



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**September 27, 2017**



# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

## BOARD OF COMMISSIONERS

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

## REGULAR MEETING Board of Commissioners

**WEDNESDAY, September 27, 2017**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, September 27, 2017, at 4:45 pm.**

The meeting will take place at:

**Ludwig  
5425 S. Lawrence Street  
Tacoma, WA 98409**

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.

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I, Sha Peterson, certify that on or before September 27, 2017, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

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

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

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Sha Peterson  
Executive Assistant



# TACOMA HOUSING AUTHORITY

## **AMENDED AGENDA**

### **REGULAR BOARD OF COMMISSIONERS MEETING**

**September 27, 2017 4:45 PM**

**Ludwig, 5425 S. Lawrence Street, Tacoma, WA 98409**

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- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
  - 3.1 Minutes of August 21, 2017—Special Session
  - 3.2 Minutes of August 23, 2017—Annual Meeting
  - 3.3 Minutes of August 23, 2017—Regular Meeting
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Policy, Innovation and Evaluation
  - 7.3 Administration
  - 7.4 Client Services
  - 7.5 Property Management
  - 7.6 Real Estate Development
- 8. OLD BUSINESS**
- 9. NEW BUSINESS**
  - 9.1 2017-09-27 (1) Health Care Authority Application
  - 9.2 2017-09-27 (2) Purchase of Highland Crest Apartments
  - 9.3 2017-09-27 (3) Highland Crest Apartment Bonds
  - 9.4 2017-09-27 (4) MTW Plan 2018
  - 9.5 2017-09-27 (5) Amending Inducement Resolution THA Alberta J Canada
- 10. COMMENTS FROM THE COMMISSIONERS**
- 11. EXECUTIVE SESSION, if any.**
- 12. ADJOURNMENT**



# **TACOMA HOUSING AUTHORITY**

## **MINUTES**



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION WEDNESDAY, August 21, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L. Street, Tacoma, WA at 5:00 PM on Wednesday, August 21, 2017.

### 1. CALL TO ORDER

Commissioner Hodge called the special session of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 5:06 PM.

### 2. ROLL CALL

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

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

Commissioner Hodge declared there was a quorum present @ 5:07 pm and proceeded.

### **3. FINANCING FOR NEW LOOK APARTMENTS**

Tacoma Housing Authority (THA) is getting ready to close on the financing for the New Look Apartments remodel. The units are in good shape but the exterior and the common areas need considerable work. Staff will present a resolution for the bond inducement at the August 23 Board meeting. It will take 15 years to retire the bond on a 35-year amortization at 4% interest rate..

### **4. PURCHASE OF JAMES CENTER NORTH**

James Center North is about 6.5 acres of presently commercial property between 12<sup>th</sup> and 19<sup>th</sup> streets across Mildred from Tacoma Community College (TCC). THA has the property under contract to purchase. Staff presented the details of the financing and the potential development capacity, and issues concerning easements.

### **5. UPATE ON OTHER PURCHASES**

Staff discussed other possible purchases or master leasing opportunities.

THA finished all internal due diligence for the purchase of Highland Crest. The seller will carry back a loan of \$6M. A resolution for bond inducement will be presented at the September board meeting. As units become vacant, THA will see about getting a voucher holder to lease. Market rate monthly rent is \$768 for studio, \$1,000 for one bedroom, and \$1,200 for 2 bedrooms. Another possibility is to have hard units available to TCC students.

### **6. PROCUREMENYT**

THA is about to choose a contractor for New Look. THA will commit to prevailing residential wages even if it does not have to.

### **10. ADJOURNMENT**

There being no further business to conduct, the meeting ended at 5:62 pm.

**APPROVED AS CORRECT**

**Adopted:** September 27, 2017

\_\_\_\_\_  
Janis Flauding, Chair



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES ANNUAL MEETING WEDNESDAY, AUGUST 23, 2017

The Commissioners of the Housing Authority of the City of Tacoma met for an Annual Meeting at Bay Terrace, 2550 South G. Street, Tacoma, WA at 4:45 PM on Wednesday, August 23, 2017.

### 1. CALL TO ORDER

Commissioner Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:50 PM.

### 2. ROLL CALL

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

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

Commissioner Hodge declared there was a quorum present @ 4:51 pm and proceeded.

### 3. DESIGNATED EXECUTIVE DIRECTOR TO BE TEMPORARY CHAIRPERSON

Commissioner Hodge called for a motion to designate Executive Director Michael Mirra to be temporary Chair for the nomination of Chair.

**Motion approved.**

### 4. NOMINATION OF CHAIRPERSON

Temporary Chair Mirra called for nominations for the office of Chair of the Board of Commissioners. Commissioner Flauding was elected unanimously as Board Chair by motion of Commissioner Rumbaugh and Commissioner Young.

Upon roll call, the vote was as follows:

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

**Motion approved.**

### 5. NOMINATIONS AND VOTE FOR VICE CHAIR

Commissioner Hodge was elected unanimously as Board Vice Chair by motion of Commissioner Rumbaugh and Commissioner Young.

Upon roll call, the vote was as follows:

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

**Motion Approved.**

### 6. APPOINTMENT TO STANDING COMMITTEES

The board by unanimous vote appointed the following:

*Real Estate Development Committee—Commissioner Rumbaugh*  
*Finance Committee—Vice Chair Hodge and Commissioner Young*  
*Education Committee—Vice Chair Hodge*  
*Citizen Oversight Committee—Commissioner Banks*



## **7. BY-LAWS REVIEW AND RECOMMENDATION**

There were no changes to the By-Laws.

## **9. COMMISSIONER ANNUAL CERTIFICATION**

In accordance with section 5.4 of the By-Laws, Board Secretary and Executive Director Mirra acknowledged receipt of Conflict of Interest certification from all commissioners in attendance. No conflicts existed in the reported year 2016-2017.

## **10. ADJOURNMENT**

There being no further business to conduct at the Board of Commissioners Annual Meeting, Vice Chair Hodge moved to adjourn. All votes were in favor of adjournment.

The Board of Commissioners Annual Reorganization meeting adjourned at 5:00 pm.

**APPROVED AS CORRECT**

**Adopted:** September 27, 2017

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Janis Flauding, Chair



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, AUGUST 23, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Bay Terrace, 2550 South G. Street, Tacoma, WA at 5:00 PM on Wednesday, August 23, 2017.

### 1. CALL TO ORDER

Vice Chair Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 5:00 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
	Chair Janis Flauding
Vice Chair Minh-Anh Hodge	
	Commissioner Arthur Banks
Commissioner Stanley Rumbaugh (arrived late at )	
Commissioner Derek Young	
<b>Staff</b>	
Michael Mirra, Executive Director	
	Sha Peterson, Executive Assistant
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, Human Resources Director	
	Frankie Johnson, 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	

Vice Chair Hodge declared there was a quorum present @ 5:02 and proceeded.

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

Vice Chair Hodge asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, July 26, 2017. Commissioner Rumbaugh moved to adopt the minutes, Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

<b>Motion approved.</b>
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### 4. GUEST COMMENTS

#### **Kischa McGee, Salishan Resident**

Ms. McGee lives near 44<sup>th</sup> and R Street at Salishan. She noted that it is dark behind her house and last June someone vandalized 10 cars. She called the police. In August, the police were chasing someone who went behind her house and crashed their car; this was at 1 AM and would not have happened if it were not so dark. In the winter, it is too dark even to go outside.

She called security regarding kids hanging around and the security officer told the kids that Ms. McGee was the one who called; this led the kids to harass her.

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

Mr. Gill noted the construction at 6<sup>th</sup> Avenue. He lives on the first floor and stated that THA does not know what is going on with the construction. There are no signs marking the construction so people can stay clear of hazards.

He requested THA compensation because he left a laptop in the laundry room briefly to cross the street; upon returning to the building, he found his laptop missing. He asked the staff person where his laptop was and the staff person denied knowing where it was. Mr. Gill offered a reward of \$25 for the return of his laptop and learned that a neighbor had it but wouldn't return it. He says that THA staff was in a conspiracy to take his computer. A week later another staff person asked him if he recovered his laptop. He also said on other occasions someone stole his wallet and on another occasion someone stole his car.

He was reading from a letter. We invited him to leave a copy and he did.

## 5. COMMITTEE REPORTS

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

Committee met in open Board session on August 21<sup>st</sup>.

### ***Finance Committee—Vice Chair Hodge and Commissioner Young***

Committee met in open Board session on August 21<sup>st</sup>..

### ***Education Committee—Vice Chair Hodge***

Nothing to report.

### ***Citizen Oversight Committee—Commissioner Banks***

Nothing to report.

## 6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) Michael Mirra directed the board to his report. He mentioned the mayor's letter announcing that THA will receive a AMOCAT Award 2017 as a patron of the arts.

## 7. ADMINISTRATIVE REPORTS

### **Finance**

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

The new OpenDoor system is not perfect and requires improvements, but finance was able to acquire the necessary financial information.

THA is running below projected expenses and he is projecting a higher surplus than budgeted. There are continuing issues with Housing and Urban Development's (HUD) description of Housing Assistance Program (HAP) money and how its procedure does not quite work for Moving to Work (MTW) agencies and their use of HAP money on non-HAP expenses. But the HUD processes are getting smoother.

Overall, Director Shalik is not concerned about the budget. He noted a greater rental income from New Look and some unexpected expenses. This nets out to a zero effect.

Commissioner Rumbaugh asked why utilities are up over projections by 30%; Director Shalik will inquire, but thinks it is related to New Look.

THA's cash position is healthy.

Director Shalik noted that the state auditors are at work and will make the required submissions to HUD on time. He noted that HUD auditors are visiting to verify that THA properly spent the MTW funds on what we said we spent it on.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$3,839,664 for the month of July, 2017. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

<b>Motion Approved.</b>
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## **Administration**

Administration (AD) Director Todd Craven directed the board to his software conversion status report and invited questions. He noted some main problems with finance functions and reported much progress and a further major fix will be installed tomorrow. There were discussions about the problems and possible solutions.

## **Client Services**

Client Services (CS) Director Grey Claycamp was not in attendance. Program Manager Caroline Cabellon directed the board to the CS report and invited questions.

She noted that in a previous Board meeting residents had asked for shopping carts; Caroline was pleased to report that THA found the money for shopping carts for each of the buildings. They are collapsible and hang on a hook.

Commissioner Rumbaugh asked about the Children's Savings Account (CSA) project and the recent meeting of funders and stakeholders. Caroline reported that the meeting was very successful.

## **Property Management**

Property Management (PM) Director Frankie Johnson was not in attendance. Senior Property Manager Barb Pearsal directed the board to the PM report.

Bay Terrace lease up is on schedule. PM is above goal on occupancy and turn numbers are down to 22 days. Work orders are done 100% within 24 hours.

Commissioner Rumbaugh noted the impressive improvements and asked Barb to extend the Board's thanks to the PM staff and the Board's expectations that the numbers will continue to improve. Vice Chair Hodge asked for the reasons for the improvement. According to Barb, PM has increased its pool of vendors and improved the speed of leasing.

## Real Estate Development

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

THA is negotiating a lease with SpaceWorks for all of Key Bank for art activities (\$2,500 per month plus utilities). This is a 5-year lease with an option to end early.

RED expanded the space for Sound Outreach at New Look, which is now fully leased.

Rental Assistance Demonstration (RAD) is on track to be done by the end of September. THA is ahead of schedule.

## 8. OLD BUSINESS

None.

## 9. NEW BUSINESS

### 9.1 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.*

**Comments:**

Director Black noted that the first 5-year time limits will start to expire in the spring of 2018. The present hardship policy would require THA to request a hardship extension in July 2017. THA knows that some of these families will be shelter burdened.

Policy Innovation and Evaluation (PIE) staff consulted with Housing Opportunity Program (HOP) families with a public hearing and 2 families appeared. Staff also invited comments from landlords but none replied. PIE staff met with NJP in person and consulted with other housing authorities.

Once the full evaluation is done in November PIE may have other changes to propose.

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

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

**Motion Approved:** August 23, 2017

\_\_\_\_\_  
Janis Flauding, Chair

**9.2 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.

#### 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

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** August 23, 2017

\_\_\_\_\_  
Janis Flauding, Chair

**9.3 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.

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

Upon roll call, the vote was as follows:

AYES: 3  
NAYS: None

Abstain: None  
Absent: 2

**Motion Approved:** August 23, 2017

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Janis Flauding, Chair

**9.4 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.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** August 23, 2017

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Janis Flauding, Chair

## **9. COMMENTS FROM COMMISSIONERS**

Vice Chair Hodge noted that it has been a busy summer with very good work – Bay Terrace, RAD and others – she thanked staff.

## **10. EXECUTIVE SESSION**

None.

## **11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:30 PM.

**APPROVED AS CORRECT**

**Adopted:** September 27, 2017

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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:** September 19, 2017  
**Re:** Executive Director's Monthly Report

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

## 1. NEWS FROM CONGRESS: BUDGET AND POLICY

My September 10<sup>th</sup> email to the Board reviewed the news at that time from Congress pertinent to the 2018 HUD budget and therefore to the THA 2018 budget. I repeat that news here with some updates since then.

You may recall my earlier reports that budget committees of both the House and the Senate had approved proposals for HUD's 2018 budget. Both versions repudiated the very deep cuts that Trump proposed. That is good. The House proposal would keep us at flat levels of funding, essentially repeating what Congress appropriated in 2017. The Senate version would give HUD a bit of an increase. Congress had seemed to be on an encouraging course to pass a real budget by the deadline of October 1st, averting a government shutdown.

If you are following the news you know that, in the meantime, some new complications have arisen to make it harder to anticipate what Congress will do, and when. The main complications are hurricanes Harvey and Irma. And now Hurricane Maria is headed for Puerto Rico. Congress will face urgent requests for unprecedented amounts of relief and rebuilding money totaling hundreds of billions of dollars. This may affect HUD funding proposals, and other parts of the budget, in at least two ways. **First**, the emergency arising from the hurricanes makes a governmental shutdown particularly unseemly, and therefore unlikely. **Second**, that money will have to come from somewhere. Notable voices inside Congress will propose to offset this hurricane relief spending by cutting other parts of the domestic budget, including cuts to HUD's programs, even as we watch the destruction by wind and water of wholesale amounts of housing.

Congress and its leadership did **two** things on September 8<sup>th</sup> that suggest that the HUD budget will emerge in some reasonable shape. **First**, it became apparent that Congress would not be able to pass a real budget by September 30th. But the government will not shut down. Instead, Congress passed a continuing resolution (CR) to last until December 8th. President Trump has signed it. That resolution will keep HUD at nearly 2017 levels of funding until then. (The CR imposes a 0.6% cut on HUD's budget. However, this should not affect 2017 expenditures of those HUD programs, like Section 8, that are on a calendar year funding cycle.) Congress passed this CR as part of a wider agreement that also appropriated a "down payment" on hurricane relief and raised the nation's debt ceiling to permit it to continue borrowing. Raising the debt ceiling means that the government will not

default on its debts, at least for the next three months. That is good too. This temporary agreement also means that the Congress will face these same deadlines in three months.

**Second**, also on September 8<sup>th</sup>, the full House considered amendments to its version of the HUD 2018 budget. That was good news in two ways. Just considering the budget is a good sign that Congress is on schedule to pass a real budget by the new deadline of December 8th. Also, the House rejected amendments that would have cut the HUD budget below the proposals of the House Appropriations Committee. Perhaps that means that Congress will not try to pay for hurricane relief by cutting funds from HUD programs.

Amid these uncertainties, THA's board still must adopt a 2018 budget by the end of December. Ken is leading the cabinet's effort to fashion a budget proposal for the board to consider. In writing that budget proposal we will presume on flat funding from Congress. If Congress ends up doing better than that, we will count the extra as a pleasant surprise.

## **2. HUD EVOLVING RULE ON "SUBSTANTIALLY THE SAME" REQUIREMENT FOR MTW AGENCIES**

I have some news about the long and labored discussions between HUD and the 39 MTW housing authorities concerning the statutory obligation that each MTW housing authority plan to serve "substantially the same" number of families as it would serve if it did not have the MTW status. ("Sts"). In summary of the news, HUD has decided not to change its 2013 interpretation of that obligation. This news has good and bad elements for THA.

A brief recap will help to understand this news. In 2013, HUD defined this obligation to require MTW housing authorities to serve 100% of the baseline number of families that HUD has assigned to each housing authority. The Board will also recall the effort since then by HUD and the 39 MTW housing authorities to redefine or at least better understand this obligation. This obligation and its present definition have become more important to THA, and other agencies. Serving 100% of the baseline used to be easier than it has since become. In fact, for 2016, THA was at 100%. Yet, Tacoma's rental market is making this harder to do. The cost of a voucher is rising as the rental market tightens. At the same time, our funding is not increasing. The resulting arithmetic means we can serve fewer households with the same amount of money. Also, families who get our vouchers are having more trouble finding a landlord willing to rent to them. With such a tight rental market, landlords are getting fussier. Our voucher families do not compete well with higher income tenants with better rental and credit histories. This shows in our turn-in rate: about 40% of families who receive our voucher, having waited years to get it, return it to us unused. We do not think the Tacoma rental market will weaken notably in the foreseeable future. All this means it will be harder for THA to serve 100% of its baseline.

Other MTW agencies face this same problem, especially in West Coast cities. Some of them have rental markets even harder than Tacoma's. For example, Seattle's rental market

is more expensive and tighter. As a result, the Seattle Housing Authority is serving only 91% of its baseline.

Beside the baseline requirement, the definition of the Sts obligation has other important nuances and its interpretation poses critical questions for THA. Here are some of them:

- Should a housing authority that offers shallow subsidies to “thin the soup”, as THA has done with HOP, get full credit for those subsidies or a reduced credit?
- How does the housing authority count families who receive assistance from Rapid Rehousing programs, like THA's, where the assistance does not last a full year?
- Should a housing authority get credit for spending housing dollars on buying, building or rebuilding housing? If so, how should it count the resulting units if the MTW dollars are only part of the financing?
- Should a housing authority get credit for spending housing dollars on supportive services that allow very needy families use the MTW rental assistance?

In December 2016, HUD issued a notice describing some proposed answers to these questions. Some of the proposals were worrisome. THA commented on the proposals by letter of February 21, 2017. In March, April gave the Board a copy of the letter and participated with the Board in a discussion about it. I attach another copy.

Last week, by phone conference with the 39 MTW housing authorities, HUD announced that it would not propose a change to its 2013 definition of Sts. That was good news to most of the MTW agencies, especially those in more congenial markets than Tacoma. This announcement is mixed news for THA. It is good news because the present definition gives us full credit for shallow subsidies. It imposes a “full time equivalent” formulation for credit serving families with temporary Rapid Rehousing assistance. Yet, it does not give credit for buying, building or rebuilding housing or for supportive services.

The main problem with the present definition is still the one that has always concerned us. Under the present definition HUD will still require us to serve 100% of the baseline without regard either to the rising rental market or to our stagnant funding. The arithmetic of this definition will at some point prevent us from serving the same 100% of the baseline at increasing costs without more money. I attach a copy of my September 13<sup>th</sup> email to HUD and the other MTW agencies expressing THA's continuing concerns.

The Board should expect a proposal from staff later this year on how THA can manage this challenge. Our proposal will likely be a combination of increasing efforts and incentives to entice landlords to rent to our voucher holders, redirecting MTW dollars from services and administration to rental assistance, project-basing more vouchers, buying and building more housing, and issuing vouchers to targeted groups who are more likely to succeed in using



them. We may also ask the Board to confront the main problem, face the arithmetic and to lower our utilization target to something below 100%.

### 3. STAFF CHANGES

THA continues to change staff in notable ways that reflect our changing needs and ambitions. April's report describes staff changes in the Policy, Innovation and Evaluation Department. I have two changes to report in the cabinet.

**First**, I am very pleased to report that Frankie Johnson is our new Director of Property Management. The Board will recall that Pat Patterson left THA to become the Manager of Facilities for the Port of Tacoma! This was a good move for Pat to excel and earn in a much larger organization. We will miss him. We are fortunate, however, to have in Frankie a very capable successor. I attach a copy of her resume. She has worked at THA since 2013. She began as Senior Property Manager. In 2015 she stepped up to Portfolio Manager in charge of Salishan. She has served as Interim Department Director since Pat left us in February 2017. Before joining THA, Frankie worked in property management for the Seattle Housing Authority beginning in 2004. The Board meeting next week will be the Commissioners' own chance to welcome Frankie to her new job!

**Second**, we are seeking Todd's successor as Director of the Department of Administrative Services. Todd is not leaving us for another year or so. But he will shift formally to be what he has effectively been for the past two years: project manager of the software conversion project. This important responsibility has been so preoccupying that he has not had much attention or energy to spare for the wider responsibilities as department director or as cabinet member. Todd has also let us know that once the conversion is done and we can safely do without him, he will leave us for a new career as a consultant. That will likely be a year from now. Beginning this month, Sandy will step up as Interim Department Director. We are presently interviewing the finalists for the next department director. We expect to have a good choice. We are fortunate in Todd and Sandy for their skills and experience. We are especially lucky for their congenial and dedicated flexibility.



# 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

February 21, 2017

By email: [mtw-info@hud.gov](mailto:mtw-info@hud.gov)

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street SW, Room 4130  
Washington, DC 20410-0001

RE: Request for Comments and Recommendations on a Revised Methodology To Track the Extent to Which Moving to Work Agencies Continue To Serve Substantially the Same Number of Eligible Families

Docket No: FR-5958-N-01

To Whom It May Concern:

On December 20, 2016 your office invited comments and recommendations “on developing a revised methodology to be used to track the extent to which Public Housing Agencies (PHAs) in the Moving to Work (MTW) Demonstration Program are meeting the statutory requirement . . . to serve substantially the same [StS] number of families had they not combined their funds under the MTW Demonstration Program.” 81 Fed. Reg. 92836. Thank you for your invitation. The Steering Committee representing the 39 MTW agencies will be submitting comments on behalf of the Tacoma Housing Authority (THA) and the other MTW agencies. For that reason, I will not repeat those comments. Instead, on THA’s behalf, I write to offer some more general observations and comments, and perhaps some emphasis. In particular, THA seeks to anchor the analysis firmly where it belongs: in the governing statutes and Congressional directives. I trust that this will be helpful to a federal executive department that is governed by those statutes and directives and beholden to take them very seriously. In these ways, please consider this letter as a supplement to the letter of the Steering Committee.

## **1. Congress Has Precluded Changes to the MTW Contract Without PHA Agreement**

I first note that Congress in 2015 directed HUD to extend our MTW contracts “under the same terms and conditions . . . except for any changes . . . mutually agreed upon” by HUD and an MTW agency. Section 239 of the FY 2016 Appropriations Act. This provision expressly precludes HUD’s proposal to unilaterally change the contract with a new StS definition of its own devising. This means

that HUD should redirect this StS issue from a regulatory imposition to one to be negotiated with the MTW agencies. HUD should find this redirection congenial enough. It has repeatedly promised a meaningful consultation on this StS topic. A collaborative approach will also lead to a better resolution. Such a resolution would be fully informed by the local agencies, which know their communities best. This is especially important for an issue like StS that is so dependent for its meaning and effect on local markets and local needs. The redirection of this matter to a negotiation will also have the advantage of complying with this Congressional directive, thus avoiding any legal uncertainty that would otherwise arise from HUD's unilateral imposition. That legal advantage should be decisive.

**2. HUD, By Statute, Must Accord PHAs “Maximum” Flexibility, Especially Those PHAs that are MTW and Particularly in the Interpretation of the “Substantially the Same” Provision**

Congress has directed HUD to give PHAs “maximum” flexibility in the administration of the federal programs that PHAs are asked to administer. Congress did this on several occasions and in various ways for all PHAs, MTW or non-MTW. It fortified this expectation in the creation of the MTW program in particular, the signature feature of which is programmatic and financial flexibility. Congress also built local flexibility into the recent 10-year extension of the MTW contracts, which HUD cannot change without the consent of the MTW agency. Most pertinent to this StS discussion, Congress wrote this flexibility into the formulation of StS. These principles must govern, in process and content, any redefinition of the StS requirement.

**2.1 Congressional General Mandate for Maximum Flexibility for PHAs**

Congress has made clear that HUD must accord PHAs a “maximum amount of responsibility and flexibility” in the administration of federal programs. Congress has built this flexibility into the foundational statute that governs the nation’s public housing programs, the Section 8 program, the MTW Program, and most other programs PHAs are asked to administer. That statute reads in pertinent part as follows:

It is the policy of the United States—

(1) to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this chapter—

(A) to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families;

(B) to assist States and political subdivisions of States to address the shortage of housing affordable to low-income families; and

(C) consistent with the objectives of this subchapter, to vest in public housing agencies that perform well, **the maximum amount of responsibility and flexibility in program**

**administration**, with appropriate accountability to public housing residents, localities, and the general public;  
[42 U.S.C. § 1437(a)][emphasis added].

Subsections (A) and (B) further make clear that the focus of the work is for the “States and political subdivision of States” to undertake, and that HUD’s job is merely “to assist”. This state and local focus reinforces the imperative for “maximum” flexibility under subsection (C). A state and local focus would not be meaningful without “maximum” flexibility to allow States and PHAs to account for local markets and needs.

Congress has not been satisfied that HUD has taken this directive seriously. In 1998, for example, Congress found that HUD’s “method of overseeing every aspect of public housing by detailed and complex statutes and regulations has aggravated the problem and has placed excessive administrative burdens on [PHAs]”. Pub. L. 105-276, Title V, § 502.

## **2.2 Congress Created the MTW to Increase PHA Flexibility**

When it created the MTW program, Congress included a more specific expectation that HUD would grant additional flexibility to participating PHAs. This supplements the “maximum” flexibility well-performing PHAs should already have under 42 U.S.C. § 1437(a). Congress imbedded separate, additional flexibility into the MTW program. This shows in several ways, starting with its purpose:

(a) Purpose. The purpose of this demonstration is to give public housing agencies and the Secretary of Housing and Urban Development the **flexibility to design and test various approaches for providing and administering housing assistance** that: reduce cost and achieve greater cost effectiveness in Federal expenditures; give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and increase housing choices for low-income families.  
[42 U.S.C. § 1437 note][emphasis added]

The intended flexibility for PHAs also shows in the very broad programmatic and financial flexibility an MTW agency has:

(b) Program authority. . . . Under the demonstration, . . . an agency may combine operating assistance provided under section 9 of the United States Housing Act of 1937 [42 USCS § 1437g], modernization assistance provided under section 14 of such Act [42 USCS § 1437l], and assistance provided under section 8 of such Act for the certificate and voucher programs, to provide housing assistance for low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937 [42 USCS § 1437a(b)(2)], and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve.  
[42 USCS § 1437 note]

Congress further strengthened the focus on local flexibility by requiring MTW agencies to consult locally when submitting their applications:

(c) Application. An application to participate in the demonstration--

. . .

(2) shall be submitted only after the public housing agency provides for **citizen participation** through a public hearing and, if appropriate, other means; [and]

(3) shall include a plan developed by the agency that takes into account comments from the **public hearing and any other public comments** on the proposed program, and **comments from current and prospective residents** who would be affected . . .

[42 USCS § 1437 note.][emphasis added]

If this local consultation is to have a serious and substantive influence on local MTW initiatives, then HUD cannot impose national and wholesale directives. HUD is too remote from the locality. Its national responsibilities are too preoccupying. Its data is too far behind the local markets. Its information is too indirect. And even if its directives were correct in specific cases, their regulatory imposition would strip meaning and any collaborative quality from the local consultations.

### 2.3 Congress's StS Formulation Confers An Added Flexibility

Congress formulated the StS requirement to confer an added flexibility. This shows in the MTW statute in two ways.

**First**, Congress's use of the word "substantially" denotes an ample flexibility to serve a fewer number of families than a MTW agency would otherwise serve as a non-MTW agency, especially when doing so serves the purposes of the program.

To give a proper meaning to the term "substantially," its dictionary definition is instructive. "Substantial" means "considerable in quantity: significantly great", "not imaginary or illusory", "considerable in amount, value, or worth" or "being largely but not wholly that which is specified". Merriam-Webster, On-Line Dictionary (2015)(<http://www.merriam-webster.com/>). This allows a flexible deviation from "the same" number of eligible families.

The courts have understood use of that the word "substantially" in the same way. *See In re Federated Dept. Stores, Inc.*, 170 B.R. 331, 342 (S.D. Ohio 1994) (noting activity was not required "to be conducted exactly the same after as before . . . or the word substantially would not have been used" (internal quotations omitted); *I.A.M. Nat'l Pension Fund Ben. Plan A v. Cooper Indus., Inc.*, 635 F. Supp. 335, 337-38, 340 (D.D.C. 1986) (noting the "folly of attempting to endow" some "precise meaning" to the "nebulous phraseology" of a provision that hinged on whether purchaser of business made "substantially the same number" of pension contributions as before), *rev'd on other grounds*, 825 F.2d 415 (D.C. Cir. 1987).

More informatively, federal courts and federal agencies have interpreted the phrase “substantially the same number” to allow deviations of **20 to 30 percent** when other purposes are being served. *See, e.g.*, 47 C.F.R. § 73.3571(k)(1) (allowing for modification of broadcast facilities so long as service is provided “to substantially the same number of persons,” meaning it “must not result in a decrease of more than 20 percent”); *I.A.M.*, 635 F. Supp. at 339-40 (affirming determination that purchase of business would need to result in a “70 percent contribution decline” before failing to maintain “substantially the same number” of contributions); *Federated Dept. Stores*, 170 B.R. at 342-43 (business was “substantially the same” as before acquisition notwithstanding, among other factors, 50 percent reduction in employees).

This interpretation of the word “substantially” also matches HUD’s use in related housing laws. For example, the Fair Housing Act defines “handicap”, in part, as “a physical or mental impairment which **substantially** limits one or more of such person’s major life activities. . . .” 42 U.S.C. § 3602(h)(i) (emphasis added). This law and HUD’s interpretation of this law do not require the impairment, in order to qualify as a “handicap”, to leave a person even mostly disabled. Conditions well short of full incapacity would count as a “substantial” limitation. As another example, under the Section 8 Substantial Rehabilitation program, HUD flexibly defines “substantial rehabilitation,” in part, as follows: “Substantial rehabilitation may vary in degree from gutting and extensive reconstruction to the cure of substantial accumulation of deferred maintenance . . . . Substantial rehabilitation may also include renovation, alteration or remodeling for the conversion or adaptation of structurally sound property to the design and condition required for use under this part or the repair or replacement of major building systems or components in danger of failure.” 24 C.F.R. § 881.201. In this way, HUD interprets “substantial” rehabilitation to mean something considerably less than an “entire” or “complete” rehabilitation.

The Congressional intention to confer flexibility by its use of the word “substantially” is further evident from the use of stronger words in the MTW statute when Congress meant to limit flexibility, including:

(E) **assuring** that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary.  
[42 U.S.C. § 1437 note, section (c)(3)][emphasis added].

Likewise, when Congress intended a strict numerical requirement it said so:

(A) families to be assisted, which shall require that at least **75 percent** of the families assisted by participating demonstration public housing authorities shall be very low-income families, as defined in section 3(b)(2) of the United States Housing Act of 1937 [42 USCS § 1437a(b)(2)] . . . .  
[42 U.S.C. § 1437 note, section (c)(3)][emphasis added].

In contrast, Congress defined the StS requirement in a way to require only a loose equivalence in a framework of flexibility that does not allow for the imposition of a national formulation.

The **second** way Congress infused the StS requirement with local flexibility is by making it, not a national numerical quota for HUD to define and impose by regulation, but instead only an initial planning requirement for the local MTW agency. Congress did this expressly:

(c) Application. An application to participate in the demonstration--

...

(3) shall include a **plan developed by the agency** that takes into account comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for—

...

(C) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; ...  
[42 U.S.C. § 1437 note][emphasis added]

HUD's role is limited to approving that plan. In this way, HUD's role in the matter is less direct. It is certainly not directive.

### **3. Any StS Methodology Must Allow for Local Flexibility to Make Some Hard Local Choices**

All this is especially pertinent to the formulation suggested in the notice. In ways that the Steering Committee's letter recounts, that requirement, if it is to be meaningful, must be intimately related to local factors that HUD cannot judge or define nationally. These factors include the local cost of rental housing, the local cost of construction and management, and the local need for supportive services if people are to use the PHA's housing. Most importantly, the StS requirement must allow for the local judgment to make hard choices on how best to serve poor people in a brutal local housing market, especially in the face of the local effects of Congressional budget cuts and the need to manage them. The number of families served of course remains a fundamental metric. But it is not the only metric and it is not the only interest or value at stake. There are others. They are all as rooted in THA's MTW mission as the number of families we serve. And they are all in peril. Protecting them in hard markets and with inadequate funding requires some hard choices that a national StS requirement will not solve.

Here are some examples that illustrate how hard these choices can be and how necessary it is to make them locally.

- *The Challenge of a Brutal Rental Housing Market*

In Tacoma, voucher participants are having trouble using their voucher. The rental markets are very tight. THA can respond to this in a variety of ways that we are considering. Short of adequate Congressional funding, there is no one right response. All the possible responses inflict consequences on other important goals and values. For example, one problem is that Tacoma rents are rising fast. The relative value of our

vouchers and available housing choices are thus decreasing. In response, THA can increase the value of the vouchers so they can pay more in rent. That might help. Yet, if we did that we would serve fewer households because we get only so much money from HUD. Another problem is that when vacancy rates are low, as now, landlords can be very choosy. Our voucher families do not compete well with other families with stronger credit and rental histories. THA can respond in ways that may help but that also cost money and that reduce the number of families we serve. For example, we are thinking of offering landlords incentive bonuses or damage guarantees. We have created a Landlord Liaison staff position to recruit landlords. We also invest a lot of money in staff supportive services to help tenants, especially those with special needs or weak credit or rental histories, find and keep landlords. We have found that in our market, this increases the effectiveness of our program. The money all this costs means we serve fewer people than we would serve if we reserved the money for direct rental assistance, much of which would then go unused for lack of these supports.

- *The Value of Real Estate Development*

In another response to our market, THA seeks to build or buy apartment buildings. Doing this means that at least those apartments will be available choices for voucher holders. This is especially useful to do in parts of town where vouchers do not work. In this way, we would not only provide housing that would welcome the vouchers but do so in a way and in places that would bring a measure of racial and economic integration that the private rental market has kept segregated or is resegregating. Doing this entails a broad array of real estate development strategies that a rigid StS national formulation could not likely flex to allow: project basing vouchers; buying appropriate apartment buildings; building them; buying them and fixing them up; development partnerships with other available and suitable organizations. This may require us to amass section 8 dollars for the purpose. THA also seeks partnerships with nonprofits in the area. THA would contribute dollars necessary to get the property built or on-line and available and affordable long term to low-income families. THA would hope its contribution would be less than what it would cost to build new or less than the cost of a project based voucher. Yet if it results in 100 new such units, for example, the lowered contribution would make this a bargain for us. We need a StS formulation that gives us full credit for all 100 units and recognizes such deals as the successes they are.

- *The Cost of Voucher Administration and the Need to Do It Well*

HUD does not fully fund what it acknowledges to be the cost of administering the voucher program. It provides a proration that is usually closer to 80% of costs. THA backfills those losses with money that might otherwise be available to pay for rental assistance. Yet we do this for reasons that in other ways increase the number of families we serve or the services we provide, especially to high needs families. **First**, we have found that if we are to attract landlords, our level of customer service needs to meet their expectations. This is especially important in our tight rental markets.



**Second**, the participants in our programs present more than their share of special needs. This requires work to meet these needs in an effective and respectful way. All this takes money that a focus on numbers of households served does not capture.

- *Building, Buying and Maintaining the Rental Housing Portfolio, Either Public Housing or RAD; The Value of Place Based Investments*

Similarly, HUD does not fully fund what it acknowledges to be the full cost of building or managing a housing portfolio, whether public housing or public housing units converted to project based section 8 financing under HUD's Rental Assistance Demonstration program (RAD). The long term underfunding of these operating and capital costs is part of the national crisis. THA, like other MTW agencies, backfills these losses. We do that with money that could pay for rental assistance for an increased number of families. Some StS formulations would penalize these expenditures in the calculation of how many families we serve. That would be extremely shortsighted and would overlook the particular circumstances THA faces. It would also clash with HUD's other directives concerning the portfolio.

It would be shortsighted because the housing portfolio is valuable. **First**, the portfolio is different from vouchers, public assistance, food stamps, Medicaid or SSI. The government can distribute these forms of assistance until the money runs out and then tell people to go away. When the money runs out on the portfolio, it will still be on the ground the next morning full of families and next to neighbors to whom THA owes important legal responsibilities. **Second**, the portfolio is how THA serves its neediest households. These are households that do not do well on the private rental market even with a voucher. These include seniors, disabled persons, families coming from trauma like domestic violence or homelessness, families that do not speak English, and families of color who have learned that the rental market does not welcome them as it would if they were white. HUD should know this well since it is the source of much of the data on the lingering extent of unlawful discrimination in the nation's rental market.

**Third**, the portfolio is also how THA can bring cost-effective investment to particular neighborhoods in our area that need the investment. Part of our job is find ways to invest that serve the much greater number of poor households who will never even be able to get on our waiting list because we do not have the money to serve them directly. Instead, we seek to spend our money not only to house people but also to improve neighborhoods. THA's investments in these place-based strategies are important. Building, buying and rebuilding housing is how we invest in poor neighborhoods. In these ways, the portfolio is worth growing and preserving even at the cost of directly serving fewer families than otherwise.

HUD should recognize this imperative to invest adequately in the portfolio since it insists that we do so. This insistence shows in several ways. **First**, HUD requires

PHAs to comply with housing standards under the REAC program. It inspects us to make sure we do it. It lets us know when we fall short. It scores us. It penalizes PHAs that fall notably short. **Second**, HUD has encouraged PHAs to convert their public housing units under RAD. THA has done this. As part of that refinancing, THA was obliged to contractually commit extra section 8 dollars to supplement the inadequate appropriations from HUD. We could have used those extra dollars to serve more rental assistance families. If HUD now adopts a StS formulation that penalizes us for doing what RAD requires of us, we will need help to understand why.

These investments are important in the ways that I recount. As I also noted, they clash with the need to serve more families. But the clash is not direct and these investments ultimately increase the number of families served over the long term. The best way to understand this increase uses the concept of unit-years. Imagine a portfolio of 100 units. Imagine further that it is in poor shape so that each unit has a functional remaining life span of 5 years. That portfolio then has 500 unit-years. The PHA has some choices to make. It can forego any investment in maintenance, use the money instead to pay rental assistance to serve other families, and lose the units in 5 years (further burdening the neighborhood). Alternatively, the PHA can invest in the portfolio's capital needs and increase its life span to 30 years. This will increase the unit-years to 3,000. In this way, if HUD wants some numerical formulation to capture the number of families served it should include the concept of unit-years to recognize the value of these investments in the portfolio.

- *The Value of Supportive Services*

THA invests significant dollars in supportive services for people on our voucher program and who live in our housing. This investment costs money. This cost is especially inescapable in a service-poor community like Tacoma where THA must provide some services directly since no one else will. Yet, this investment means that THA serves fewer people than otherwise would be the case if we spent the money on rental assistance. We recognize the trade-off but value the investment in supportive services for two reasons. HUD should recognize both reasons since they coincide with other MTW objectives.

**First**, we provide supportive services because we house people who will not succeed as tenants or voucher holders unless they get help. These might be seniors or disabled persons who need help to remain independent. These might be parents coming to us from domestic violence, drug addiction, or homelessness. They need services to stabilize. Services make their stabilization a lot more likely. Doing this is part of our focus on the neediest populations. In this way, these services are a necessary companion to the housing we provide. It directly serves the MTW statutory objective to "increase housing choices for low-income families". See 42 U.S.C. § 1437 note, section (a).

**Second**, we provide supportive services to help people succeed not just as tenants but also, as THA's mission statement contemplates, as "parents, students, wage earners and builders of assets." We want our housing programs to be a transforming experience in these ways, and temporary. We want this certainly for grown-ups. We want it emphatically for children because we do not wish them to need our housing when they grow up. This explains THA's investment in its Education Project. This project is an experiment in how to spend housing dollars not just to house someone but to get two other things done: help their children succeed in school; and help the schools that serve low-income children. When it works, it is a very good use of a housing dollar. HUD has recognized THA's work in this way.

These are the services that make us more than a landlord and more than a paper shuffler that runs rental assistance programs. These are the services that make us a social justice agency and allow us to pursue the MTW statutory purposes of providing help and "incentives to families with children where the head of household is working, seeking work, or is preparing for work" and to "increase housing choices for low-income families." See 42 U.S.C. § 1437 note; section (a). We need a StS formulation that values these services as much as the MTW statute does. An inflexible focus on the number of families served will weaken the MTW statute's own mandate.

- *The Value of Non-Traditional Forms of Rental Assistance and Shallow Subsidies*

THA offers some non-traditional forms of rental assistance. We do this as part of the experimentation that the MTW program is designed to encourage. We do some of it in response to HUD's research and data. We also do it for important policy reasons. We would regret a StS formulation that penalizes us for it.

For example, we have programs that offer a shallower rental subsidy than a regular housing voucher would provide or that would have the household bear a higher rent burden measured as a percentage of their income. Yet some of HUD's possible StS formulations would penalize us for this by not giving us full credit for serving these households. This would be a serious mistake. Shallow subsidy programs can be good policy choices in a number of circumstances. **First**, we use them as part of a rapid rehousing program. HUD should recognize this since HUD is the source of much of the nation's research and design for such programs. We have relied on HUD's data to make our choices. **Second**, shallower subsidies may also be a way to account for extensive local need. One strategy in the face of such need is to "thin the soup" with shallower subsidies so we can serve more families. If HUD's proposed StS formulations would not give the PHA full credit for serving those families it would force us to pay full subsidy to a fewer number of lucky people who can get one of our vouchers. Yet it would sacrifice the interest of other families who presently get nothing but who would be pleased to get a voucher, even at shallower subsidy levels. **Third**, part of our rental formula uses fixed subsidies. We do that to reward work and remove the disincentive to increasing income. It may also mean that a person who does not

work will get a lower subsidy than he would get under the normal rules. This serves the MTW statutory purpose to give “incentives to . . . obtain employment and become economically self-sufficient.” 42 U.S.C. § 1437 note section (a). **Fourth**, some subsidies may appear shallow because a voucher holder has chosen to rent a higher priced home and to pay the extra costs from his or her own funds. THA does not preclude or discourage these individual choices. Allowing them furthers the MTW statutory purpose to “increase housing choices for low-income families.” 42 U.S.C. § 1437 note, section (a).

We must note that the MTW statute does not require HUD to discount credit for shallower subsidies. The statute asks only that we serve substantially the same number of families. It does not require that we serve them at a certain affordability or subsidy level. We also note that non-MTW housing authorities receive full credit for households paying well more than 30% of their income as rent. We do not know why MTW authorities should receive only partial credit. We have asked HUD to explain this.

Some of HUD’s proposed formulations would appear to give full credit for serving families whose rent burden is lower than some set percentage of income. There is an odd danger to such a formulation. It would encourage a PHA to serve higher income families whose rent burden would be less than the set percentage and who would take up fewer subsidy dollars. This would penalize THA for its focus on serving the neediest. We would be sorry to face a penalty for that reason.

If HUD’s StS formula discounts the value of a shallower subsidy or, more oddly, penalizes THA because the family has a higher rent burden, then it should give credit for the other ways that we serve families through supportive services, construction, and property maintenance.

Finally, some operational problems would result if HUD tried to discount the credit for households receiving shallower subsidies or paying a higher rent burden. It would be complicated to do. We must ask if HUD’s data systems are adequate for the task. Applying the formulation yearly to shifting data would prevent us from projecting year to year, making planning and budgeting harder than it already is.

I mention these examples only to point out that the policy choices they denote are hard. A choice determines not only how many people we serve, but how needy they are, where they live, and which of their service needs we can meet and whether we should try to meet them. We might not make some choices like fixed or shallow subsidies if we did not face an affordable housing crisis in Tacoma or if we were adequately funded to meet it. But we must make these choices with the money we have and the local need and the local market we face. We also note that a choice can be the right one and still not be an occasion to celebrate. We also know there is no choice that serves some purposes of the MTW program without costs to other important purposes and values also imbedded in the MTW program. HUD faces the same hard choices if it tries to formulate a StS requirement. The

appropriate answers for HUD and for the MTW agencies must arise from a local judgment about local needs and local markets. That too is an MTW value.

The local flexibility we need still leaves HUD with a meaningful oversight role. If HUD has informed objections to such policies, let us remember that HUD can withhold approval of the proposed activity. That ability to withhold approval would elicit the necessary policy discussion that considers the pertinent local factors. That oversight role conforms to the role envisioned for HUD under the Housing Act of 1937 “to assist” and under the MTW statute to “approve” local plans. That more limited role also conforms to the limits on HUD’s data and operational capacity. What should be clear to all of us is that HUD should not prejudge and preclude any initiative issue wholesale and in advance for all agencies nationwide.

#### **4. Any Methodology Must Account for Funding Levels and Funding Cuts**

Whatever the StS formulation, it must fully account for funding levels and funding cuts. For example, in 2017 Congress has funded PHAs at a 95% proration for the section 8 programs. This should show in a commensurate reduction in the baseline number of families we would serve in the denominator of the formulation that HUD seems to be envisioning.

On a related note, this seems like a very bad time to be contemplating such a notable change in the MTW program. We all – HUD and the MTW agencies - may be on the eve of more budget cuts and other program changes. HUD’s operational capacity to administer a new StS regime will likely diminish further as a result of those cuts and the current federal hiring freezes. HUD should at least wait until such matters are clearer.

I hope these comments are helpful.

Thank you for inviting them.

Cordially,

TACOMA HOUSING AUTHORITY



Michael Mirra  
Executive Director

Cc: Steering Committee

## Michael Mirra

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**From:** Michael Mirra  
**Sent:** Wednesday, September 13, 2017 11:38 AM  
**To:** Dominique\_G\_Blom@hud.gov; 'Lofton, Andrew J.'; Amy Jones; Anas Ben Addi ; Austin J. Simms ; Betsey Martens ; Caster Binion; Catherine Buell (catherine.buell@atlantahousing.org); Catherine Stone; David Nisivoccia, ; Edward Bland; Eric Johnson ; Eugene Jones (ejones@thecha.org); Fulton Meachem; Goodwin, Brendan (OCD) (brendan.goodwin@state.ma.us); Greg Russ; Helen Plant; J. Len Williams; Jan Goslee; Joanne McKenna; Joshua Meehan; Karen Du-Bois-Walton; Katherine Harasz; Kelvin Jeremiah; Ken Kugler; Kenneth Cole; Larry Potratz ; Maria Razo, MPA; Matthew Mainville (mmainville@holyokehousing.org); Michael Buonocore; Michael Johnston (mjjohnston@cambridge-housing.org); Nathan Bovellev (nbovellev@dchousing.org); Pam Nation-Calhoun; Rick Gentry; Roy Johnson ; Shannon Oury; Stephen Norman; Thomas Fleetwood; Tim Barry ; Vivian Bryant; (Marianne.Nazzaro@hud.gov); Concannon, John M; Ken Shalik; April Black  
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**Subject:** Sts Discussion - some additional views from THA  
**Attachments:** THA Letter to HUD Commenting on Sts Proposal FR-5958-N-01 2017-2-21.pdf

Dear Friends:

I am sorry I missed the call yesterday that Marianne hosted to discuss the “substantially the same” issue (StS). THA has views on this issue that I hope will be helpful to the further discussions I understand are to happen. Those views show in THA’s February 21, 2017 letter to HUD offering comments on the federal register notice. I attach a copy of that letter. I write now because I understand that the phone call yesterday had some limited discussion on the relative merits of the present StS rule under PIH Notice 2013-02 and the recent alternative Home Forward proposal that Marianne circulated. Some points in the THA letter bear on the merits of both the PIH formulation and the Home Forward proposal. For reasons I explain below, between them, THA favors the Home Proposal. Both would still require more work.

1. The main question to answer is what does the MTW statute mean by the term “substantially”. Section 2.3 of the THA letter cites authority that makes two things clear. **First**, that “substantially” means something less than the full amount. The letter cites case law interpreting comparable federal statutory requirements as allowing deviations ranging from 20% to 50% as long as the deviation serves other statutory

purposes. The letter also cites HUD’s interpretation of comparable statutory terms in the Fair Housing Act and in the Section 8 Substantial Rehabilitation Program. In those examples, HUD recognizes that conditions or activities are compliant even well below full disability or full rehab. **Second**, the authority my letter cites also makes clear that such a statutory formulation does **not** allow, and certainly does not require, the imposition of a precise numerical quota. In contrast, Congress made clear in other parts of the MTW statute when it meant to impose a precise numerical standard. *E.g.*, requiring “that at least 75 percent of the families assisted . . . shall be very low-income families . . . .” Congress required no such numerical precision with StS.

All this authority helps us evaluate the StS formulations in both the PIH Notice 2013-02 and the Home Forward proposal.

2. Under that authority, both the PIH Notice and the Home Forward present problems. The PIH Notice presents more serious problems and on those grounds, between the two proposals, THA favors the one from Home Forward. Here are the problems with each or both:

2.1 The first problem shows in both the PIH Notice and the Home Forward proposal. Both would use a precise numerical definition of StS. The PIH notice defines compliance at 100% of the baseline; the Home Forward proposal would define it at 90%. As the THA letter notes, the statutory use of the term “substantially” does not allow or require such precision.

2.2 The next problem arises from the extent of the deviation allowed in the two proposals. The PIH proposal defines “substantially the same” to be 100% of the baseline. It appears to allow no deviation. This clearly clashes with the deviations that the courts and HUD have understood the word “substantially” to mean. A recent THA experience on this question with the PIH notice illustrates the problem. Marianne’s office let us know that for 2016 THA had to submit a corrective action plan because HUD’s data showed that we were only at 98%. (HUD later corrected its data to show THA at 100%). Under any authoritative or reasonable definition of the word “substantially” 98% should have been good enough. On these grounds alone, THA favors the Home Forward Proposal because 90% is more reasonable, and legally defensible, than 100%. I can call upon another older authority of a different sort. My 4<sup>th</sup> grade teacher was Mrs. Zubow. I was not her favorite student. I was certainly not her best student. If I had gotten a 98% or a 90% or even an 85% on any test of hers, she would have been more than satisfied. She would have been even more pleased if I had fallen short on purpose because I was helping other students in the class do their work. I think Mrs. Zubow showed the correct understanding here.

2.3 Even the Home Forward proposal of 90% clashes with the authority the THA letter cites that recognizes “substantially” to allow deviations of 20% to 50% as long as other statutory purposes are being served.

3. If we do use a numerical definition of “substantially” then whatever number we end up using will present other issues we will need to address: *i.e.* how to count units built or purchases, shallow subsidies, rent burden. The THA letter offered views on these issues. Rather than repeat those views, I will just recount some principles that should guide us to the answers:

- The answers need to be simple to understand and simple to administer within the data capacities of HUD and the MTW agencies. The PIH Notice does have that advantage on some of these issues. For example, it does not try to fashion and apply a some imponderable sort of discount to penalize shallow subsidies.
- The answers need to allow for flexibility. Two statutory authorities and one practicality require this flexibility. **First**, HUD’s general statute and the MTW statute in particular, directs HUD to give PHA’s “the maximum amount of responsibility and flexibility in program administration, . . .” *See* THA letter, Section 2.1. **Second**, the MTW statutory formulation of the use of the word “substantially” denotes an added flexibility. **Third**, the wide variation of local markets among the MTW agencies require flexibility.

4. Finally, however we end up defining StS, even if it turns out to be a numerical quota of some sort, please let us remember that the MTW statute imposes it not as a compliance benchmark but only as a planning requirement for the MTW agency:

“(c) Application. An application to participate in the demonstration--

. . .

“(3) shall include a **plan developed by the agency** that takes into account comments from

the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for—

...

“(C) continuing to assist substantially the same total number of eligible lowincome families as would have been served had the amounts not been combined; ....”

[42 U.S.C. § 1437 note][emphasis added].

As noted in the THA letter, HUD’s role is limited to approving that plan. In this way, HUD’s role in the matter is less direct. It is certainly not directive.

I very much appreciate the thought and work this whole business has required of Marianne, her staff, the Steering Committee and the other MTW agencies. I hope you find these comments helpful.



Michael

**Michael Mirra**

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***"Housing Tacoma Forward"***

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## TRAINING/CERTIFICATIONS

Lean Six Sigma Certified Green Belt • Certified Credit Compliance Specialist – C3P • Public Housing Manager • Supervisor Development Training • Fundamentals of LIHTC Management Specialist • Office 2013 • Fair Housing • Workplace Violence Prevention • First Aid/CPR Training • Certified Occupancy Specialist (COS) • Americans with Disabilities Awareness Training • Hearing Officer Specialist • Project Management Certification • Recruitment and Staff Selection Training • FMLA/ADA/Workers Compensation Training • Mental Health Training • Claims Management Training • Safety at Work • Asbestos Awareness • Hazardous Communications • Bed Bug Safety • RADPBV • Crucial Conversations • Bloodborne Pathogens Control • Accident Investigation • Project Management Database

## SKILLS/EXPERIENCE

Excellent communicator with great listening skills • Strong technical skills and work ethic • Excellent problem solving skills • Great time management • Handles pressure well • Able to multi-task • Very organized and priority-driven • Able to balance overlapping deadlines • Effective complaint response skills with proven results • President of Salishan Association • Experience in WBARS • Member of software implementation team for Yardi • Experience in monitoring and tracking compliance reports for up to 1500 units • Proven track record for accuracy in reporting to regulatory agencies such as WSHFC and RBC for Tax Credit compliance monitoring • Supervised Administrative and Maintenance staff for up to 13 properties • Partnered with Real Estate and Development on planning for new acquisitions including commercial properties • Partnered with Asset Management to implement new leases and addenda and set new rents annually • Monitored regulatory agreements for Tax Credit partnerships, including compliance end and options for re-syndication • Track, monitor and comply with regulations for Families in Transition (FIT) program • Partnered with City of Tacoma and Tacoma Police Department Community Liaison • Worked closely with OPEIU on contract negotiations • Consulted with Client Services/legal representatives on challenging lease enforcement • 20+ years of customer service experience • 18 years of PM experience • 8+ years of Tax Credit experience • 13+ years in management of 25 or more • 18+ years in inspection management experience including REAC • 15+ years working with Collective Bargain Agreements (CBA) and unions • 10+ years managing 750 units or more

## WORK HISTORY

Interim Director of Property Management, Tacoma Housing Authority – Feb. 27, 2017 to present  
Portfolio Manager, Tacoma Housing Authority – Nov. 9, 2015 to Feb. 26, 2017  
Senior Property Manager, Tacoma Housing Authority – Aug. 26, 2013 to Nov. 8, 2015  
Property Manager, Seattle Housing Authority – Oct. 15, 2011 to Aug. 23, 2013  
Interim Senior Property Manager, Seattle Housing Authority – Mar. 11, 2011 to Oct. 14, 2011  
Property Manager, Seattle Housing Authority - Nov. 29, 2008 to Mar. 10, 2011  
Interim Senior Property Manager, Seattle Housing Authority -Sept. 19, 2008 to Nov. 28, 2008  
Property Manager, Seattle Housing Authority – Apr. 19, 2008 to Sept. 18, 2008  
Interim Senior Property Manager, Seattle Housing Authority – Jan. 11, 2008 to April 18, 2008  
Property Manager, Seattle Housing Authority – Dec. 4, 2004 to Jan. 10, 2008

## EDUCATION

Business Administration, Jackson State University, Jackson, MS - 1986

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*References are available upon request*



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION  
REPORTS**



# **TACOMA HOUSING AUTHORITY**

## **FINANCE**



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,334,254 for the month of August, 2017.

**Approved: September 27, 2017**

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Janis Flauding, Chair

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

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	90,413	-	90,537	
Business Support Center				398,151	Program Support
Moving To Work Support Center				25,343	
Moving To Work Buildings (used by Support Center)				32,294	
Tax Credit Program Support Center				3,571	
Section 8 Programs				96,166	Section 8 Operations
Hillside Terrace 1800 Court G				42	Properties
Hillsdale Heights				1,792	
KeyBank Building				7,140	
Salishan 7				42,879	
Salishan Common Areas				235	
CSA Program - THDG				854	THDG
Hilltop Redevelopment - THDG				7,375	
New Look-Development				16,098	Development
Salishan Area 4 - Arlington				22,378	
Bay Terrace II				4,205	
Salishan Developer Fee				61,023	
Bus Development Activity				4,546	
MTW Development Activity				367	
CSA Program - Business Activities				1,575	Community Service
Community Services MTW Fund				2,822	
Education Private Grants (Gates, etc.)				881	
HUD-ROSS Svc Coord				42	
AMP 6 - Scattered Sites				85,630	Public Housing
AMP 7 - HT 1 - Subsidy				1	
AMP 8 - HT 2 - Subsidy				1	
AMP 9 - HT 1500 - Subsidy				0	
AMP 10 - SAL 1 - Subsidy				3	
AMP 11 - SAL 2 - Subsidy				3	
AMP 12 - SAL 3 - Subsidy				2	
AMP 13 - SAL 4 - Subsidy				3	
AMP 14 - SAL 5 - Subsidy				4	
AMP 15 - SAL 6 - Subsidy				4	
AMP 16 - Bay Terrace - Subsidy				2	
THA SUBTOTAL				815,432	
Hillside Terrace 1 through 1500				1,328	Tax Credit Projects - Reimbursable
Bay Terrace 1 & Community Facility				1,820	
Bay Terrace 2				17,180	
Renew Tacoma Housing				23,516	
Salishan I - through Salishan 6				21,656	
				-	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				65,500	880,932
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,061	-	482,089	27,822
	ACH				2,815,195
					\$ 2,843,017
Payroll & Payroll Fees - ADP					\$ 610,305
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 4,334,254



**TACOMA HOUSING AUTHORITY**

**POLICY, INNOVATION, AND  
EVALUATION**





# TACOMA HOUSING AUTHORITY

**DATE:** September 27, 2017

**TO:** THA Board of Commissioners

**FROM:** April Black  
Deputy Executive Director  
Director of Policy, Innovation and Evaluation

**RE:** Policy, Innovation and Evaluation Department Board Report

## 1. Introduction

Work continues to be busy within the agency and within the Policy, Innovation and Evaluation (PIE) department. This report has updates on some specific projects and announcements about staffing changes.

## 2. Elementary School Housing Assistance Program Update (McCarver)

We have been discussing for many months, THA's plans to redesign and expand its Elementary School Housing Assistance Program (ESHAP). The redesign and expansion have started in fits and starts due to, among other things, THA and Tacoma Public Schools (TPS) staffing changes and issues negotiating a contract for technical assistance that is both affordable and helpful. This month has shown a variety of opportunities and challenges.

I'll start with the opportunity. THA has had difficulty engaging a third-party entity to provide technical assistance to help puzzle through the redesign and expansion from a neutral perspective. The focus of this work will be to assist THA in:

- Using research, evaluation and best practices literature to improve the operations of the ESHAP;
- Better defining the outcomes the program should be driving to achieve. This redefinition should be informed by housing authority and school district staff as well as research;
- Defining how outcomes will be measured and the source of each data set;
- Establishing baseline data for any new outcomes that are added to the outcomes that have been used in the pilot years of the program; and
- Determining a process for how to expand the program i.e. how schools, households, etc. should be selected moving forward.



We attempted to engage in this work with a national firm but the cost estimates exceeded \$100,000 and did not include setting up data systems nor evaluation work.

We used this sticker shock and some information gained from the July Council of Large Public Housing Authorities (CLPHA) Education convening to look locally at potential evaluation partners. We've identified a strong partner and should know by October whether we will be able to execute a letter of engagement for this work. Once a letter of engagement is complete we will convene an Education Subcommittee of the THA Board of Commissioners, as well as a Community Advisory Committee to begin the work of the redesign.

While we have been working on the technical assistance side of this work, we have also been facing some significant challenges. Michael convened an internal workgroup of THA staff throughout the summer to create some interim change proposals to improve some of the complications within the program. These were intended to be a stop-gap until the redesign is complete. Proposals include expanded eligibility, strategies for leasing, clarification regarding term limits, etc. We had intended to bring these proposals to the board in September but some new challenges cropped up through the consultation process for these changes and at the start of school arrived.

The first challenge is with how the program is impacting the school. The program was intended to help stabilize the school's mobility rate, house homeless families at that school, improve the educational outcomes of the students, and increase the success of the parents. As time went by families began enrolling in McCarver Elementary in order to get access to this program thereby inflating the number of homeless families in the school, the families receiving assistance also became less able to secure housing within the McCarver catchment area (map attached) and needed exceptions to continue to go to McCarver. This caused a burden on the school but also on the families who were facing transportation issues to get their children to school and the parents to program-required parent/family meetings.

TPS's McKinney-Vento (MV) office was helping with the transportation until it was discovered, shortly before school began, that these are not eligible MV expenses (federally reimbursable) unless the family was homeless during that school year. This makes a majority of McCarver households ineligible for transportation assistance. THA and TPS staff have been attempting to identify alternative sources of transportation and funding for that transportation. Unfortunately, the cost to provide transportation to families outside of the McCarver Elementary catchment area is at least \$1,100 per day (over \$180,000 per year). THA and TPS made the determination that the cost is excessive, especially since this would require redirecting funds that could otherwise be used for school staff or housing subsidies.

On September 12<sup>th</sup>, THA and TPS decided to waive its program requirement that ESHAP participants remain at McCarver Elementary. The following message is being provided to program participants:

- Families living outside of the McCarver neighborhood do not need to keep their child enrolled at McCarver Elementary to remain eligible for the program;

- Families will continue to receive guaranteed one year of housing assistance as agreed upon during program enrollment;
- Families may choose to enroll into their neighborhood elementary schools; and
- If families continue to keep their child in McCarver while living outside of the catchment area, they will be responsible for their own transportation.

The decision could impact 46 out of 58 ESHAP students. More information is becoming available during the coming weeks.

There are many downstream impacts of the program that will need to be sorted over the next month(s). Some of these items are:

- Revising the program participation agreement. Primarily, we need to focus on what we should be asking of the families where services are no longer centralized at a school;
- Whether to admit new families to the program this year or wait until we have a redesign;
- How to provide case management. If case management cannot be provided at the school, and families are scattered throughout the city, how can we best serve families while working within existing budgets and staff capacity;
- How can we better support McCarver Elementary School? THA serves many more McCarver students than those in ESHAP. We will begin looking at how we can engage the children and families at the Hilltop properties where THA has an influence (Bay Terrace, Hillside Terrace, Hillside Gardens, Eliza McCabe, and Guadalupe Vista).

We will keep the Board updated as we trouble through these questions. Luckily, we have a great partner in the school district and have had great cooperation specifically with our new THA-TPS Liaison, Thu Ament, as well as with the McCarver principal, Becky Owens.

### **3. Opening Doors to Opportunity Technical Assistance: Improve How THA Can Serve People With Criminal Histories**

THA received notice that it has been selected by HUD to receive technical assistance through the Vera Institute of Justice. It is called the “Opening Doors to Opportunity” Program. The technical assistance will involve changing THA's policies in order to increase access to housing for people with conviction histories. THA has been considering plans to implement a reentry program for some time, but we have not had the capacity to conduct the research, facilitate meetings, conduct data analysis, plan, implement and evaluate this work. This technical assistance will provide the capacity we need to prioritize this project.

The work will come in a few parts.

First, we will focus on THA's partnership with Tacoma Community College (TCC) on its College Housing Assistance Program (CHAP). THA has been providing housing assistance vouchers for homeless college students so they can get stabilized and complete their Associate degree or certificate program. THA plans to increase this program from 25 households to 150 households by the end of 2018. As part of the expansion, THA will expand the eligibility for the program to include students who have exited the criminal justice system and are accessing TCC's Second Chance Financial Aid program. This program allows students to access financial aid where they would have been otherwise ineligible due to their criminal history. As a partnership we feel strongly that restrictions on financial aid alone will not help these students succeed. They also need access to affordable housing. This technical assistance would be to help design this re-entry program.

An exciting component to the re-entry program is the access to third-party evaluation available to the THA/TCC partnership. The partnership was accepted into a study cohort through Temple University that will evaluate the program. Temple University has agreed to evaluate the "Second Chance" households accessing this program as a separate study sample so we can measure the effectiveness of this housing intervention. This could be important data for the Vera Institute of Justice.

The second component of THA's request for technical assistance will have a much larger impact. In late 2016, Pierce County was invited by the Center for Social Innovation (C4) a national research and training project addressing racism and homelessness. The project, called SPARC: Supporting Partnerships for Anti-Racist Communities, is a combination of quantitative and qualitative research; training; and virtual learning collaborative. Tacoma/Pierce County is part of a ten-city cohort engaged in better understanding the nexus between race and homelessness to develop approaches that will result in more equitable outcomes for all people experiencing homelessness. A key finding of this study in Pierce County showed that criminal background screening is leading to disproportional denial of services within our community. The community leaders working with SPARC have been working on strategies to mitigate this finding. THA is the largest property owner in Tacoma and its policies have a direct impact on homelessness and racial inequities. THA is interested in reviewing and amending its policies as they pertain to criminal histories and juvenile records. THA currently lacks the capacity to embark on this work independently and is eager for access to the type of technical assistance.

The third component of the work might involve engaging in the broader community to convince private property owners and managers to rent to people with conviction histories. This has been an ongoing barrier for the people shopping for housing with THA vouchers and for other Tacoma renters.

This work will begin in September.

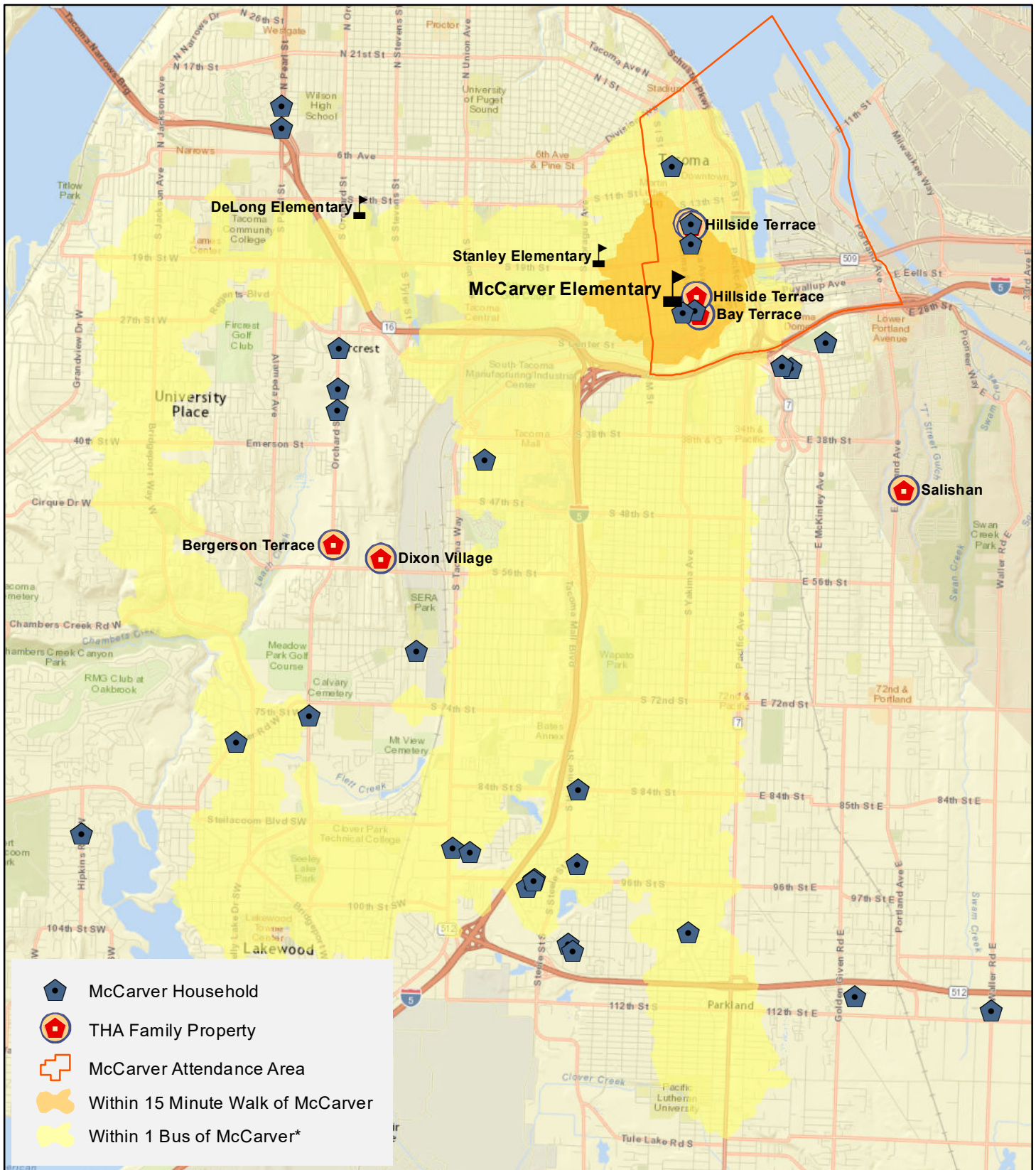
#### **4. Staff Changes**

We have seen a couple of staff changes in the past month. Ava Pittman joined the PIE team on September 11<sup>th</sup>. Ava will fill the Policy and Planning Analyst role that was vacated by Sheryl Stansell. She will lead the 2017 Moving to Work (MTW) Report, serve as the project manager on the Opening Doors grant work, and will be the point-of-contact for housing policies. Ava has worked at THA for three years and joins us from the Rental Assistance department where she was a Housing Specialist. We are excited to learn from her operational and direct-service experience. I will introduce Ava to you at the September board meeting.

The PIE department recently conducted an assessment to determine THA's needs related to marketing and communications. As a result, we have decided to upgrade and post a new position to better support THA and its customers as we move into changing conditions to include exiting families off of THA programs due to time limits and needing to continually engage property owners to account for changing market conditions.

In order to make this change, we discontinued the Project Manager – Communications role. Moving forward, a new Manager of Communications and Marketing position will be posted. This new position will support communications and marketing functions for the agency, have a strong role in both verbal and written media relations, engage with internal and external stakeholders to continuously improve THA's marketing and communications, increase THA's expertise in visualization, and assist THA with telling our story during these changing political and funding times. THA faces a number of controversial moments and this position will be expected to create and deploy communications plans to get ahead of these issues.

# Current McCarver Program Households



\*Areas designated "Within 1 Bus of McCarver" are within a ten minute walk of a stop for a transit route that drops off within a ten minute walk of McCarver.

This map is based on THA Program Data - as of 9/8/2017. McCarver Attendance Area boundaries based on Tacoma Public Schools publication. Walk times calculated from Pierce County Open Data 2016 street data. 2016 transit data from Pierce Transit. Basemap is from ESRI. Created by Kim Serry.

McCarver Households:		
In Attendance Area		5
In Walking Distance		4
One Bus Away		11
<b>Total In Accessible Areas</b>		<b>15</b>
<b>Outside of These Areas</b>		<b>16</b>



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION**





# TACOMA HOUSING AUTHORITY

**DATE:** September 27, 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. RENTAL ASSISTANCE DEMONSTRATION (RAD) PROJECT

### 1.1. Existing Tax Credit Properties

We are pursuing conversion of the balance of the public housing portfolio to RAD. These remaining public housing units are in the existing tax credit portfolios including the Salishan and Hillside properties. This conversion was put on hold last year due to the cost and scope of the rehabilitation required by Housing and Urban Development (HUD). HUD has since changed policies to allow for a lesser scope of work in existing tax credit properties that plan to later resyndicate and bring in new investor equity to accomplish rehabilitation of the units. THA anticipates resyndicating the Hillside properties in 2019 and the Salishan properties between 2020 and 2022 and will complete a larger scope of rehabilitation at that time.

Prior to conversion of Hillsides 1 and 2 and Salishans 1-3, we anticipate buying out BFIM, the investor in these five properties. The Board approved this buyout last year, but it was put on hold. Finance and Asset Management have re-engaged BFIM to pursue this buyout and will bring it back to the Board in October or November of this year.

We anticipate closing on the RAD conversion for these remaining public housing units in January or February, 2018.

## 2. PROCUREMENT POLICY

### 2.1 Revising the THA Procurement Policy

In December 2016, the Board approved revisions to THA's procurement policy to account for changes in HUD regulations governing procurement. Early this year, we began to revise THA's procurement policy to account for changes in state law and regulations, clarifying how housing authorities are governed by the state and federal regulations regarding procurement.

In particular, informational memos from both the Washington State Department of Commerce and the State Auditor's office clarify that tax credit entities are not public agencies. This means that state procurement rules, such as prevailing wage rates, do not apply to tax credit entities when they procure for work on properties they own.

To account for this greater flexibility, staff are preparing a modification for the Board to consider in that portion of THA's procurement policy governing its procurement when it acts as the managing member of a tax credit entity. That modification will propose that in these circumstances THA abide by state prevailing residential rates whenever feasible. Such a modification will reduce burdens for our contractors and make development of our affordable housing projects more affordable while retaining the main fair wage elements of state rules.

The tax credit entities owning THA's properties include:

- All of the Salishan LLCs,
- The Hillside LPs,
- Renew Tacoma Housing LLLP,
- 2500 Yakima and 2500 Court G LLLP
- Alberta J Canada LLLP

### **3. INSURANCE EVALUATION**

#### **3.1 Background**

THA has been considering a change to our Insurance Program to ensure we have valuable loss control support for our Risk Management team, and most importantly, an insurance program that can adapt to and address THA's various operations and evolving needs. THA has employed the services of Alliant Insurance Services to assist with the process. THA currently participates in the Housing Authorities Risk Retention Pool & Affordable Housing Risk Pool (HARRP and AHRP), and while the Pool has been THA's insurer for many years now, the following issues are now evident in the existing program:

- coverage deficiencies
- policy administration inefficiencies
- ambiguous guarantee of coverages
- inflexible underwriting/inability to comprehensively address THA exposures
- limited risk management support & tools
- contract-review-needs not being met.



### **3.2 Objectives/Options**

We hired Alliant Insurance Brokers two years ago to assist in analyzing the availability of other coverage for THA. The intent in this analysis includes seeking a cohesive and holistic program for Tacoma Housing Authority with an insurer that demonstrates a strong ability to address THA's evolving coverage needs, as well as provide much needed loss control services. To do so, Alliant has taken the following steps:

- Approached direct writers of insurance and wholesalers with specialized market access:
  - Through this marketing process, we have identified a key prospective market, Philadelphia Insurance Company, an A+ rated company, which has offered THA a compelling coverage solution along with a suite of loss control services.
  - While other insurer options exist, they involve placing different lines of coverage with different carriers, reducing economies of scale in placing a majority of insurance with a single market, and as such, the price of these other options would be cost prohibitive. Furthermore, breaking the coverage up into multiple insurers is contrary to the goal of having a holistic program and improved policy administration.
- Approached HAI/HARRG for a competing risk pool option. Downside to this option: Does not offer a consolidated program to address coverage and risk management needs of THA. Many deficiencies in the program and similar administrative issues as HARRP.
- We have also consulted with HARRP/AHRP.

### **3.3 Results of Analysis to date**

Philadelphia's footprint in the market and keen interest in growing their presence in the affordable housing space demonstrates a commitment to THA and the industry. They have business in the residential, human and social services sector, and consider it a mainstay segment of their business. Other Housing Authorities with at least a portion of their coverage with Philadelphia include King County Housing Authority and Home Forward. Alliant recommends further evaluating Philadelphia Insurance as your new carrier partner.

Some key points to consider with a move to Philadelphia:

- Work with Philly's robust Risk Management support system for:
  - National network of in-house risk management professionals providing direct support to policy holders
  - Product specific web-based risk management solutions through PHLY.com
  - Interactive Driver Training online courses and examination at no additional charge
  - Regular e-flyer communications on relevant risk management issues
  - Strategic partnerships with best-in-class vendors for discounted MVR checks, abuse training, GPS, etc.

- Access to Philadelphia's breadth and depth of coverage to protect affordable housing exposures; these coverages are NOT available from HARRP:
  - Tenant Relocation Services Endorsement
  - Sexual/Physical Abuse or Molestation Liability Endorsement
  - Loss of Low Income Housing Tax Credit Endorsement
- Benchmarking available to THA how THA's loss development trends compare with peers
- Soft cost savings for Administrative work and Risk Management Services
- Able to help THA grow and achieve their goals with new builds:
  - Capable of writing commercial buildings
  - Mixed use building- same rates and can endorse onto Package policy
  - Builders Risk- providing loss control quarterly – and roll-into Package policy upon completion

### **3.4 Next Steps**

Staff are continuing to work with Alliant and Philadelphia, as well as having conversations with HARRP/AHRP regarding the analysis and cost of coverage and moving our coverage. We anticipate coming to the Board with more information in October or November.



**TACOMA HOUSING AUTHORITY**

**CLIENT SERVICES**



# TACOMA HOUSING AUTHORITY

**DATE:** September 27, 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**

Negotiations with Pierce County Housing Authority (PCHA) regarding the absorption of about 200 Housing Choice Vouchers (HCV) and Project Based Vouchers (PBV) have proceeded at a much slower pace than originally anticipated. This is in part due to the need to consult with Housing and Urban Development (HUD) for approval of a transfer protocol; to clarifications requested by THA regarding PCHA's method in choosing absorption as the strategy to address that agency's shortfall; and the still outstanding question of whether the transfer of PCHA's voucher's within the City of Tacoma requires a revision to our Interlocal Agreement.

While the question of absorption remains unresolved, Client Services is beginning more intensive work with a large number of unhoused shoppers already issued vouchers by THA. We currently have 169 shoppers, with 135 issued Housing Opportunity Program (HOP) or traditional Housing Choice Vouchers (HCV). (The remainders are VASH and other special programs not funded through HAP.) Housing these shoppers may have the most immediate potential for increasing overall utilization.

Client Services is also moving forward now with a HOP waitlist opening limited to applicants on our site-based waitlists.

In 2016-2017, Client Services contacted all applicants on our site-based lists, removing those who no longer qualified or did not respond. This process reduced the combined list considerably, from over 10,000 to about 3,500 unduplicated applicants. Still, many of

these remaining applicants have been waiting for an opening at one our properties for several years. Offering HOP vouchers to these households provides an alternative and more immediate subsidy to these households.

This alternative also substantially reduces the administrative burden associated with a waitlist opening. Our goal will be to recruit 1500 applicants for the HOP waitlist.

### 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

August 2017	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	7	4	26	58
Families in Transition (FIT)	0	0	2	8
Family Self Sufficiency (FSS)	6	6	174	186
General Services	10	4	114	175
Hardship	0	0	4	4
Housing Opportunity Program (HOP) Case Management	5	10	55	67
Children's Savings Account (CSA) K-5th Grade	1	0	56	56
Children's Savings Account (CSA) 6th - 12th Grade	3	0	47	47
McCarver	0	4	41	58
Senior & Disabled	16	5	195	220
<b>DEPARTMENT TOTAL</b>	<b>48</b>	<b>33</b>	<b>714</b>	<b>879</b>

### **3.2 PROGRAM UPDATES**

#### **3.2.1 Staffing Update**

Community Services is proud to welcome a new Case Worker, Kye Hillig, who comes to us from Metropolitan Development Council (MDC). Kye will be working with THA's seven apartment communities serving seniors and adults with disabilities.

Case Workers Samie Iverson of the Elementary School Housing Assistance Program, and Valorie Le of General Services resigned this month. Samie accepted a position with Tacoma Public Schools, and Valorie is taking a position with the Aging and Disability Resource Center (ADRC).

#### **3.2.2 Programming Update: Senior & Disabled Portfolio**

August was the last month for the Eastside Farmer's Market. Residents from all seven senior and disabled buildings participated in this market, including a group of seniors who hosted a table. The market was nationally recognized and featured clients from our Ludwig, 6<sup>th</sup> Avenue, and Fawcett buildings.

#### **3.2.3 Programming Update: Family Properties**

Dixon Village resident, Christine Young, was honored by CS as an outstanding neighbor. Property Manager Cheryl Kehoe nominated Ms. Young for her outstanding efforts to keep the property clean and work with the children on the property to have pride in community. Ms. Young and several Dixon kids work diligently to pick up trash and keep the property beautiful. CS submitted Ms. Young's story to THA marketing for publication in the THA staff news and THA family property newsletter.

At Salishan, CS worked with Tacoma Rotary and First 5 Fundamentals to host a Little Free Library building party at the summer farmer's market. Several residents came out to help build the libraries. A total of 6 renters and 1 homeowner agreed to be stewards of the libraries. As a steward, Salishan residents will host a library in front of their property and inform

CS when the libraries are in need of books. Eight libraries will be placed around Salishan, including one in front of the FIC.

On August 30<sup>th</sup> Salishan residents came together again to decorate and paint the libraries at the FEAST art workshop. Children ages 3-5 years old painted and decorated the libraries with assistance from their parents. The children are very excited that their masterpieces will be showcased in the community. CS and partners are very proud that the community has taken over the ownership of the project to help ensure the success of the libraries in the community.

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

Moving to Work (MTW) Baseline Voucher utilization is reported at 94.98% for the month of August 2017.

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

<b>Program Name</b>	<b>Units Allocated</b>	<b>Units Leased</b>	<b>Shoppers</b>	<b>Percentage Leased</b>
VASH (Veterans Administration Supportive Housing)	177	146	28	83%
NED (Non Elderly Disabled) Vouchers	100	87	11	87%
FUP (Family Unification Program)	50	45	1	90%
CHOP (Child Welfare Housing Opportunity Program)	20	14	5	70%
McCarver Program	50	34	11	68%
CHAP (College Housing Assistance Program)	25	23	23	92%
<b>TOTAL</b>	<b>422</b>	<b>349</b>	<b>79</b>	<b>83%</b>

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

<b>Project-Based Properties</b>	<b>Units Allocated</b>	<b>Units Leased</b>	<b>Percentage Leased</b>
Bay Terrace	20	20	100%
Eliza McCabe Townhomes	10	9	90%
Flett Meadows	14	13	93%
Guadalupe Vista	40	39	98%
Harborview Manor	125	125	100%
Hillside Gardens	8	7	88%
Hillside Terrace	9	9	100%
Nativity House	50	48	96%
New Look Apts.	42	39	93%
Pacific Courtyards	23	23	100%
New Tacoma Phase II	8	6	75%
Salishan 1-7	340	339	99%
Tyler Square	15	11	73%
<b>TOTAL</b>	<b>704</b>	<b>688</b>	<b>98%</b>





**TACOMA HOUSING AUTHORITY**

**PROPERTY MANAGEMENT**



# TACOMA HOUSING AUTHORITY

**Date:** September 27, 2017

**To:** THA Board of Commissioners

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

**Re:** Property Management Monthly Board Report

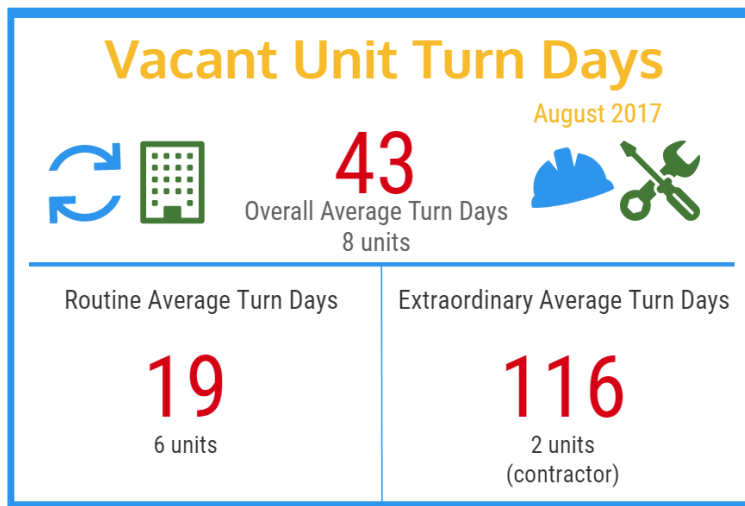
## 1. OCCUPANCY OVERVIEW

### 1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	162	6	0	156	96.29%	96.78%
Family Properties	118	0	0	118	100%	98.09%
Salishan	631	2	0	629	99.68%	99.20%
Senior/Disabled	353	14	1	339	95.75%	95.53%
All Total	1,264	22	1	1,242	98.10%	97.49%

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

### 1.2 Vacant Clean Unit Turn Status



# September 2017 Board of Commissioners Meeting PROPERTY MANAGEMENT DEPARTMENT MONTHLY REPORT

## Page 2

### All Turns - Performed by THA and Contractors

Today's Date 9/15/2017

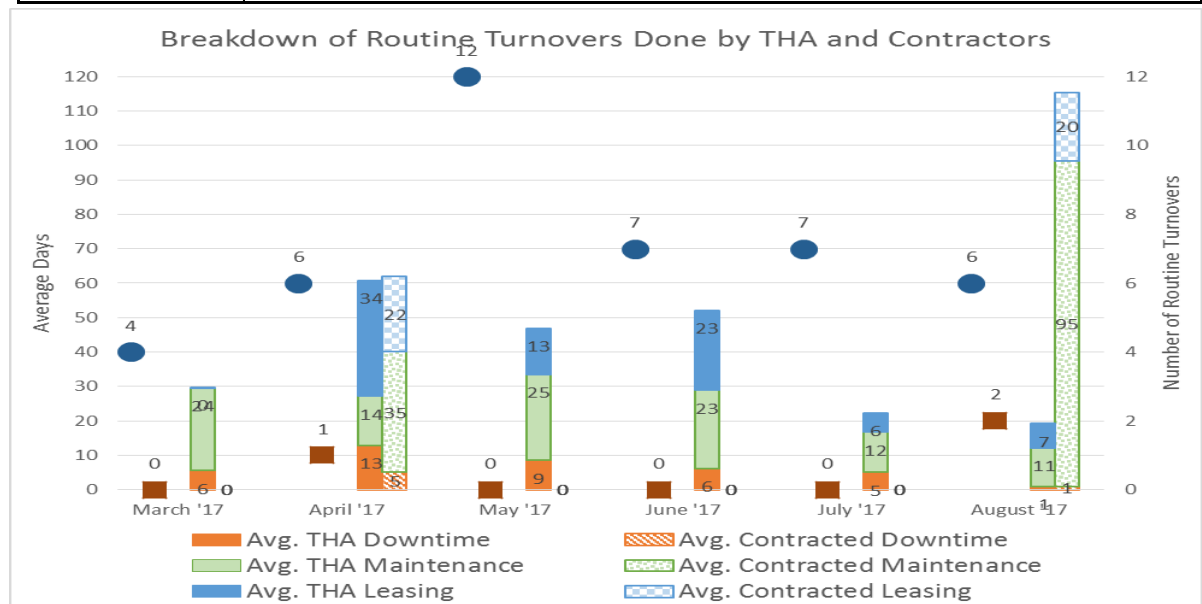
Select End Month & Year	August	8	2017
	July	7	2017
	June	6	2017
	May	5	2017
	April	4	2017
Beginning Month	March	3	2017

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	August	8	6	0	19.2	1.0	11.2	7.0
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

		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	August	8	2	0	115.5	1.0	94.5	20.0
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



The average unit turn time for the month of August was 19 days for six (6) units turned by Tacoma Housing Authority (THA) staff and 116 days for two (2) unit turns, non-Rental Assistance Demonstration (RAD). Below is a list of units that exceeded THA's 20-day target. 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**

*4302 Salishan Blvd (Sal 2)*

This was contractor turn due to a fire.

*4326 East Q Street (Sal 2)*

This was a contractor turn due to fire.

**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 2017 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 August 31, 2017				
Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	1	1	0	2
Bay Terrace Phase One	3	0	0	3
Bay Terrace Phase Two	1	0	0	1
Bergerson Terrace	69	7	0	76
Dixon Village	24	4	0	28
E.B. Wilson	3	0	0	3
Fawcett Apartments	3	0	0	4
Hillside Terrace 1500 Block	4	0	0	4
Ludwig Apartments	47	5	1	55
North G St	3	0	0	3
North K St	2	0	0	2
Public Housing Scattered Sites	5	0	0	5
Salishan Five	3	0	0	3
Salishan One	2	0	0	2
Salishan Seven	2	1	0	3
Salishan Six	2	1	0	3
Salishan Three	1	0	0	1
Salishan Two	1	0	0	1
Wright Ave	1	0	0	1
<b>Grand Total</b>	<b>177</b>	<b>19</b>	<b>1</b>	<b>200</b>

### Completed Work Orders

In the month of August, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 177 non-emergency work orders with a total of 2,485 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 14 days.

**Open WO's by Priority  
For Month Ending August 31, 2017**

Property Name			Grand Total
	Routine	Urgent	
6th Ave Apartments	5	0	5
Bay Terrace Phase One	4	0	4
Bay Terrace Phase Two	2	0	2
Bergerson Terrace	10	0	10
E.B. Wilson	18	0	18
Hillside Terrace 1500 Block	7	0	7
Hillside Terrace Ph II	8	0	8
Ludwig Apartments	0	3	3
North G St	10	2	12
Public Housing Scattered Sites	4	0	4
Salishan Five	3	0	3
Salishan Four	35	1	36
Salishan One	5	0	5
Salishan Seven	38	0	38
Salishan Six	24	0	24
Salishan Three	6	0	6
Salishan Two	10	0	10
Wright Ave	31	0	31
<b>Grand Total</b>	<b>220</b>	<b>6</b>	<b>226</b>

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 improve customer service.

**Processes that PM has implemented to improve customer service are as follows:**

- Make every attempt to address routine work orders within five (5) days. When this is not possible, contact the tenant and provide them an alternate date that they may expect service;
- Improve communication with the tenants when services 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:** September 27, 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 has reached Substantial Completion and Temporary Certificate of Occupancy on June 23, 2017. Substantial Completion was reached on schedule. On August 7, 2017 THA received final Certificate of Occupancy for buildings G & H and on August 14, 2017 final Certificate of Occupancy for Building J.

The following chart identifies the projected lease up schedule.

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

<u>Month</u>	<u>Units Per Mo.</u>	<u>Cumulative</u>	<u>Leases Signed</u>
July	30	30	30
August	16	46	47
September	12	58	
October	16	74	

## **2.2 Building J Potential Issues**

### ***Building J Lower Roof & Upper Roof***

THA's building envelope special inspector (Wetherholt & Assoc.) had documented potential high moisture saturation within the lower roofing system and several other issues for the upper roof. THA is withholding \$78,000 of the roofing contractor's final payment until the issues are remedied.

Absher Construction has selected a new roofing contractor to fix the issues identified with the building J roof. The lower roof will be completely replaced. The Upper Roof will have the membrane and cover board completely removed and replaced. While the membrane and cover board are removed, THA's inspector will test the layers of insulation for moisture content as they are removed. Insulation found to have high moisture levels will be removed and replaced. The inspector will be present during all phases of the roof replacement. Work is schedule to start September 13, 2017, and completed in four weeks. Absher will cover this cost.

### ***ADA Parking Stalls***

The contractor reinstalled the ADA parking stalls to the correct slope. The civil engineer is now talking with the City for THA to provide an overlay in the alley so the ADA stalls are easily accessed.

#### **NOTE:**

The following information is based on Draw 16 for period ending 7/31/2017.

#### **Budget**

**% Complete**

**99.4%**

<b>Item</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Expended</b>	<b>Balance</b>
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
<b>Total Budget</b>	<b>22,842,037</b>	<b>22,842,037</b>	<b>19,086,765</b>	<b>3,755,272</b>
<i>Owners Contingency</i>	<i>880,000</i>	<i>880,000</i>	<i>880,000</i>	<i>0</i>



**Building J – At Court G**

**Building 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
<b>MBE</b>	10%	13%	13%
<b>WBE</b>	8%	12%	12%
<b>Section 3 Business</b>	10%	14%	14%
<b>Section 3 New Hires</b>	30%	29%	29%
<b>Apprenticeship</b>	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 will place a restriction for the difference between market value and the effective sales price on the property. The effective sales price is what a buyer earning 50% to 80% of the AMI can afford. The value of the difference between the market value and effective sales price will be captured in the restrictive covenant. This value takes the form of a forgivable loan. 20% of the loan value will be forgiven every year.

3.1.1 Rehabilitation work was completed by mid-November and Community Youth Services (CYS) began providing shelter and services for homeless teens in the Bismark housing. This will be temporary pending the development of the Crisis Residential Center (CRC).

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

3.1.3 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	\$346,055.00
Units in Construction	Scope Preparation	Occupied			
2	2	10			



3.1.4 4033 E. J – Under Contract for Sale - \$225,000

3.1.5 Rehabilitation Work on Scattered Site Units and Sold:

- 8 of the remaining 10 occupied homes will be remodeled as residents are relocated in 2017.
- CYS is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity.
- 1020 NE Norpoint is under contract for sale to the Priority 1 Public Housing resident that currently lives in the house. The sale price before THA's grant is \$225,000. Required repairs for this house are expected to be minimal enough so relocation will not be required.
- 6932 S Madison is listed for sale.
- 4033 E. J St is under contract for sale for the amount of \$225,000.
- Construction contracts for 5814 Swan Creek and 4823 E M St. have been awarded to XRT Pro and are expected to be completed by the end of September.
- Rehabilitation at 2225 E. George will be completed by the end of October.
- The scope of work to fix-up 4909 NE 35<sup>th</sup> is underway.

- 3008 S. 13<sup>th</sup> is being vacated due to fire and will be put out to bid by the end of September.
- Relocation for the last eight (8) households with children has begun. Households are given 90 days to relocate. Households have 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. RED is working on a proposal with KWA to develop senior housing at 9<sup>th</sup> and MLK. This is in response to an RFP issued by the City of Tacoma.

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

THA selected Buffalo Design to plan the capital work for the New Look Apartments. Bids to complete the work are being solicited, with responses due in early October. Staff expects to close with the financing in November and begin rehabilitation work in early December. Final board approvals for the Investor, Lender and Contractor will be presented to the board at its October meeting. The PBRA contract from The Enclave has been executed. This means that the subsidy tied to The Enclave has been transferred to Alberta Canada and will free up the Project Based Vouchers assigned to this property for other uses.

### **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. 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. THA will also seek to add HOPE beds as part of the Crisis Residential Center operations. HOPE Centers/Responsible Living Skills Program (RLSP) is the Washington State Homeless, Youth Prevention/Protection and Engagement Act (HOPE). HOPE Centers are temporary residential placements for street youth. Youth can remain in a HOPE Center for up to 30 days while they receive assessment services and a permanent placement is identified. HOPE Centers are intended to stabilize an adolescent, perform comprehensive assessments of the youth's physical and mental health, identify substance abuse problems and educational status, and develop a long-term permanent plan. The RLSP may serve as a permanent placement for dependent youth between the ages of 16 and 18 years who will exit from foster

care into independent living at age 18. This change will require a modification to the development agreements THA has negotiated with the City of Tacoma.

The conceptual design has been finalized and the team met with the City at the end of August to discuss the project. A follow-up meeting is scheduled for the end of September to discuss a Major Modification to the Zoning along with work required in the Right of Way for the City. Construction is scheduled to begin in early June, 2018. The team is also concurrently working on the Master Plan for the site. THA will issue an RFP for a service provider for the rental housing component of the Arlington Campus. An executed agreement with a service provider is an important factor in obtaining state and local funding, including 9% tax credits. Services to be offered to homeless young adults is a core component of long term success for this project. Given this, THA will work toward a 2019 tax credit submission for the rental housing component of this project.

The firm of BDS Planning and Urban design was selected as the consultant for the community engagement and consultation effort. The third Community Advisory Committee meeting was held on September 11<sup>th</sup> at the Family Investment Center (FIC). They will be completing the main focus of their work by the end of October 2018.

Community Youth Services (CYS) will manage the CRC/HOPE bed home. THA will issue an RFP for a service provider for the services to the young adults in the rental housing.

#### **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 plans to submit a 2018 9% tax credit application; however, the priority for tax credit allocations continues to be on projects where 75% or more of the units are set aside to house the homeless. Staff believes it is important to submit an application to demonstrate there are viable LIHTC projects in Pierce County.

Staff purchased two single-family homes in anticipation of developing this site and demolition will be complete by the end of September.

##### **4.2 Intergenerational Housing at Hillsdale Heights**

The Executive Director met with Many Lights and Catholic Family Services to discuss a potential partnership between the three agencies. Safe Streets has been selected as the consultant for the community engagement and consultation for the project. Their work was slated to begin in 2018; however, this may be delayed for several months. THA will likely issue an RFP to select our service provider.

#### **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, 2017 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**

<b>Property</b>	<b>Construction start</b>	<b>Construction schedule complete</b>	<b>Units complete</b>	<b>Units underway</b>	<b>Units remaining</b>
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	9/15/2017	47	11	0
6 <sup>th</sup> Avenue	4/1/2017	9/26/2017	64	0	0
G Street	3/7/2017	9/7/2017	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, 6<sup>th</sup> Avenue, Wright, G Street

The *Certificates of Substantial Completion* were issued for Ludwig, K Street and Fawcett. *Certificates of Completion* should be issued for the remaining sites by

October 31, 2017. Project and individual sites are on-track for meeting the tax-exempt bond “50%” test.

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, Wright and G Street is essentially complete with minor items yet to complete. Roofing at 6<sup>th</sup> Avenue and K Street is currently in process with completion expected by the end of September, 2017.

#### Elevators

Modernization of both elevators at E.B. Wilson passed inspection on December 29, 2016. The modernization of elevators at G Street, Fawcett, Ludwig and 6<sup>th</sup> Avenue are also complete. K Street’s elevator number one is complete and the second elevator is estimated to be complete by mid-September. Wright’s elevator number one is estimated to be complete the first week 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 coordinate meetings with appropriate staff to educate and provide warranty, etc. information on the elevators.

## **5.2 Relocation**

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

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

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

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

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

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

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



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

Wright Street Apartments modernization is currently underway. Forty-Seven units are completed and eleven units are currently under construction with the residents fully relocated at hotels and friends, on site or staying at relative's homes. They are set to return by October 5, 2017. Two units from the previous sets that had bed-bugs and were remediated were added to this group to renovate and to relocate the residents. All relocation of residents for this Site will be finished by October 5, 2017.

### **5.3 Watch list**

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

On August 31, 2017, Robinson Noble constructed three groundwater monitoring wells. Wells are dry and Robinson Noble will check them quarterly.

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

On August 17, 2017, Robinson Noble drilled three more test borings and constructed two groundwater monitoring wells. Their investigative work also confirmed that an underground storage tank does not exist. The borings in the alley were determined to be clean. The results of the soil borings will indicate if the dirty dirt has moved upward. The contamination is likely bunker oil. We are waiting on the groundwater laboratory results. Robinson Noble will conduct quarterly monitoring.

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 DOE.

Legal Counsel sent a letter to Superior Linen informing them that and a formal complaint will be filed against them for restitution for environmental expenses. 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**

Sewer investigation is required at Wright Street to assess suspected cracks in the pipes and/or lines. Access to the crawl space and opening of the corridor flooring is required to assess the situation and remediate any hazardous conditions prior to starting work. Ponding of water, dry rot in several units and rotted floor joists were discovered. The cost for the investigative work, remediation and dry rot work will be covered by contingency.

The following information provides a status as of Draw #15. Overall, the project is under budget and anticipated to remain under budget.

<b>Budget</b>	<b>Total budget</b>	<b>Expended</b>	<b>Outstanding</b>
Soft Costs*	\$24,023,498	\$8,570,106	\$15,453,392
Construction (includes owner's contingency)	\$33,155,555	\$31,492,184	\$1,663,371
Environmental Escrow	\$3,500,000	**\$600,000	\$2,900,000

*NOTE: The above reflects the budget status through Draw15 (August 2017 draw).*

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

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

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

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

#### **Section 3 New Hires:**

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

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

- The small work scope is such that it is difficult to package scopes into smaller packages to achieve minority and MWBE results. This is easier to do on larger, single purpose projects;
- The RAD project is complex and maintaining the aggressive schedule is critical. There are significant consequences to any delays in the work. For example, the investor is expecting delivery of 3 projects by the end of 2016. If any one of the projects is not delivered, there is a serious financial and reputational risk. Also, if there are delays in the work, the project will face increased relocation costs;
- AVA Siding is a Section 3 business; however, due to market conditions and their work load, RDF Builders has had to step in and take over some of the siding scope simply to finish the project on time;
- Cerna Landscaping, WCC's go-to MBE landscape subcontractor failed on the Bergerson project, again due to an excessive amount of work that they could not complete;
- There has been difficulty identifying MWBE subs, unfortunately Walsh's outreach results were not what they had hoped; and,
- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at National Association of Minority Contractors (NAMC) meetings, and

phone calls were outstanding. We simply had trouble finding MWBE subcontractors. It is possible that this can be attributed to the significant amount of work underway in the South Sound.



**TACOMA HOUSING AUTHORITY**

**NEW BUSINESS**

# Resolution 1



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-09-27 (1)

**Date:** September 27, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Requesting Review by the Health Care Authority to Participate in the Washington State Insurance Plans

---

*This resolution would authorize Tacoma Housing Authority (THA) to apply for and consider joining the Washington State Health Care Authority healthcare insurance plans.*

### Background

Since 2009, THA has procured healthcare insurance for its non-represented and OPEIU-represented employees through a benefit broker, Cascade Valley Insurance. Employees represented by the Laborers (our maintenance staff) have received their healthcare insurance through the Northwest Laborers- Employers Health & Security Trust. The laborers union proposed this coverage during labor negotiations and the maintenance staff switched to this coverage in 2008.

The insurance for the non-represented and OPEIU-represented employees has seen large premium increases for its healthcare plans on a year-to-year basis. Some of the reasons for these large increases relates to the demographics of our group, our claims experience, and the small size of our group (about 110 employees). For those reasons, the Benefit Committee (a group comprised of our OPEIU and non-represented employees and our OPEIU Business Rep., Valarie Peaphon) decided to pursue the option of joining a larger healthcare plan.

These larger groups offer a wider variety of healthcare options for our employees and for the first time, we will be able to offer our retiring employees the possibility of purchasing retirement healthcare coverage that is a lot less expensive than plans purchased on the open market. In addition, the cost of the plans is slightly less than THA's current plans. Joining a larger group may not immediately result in large savings; however in the long run, THA should at least see less volatility in our annual premium increases. We will continue to negotiate with the unions on cost sharing with our employees for their healthcare insurance coverage. THA currently pays 97.5% of the employee-only healthcare premium and pays 81% of all dependent healthcare premiums. The employees pay the balance.

The Benefit Committee has recommended that THA apply to join two large group plans, the

Washington State Health Care Authority (HCA) and the Association of Washington Cities (AWC). Once the 2018 premium rates are available (sometime in October), the Benefit Committee will make a final recommendation to Cabinet on which plan to join. This resolution is required as part of the application to join the HCA healthcare plans.

With this Resolution, we have attached samples of the various plans offered by the HCA. THA's Benefit Committee has thoroughly reviewed both large group options and determined that both have plans that are similar to our current coverage and also offer a wider variety of plans.

### **Recommendation**

Authorize Tacoma Housing Authority's Director of Human Resources to apply to the Washington State Health Care Authority to join their 2018 healthcare insurance plans for THA's non-represented and OPEIU-represented employees.





# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-09-27 (1)**

### **(Requesting Review by the Health Care Authority to Participate in the Washington State Insurance Plans)**

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

WHEREAS, the Health Care Authority administers the medical, dental, life, and long term disability insurance coverage for the employees of the state of Washington, as set forth in chapter 41.05 RCW; and,

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Tacoma representing the Housing Authority of the City of Tacoma has reviewed the state insurance plans, chapter 41.05 RCW, RCW 41.04.205, chapter 182-08 WAC, and chapter 182-12 WAC; and,

WHEREAS, we deem the state insurance plans as providing desirable insurance coverage for the non-represented and OPEIU-represented employees; and,

WHEREAS, we certify that all non-represented and OPEIU-represented employees enrolled are eligible to participate in the state insurance plans;

BE IT RESOLVED, that the Housing Authority of the City of Tacoma requests approval by the Health Care Authority to participate in the state insurance plans for the employees of the Housing Authority of the City of Tacoma subject to the requirement of RCW 41.04.205 and the rules adopted thereunder.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Janis Flauding, Chair

# **Resolution 2**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-9-27 (2)

**Date:** September 27, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Purchase of Highland Crest Apartments

*This Resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to finalize the purchase of The Highland Crest Apartments as outlined in the Purchase and Sale Agreement dated June 22, 2017 and to use up to \$3.5million to purchase the property.*

### Background

Highland Crest Apartments is a property that is of interest to the Tacoma Housing Authority. This property is located in close to proximity to land that THA owns and is well located relative to schools, shopping and employment. It has easy access to Highway 16 and is within walking distance of Tacoma Community College. Highland Crest is a 73-unit multifamily project that is located at 729 S. Vassault and was built in 2000.

The apartments are arranged as a two-story walk-up and have studio, one and two-bedroom units. The units are quite large and offer stacked washers and dryers. The studios have a nook area for a bed, which enhances livability and a sense of space. There are 40 carports that are currently renting for an additional \$25 per month and six garages that are leasing for an additional \$100 per month.

**Bedroom Mix and Size**

BR Type	# Units	Square Feet
Studio	16	526
1BR	32	805
2BR/2BA	24	1056
3BR	1	
TOTAL	73	

The following chart compares the current average rents collected at Highland Crest to rents considered affordable at 60% to 80% of the AMI. The current rents are above the maximum rent allowed under the LIHTC program. They are below the maximum rent that would be affordable to households earning 80% of the AMI.

### **Rent Comparison**

	<b>Current Average Rents</b>	<b>60% AMI Rents</b>	<b>80% AMI Rents</b>
Studio	\$780	\$783	\$1,014
1 Br/1 Bath	\$973	\$838	\$1,158
2 Br/2 Bath	\$1,092	\$1,006	\$1,302
House	\$1,800	\$1,162	\$1,446

THA has entered into a contract to purchase the property for \$9.7M or \$132,876 per unit. The seller is Highland Crest LLC. It has agreed to carry a loan for \$6.4 M. This will take the form of a tax exempt bond. The first five years of the loan will be interest only payments and prepayment of the loan is not allowed. The interest rate is 4.5%, which translates to an annual interest only payment of \$288,000.

Beginning the 61<sup>st</sup> month, the seller loan will convert to interest and principal with a 30-year amortization schedule at 4.5% interest. This will be \$31,990 per month or \$383,880 annually. The loan must be refinanced within five years of converting to an amortizing loan. There is not a prepayment penalty if the loan is prepaid once it converts to an amortizing loan.

THA funds will provide the down payment of \$3.3M. Another \$200,000 will be set aside from THA resources to fund a replacement reserve.

The appraisal valued the property at the \$9.7 Million asking price.

All due diligence has been completed and no major operational, building condition or related issues were identified.

Spinnaker Management Company will provide property management services. Spinnaker is currently managing Outrigger, which is adjacent to Highland Crest.

### **Recommendation**

Authorize THA's Executive Director to finalize the purchase of Highland Crest Apartments pursuant to the Purchase and Sale Agreement dated June 22, 2017 and to allocate up to \$3.5Million in THA resources for the equity and replacement reserve funding needed to complete this transaction.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-09-27 (2) (Purchase of Highland Crest Apartments)**

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

**WHEREAS**, THA owns and manages affordable rental housing in Tacoma; and

**WHEREAS**, THA is interested in acquiring existing rental housing to meet its short and long term financial and community goals; and

**WHEREAS**, THA believes time is of the essence and that there is potential that future development in West Tacoma will diminish affordably priced rental housing for the neighborhood; and

**WHEREAS**, Due diligence tasks have been completed and the property was found to be in good, operable condition; and

**WHEREAS**, A combination of tax exempt bond financing and second mortgage has been identified to purchase this property; and

**WHEREAS**, THA will allocate up to \$3.5 Million of its reserves to purchase Highland Crest Apartments; now, therefore, be it

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

Approve Resolution 2017-09-27 (2) authorizing THA's Executive Director to finalize the purchase of Highland Crest Apartments pursuant to the terms of the Purchase and Sale Agreement.

**Approved: September 27, 2017**

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Janis Flauding, Chair

# **Resolution 3**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-09-27 (3)

**Date:** September 27, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Highland Crest Apartment Bonds

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*The purpose of this resolution is to authorize the issuance of tax-exempt bonds for the purchase of Highland Crest Apartments.*

### Background

Tacoma Housing Authority has executed a purchase and sale agreement to acquire Highland Crest Apartments. This is a 73-unit apartment complex located in West Tacoma. Highland Crest LLC has requested that the Authority issue revenue bonds (together, the “Bonds”) for the purpose of providing part of the funds with which to pay the costs of acquiring Highland Crest.

The proceeds of the Bonds will be used to make a loan (the “Loan”) to the Tacoma Housing Authority pursuant to a Loan Agreement (the “Bond Loan Agreement”) between the Authority and the Seller. Pursuant to the Loan Agreement, THA will agree (1) to apply the proceeds of the Loan to pay acquisition costs to acquire the property, (2) to make payments sufficient to pay the principal of and interest on the Bonds when due, and (3) to observe the other covenants and agreements and make the other payments set forth in the Bond Loan Agreement. Use of bonds to purchase this multifamily property requires that at least 50% of the bonds be used to provide affordable low income rental housing, as defined by the housing authority.

The Highland Crest, LLC has offered to purchase the Bonds upon terms set forth in the purchase and sale agreement dated June 22, 2017, and as it may be further amended from time to time.

### Board Resolution

This Resolution seeks board authorization for the:

1. Issuance of the Bonds in a principal amount not to exceed \$6,400,000,
2. Sale of the Highland Crest LLC, and

3. Preparation, execution and delivery of documents by the Authority, in its capacity as issuer of the Bonds and guarantor of certain obligations with respect to the Bonds. Documents to be authorized include, without limitation, Loan Agreements, a Deed of Trust, an Environmental Indemnity Agreement and a Guaranty.

### **Recommendation**

Authorize the issuance of tax-exempt bonds for the purchase of Highland Crest Apartments.





# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-0-27(3) (Highland Crest Apartments Bond)**

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the issuance of a revenue bond of the Authority in the principal amount of not to exceed \$6,400,000, the proceeds of which will be used to finance all or a portion of the cost of acquiring a 73-unit apartment complex located at 729-730 South Vassault Street, Tacoma, Washington, known as the Highland Crest Apartments; establishing a bond fund; determining the form, terms and covenants of the bond; authorizing the execution and delivery of the bond, a deed of trust, and other agreements, documents and certificates; authorizing the sale and delivery of the bond to Highland Crest Apts., L.L.C.; 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, "any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income"; and

WHEREAS, RCW 35.82.070(5) provides that a housing authority may pledge any interest in real property; 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 35.82.040 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, the Authority has entered into an agreement to purchase a 72-unit apartment complex located at 729-730 South Vassault Street, Tacoma, Washington, known as the Highland Crest Apartments, to be a housing project of the Authority (the "Project"); and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue a revenue bond (the "Bond") in the principal amount of not to exceed \$6,400,000 to the seller of the Project to finance a portion of the purchase price of 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:

“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.

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

“Bond” means the Housing Revenue Bond, 2017 (Highland Crest Apartments Project), of the Authority issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Bond Fund” means the Authority’s Housing Revenue Bond Fund, 2017 (Highland Crest Apartments Project), created by Section 6 of this Resolution for the purpose of paying principal of and interest on the Bond.

“Bond Registrar” means the Executive Director of the Authority.

“City” means the City of Tacoma, Washington.

“Code” means the Internal Revenue Code of 1986, as amended.

“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 the Seller is the beneficiary constituting a lien on the real property and improvements constituting the Project.

“Environmental Indemnity Agreement” means hazardous substances warranty/indemnity agreement made by the Authority for the benefit of the Seller relating to the Project.

“Project” means, depending upon the context, (1) the acquisition of the apartment complex known as the Highland Crest Apartments located at 729-730 South Vassault Street, Tacoma, Washington, which is hereby declared to be a housing project of the Authority; or (2) the apartment complex so acquired.

“Project Revenues” means all amounts due to or received by the Authority for the account of the Authority pursuant or with respect to the Project, including without limitation all payments on contractors’ bonds, all lease payments, insurance proceeds and condemnation awards and proceeds resulting from foreclosure of the Deed of Trust, and all investment earnings thereon.

“Purchase and Sale Agreement” means the Real Estate Purchase and Sale Agreement, between the Authority and the Seller, providing for the Authority’s purchase of the Project from the Seller, together with any amendments thereto.

“Registered Owner” means the Seller, as registered owner of the Bond, or any subsequent owner of the Bond.

“Seller” means Highland Crest Apts., L.L.C., a Washington limited liability company.

Section 2. Authorization and Description of Bond. The Authority shall issue the Bond as a single revenue bond designated Housing Revenue Bond, 2017 (Highland Crest Apartments Project), in the principal amount of not to exceed \$6,400,000 for the purpose of paying a portion of the purchase price for the Project. The Bond shall be issued in fully registered form; shall be dated its date of issue, shall be numbered R-1; shall mature ten years from its date of issue. Up to

and including the fifth anniversary of the date of issue, interest only on the Bond shall be payable on the first business day of each calendar month. Commencing with the first business day of the first full calendar month after the fifth anniversary of the date of issue, principal of and interest on the Bond shall be payable in equal monthly installments in the amount necessary to amortize the principal of and interest on the Bond over a 30-year period, based on the outstanding principal amount of the Bond on the fifth anniversary of the date of issue. At maturity, any remaining outstanding principal balance and accrued interest on the Bond shall be due and payable in full.

Section 3. Bond Registrar; Registration and Transfer of Bond. The Executive Director of the Authority shall serve as Bond Registrar for the Bond. The Bond Registrar shall keep, or cause to be kept, at its office in Tacoma, Washington, sufficient books for the registration of the Bond (the "Bond Register"), which shall contain the name and mailing address of the Registered Owner of the Bond. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this resolution, to serve as the Authority's paying agent for the Bond and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Bond may be assigned or transferred by the Registered Owner only with the prior written consent of the Authority and only if endorsed in the manner provided thereon and surrendered to the Bond Registrar, together with an executed Certificate of Transferee, in the form attached to the Bond.

Section 4. Place, Manner and Medium of Payment of Bond. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on the Bond, the Registered Owner shall surrender the Bond at the principal office of the Bond Registrar in Tacoma, Washington, for destruction or cancellation in accordance with law.

Section 5. Prepayment Option. The Bond may not be prepaid by the Authority prior to the fifth anniversary of the date of issue. The Authority reserves the right and option to prepay the Bond, in whole or in part, at any time after the fifth anniversary of the date of issue at par plus accrued interest to the date of prepayment or redemption. Interest on the principal amount of the Bond called for prepayment shall cease to accrue on the date fixed for prepayment unless the principal amount called for prepayment is not paid on the prepayment date.

Section 6. Bond Fund; Security for the Bond. The Bond Fund is hereby established as a special fund of the Authority and is to be known as the Housing Revenue Bond Fund, 2017 (Highland Crest Apartments Project). The Bond Fund is to be drawn upon for the sole purpose of paying the principal of and interest on the Bond. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund from Project Revenues money sufficient in amount to pay principal of and interest on the Bond when due. The Bond is also secured by the Deed of Trust.

The Bond shall not be a debt of City, the State of Washington or any political subdivision thereof, and the Bond shall so state on its face. Neither the City, the State of Washington nor any

political subdivision thereof (except the Authority, from the sources specified herein) shall be liable for payment of the Bond nor in any event shall principal of, premium, if any, on and interest on the Bond be payable out of any funds or assets other than those pledged to that purpose by the Authority herein. The Authority has no taxing power.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bond.

Section 7. Form and Execution of Bond. The Bond shall be prepared in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof.

To be valid or obligatory for any purpose or entitled to the benefits of this resolution, the Bond shall bear a Certificate of Authentication in the following form, manually signed by the Bond Registrar:

#### CERTIFICATE OF AUTHENTICATION

This Bond is the fully registered Housing Revenue Bond, 2017 (Highland Crest Apartments Project), of the Housing Authority of the City of Tacoma described in the Bond Resolution.

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Executive Director of the Authority and  
Bond Registrar

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing his or her facsimile signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. The Bond also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bond, is an officer of the Authority authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bond.

Section 8. Preservation of Tax Exemption for Interest on Bond. The Authority covenants that it will take all actions necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds of the Authority treated as proceeds of the Bond at any time during the term of the Bond which would cause interest on the Bond to be included in gross income for federal income tax purposes. The Authority also covenants that, to the extent arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating

rebutable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bond from being included in gross income for federal income tax purposes.

Section 9. Approval of Transaction. The Board finds that the terms and conditions contained in this resolution and the Purchase and Sale Agreement are in the best interest of the Authority, and authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Purchase and Sale Agreement and this resolution.

Section 10. Authorization of Documents and Execution Thereof. The Authority authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bond, the Deed of Trust and the Environmental Indemnity Agreement, and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bond. The appropriate Authority officials are authorized and directed to do everything necessary for the issuance, execution and delivery of the Bond, and the Executive Director of the Authority is authorized and directed to execute and deliver the Deed of Trust, the Environmental Indemnity Agreement and any other documents that may be reasonably required to be executed in connection with the issuance of the Bond, or useful or necessary to ensure the proper use and application of the proceeds of the Bond.

The Bond will be prepared at the Authority's expense and will be delivered to the purchaser thereof, with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington.

Section 11. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or Executive Director of the Authority may in the absence of such person be taken by the duly authorized acting Chair of the Board or acting Executive Director of the Authority, respectively.

Section 12. 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 13. 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 14. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting thereof this 27<sup>th</sup> day of September, 2017.

**September 27, 2017**

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Janis Flauding, Chair

## CERTIFICATE

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

1. That the attached Resolution No. 2017-09-27 (3) (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 September 27, 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 this 27<sup>th</sup> day of September, 2017

By: \_\_\_\_\_  
Executive Director and Secretary-Treasurer  
of the Authority

# **Resolution 4**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-09-27 (4)

**Date:** September 27, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Approval of THA's 2018 Moving to Work Plan

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*This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to submit the Fiscal Year 2018 Moving to Work (MTW) Plan.*

### Background

Each year, THA proposes new MTW activities intended to meet the statutory goals of the MTW program:

- *Reduce costs and achieve greater cost effectiveness in federal expenditures;*
- *Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and*
- *Increase housing choices for low-income families.*

MTW "activities" are best described as new things THA wishes to do that require waiving Housing and Urban Development (HUD) regulations. Staff has gone through a community and staff consultation process resulting in no new proposed activities for FY2017. The process led to the proposal of a revision to an existing activity. The 2017 MTW Plan subject to approval of this resolution includes this revision.

This year, Aley Thompson met with operational and executive staff to understand the agency's MTW needs and priorities. Rental Assistance, Property Management and Community Services teams were consulted at their regularly scheduled department meetings. Results of the consultation process informed which new activity ideas and/or revisions to existing activities would be included in the MTW Planning memo to THA's Cabinet for inclusion in the 2018 planning process.

While many of staff's suggestions would not require further MTW flexibility, staff voiced the desire to take another look at many of THA's existing activities and their policy implications. Examples include portability policies, the Housing Opportunity Program payment standard



amount and the Family Self-Sufficiency program pay points. Revisions to these policies will require further research and staff time and are not being presented to the Board at this time for approval. Many of the ideas that came out of staff feedback were important and deserve further follow up. The follow up will need to occur after we have made it through other pressing agency tasks such as the OpenDoor development and implementation, the RAD conversion at Salishan, development of business processes for the agency, and improving THA's voucher utilization.

## 2017 MTW Plan

The 2017 MTW Plan does not include any new activities but does include one revision to an existing activity. THA is proposing a revision to its existing "Local Security and Utility Deposit Program." It will be retitled "Rental Assistance Success Initiative" and will allow THA to offer more than utility allowances. It will also allow THA to work with its participants and property owners to develop incentive programs to encourage property owners to put their units on the program.

Any changes to the MTW Plan that are approved by the board and HUD will be updated in THA's Administrative Plan.

The draft plan can be viewed by following this link:

[https://www.tacomahousing.net/sites/default/files/2018\\_mtw\\_plan\\_-\\_working\\_document\\_2017-8-7.pdf](https://www.tacomahousing.net/sites/default/files/2018_mtw_plan_-_working_document_2017-8-7.pdf)

## Community and Staff Consultation

During the planning process, there has been a wide range of community and staff input. There were staff brainstorming sessions and feedback from those meetings. After receiving approval from the Cabinet to go through the public hearing process, THA has taken the following actions to receive feedback:

- Executive leadership consultation.
- Staff planning sessions.
- Public comment notice and draft MTW Plan made available on THA's website.
- Public Hearing for current residents and all interested parties on August 31<sup>st</sup>.
- Public Hearing for current property owners and managers on September 11<sup>th</sup>.

THA received robust public comment during its meetings with property owners and managers. That feedback led to the revision to THA's MTW activity in order to allow THA and its partners to develop incentive programs to increase voucher utilization. All of the comments that THA received are included in the MTW Plan. THA asked the property owners three questions during these meetings. Highlights include the following:

- 1. What does THA do well? Is there something about THA's programs and the people we serve that motivates you to participate in the voucher program?**
  - *Communication between THA and landlords is timely, informative and helpful*
  - *On-time and consistent payments*
  - *Client/Housing Specialist participation/follow-up is fabulous*
  - *Housing Specialists support landlords in enforcing the rules and do so very well*

- *THA stays up to date with state and city laws*
- *Appreciates THA's work in providing financial support to vulnerable people in Tacoma*
- *Appreciates being able to help families to have a safe place to live*
- *Direct deposit of THA's portion*
- *The rental listing in the front lobby*

**2. How could THA improve? What dissatisfies you about the voucher program?**

- *Rent increase requests should be reduced to 30 days' notice*
- *Occasionally payments are received from tenants in 2, 3, 4 payments in varying amounts as they have funds. It's very inconsistent and time consuming for landlords. If tenant payments were made to THA and then paid out once received in full – that would be easier for landlords*
- *Tenants are left to landlords for compliance/limited influence over the client*

**3. What could THA or the City of Tacoma do to make you more interested or ability to make housing available to low-income families?**

- *Lease with county to reduce property taxes on homes accepting voucher holders*
- *Allow landlords to pre-certify units as having passed THA inspections so they can advertise "section 8 approved"*
- *Continue grant opportunities for participating landlords*
- *Reimbursement to landlords for damages that exceed security deposit*
- *Hold tenants accountable for property destruction and money owed*
- *Pay market rents*
- *City funded deposit assistance*

## Recommendation

Authorize THA's Executive Director to submit the Housing Authority of the City of Tacoma's Fiscal Year 2018 Moving to Work (MTW) Plan.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-09-27 (4)

### Certifications of Compliance

**Annual Moving to Work Plan  
Certifications of Compliance**

**U.S. Department of Housing and Urban  
Development, Office of Public and Indian  
Housing**

### **Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan\***

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 2018, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.

7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the City of Tacoma    WA005

**PHA Name**

**PHA Number/HA Code**

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Janis Flauding

**Name of Authorized Official**

Chair

**Title**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

# **Resolution 5**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-9-27 (5)

**DATE:** September 27, 2017

**TO:** THA Board of Commissioners

**FROM:** Michael Mirra  
Executive Director

**RE:** Resolution amending the Authority's declaration of intent to sell bonds to provide financing for the acquisition and rehabilitation of low-income housing within the Alberta J. Canada Building

### Purpose

This resolution amends Resolution 2017-08-23(2) of the Authority to increase the maximum anticipated principal amount of the bonds to be issued to finance the acquisition and rehabilitation of low-income housing within the Alberta J. Canada Building (the "Project").

### Background

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 to be reimbursed from bond proceeds, the issuer must declare an official intent to reimburse such expenditures from bond proceeds.

Pursuant to Resolution 2017-08-23(2) adopted by the Board of Commissioners on August 23, 2017, the Authority declared its intent to sell bonds in a principal amount of not to exceed \$6,000,000 to provide financing to The Alberta J. Canada LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner (the "Borrower"), and to permit bond proceeds to be used to reimburse expenditures for the Project made before the issue date of bonds.

The Authority has determined that the estimated cost of the Project has increased and, as a result of that increase, the Borrower will request that the Authority will issue and sell its revenue bonds in an amount up to \$7,500,000 for the purpose of assisting the Borrower with the financing of the Project.

### Recommendation

Approve Resolution No. 2017-09-27 (5).



# TACOMA HOUSING AUTHORITY

## **Resolution 2017-09-27 (5) (Alberta J. Canada – Amending New Look Inducement)**

A RESOLUTION of the Housing Authority of the City of Tacoma amending Resolution 2017-8-23(2) to increase the anticipated amount of bonds to \$7,500,000.

WHEREAS, the Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) adopted resolution 2017-8-23(2), declaring its intention to issue bonds in the amount of up to \$6,000,000 for acquiring and rehabilitating 49-units of low-income housing, together with functionally related and subordinate facilities (the “Project”) within a building known as the Alberta J. Canada Building, to proceeds of which are to be lent to The Alberta J. Canada LLLP (the “Borrower”); and

WHEREAS, the estimated cost of acquisition and rehabilitation of the Project has increased; and

WHEREAS, the Authority anticipates that, as a result of that increase, the Borrower will request that the Authority issue and sell its revenue bonds in an amount up to \$7,500,000 for the purpose of assisting the Borrower in financing the acquisition and rehabilitation of the Project; and

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

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

Section 1. Resolution 2017-8-23(2) is amended by replacing references to \$6 million (or \$6,000,000) each place it occurs in that resolution, with \$7,500,000. Resolution 2017-8-23(2) will remain in full force and effect in all other respects.

Section 2. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 3. This resolution shall be in full force and effect from and after its adoption and approval.

**Approved: September 27, 2017**

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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. 2017-9-27 (5) (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 September 27, 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 September 27, 2017.

HOUSING AUTHORITY OF THE CITY OF  
TACOMA

By: \_\_\_\_\_  
Michael Mirra, Executive Director