenue and Wright Street units are complete and

reconciled, we anticipate an allowance credit of approximately \$130,000.

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$8,010,994	\$16,012,504
Construction (includes owner's contingency)	\$33,155,555	\$30,211,284	\$2,944,271
Environmental Escrow	\$3,500,000	**\$600,000	\$2,900,000

NOTE: The above reflects the budget status through Draw14 (July 2017 draw).

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

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

5.5 Walsh Construction - MWBE and Section 3 Reporting

	GOAL	ACTUAL AS OF 5/31/2017
MBE	14%	8.78%
WBE	8%	.29%
Section 3 Business	----	7.41%
Section 3 New Hires	30%	27.78% (20 new hires)

Section 3 New Hires:

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

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

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

- AVA Siding is a Section 3 business; however, due to market conditions and their work load, RDF Builders has had to step in and take over some of the siding scope simply to finish the project on time;
- Cerna Landscaping, WCC's go-to MBE landscape subcontractor failed on the Bergerson project, again due to an excessive amount of work that they could not complete;
- There has been difficulty identifying MWBE subs, unfortunately Walsh's outreach results were not what they had hoped; and,
- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at National Association of Minority Contractors (NAMC) meetings, and phone calls were outstanding. We simply had trouble finding MWBE subcontractors. It is possible that this can be attributed to the significant amount of work underway in the South Sound.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (1)

Date: August 23, 2017

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Interim Housing Opportunity Program (HOP) Hardship Policy

THA's Housing Opportunity Program (HOP) has a 5-year time limit for work-able families. Those limits will begin to expire early in 2018. This resolution would approve interim changes to the Hardship Policy allowing households facing such expirations an expanded ability to seek a limited extension of rental assistance if necessary to meet an unexpected hardship.

Background

THA's HOP program helps low-income families pay rent on the private market. Under its rules, people who can work have a five-year time limit on their rental assistance. The first 5-year periods expire in 2018. Staff propose to expand the policy allowing households to ask for a limited extension of the assistance to meet an unexpected hardship. This would be an interim change mainly to prepare for next year's round of 5-year expirations. Later this year, THA will review other parts of the HOP program. That review will be another chance to review this policy.

1. Existing Policy & Urgency

Under the hardship policy, the first wave of program participants had to have applied for a hardship extension in July of 2017. Also, it does not define hardship.

A hardship policy has been established for work-able households of the Housing Opportunity Program that defines the circumstances under which households may request an extension to the term limit. Families that would like to request a term limit extension need to apply eight months prior to the end of term. A committee will be established to review each request and the families will be provided an opportunity to present justification for their request. If approved by the committee, a three month extension may be granted to the family. Since there will not be time limits for senior/disabled households, there will be no hardship policy for that population.¹

¹ Administrative Plan Chapter 18, Section XXII and 2013 MTW Plan: Appendix C

2. **Income Progression and Shelter Burden: Need for Hardship Policy**

The 5 years of rental assistance will expire in 2018 for 62 HOP households. These workable HOP households in year five of the program (62 households) have achieved some notable income progression. Their earned income from wages has increased by 36% and dependence on welfare has decreased by 37%. That is good.

Yet, some of them have trouble paying the rent even with the HOP subsidy; more of them will face such trouble once the subsidy ends. The HOP subsidy pays 50% of the payment standard or roughly 50% of the tenant's rent. The participant pays the rest. Of the 62 households facing the end of their assistance in 2018, 22 of them, or 35%, are currently extremely shelter burdened,² even with the HOP subsidy; 38 households or 61% will be extremely³ shelter burdened once they must pay the full contract rent at program termination if there is no change in household income ("extremely market shelter burdened"). Based on current incomes, the median market shelter burden for households exiting the program in 2018 will be 53%.

This means that some of the families will likely need more time on the program.

3. **Peer Consultation**

THA consulted with other housing authorities with time-limited programs. Some of them have a feature that THA lacks –assessing and identifying households that are struggling and rewarding those of them with more time on the program at risk if they are striving. That is what this proposal tries to do. It provides an added incentive for households to strive, but also creates a somewhat "softer landing" for families exiting the program whether their striving works or not. Here is what we learned about this from other housing authorities doing this work:

3.1 **Alaska Housing Finance Corporation (AHFC)** operates a stepped subsidy program, "Step." In year one, the household's contribution to rent is income based. After that it increases in equal increments over 4 years from 40% of the contract rent to 70% by year five. At a family's annual certification, the program checks in on struggling households. AFHC's definition of a successful household is one that exits the program with <50% shelter burden. Households will begin exiting the program in 2019.

AHFC's first wave of Step participants have experienced a 58% increase in earned income when compared to the baseline year. These households have experienced a decrease in shelter burden and 13% more households are working.

AHFC's current hardship policy is defined by the following criteria:

- The family must have an extraordinary change in life circumstances that significantly impacts the family's income; AND

² Rent = over 50% of income.

³ Market shelter burden was calculated using contract rents as of 7.28.17.

- the hardship must be of long-term or permanent duration (at least 90 days); AND
- the hardship event must cause the family to experience a shelter burden in excess of 50 percent of gross or adjusted monthly income; AND
- As of November 2016 - in order to receive assistance in excess of 60 days (up to 6 months), households must be enrolled in the Family Self-Sufficiency Program.

3.2 **The Housing Authority of the County of San Bernardino (HACSB)** operates a five-year program with a flat subsidy based on 50% of the payment standard. HACSB requires all families to complete an annual assessment with a caseworker to examine income progression, employment status, and educational attainment and review progress toward achieving stated goals. At 18 months prior to exit, HACSB flags “at-risk” households and mandates their participation in monthly check-ins with caseworkers to develop a plan to become self-sufficient by the end of their term limit.

When compared to a local voucher program without term limits and additional supports, HACSB households showed a 26.7% wage increase from year 1 to 4 in comparison to a 19.7% increase. HACSB increased the number of families with earned income by 9.0% in comparison to 6.0%.⁴

HACSB’s hardship policy for term limited program participants is as follows:

- **Unforeseen loss of income:** Households experiencing a significant unforeseen loss of income such as loss of employment, within the last six months of participation. This one-time exception will provide six additional months of assistance.
- **Completion of Activity Related to Self-Sufficiency:** This exception will apply to families who need additional time to complete a self-sufficiency goal. The family must be actively working toward meeting the goal at the time the exception is requested (enrolled in the activity at least 6 months prior to term expiration), and the goal must be achievable within the term of the extension. This one-time exception will provide up to two years of additional assistance.

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⁴ HACSB Term-Limited Lease Assistance Program Fact Sheet - <http://ww2.hacsb.com/files/pdf/news-reports/fact-sheets/term-limited-program-2017-web-2.pdf>

Proposed Revisions

THA's existing HOP hardship policy allows households facing the 5 year expiration of their assistance to request an additional 90 days of assistance to meet a hardship as long as they request it at least eight (8) months prior to their voucher expiration date. This present policy needs some revision. THA is proposing changes to the hardship policy to do three things:

First, the changes would define "hardship" for households on the HOP program.

Second, the changes would have THA undertake an enhanced strategy to help work-able households increase their earned income. THA will seek to better identify households earlier who face extreme shelter burdens. Perhaps an earlier intervention will decrease the need for a hardship extension.

Third, the proposal would allow an extension of housing assistance hardship in two circumstances described in the proposed interim policy, which would read as follows:

1. Proposed Interim HOP Hardship Policy:

1.1 Unforeseen Loss of Income Hardship: 90 day Extension

Within three (3) months prior to the voucher expiration, households may request a 90 day hardship extension by showing:

1.1.1 an extraordinary change in circumstances resulting in an unforeseen loss of income that occurs within the three months prior to voucher expiration; and

1.1.2 the unforeseen loss of income must cause the household, once the rental assistance ends, to experience a shelter burden requiring more than 50% of its income for rent and utilities

1.2 Hardship Plus Completing a Qualifying Self-Sufficiency Activity: Up to 1 year Extension

Within 6 months prior to the voucher expiration households may request up to a 1 year extension by showing:

1.2.1 the household once the assistance ends would experience a shelter burden requiring more than 50% of its income for rent and utilities; and

1.2.2 the household must be engaged in the qualifying self-sufficiency activity at least six months prior to voucher expiration; and

1.2.3 the household must remain engaged in the qualifying self-sufficiency activity until the earlier of the end of the shelter burden or the end of the extension.

“Qualifying activities” are any activity for which all the following is true: (i) will be completed within a period of 1 to 12 months; (ii) must likely result in the reduction of shelter burden to below 50% by the end of the extension and for a sustained period beyond that end. Examples of qualifying self-sufficiency activities include: degree, vocational certificate, or homeownership programs and completion of FSS.

THA staff, in consultation with the household, will determine the duration of the extension but in no case shall it last longer than 1 year beyond the expiration of the 5 year time period.

Any adult member of the household may be engaged in the qualifying activity. This is not restricted to the head of household(s).

THA will eliminate the need for households to present their justification for their request to a review committee. Instead, we will use a simplified process to protect the dignity of the participant households and save THA staff time.

If a hardship request is denied, the household may request an appeal. THA will have up to 20 business days to review the request and make a determination.

Public Comments

THA offered the proposed changes for public comment and invited views from HOP households, landlords and the Northwest Justice Project. We received no comments from landlords. Comments from HOP households and the Northwest Justice Project are below. Staff do not propose any further edits in response to the comments.

Here are the comments we received from HOP households, and our response:

Comment	Response
Topic: Mandates Require HOP participants to meet with THA staff/community services regularly in order to receive a hardship extension. Use these meetings as a means to ensure households are working toward self-sufficiency.	THA does not currently require HOP households to meet with the community services team. THA has not implemented mandates because THA has been unwilling to remove families from the program for non-compliance. In the forthcoming HOP program evaluation, THA will explore the question of mandates and research the successes and failures at other agencies.

Comment	Response
<p>Topic: Mandates</p> <p>Institute a mandatory community service requirement for all HOP participants who are not working and those unable to work (including elderly/disabled households).</p>	<p>THA does not currently require HOP households to conduct community service. THA has not implemented mandates because THA has been unwilling to remove families from the program for non-compliance. In the forthcoming HOP program evaluation, THA will explore the question of mandates and research the successes and failures at other agencies.</p>

Here is a summary of the comments we received from the Northwest Justice Project (NJP), and our response:⁵

Comment	Response
<p>Topic: Definition of Unforeseen Loss of Income</p> <p>The interim proposal does not define or provide examples of what change in circumstances would qualify as "extraordinary." It also does not describe the time frame within which the "extraordinary change on circumstances" must have occurred. The lack of a definition or examples in the written policy of what, specifically, would constitute "an extraordinary change in circumstances," raises the potential for unequal application of the policy.</p>	<p>THA will consult our peers with similar policies and clearly define an unforeseen loss of income in order to ensure equal application of the policy.</p>
<p>Topic: Hardship Criteria</p> <p>Eliminate the proposed "change in circumstance" and "unforeseen loss of income" requirements from the 90-day extension, and base eligibility for this extension solely on whether the household will experience a shelter burden once HOP housing assistance terminates. Allow all HOP households to request an extension of up to one year based on hardship plus either a qualifying self-sufficiency activity or an unforeseen loss of income.</p>	<p>If THA granted extensions to all households experiencing a shelter burden greater than 50%, THA would extend rental assistance for over 60% of households exiting the program in 2018. This significant increase in programs would mean THA would serve fewer households. It would also remove the 5-year term limit for a majority of households. This action could provide a disincentive for households to increase their income.</p> <p>This proposed Hardship Policy change is an</p>

⁵ NJP comments on the Interim HOP Hardship Policy show in the attached letter of August 9, 2017

Comment	Response
	interim change mainly to be ready for next year's round of 5-year expirations. Later this year, THA will be reviewing other parts of the HOP program. That will be another chance to review this and other parts of the program.
<p>Topic: HOP Work-able Criteria</p> <p>Under the THA's current policy, only households in which every adult household member is either elderly, or receives monthly disability benefits, are exempt from the five-year assistance HOP assistance limit. We suspect that there are many HOP households who do not meet this very narrow definition, yet are nevertheless not realistically "work-able." We strongly encourage the THA to consider revising its current definition of "work-able."</p>	<p>This proposed Hardship Policy change is an interim change mainly to be ready for next year's round of 5-year expirations. Later this year, THA will be reviewing other parts of the HOP program. That will be another chance to review this and other parts of the program.</p>

Recommendation

Authorize THA's Executive Director to revise adopt this interim change in the HOP Hardship Policy. This would change THA's Administrative Plan Chapter 18, section XXII.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (1) (Revising THA's HOP Hardship Policy)

WHEREAS, Tacoma Housing Authority's Housing Opportunity Program (HOP) has a five-year time limit for work-able households; and

WHEREAS, The first of these time limits will expire in March 2018; and

WHEREAS, THA's existing HOP hardship policy lacks a definition of hardship and is not well equipped to serve households facing hardship when their time limit expires and in a way that gives them a further incentive to improve their earned income; and

WHEREAS, Changes to the HOP Hardship Policy 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:

Authorize THA's Executive Director to revise THA's Administrative Plan Chapter 18, section XXII related to the Housing Opportunity Program (HOP) Hardship Policy to read substantially as follows:

1. Proposed Interim HOP Hardship Policy:

1.1 Unforeseen Loss of Income Hardship: 90 day Extension

Within three (3) months prior to the voucher expiration, households may request a 90 day hardship extension by showing:

1.1.1 an extraordinary change in circumstances resulting in an unforeseen loss of income that occurs within the three months prior to voucher expiration; and

1.1.2 the unforeseen loss of income must cause the household, once the rental assistance ends, to experience a shelter burden requiring more than 50% of its income for rent and utilities

1.2 Hardship Plus Completing a Qualifying Self-Sufficiency Activity: Up to 1 year Extension

Within 6 months prior to the voucher expiration households may request up to a 1 year extension by showing:

- 1.2.1 the household once the assistance ends would experience a shelter burden requiring more than 50% of its income for rent and utilities; and*
- 1.2.2 the household must be engaged in the qualifying self-sufficiency activity at least six months prior to voucher expiration; and*
- 1.2.3 the household must remain engaged in the qualifying self-sufficiency activity until the earlier of the end of the shelter burden or the end of the extension.*

“Qualifying activities” are any activity for which all the following is true: (i) will be completed within a period of 1 to 12 months; (ii) must likely result in the reduction of shelter burden to below 50% by the end of the extension and for a sustained period beyond that end. Examples of qualifying self-sufficiency activities include: degree, vocational certificate, or homeownership programs and completion of FSS.

THA staff, in consultation with the household, will determine the duration of the extension but in no case shall it last longer than 1 year beyond the expiration of the 5 year time period.

Any adult member of the household may be engaged in the qualifying activity. This is not restricted to the head of household(s).

THA will eliminate the need for households to present their justification for their request to a review committee. Instead, we will use a simplified process to protect the dignity of the participant households and save THA staff time.

If a hardship request is denied, the household may request an appeal. THA will have up to 20 business days to review the request and make a determination.

Approved: August 23, 2017

Janis Flauding, Chair



Northwest Justice Project

715 Tacoma Ave S
Tacoma, WA 98402
Tel. (253) 272-7879
Fax (253) 272-8226

Toll Free 1-888-201-1015
www.nwjustice.org

César E. Torres
Executive Director

August 9, 2017

VIA EMAIL

Aley Thompson, Project Manager
Tacoma Housing Authority
902 S L Street
Tacoma, WA 98405

Re: NJP Comments On Interim HOP Hardship Proposal

Dear Ms. Thompson:

Thank you for meeting with us last week to discuss Tacoma Housing Authority's (THA's) proposed changes to its Housing Opportunity Program (HOP) hardship policy. This letter summarizes our suggestions and comments regarding the proposed policy change.

We generally support the interim proposal that THA is considering and believe it is an improvement over current policy. We agree that households determined to be work-able who are nearing the 5-year limit for HOP assistance should have the opportunity to request a limited extension of their HOP housing assistance based on hardship. We have two suggestions: (1) THA should simplify the process and eligibility criteria to qualify for a hardship extension; and (2) THA should review, and consider revising, its policy governing which HOP recipients are determined "work-able," and therefore subject to the 5 year limit.

1. The Hardship Extension Process and Criteria

The interim proposal permits work-able HOP households to request either a one-time 90-day extension of HOP housing assistance, or an up to one-year extension of HOP housing assistance, based on hardship. To qualify for a 90-day extension for unforeseen loss of income, the HOP participant must show "an extraordinary change in circumstances resulting in an unforeseen loss of income" that will result in a "shelter burden" requiring the household to pay more than 50% of its income for rent and utilities once HOP assistance terminates.

We question the requirement in the interim proposal that a hardship applicant demonstrate "an extraordinary change in circumstances" to be considered for a hardship extension. The interim proposal does not define or provide examples of what change in circumstances would qualify as "extraordinary." It also does not describe the time frame within which the "extraordinary change on circumstances" must have occurred. The lack of a definition or

examples in the written policy of what, specifically, would constitute “an extraordinary change in circumstances,” raises the potential for unequal application of the policy.

Further, we question the requirement that hardship extension applicant demonstrate an “unforeseen loss of income” to obtain a 90-day extension. There are very likely circumstances where a hardship extension would be warranted based not on an unforeseen loss of income, but where changed circumstances prevent the household from realizing an expected income increase, or where the work-able household members are employed, and have not experienced a significant change in employment or other circumstances, yet still have earnings that are not adequate to prevent a shelter burden once assistance is terminated.

Given the many variables impacting whether individual client households approaching the 5-year limit are “deserving” of a hardship extension, THA could consider the following alternatives to its current proposal:

- eliminate the proposed “change in circumstance” and “unforeseen loss of income” requirements from the 90-day extension, and base eligibility for this extension solely on whether the household will experience a shelter burden once HOP housing assistance terminates. Households with an established shelter burden could request either the short-term 90-day extension, or the longer term hardship extension with a qualifying self-sufficiency activity, depending on their individual circumstances; or
- allow all HOP households to request an extension of up to one year based on hardship plus either a qualifying self-sufficiency activity or an unforeseen loss of income. If a household who has been working and increasing their income, or has been engaged in qualifying self-sufficiency activity over time, but still experiences an unforeseen loss of income near the end of their five-year limit, they could receive the additional time needed (be it 30 days, 90-days or up to a year). Under this approach, we would also recommend ensuring that “qualifying self-sufficiency activity” includes efforts made by working families to increase their income to levels that would remove them from the “shelter-burdened” category.

A simplified HOP hardship extension policy would be easier to administer and less prone to the possibility of unequal application, yet still achieve THA’s announced goals of offering limited additional assistance to at-risk households, and engaging households for whom slightly longer term additional assistance would be beneficial, while still enforcing the five-year limit on work-able households who either do not request an extension, or cannot demonstrate that the termination of HOP housing assistance will cause a shelter burden.

2. Who is “Work-able”

As we discussed at the meeting last week, we are more broadly concerned about the current THA HOP policy’s definition of “work-able” households. Under the THA’s current policy,

only households in which every adult household member is either elderly, or receives monthly disability benefits, are exempt from the five-year assistance HOP assistance limit. We suspect that there are many HOP households who do not meet this very narrow definition, yet are nevertheless not realistically “work-able.” We strongly encourage the THA to consider revising its current definition of “work-able.”

There are likely, for example, HOP households that include at least one adult who receives TANF assistance who has been determined by the state WorkFirst program to be unable to work or engage in work activities, and is therefore exempt from the 5-year lifetime limit for TANF. See WAC 388-484-0006(2)(a), WAC 388-301-0350.¹ THA’s HOP policy should recognize that TANF recipients whom DSHS has determined are exempt from WorkFirst participation for any of the reasons listed in WAC 388-484-0006(2)(a), are not “work able” for purposes of the HOP program.

Thank you again for meeting with us regarding the THA’s HOP program, and for considering these comments and suggestions regarding the THA’s Interim HOP Hardship Proposal.

Sincerely,

NORTHWEST JUSTICE PROJECT



Jennifer Bell
Todd H. Carlisle
Stephen Parsons

¹ The regulation exempts from WorkFirst requirements TANF recipients who have been determined disabled by a DSHS SSI facilitator or who are needed at home to care for a disabled child or other family member.

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (2)

Date: August 23, 2017

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Resolution declaring the Authority's intent to sell bonds to provide financing to a Washington limited liability limited partnership for the acquisition and rehabilitation of the New Look Apartments, aka the Alberta J. Canada Building, and to permit bond proceeds to be used to reimburse expenditures made before the issuance of the bonds

Purpose

Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility (here, the portion of the Alberta J. Canada used for low-income housing) that are made before the issue date of bonds, to be reimbursed from bond proceeds, the issuer must declare an official intent to reimburse such expenditures from bond proceeds. This resolution is the Authority's declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of tax-exempt private activity bonds.

In addition, this resolution authorizes the Authority's Executive Director to:

- (1) seek an allocation of volume cap from the Washington State Department of Commerce or a transfer of volume cap from the Washington State Housing Finance Commission;
- (2) submit applications for funding from other public and private sources; and
- (3) submit such materials as may be necessary to secure low income housing tax credits.

Although this inducement resolution announces the Authority's intent to issue the bonds, and to use bond proceeds to reimburse expenditures prior to the date of issue, it doesn't obligate the Authority to issue the bonds, or determine the specific terms of the bonds. Board of Commission approval of a separate "bond resolution" would be required prior to the issuance of any bonds to finance the Alberta J. Canada project.

Background

The Authority has formed The Alberta J. Canada LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Borrower"), for the purpose of acquiring and rehabilitating the Alberta J. Canada Building, including ground floor commercial space and 49-units of low-income housing, currently known as the New Look Apartments, located at 1114 S 11th Street, Tacoma, Washington.

Financing for the Borrower's acquisition and rehabilitation of The Alberta J. Canada Building will include a variety of funding sources, including low-income housing tax credits, tax-exempt private activity bonds, and state and local grants/loans. The tax-exempt private activity bonds would be issued by the Authority, as the conduit issuer, and the proceeds would be lent to the Borrower to finance the acquisition and rehabilitation of the low-income housing portion of the building.

Recommendation

Approve Resolution No. 2017-08-23 (2).



TACOMA HOUSING AUTHORITY

Tacoma Housing Authority 2017-8-23 (2)

Alberta J. Canada – New Look Inducement Resolution

A RESOLUTION of the Housing Authority of the City of Tacoma declaring its intention to sell bonds in an amount not to exceed \$6 Million to provide financing to a Washington limited liability limited partnership in connection with the acquisition and rehabilitation of a 49 unit apartment complex in the City of Tacoma, Washington, and determining related matters.

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

WHEREAS, RCW 35.82.070(18) provides that a housing authority may, among other things and if certain conditions are met, “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income”; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, the Authority has formed The Alberta J. Canada LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the “Borrower”), for the purpose of acquiring and rehabilitating a building known as the Alberta J. Canada Building, including ground floor commercial space and 49-units of low-income housing, currently known as the New Look Apartments. Such low-income housing, together with functionally related and subordinate facilities, shall be referred to herein as the “Project.” The estimated cost of acquisition and rehabilitation of the Project is not expected to exceed \$13 Million]; and

WHEREAS, the Authority anticipates that the Borrower will request that the Authority issue and sell its revenue bonds for the purpose of assisting the Borrower in financing the Project; and

WHEREAS, the Authority desires to provide such assistance, if certain conditions are met; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the “Bonds”) in a principal amount of not to exceed \$6 Million, to use the proceeds of the sale of the Bonds to make a loan (the “Loan”) to the Borrower, and to permit the Borrower to reimburse itself from proceeds of the Bonds for expenditures for the Project made the Borrower before the issue date of the Bonds.

Section 2. The proceeds of the Bonds will be used to assist in financing the Project, and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The Bonds will be payable solely from the revenues derived as a result of the Project financed by the Bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by or on behalf of the Borrower in connection with the financing of the Project, as specified by resolution of the Board of Commissioners of the Authority. The Bonds may be issued in one or more series, and shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 4. The Bonds shall be issued subject to the conditions that (a) the Authority, the Borrower and the purchaser of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the Loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized (1) to seek an allocation of volume cap for the Bonds from the Washington State Department of Commerce or a transfer of volume cap from the Washington State Housing Finance Commission; (2) to submit applications for funding for the Project from other public and private sources; and (3) to submit such materials as may be necessary to secure low income housing tax credits for the Project.

Section 5. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

Section 6. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5) and 1.150-2.

Section 7. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: August 23, 2017

Janis Flauding, Chair

CERTIFICATE

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

1. That the attached Resolution No. 2017-8-23 (2) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on August 23, 2017, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on August 23, 2017.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (3)

Date: August 23, 2017
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Authorize Investment Institutions and Authorized Signers

This resolution would update the institutions we conduct financial transactions with, along with the signers for the Tacoma Housing Authority.

Background

The annual reorganization, at which a new Board Chair and Vice Chair are elected, necessitates a resolution that authorizes their signatures for the financial institution accounts of the Tacoma Housing Authority.

The resolution replaces Resolution 2016-8-24 (1), which had authorized the prior officers as signers for the bank and investment accounts of the Tacoma Housing Authority and identifies the new ones, as well as the authorized THA staff members.

Recommendation

Approve replacement of Resolution 2016-8-24 (1), authorizing the signers for the financial institutions.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-08-23 (3) **(AUTHORIZED SIGNERS FOR FINANCIAL INSTITUTION ACCOUNTS)**

WHEREAS, The Board selects its chair and vice chair at its annual meeting. When these Board officers change, THA needs a resolution changing the authorized signatures for its accounts at its various financial institutions; and

WHEREAS, This resolution does that and replaces Resolution 2016-8-24(1), which had authorized previous offices as signers; and

WHEREAS, The Board of Commissioners needs to formally authorize the financial institutions and the authorized signers on the accounts, now, therefore, be it

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

The funds of THA are hereby authorized by the laws of the State of Washington and the regulations of the Department of Housing and Urban Development to be utilized, held and invested and that said funds may be deposited with any or all of the following institutions:

BANK OF AMERICA
HERITAGE BANK
KEY BANK
J.P. MORGAN CHASE BANK
U.S. BANK
THE BANK OF NEW YORK MELLON TRUST CO.
WASHINGTON STATE INVESTMENT POOL

Or such other institutions as may be found to provide the highest interest rate.

Be it further resolved that any of the below designated individuals are authorized to enter into any and all transactions relating to the above mentioned institutions as they exist now or may be created in the future upon signature of any two (2) of the following designated individuals:

Janis Flauding	Chair	_____
Minh-Anh Hodge	Vice Chair	_____
Michael Mirra	Executive Director	_____
Kenneth Shalik	Director of Finance	_____
Duane Strom	Comptroller	_____

Be it further resolved that this resolution replaces any and all previous resolutions designating authorized financial institutions and signers.

Be it further resolved that the authorized signers acknowledge and accept Heritage Bank's policy of accepting any check with one authorized signature.

Approved: August 23, 2017

Janis Flauding, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-8-23 (4)

DATE: August 23, 2017

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: A Resolution authorizing the acquisition of property located at 1620 S. Mildred Street and borrowing of up to \$6,000,000 to finance costs of acquiring the property

This resolution would approve THA's purchase of James Center North, at 1620 South Mildred Street, Tacoma, WA and the financing for the purchase.

Purpose

This resolution would approve the acquisition of property located at 1620 S. Mildred Street in Tacoma, Washington, and the financing of costs of acquiring the property through loans from Enterprise Community Loan Fund, Inc. and the Washington State Housing Finance Commission. In particular, the resolution authorizes THA to:

- (1) acquire the property pursuant to the purchase and sale agreement;
- (2) issue a note in a principal amount of up to \$4,000,000 to evidence the Authority's obligations in connection with a loan to be made by Enterprise Community Loan Fund, Inc. to finance a portion of the cost of acquiring the property;
- (3) issue a note in a principal amount of up to \$2,000,000 to evidence the Authority's obligations in connection with a loan to be made by the Washington State Housing Finance Commission to finance a portion of the cost of acquiring the property; and
- (4) negotiate, execute and deliver related documents and pay related expenses.

Background

A property, known as the James Center and located at and around 1620 S. Mildred Street, in Tacoma, has become available for sale. The property is currently being used as retail and commercial space; however, due its location, it presents an opportunity for redevelopment as a transit oriented development project that offers affordable and market rate rental housing in a mixed use setting. It is expected that at least 150 units of rental housing for households earning 80% or less of area median income will be included in the development.

Enterprise Community Loan Fund, Inc. is expected to offer to provide financing for a portion of the acquisition price of the property though a six-year, \$4,000,000 loan secured by a deed of trust and a pledge of the Authority's general revenues. By complying with certain affordability requirements, the Authority should be eligible to reduce its general revenue exposure by approximately \$960,000.

In addition, it is expected that the Washington State Housing Finance Commission will offer to provide financing for a portion of the acquisition price of the property through a \$2,000,000 loan as a part of its land acquisition program.

Recommendation

Approve Resolution No. 2017-8-23 (4).



TACOMA HOUSING AUTHORITY

Tacoma Housing Authority 2017-8-23 (4)

James Center Authorizing Resolution

A RESOLUTION of the Housing Authority of the City of Tacoma authorizing the acquisition of property located at and around 1620 S. Mildred Street, Tacoma, Washington (the “Project”), the issuance of a note of the Authority in the principal amount of not to exceed \$4,000,000 to evidence the obligations of the Authority under a loan agreement between the Authority and Enterprise Community Loan Fund, Inc. and a note of the Authority in the principal amount of not to exceed \$2,000,000 to evidence the obligations of the Authority under a loan Agreement between the Authority and the Washington State Housing Finance Commission, the proceeds of which notes will be used to finance all or a portion of the cost of acquiring the Project; authorizing the execution and delivery of the notes, loan agreements, deed of trusts, environmental indemnity agreements, regulatory and low income housing covenant agreements, and other agreements, documents and certificates; and determining related matters.

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

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alternation or repair of housing projects; and

WHEREAS, RCW 35.82.020 defines “housing project” to include, among other things (a) any work or undertaking to “demolish, clear or remove buildings from any slum area . . . [including] adaptation of such area to public purposes, including parks or other recreational or community purposes”, (b) any work or undertaking “to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks, or other living accommodations for persons of low income” including “land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances . . . site preparation, . . . administrative, community, health, recreational, welfare or other purposes”, and (c) “the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith”; and

WHEREAS, RCW 35.82.070(2) authorizes a housing authority to “acquire, lease, rent, sell, or otherwise dispose of any commercial space located in buildings or structures containing a housing project or projects” and RCW 35.82.070(5) authorizes a housing authority to “purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise . . . , any real or personal property or any interest therein”; and

WHEREAS, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes; and

WHEREAS, RCW 35.82.070(1) permits a housing authority to “make and execute contracts and other instruments . . . necessary or convenient to the exercise of the powers of the authority”; and

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

WHEREAS, it is anticipated that Enterprise Community Loan Fund, Inc. (“ECLF”) will offer to make a loan to the Authority in a maximum principal amount of \$4,000,000 pursuant to a loan agreement, to be evidenced by a note (the “ECLF Note”), for the purposes of financing a portion of the cost of acquiring property located at and around 1620 S. Mildred Street in Tacoma, Washington (the “Project”); and

WHEREAS, it is further anticipated that the Washington State Housing Finance Commission (the “WSHFC”) will offer to make to loan to the Authority in a maximum principal amount of \$2,000,000 pursuant to a loan agreement, to be evidenced by a note (the “WSHFC Note”), for the purpose of financing a portion of the cost of acquiring the Project; and

WHEREAS, the Board of Commissioners of the Authority deems it to be in the best interest of the Authority to acquire the Project for the purpose of future development to include residential rental components, and to borrow money by the issuance of the ECLF Note and the WSHFC Note for the purpose of financing all or a portion of the cost of acquiring the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings:

“Act” means chapter 35.82 of the Revised Code of Washington.

“Authority” means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authorized Officers” means the Executive Director of the Authority and the Deputy Executive Director of the Authority.

“Board” means the Board of Commissioners of the Authority.

“ECLF” means Enterprise Community Loan Fund, Inc.

“ECLF Deed of Trust” means the deed of trust, assignment of rents and leases, security agreement and fixture filing under which the Authority is the grantor and ECLF is the beneficiary constituting a lien on the real property and improvements constituting the Project.

“ECLF Environmental Indemnity Agreement” means the environmental indemnity agreement made by the Authority for the benefit of ECLF.

“ECLF Loan Agreement” means the loan agreement between the Authority and ECLF relating to the ECLF Note.

“ECLF Loan Documents” shall have the meaning ascribed thereto in Section 7.

“ECLF Note” means the note of the Authority issued to ECLF pursuant to, under the authority of and for the purposes provided in this resolution.

“ECLF Regulatory Agreement” means a REDI Fund regulatory agreement made by the Authority for the benefit of the public agency to be named therein.

“General Revenues” means the rent, fees and other revenues of the Authority from any source, except those revenues which are now or hereafter prohibited from being used for the purpose of paying debt service on the Note or the Authority’s obligations under the Environmental Indemnity Agreement under the provisions of any law, regulation, contract or covenant, resolution or deed of trust (including restrictions relating to funds available to the Authority under the U.S. Housing Act of 1937).

“Loan Documents” shall have the meaning ascribed thereto in Section 7.

“WSHFC” means the Washington State Housing Finance Commission.

“WSHFC Deed of Trust” means the deed of trust under which the Authority is the grantor and the WSHFC is the beneficiary constituting a lien on the real property and improvements constituting the Project.

“WSHFC Environmental Indemnity Agreement” means the environmental indemnification agreement made by the Authority for the benefit of the WSHFC.

“WSHFC Loan Agreement” means the loan agreement between the Authority and the WSHFC relating to the WSHFC Note.

“WSHFC Loan Documents” shall have the meaning ascribed thereto in Section 7.

“WSHFC Note” means the note of the Authority issued to the WSHFC pursuant to, under the authority of and for the purposes provided in this resolution.

“WSHFC Regulatory Agreement” means a low income housing covenant agreement made by the Authority for the benefit of the WSHFC.

“Project” means, depending upon the context, (1) the acquisition of the real property and improvements located at and around 1620 S. Mildred Street in Tacoma, Washington; or (2) the real property and improvements so acquired.

Section 2. Authorization of the Project. The Board approves the acquisition of the Project. The Authorized Officers, and each of them acting alone, are granted the authority to negotiate, approve, and execute all documents required or advisable in connection with the acquisition of the Project including, without limitation, a purchase and sale agreement pertaining to the Project. The

Board declares the Project to be a “housing project” of the Authority for purposes of the Act. The Board determines that persons or families who earn 80 percent or less of area median income lack the amount of income which is necessary to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding, in the area in which the Project is located, and therefore shall be deemed “persons of low income” for purposes of the Act.

Section 3. Authorizing of the ECLF Financing. The Authority shall issue the ECLF Note in a single revenue note in a principal amount not to exceed \$4,000,000 for the purpose of providing financing for the Project. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the ECLF Note. The ECLF Note shall bear interest payable on such dates and at such rates, shall mature at such times and in such amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as set forth in the ECLF Note and the ECLF Loan Documents. The execution of such instruments by an Authorized Officer shall be conclusive evidence of approval of the terms of the ECLF Note as set forth therein.

Section 4. Security for the ECLF Note. The ECLF Note shall be secured by the ECLF Deed of Trust. The Authority pledges its General Revenues to payment of its obligations under the Environmental Indemnity Agreement and the ECLF Note, which shall subject to release and limitation in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the obligations of the Authority under the ECLF Note and the ECLF Environmental Indemnity Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the ECLF Note and the ECLF Environmental Indemnity Agreement with respect to that portion of the General Revenues so pledged.

Except to the extent of the pledge of the General Revenues of the Authority to payment of the Authority’s obligations under the ECLF Note and the ECLF Environmental Indemnity Agreement to which it is a party, neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the ECLF Note.

The ECLF Note shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the ECLF Note shall so state on its face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the ECLF Note nor in any event shall principal of and interest on the ECLF Note be payable out of any funds other those of the Authority expressly pledged thereto. The owner of the ECLF Note shall not have recourse to any receipts, revenues or properties of the Authority other than as described herein and in the ECLF Note. The Authority has no taxing power.

Section 5. Authorizing of the WSHFC Financing. The Authority shall issue the WSHFC Note in a single revenue note in a principal amount not to exceed \$2,000,000 for the purpose of providing financing for the Project. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the WSHFC Note. The WSHFC Note shall bear interest payable on such dates and at such rates, shall mature at such times and in such

amounts, shall have such prepayment or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as set forth in the WSHFC Note and the WSHFC Loan Documents. The execution of such instruments by an Authorized Officer shall be conclusive evidence of approval of the terms of the WSHFC Note as set forth therein.

Section 6. Security for the WSHFC Note. The WSHFC Note shall be secured by the WSHFC Deed of Trust. Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the WSHFC Note.

The WSHFC Note shall not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof, and the WSHFC Note shall so state on its face. Neither the City of Tacoma, the State of Washington nor any political subdivision thereof (except the Authority from the sources specified herein) shall be liable for payment of the WSHFC Note nor in any event shall principal of and interest on the WSHFC Note be payable out of any funds other those of the Authority expressly pledged thereto. The owner of the WSHFC Note shall not have recourse to any receipts, revenues or properties of the Authority other than as described herein and in the WSHFC Note. The Authority has no taxing power.

Section 7. Authorization of Loan Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the ECLF Deed of Trust, ECLF Environmental Indemnity Agreement, ECLF Loan Agreement, ECLF Note, ECLF Regulatory Agreement and such financing statements and other documents, instruments, and agreements as may be necessary or desirable in connection with the issuance of the ECLF Note or required by ECLF as a condition to making the loan evidenced by the ECLF Note (collectively, the “ECLF Loan Documents”). The Board further authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the WSHFC Deed of Trust, WSHFC Environmental Indemnity Agreement, WSHFC Loan Agreement, WSHFC Note, WSHFC Regulatory Agreement and such financing statements and other documents, instruments, and agreements as may be necessary or desirable in connection with the issuance of the WSHFC Note or required by WSHFC as a condition to making the loan evidenced by the WSHFC Note (collectively, the “WSHFC Loan Documents” and, together with the ECLF Loan Documents, the “Loan Documents”). The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in the Loan Documents, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the ECLF Note and the WSHFC Note.

Section 8. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director or Deputy Executive Director may, in such person’s absence, be taken by any employee of the Authority that has been designated by the Executive Director to act in the absence of the Executive Director or Deputy Executive Director.

Section 9. Payment of Expenses. The Authority is authorized to expend such funds as are necessary to pay for all application fees, financing fees, purchase price, recording fees and other costs relating to the actions authorized by this resolution.

Section 10. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 11. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 12. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: August 23, 2017

Janis Flauding, Chair

CERTIFICATE

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

1. That the attached Resolution No. 2017-8-23 (4) (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on August 23, 2017, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand on August 23, 2017.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director