



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

October 25, 2017



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

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

REGULAR MEETING Board of Commissioners

WEDNESDAY, October 25, 2017

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, October 25, 2017, at 4:45 pm.**

The meeting will take place at:

**Bergerson Terrace
5303 S. Orchard Street
Tacoma, WA 98467**

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

I, Sha Peterson, certify that on or before October 25, 2017, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

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

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

Sha Peterson
Executive Assistant



TACOMA HOUSING AUTHORITY

UPDATED AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

October 25, 2017 4:45 PM

Bergerson Terrace, 5303 S. Orchard Street, Tacoma, WA 98467

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - 3.1 Minutes of September 27, 2017—Regular Meeting
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Client Services
 - 7.3 Property Management
 - 7.4 Real Estate Development
- 8. OLD BUSINESS**
- 9. NEW BUSINESS**
 - 9.1 2017-10-25 (1) Amendment to Foster Pepper Legal Service Contract
 - 9.2 2017-10-25 (2) Procurement Policy for Tax Credit and Other Entities
- 10. COMMENTS FROM THE COMMISSIONERS**
- 11. EXECUTIVE SESSION, if any.**
 - 11.1 Procurement
- 12. ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, September 27, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at Ludwig, 5425 S. Lawrence, Tacoma, WA at 4:45 PM on Wednesday, September 27, 2017.

1. CALL TO ORDER

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

2. ROLL CALL

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

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

Chair Flauding declared there was a quorum present @ 4:55 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Flauding asked for any corrections to, or discussion of the minutes for the Special Session of the Board of Commissioners on Monday, August 21, 2017. Vice Chair Hodge moved to adopt the minutes; Commissioner Banks seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved.

Chair Flauding asked for any corrections to, or discussion of minutes for the Annual Meeting of the Board of Commissioners on Wednesday, August 23, 2017. Commissioner Banks moved to adopt the minutes; Vice Chair Hodge seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved.

Chair Flauding asked for any corrections to, or discussion of minutes for the Regular Session of the Board of Commissioners on Wednesday, August 23, 2017. Commissioner Young moved to adopt the minutes; Commissioner Banks seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved.

4. GUEST COMMENTS

Bettina Carson, North K Tenant commented as follows:

1. At the April 2017 board meeting, a tenant approached the board about a defective bathroom fan in her unit. THA maintenance addressed the issue by disconnecting the fan, but that has caused additional problems.
2. Entry of unauthorized persons in the building, suspected of having a master key. It has been several years since tenants requested a new locking system but no action has been taken and break-ins continue.
3. Smoking outside the building and by the fence. The smoke is getting into the apartments, which is a health risk to tenants. Ms. Carson would be willing to work with THA to find a suitable solution.
4. The cart provided to tenants to carry items from their car to their apartments isn't very useful because it has no sides. Ms. Carson showed building Property Manager Denise Day-Joseph a possible replacement cart.
5. Temperature in the building during summer. The south side and 3rd floor of the building are exposed to the sun; tenants are getting sick. They feel it unsafe to open windows and are requesting air conditioners to be installed in each unit. Hope Rehn who is a tenant at Wright Street informed the board that tenants at her building also share the same problem. In fact, it is even worse now that the awnings were removed.

Ms. Carson also mentioned that the building has not been cleaned and paint is starting to chip. She notified Denise and Maintenance Specialist Steve Carr.

Frankie thanked Ms. Carson for bringing her items to the board's attention; they will meet after the meeting.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh

Commissioner Rumbaugh was not in attendance.

Finance Committee—Vice Chair Hodge and Commissioner Young

Nothing to report.

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 introduced Frankie Johnson as THA's Property Management Director. She has been filling the position since February as Interim Director.

ED Mirra reported that Housing and Urban Development (HUD) has continued discussions with Moving to Work (MTW) agencies about their statutory requirement to serve "substantially the same" number of families that they would serve if they were not MTW. This number is called the "baseline", which HUD calculated and assigns to each agency. HUD has been deliberating on the meaning of the statute. It has proposed alternative definitions, some of them troublesome. Two weeks ago HUD reported that it would define the requirement to mean that a MTW agency has to serve 100% of the baseline. In other words, as Commissioner Young observed, this definition means that "substantially the same" means "the same". THA does not count this as a victory. ED Mirra noted that up to the end of 2016, THA has been at 100% of its baseline. However 100% is going to be hard to sustain as Tacoma's hot rental market continues to get more expensive, requiring THA to increase the value of its vouchers. Arithmetic tells us that we cannot serve the same number of families whose vouchers are getting more expensive while Congressional funding remains at best flat. THA will have to decide how it will respond. It will do this as part of the 2018 budget. THA has three general options. **First**, it can decrease the value of vouchers further ("thin the soup" further) and try to serve more people at the risk of making those vouchers even less competitive in a hot market. **Second**, THA can redirect money spent on other services and purposes and spend it instead on paying rent. This would weaken those other services, like the Education Project, supportive services and administrative support. **Third**, THA can lower utilization targets to something below 100%. Other housing authorizes in the same predicament are lowering their utilization goals. This risks some HUD directive to require corrective action. Staff will make a proposal to the board as part of the budget process.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Director Ken Shalik directed the board to the finance report. The auditors are currently working on the accountability portion, and there have been no challenges. One minor issue is reporting Family Self-Sufficiency (FSS) and what is on the general ledger. THA expects a no-findings report from the auditors.

Finance is working on the budget process. Approximately \$8M from Rental Assistance Demonstration (RAD) will be coming next year. Commissioner Banks thanked Director Shalik and his staff for their hard work.

Commissioner Banks moved to ratify the payment of cash disbursements totaling \$4,334,254 for the month of August, 2017. Commissioner Young seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved.

Policy, Innovation and Evaluation

Director April Black introduced Policy, Innovation and Evaluation's (PIE) new Project Manager Ava Pittman who has been at THA for three years in a different capacity. Pittman will be able to review policies from the perspective of client-services. She will lead the MTW program and will be the point of contact for other projects.

Director Black reported that the McCarver redesign and expansion discussion is delayed a bit while THA procures some technical assistance. She heard what other agencies are doing at a recent education committee she attended. Commissioner Hodge suggested reaching out to Pat Cummings who used to work with the school district.

A transportation problem has triggered the need for a fast interim change to the McCarver program pending the full redesign and expansion. The increasing rents in the Hilltop have forced McCarver families to live outside the school's catchment area. The school district provided them with bus transportation, using McKinney-Vinto funding to do it. A recent TPS audit found this to be inappropriate since those families are no longer homeless. THA filled in with its own funding for two more weeks but at \$1,100 a day, it was not affordable. Two weeks ago, THA and TPS decided to allow McCarver program families to transfer their kids away from McCarver or to stay at McCarver and be responsible for their own transportation. This is a significant change to the program and will take effect October 9. McCarver staff and some parents are relieved. Chair Flauding noted that when THA started the program, it was to keep kids in the same school and families in the same area until Jr. High. Director Black agreed but noted that the program model does not work in the new rental market. Commissioner Banks suggested that instead of focusing on one school, the program's focus should be on keeping kids in school. ED Mirra asked, Vice Chair Hodge to help with the program's redesign. She agreed.

Administration

Administration (AD) Director Todd Craven reminded the board that during the previous month, he provided the board information on SalesForce. Since that time, AD has made

progress. Problems remain. He noted in particular that more than 100 landlords get the wrong rental payment each month. ED Mirra asked when that will be fixed. Director Shalik replied that we do not know. Director Craven added that there will be a short and a long term fix.

According to Associate Director Sandy Burgess, THA is buying out Boston Financial and currently negotiating a guarantee against the recapture of its tax credits. More information will be provided to the board in November or December.

AD, with THA attorneys, is revising the procurement policy to reflect state law more accurately. Through the policy revision, it was discovered that tax credit entities and other affiliates are not considered public entities and do not have to abide by the same rules. Staff will present the board with a resolution acknowledging this and stating that, even if the law may not require it, those entities will pay residential prevailing wages on construction contracts if doing so is feasible. This would reflect THA's support for residential rates but not support for the higher commercial rates.

THA has been considering a change to its business insurance provider and hired a risk manager and insurance broker to analyze THA's coverage. Staff expect to find improved coverage at lower cost. Staff will give the board more information in October or November.

ED Mirra introduced Sandy as the Interim Director of Administrative Services while THA searches for Todd's successor.

Client Services

The board was just provided with a letter reporting on the results of a Housing and Urban Development (HUD) audit of our Section 8 program. There are two findings and two concerns that Client Services (CS) was not expecting:

Finding (1): Housing Choice Voucher waiting list to be purged on a yearly basis
According to Director Claycamp, THA did not need to purge the waiting list because CS worked through the vouchers quickly. THA will not purge if all vouchers are utilized.

Finding (2) Incomplete orientation materials

Concern (1) THA has not developed and implemented BOC approved policies for capitalization and disposition.

Director Claycamp will seek clarification from Associate Director Burgess.

Concern (2)—THA is not exempt from the pre-procurement review.

Director Claycamp will provide the board information regarding resolutions to these findings at the next board meeting.

Property Management

Property Management (PM) Director Frankie Johnson reported that the PM department has been trending in a good direction for unit turns. The overall average is 19 days, which includes leasing. She will note what is included in the overall average on future board reports.

Bay Terrace 2 is leasing up and PM met every leasing benchmark. PM continues to have no work orders over 24 days. Director Johnson recognized her staff for all their hard work.

Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick reported that RED decided to slow down developing the rental units for Arlington Drive. This delay in large part results from the state legislature's delay in passing a capital budget, which has \$3 million for the project. This will not delay the schedule for the CRC. RED is planning on submitting 2018 tax credit application for 1800 block, which is the 3rd and final phase of Bay Terrace.

8. OLD BUSINESS

None.

9. NEW BUSINESS

9.1 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.

Comments

Commissioner Banks asked how the Obama Care impacts the state insurance plans. According to Director Kaheiki, it does not. Vice Chair Hodge asked how THA determines the portion employees pay. THA pays 97.5% for employee and 81% for dependents. ED Mirra asked if a board resolution is necessary to submit the application. Director Kaheiki stated that THA only needs a sponsor from the City Council; Council Member Lauren Walker-Lee sponsored the application and approved it at last night's council meeting.

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

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: September 27, 2017

Janis Flauding, Chair

9.2 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.

Commissioner Banks motioned to approve the resolution. Vice Chair Hodge seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: September 27, 2017

Janis Flauding, Chair

9.3 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.

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 rebatable 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 27th day of September, 2017.

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 27th day of September, 2017

By: _____
Executive Director and Secretary-Treasurer
of the Authority

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

Upon roll call, the vote was as follows:

AYES: 4

NAYS: None
Abstain: None
Absent: 1

Motion Approved: September 27, 2017

Janis Flauding, Chair

**9.4 RESOLUTION 2017-09-27 (4)
(2018 Moving to Work Plan)**

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
PHA Name

WA005
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)

<u>Janis Flauding</u>	<u>Chair</u>
Name of Authorized Official	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.

Vice Chair Hodge motioned to approve the resolution. Commissioner Banks seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion Approved: September 27, 2017	_____
	Janis Flauding, Chair

9.5 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.

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

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

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 1

Motion Approved: September 27, 2017

Janis Flauding, Chair

9. COMMENTS FROM COMMISSIONERS

Vice Chair Hodge mentioned how very nice the Eastside Community Center celebration was that weekend. Chair Flauding asked if Salishan residents receive a discount to use the center. According to ED Mirra, THA is negotiating a discount for Salishan residents. Chair Flauding suggested a free day to use the center.

ED Mirra informed the board that he will be bringing a resolution to the next board meeting requesting approval to provide vouchers to disaster victims.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:47 PM.

APPROVED AS CORRECT

Adopted: October 25, 2017

Janis Flauding, Chair



TACOMA HOUSING AUTHORITY

Real Estate Development Committee

Commissioner Stanley Rumbaugh

Finance Committee

Commissioner Minh-Anh Hodge

Commissioner Derek Young

Citizen Oversight Committee

Chair Arthur C. Banks

Education Committee

Commissioner Minh-Anh Hodge



TACOMA HOUSING AUTHORITY

**COMMENTS FROM THE
EXECUTIVE DIRECTOR**



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Date: October 18, 2017
Re: Executive Director's Monthly Report

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

1. NEWS FROM WASHINGTON, D.C.

I write from Washington, D.C.. April and I have met this week with staff from all five of our congressional offices: Senators Murray and Cantwell and Representatives Kilmer, Heck and Smith. We also met with our HUD MTW manager and with Len Simon, our long-time governmental relations advisor. With all of them, we discussed the same three topics, seeking advice about the second and third topic:

- **THA's Work**

We reviewed THA's initiatives. We reviewed THA's Education Project. In particular, we described the expansion of the Elementary School Housing Assistance Program, the expansion of the College Housing Assistance Program, and the Children's Savings Account Program. We discussed the Arlington Drive Youth Campus and the Hillsdale Heights Campus for foster Children and Seniors.

We discussed how the first of THA's 5-year time limits on HOP rental assistance will begin to expire next spring. We anticipated the questions that these offices may then get. To help them respond to those questions, we reviewed why we imposed time limits. I am pleased to report that all the offices understand and support our policy choices.

We also reviewed THA's property purchases and the reasons for them.

We covered this ground with all these offices, for three reasons. **First**, all of these offices have been strong champions of THA's work. To be effective on our behalf, they need to know our work and feel confident in our efforts. All of them expressed strong support and confidence in THA's work. **Second**, we need them to be alert for ways they can help us. **Third**, they need to know what is at stake with the next two topics we discussed with these offices.

- **HUD and THA's 2018 Budget**

We noted that in an orderly world Congress would adopt a HUD budget by October 1st. This would allow the THA Board to adopt a budget in December knowing what funding we will get. Yet, we also noted that Congress has not made that deadline for the past ten years and that the Board has had to write a budget without knowing our funding. This has meant that the Board must place its bets. This will also be the case for 2018. We explained to these offices that the Board has responded to this situation

by budgeting to the worst of the plausible budget versions working their way through Congress. We told these offices our judgment that this meant we plan to budget to the House version of the budget, which would give us flat funding from 2017. We asked each office if that was reasonable bet.

- **HUD's Interpretation of the MTW "Substantially the Same" Requirement.**
We discussed the MTW statutory requirement that each MTW agency serve "substantially the same" number of families as it would serve if it were not an MTW agency. HUD determines this number for each agency and assigns it to each as a baseline. We reported HUD's recent announcement that it will continue its interpretation that MTW agencies must serve 100% of the baseline number. As Commissioner Young noted at the last Board meeting, this means that HUD is interpreting "substantially the same" to mean "the same".

We told each office that this 100% requirement was not a problem until this year. We have been at 100% through the end of 2016. Then the rising rental market in Tacoma caught up with us and accelerated passed our ability to keep up. Our vouchers are increasing in cost. We now face the brutal arithmetic: if our vouchers are costing more as they increase in value in response to the rising market, it is not possible to serve the same number of families if our funding remains flat. Yet HUD will not adjust the baseline to reflect either flat funding or the rising market.

We explained that THA's Board faces three main choices as it writes its 2018 budget: **First**, we can reduce the value of our values further (more "soup thinning"). Yet this would mean the vouchers fall farther behind our market and make it even harder for voucher families to find landlords to rent to them. **Second**, we can direct rental assistance funds we now spend on other important purposes, including supportive services, important initiatives like the Education Project, property purchases, housing construction, and administrative support. Even if we did this, it would not be a long term solution as the market continues to rise. At some point, we would cannibalize ourselves into programmatic torpor or administrative incapacity. **Third**, we can face the arithmetic and concede that we cannot meet 100% of the HUD baseline. Doing this, however, may risk putting THA in HUD's "dog house". We asked each office including our HUD MTW manager, for advice.

At the Board meeting, I will report on the advice we received. I will also report on what April, Frankie and I learn at the CLPHA meeting later this week.

2. **THE SOFTWARE CONVERSION PROJECT**

As the Board has heard, the OpenDoor software conversion project has been challenging. In September, the Board heard some detail. Further staff discussions have emphasized their frustrations. After those discussions, I sent staff and the Board an email recounting the concerns and what we will now do to address them. I attach a copy of that email. As I report in that email, Sandy will be reporting on our progress to the Board at each Board meeting. I

remain confident that OpenDoor will be successful. We have a ways to go yet. This project will require more money for expertise and staffing for a limited period of time. That expenditure will show in my budget proposals to the Board for 2018.

3. THA SHOWCASE

Two national conferences this week and next feature THA's Education Project, with a particular focus on our College Housing Assistance Program. This week in Washington, D.C. I presented at the annual conference of Grant Makers for Education. This conference convenes the nation's major foundations concerned with education. Next week I travel to Philadelphia to present to a Temple University convening of researchers and policy makers. Each conference was a good chance to showcase THA and its work.

Michael Mirra

From: Michael Mirra
Sent: Sunday, October 15, 2017 7:09 PM
To: THA Client Services
Cc: THA All; (MHODGE@Tacoma.K12.Wa.US); Derek Young (derek@idreamrobots.com); drart6651@aol.com; Janis Flauding; Stan Rumbaugh
Subject: OpenDoor: Problems and the Plan

Dear Client Services Staff and all THA staff:

I write with some hopeful preliminary news about OpenDoor and how we will fix its continuing problems. Sandy will be in touch shortly with details as she works them out. She will try to convene a meeting with Client Services this week so you can hear from her directly even if details are still emerging. She may also ask to meet with other departments shortly that we know face similar frustrations. For that reason, I send this email to all THA staff. Sandy's plan will address the needs of all departments.

Below I outline the elements of Sandy's plan in a preliminary way, subject to her further modification. Before I do that, however, I would like to acknowledge some things, and to express my thanks. First, I know how much work it has taken to get us this far. OpenDoor is showing some impressive promise. Todd's dedication to it has been relentless. I note how everyone, despite their frustrations with the software, appreciates Todd for this dedication. I also appreciate the work this project has required of all staff. You have contributed in two different ways. Both are essential. You helped to design OpenDoor. Let us remember that we chose Salesforce for the ability it gives us to fashion software to our needs and to make it easier to customize than the off-the-shelf options would have been. This meant that staff told Todd and our vendors what we needed it to do. That took a lot of work. After we went live in April, the project has required a very different type of effort from everyone. This is when the harder work has been necessary. We must now help IT fix it and finish it.

The program is not working as we need. In fact, we have serious problems. Last Wednesday, April and I visited with Client Services for a Skip Meeting. Open Door was the main topic of discussion, during both parts of the meeting. Since that meeting, I have also conferred with some of you individually, including Stephanie. I have learned still more. Among the themes of the discussions, we heard the following:

- Few parts of the program are working well and some important parts are not working at all.
- Routine tasks that in VisualHomes took 4 minutes or less now take 30 minutes or more.
- The program sends landlords the wrong rent payments or the wrong record of payments or the records are poorly formatted. Tenants are getting eviction notices because of these problems. This jeopardizes relationships with landlords that our staff have spent years

nurturing. Still more seriously this is happening when the tight rental market is tempting landlords to leave the program.

- The program is not able to produce routine forms or reports or documents, such as letters. Staff are having to type up their own letters. The letters it does produce are poorly formatted and contain grammatical mistakes. This not only wastes time that staff do not have to waste. It is also embarrassing.
- Perhaps most disturbing of all is the effect on staff. Our staff have dedicated their lives to this work. They have spent years acquiring an expertise and a reputation for excellence. Now, because of the software, they feel an unsettling and unfamiliar incompetence. The software, instead, of making their work easier, makes it harder. To show such shortcomings with landlords and tenants is embarrassing. Our very good staff now wonder whether the work under these conditions is enough to bring them to THA in the morning, at least with their customary energy, drive and good humor.
- We also heard clearly how attentive Todd has been to the difficulties, but that he is not enough because he is only one person.

As April and I mentioned during the skip meeting, we have heard similar concerns from other departments as well. I expect that these concerns, and others, were hard for you to express. April and I are grateful for your willingness to express yourself in that way. What you told us and how you said it was everything it needed to be in this hard spot we are in: your comments showed your own impressive expertise; you made it as clear as anyone could have wished that your comments spring from your own heartfelt dedication to THA, its work, its clients, its landlords, and your own standards of excellence. I also admire the support and concern you show for colleagues, not only in the Client Services Department, but also for Todd and IT. April and I feel the compliment you paid us by trusting us that expressing yourself as you did will do some good. We do not mean to disappoint you!

The fix is already underway. As you already know, effective last week, Todd has moved from the Director of Administrative Services to project manager. He will focus entirely on the software conversion. He has committed to remain with us until the project is done and OpenDoor is working well. He judges that will allow him to depart THA within another year and he has committed to staying that long. We are presently interviewing for his successor as Department Director. I am very pleased to confirm that, in the meantime, Sandy will serve as our Interim Director of Administrative Services. This means that fixing OpenDoor is now her responsibility, and priority. I must emphasize that she will need help from all of us.

Since the skip meeting, Sandy and I have conferred about her plan for the fix. The cabinet had already sketched its outline, which I have described in my earlier emails to all staff. These are the main parts to it, subject to Sandy's modification and further details. As you see, some of this will require money for time-limited purposes, which I will propose to the Board as it adopts the 2018 budget:

1. We will hire additional IT staff with the Salesforce expertise we need. These will be sunset positions. They will supplement Todd and Melinda's expertise and that of our consultants.
2. We will fill the Business Process Project Manager position to help Todd on this conversion. We created this position three years ago but never filled it. We need it now because OpenDoor requires us to review many of our processes. For this reason, this person will focus on those processes pertinent to OpenDoor.
3. We will need staff from Client Services, Property Management and Finance (and perhaps other departments) to again serve as subject matter experts to advise the IT design of OpenDoor. This is what Rath has done so well. Clearly, Todd and others on his team need to sit for additional long stretches with these experts from each department to watch the same screen at the same time so they are communicating adequately about needs and problems. Yet while they are advising IT, these staff leave work undone. We may need to backfill with some sunset line staff.
4. Sandy will examine whether we are getting what we need from our current consultants, eightCloud and our Intacct vendor. If not, we will replace them.
5. Todd has created a project for this work. Project No. AD-2017-016. Its project outline is also for your benefit. It shows all the fixes necessary, the schedule for each fix and the status of the fix. Please study that list. Here is a link to it: <https://tacomahousing--c.na24.visual.force.com/apex/MilestoneView?id=a1R1a000001qy3T> **Please let Sandy and Todd know if (i) you do not see a fix on the list that you require or (ii) you see a fix on the list but you think it needs attention sooner than the list contemplates.** For example, I judge that fixing landlord rent payments and statements we send to landlords needs to be at the very top of the list of fixes to get done, and to get it done, if at all possible, **within days and not weeks.** I ask Sandy to regard it in this way.
6. Communication will be critical so we do **not** need to rely on Skip Meetings to express and hear concerns and to celebrate progress and victories. Sandy will keep us all up to date on the project. Her efforts to do this will include at least the following:
 - I ask Sandy to meet regularly with each department. I ask her to meet with the Client Services department this next week if schedules permit. If she does that, April and I will not be able to attend. We will be D.C.. You will be in Sandy's good hands. She may not yet have important details to report. But she can at least start her communication with you.
 - The project outline will be another important way for her to keep us all informed. So we should consult it frequently.
 - Sandy will report regularly on progress or lack of progress to me, the cabinet and to the Board.

Perhaps the main thing I wish you to know is that in all these ways the OpenDoor conversion and its problems have the full attention of all levels of THA and our consultants.

When we began this project, I explained to myself and to staff how choosing Salesforce was the ambitious choice. The easier choice would have been an off-the-shelf product like VisualHomes built for the regular public housing industry. But THA is not a regular housing authority. Our MTW flexibility requires more of our software. Off-the-shelf products would have done about 70% of what we need. Customizing such products to suit us would have been hard and expensive. We would have curbed our program and policy ambitions to the limits of the software. Instead, we need a software to follow our ambitions. So we chose Salesforce. We chose it because we could design it ourselves and because, we were told, it is easy to modify. If it works it will do 95% of what we need and make our work easier. But this means that we do have to design it ourselves. For that reason, I described that choice then as a bet on ourselves. The entire staff favored this bet. When you did, I was proud of the self-confidence you showed and how you value your ambitions.

I know we have a lot of problems to overcome. The other main thing I wish you to know is that I remain confident that we will get this done. My confidence comes from the same THA advantages that you probably consulted when you bet on yourselves in choosing Salesforce: your expertise, ambition, stamina, and your commitment to THA and to your colleagues. I am grateful to each one of you for all these qualities. I also think of your good humor. I am grateful for that too.

Thank you. Very much!

Michael

Michael Mirra

Executive Director

Tacoma Housing Authority

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"Housing Tacoma Forward"



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,819,840 for the month of September, 2017.

Approved: **October 25, 2017**

Janis Flauding, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of September 2017

		Check Numbers		Amount	Totals
		From	To		
A/P Checking Account					
Accounts Payable Checks	Check #'s	90,538	-	90,727	
Business Support Center				650,498	Program Support
Moving To Work Support Center				40,542	
Moving To Work Buildings (used by Support Center)				55,432	
Tax Credit Program Support Center				67,782	
Section 8 Programs				146,277	Section 8 Operations
Hillside Terrace 1800 Court G				161	Properties
Hillsdale Heights				3,242	
KeyBank Building				3,716	
Salishan 7				21,082	
Salishan Common Areas				522	
Highland Crest Apts				3,450	Development
New Look-Development				21,271	
Salishan Common Areas				650	
Salishan Area 4 - Arlington				30,085	
Bay Terrace II				1,266	
Salishan Developer Fee				9,204	
Hilltop Redevelopment				5,528	
Bus Development Activity				14,879	
MTW Development Activity				529	
CS General Business Activities				551	Community Service
SAFE				3,668	
Community Services MTW Fund				12,294	
Education Private Grants (Gates, etc.)				238	
HUD-ROSS Svc Coord				40	
AMP 6 - Scattered Sites				44,508	Public Housing
AMP 7 - HT 1 - Subsidy				2,936	
AMP 8 - HT 2 - Subsidy				3,083	
AMP 9 - HT 1500 - Subsidy				1,091	
AMP 10 - SAL 1 - Subsidy				11,541	
AMP 11 - SAL 2 - Subsidy				13,160	
AMP 12 - SAL 3 - Subsidy				11,413	
AMP 13 - SAL 4 - Subsidy				11,999	
AMP 14 - SAL 5 - Subsidy				13,393	
AMP 15 - SAL 6 - Subsidy				13,813	
AMP 16 - Bay Terrace - Subsidy				19,120	
THA SUBTOTAL				1,238,962	
Hillside Terrace 1 through 1500				3,510	Tax Credit Projects - Reimbursable
Bay Terrace 1 & Community Facility				1,869	
Bay Terrace 2				632,557	
Renew Tacoma Housing				5,988	
Salishan I - through Salishan 6				88,603	
TAX CREDIT SUBTOTAL (Operations & Development - billable)				732,527	1,971,489
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	482,090	-	482,119	28,085
	ACH				2,820,267
					\$ 2,848,351
Other Wire Transfers					
					\$ -
TOTAL DISBURSEMENTS					\$ 4,819,840

TACOMA HOUSING AUTHORITY

CASH POSITION - July 2017

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	3,415,939	0.33%
Section 8 Checking	3,309,113	0.33%
THA Affordable Housing Proceeds-Salishan	3,424,982	0.33%
Scattered Sites Proceeds	2,271,643	0.33%
Note Fund Account	101	0.33%
Credit Card Receipts	7,897	0.33%
THA Investment Pool	291	0.33%
THA LIPH Security Deposits	4,211	0.33%
THDG - Tacoma Housing Development Group	420,874	0.33%
Salishan 7	1,537,879	0.33%
Salishan 7 Security Deposit	26,769	0.33%
Salishan 7 Replacement Reserve	220,135	0.33%
Salishan 7 Operating Reserve	200,225	0.33%
Outrigger Operations	75,284	0.33%
Outrigger Security Deposit	25,679	0.33%
Outrigger Replacement Reserve	54,555	0.33%
Prairie Oaks Operations	57,460	0.33%
Prairie Oaks Security Deposit	3,557	0.33%
Prairie Oaks Replacement Reserve	12,782	0.33%
Payroll Account	8,846	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,645,532	0.87%
1. TOTAL THA CASH BALANCE	\$ 16,723,753	
Less:		
2. Total MTW Cash Balance	\$ 1,422,070	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)	65,000	
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.10 Total Minimum Operating Reserves	\$ 791,000	
3. MTW Cash Available (Lines 2-2.10)	\$ 631,070	
3. MTW Cash Held By HUD		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 180,083	
3.20 Total MTW Cash Held By HUD	\$ 180,083	

TACOMA HOUSING AUTHORITY				
CASH POSITION - July 2017				
4. Non MTW Cash Restrictions				
<i>Other Restrictions:</i>				
4.01 FSS Escrows		\$ 147,930		
4.02 VASH, FUP & NED HAP Reserves		152,903		
4.03 Mod Rehab Operating Reserves		102,680		
4.04 Security Deposit Accounts		77,231		
4.05 Gates Foundation		335,766		
4.06 Outrigger Reserves		54,555		
4.07 Salishan 7 Reserves		1,270,360		
4.08 Prairie Oaks Reserves		12,782		
4.09 THDG - 048		420,874		
4.10 Area 2B Sales Proceeds (Afford Hsg)		3,424,982		
4.11 Scattered Sites Proceeds (Afford Hsg)		2,271,643		
4.20 Total - Other Restrictions			\$ 8,271,705	
5. Agency Liabilities:				
5.10 Total - Agency Liabilities			\$ -	
5.20 Development Draw Receipts for Pending Vendor Payments			\$ -	
5.30 Development Advances/Due Diligence Commitments ¹			\$ -	
6. Total Non MTW Cash Restrictions (Lines 4.20+5.10+5.20+5.30)			\$ 8,271,705	
7. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-6)			\$ 7,029,979	
8. MTW Reserve Commitments				
8.01 Renovation/Remodel of Salishan FIC Building			\$ 669,100	
8.02 Renovation of Salishan Maintenance Shop			286,500	
8.03 Software Conversion for Operational Platform (VH)			(254,396)	
8.04 Education Projects - McCarver & Others			310,000	
8.10 Total Reserve Commitments (Lines 8.01 through 8.04)			\$ 1,011,204	
9. Agency Current Commitments:	Board Approval	Expended	Obligation Balance	
¹ Total Current Commitments outstanding				\$ -
Agency Advances for Current Development Projects				
			\$ -	
			\$ -	
Total Agency Advances			\$ -	



TACOMA HOUSING AUTHORITY

CLIENT SERVICES



TACOMA HOUSING AUTHORITY

DATE: October 25, 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

Housing and Urban Development's (HUD) regional office conducted an onsite review of THA's Housing Choice Voucher (HCV) program in early August. We received the final report resulting from that audit, with the report dated September 19. Our response is due within 45 days. While the report characterized our program as generally well-managed, it did include two Findings and two Concerns. An interdepartmental workgroup is addressing the findings and concerns. Progress to date is as follows.

Finding 1: Administrative Plan.

THA must update its Administrative Plan (AP) to be in line with its current waitlist purge practice. Our AP states that we will purge the HCV waitlist annually. In practice, there has been no need to conduct an annual purge for the last few years, because we maintain relatively small list, work through them efficiently and eliminate ineligible or nonresponsive applicants as we go.

THA must locate MTW authority in its MTW Plan for two Project Based Voucher (PBV) practices specified in our Administrative Plan. These practices allow PBVs to account for more than 25% of the units at a contracting property to be PBVs, and allow the contracting entity to manage a site-based waiting list.

Policy, Innovation and Evaluation (PIE) is modifying our MTW and Administrative Plans to make these corrective actions.

Finding 2: Incomplete Orientation Packets.

THA must redesign its MTW and HOP orientation packets, to include several items that appear to have been overlooked or misinterpreted, or were not updated subsequent to MTW conversion. In some cases, these items are included in THA's PowerPoint orientation presentation, but not included in the packet proper.

The Rental Assistance Division in Client Services is revising and adding items as the HUD final report prescribes. We searched for positively audited packets at other MTW Housing Authorities, and will use the St. Louis Housing Authority's orientation packet as a model for some revisions.

Concern 1: Capitalization and Disposition Policy. THA has not developed and implemented Board of Commissioners approved policies for capitalization and disposition. Our Administration Department is seeking clarification, but understand this Concern to relate to non-real estate assets of the agency. An automobile is an example.

Administration is drafting a new policy, to be approved by the Board.

Concern 2: Procurement Policy. THA's current procurement policy states that we are exempt from applicable pre-procurement federal regulations. We are not exempt, but can self-certify that we are in compliance. The audit determined that THA is compliant in practice.

Administration is revising our existing policy, to be approved by the Board.

Tenant File Errors: These are errors in income reporting or rent calculation. Incomplete information or errors in calculation were identified in some HCV and PBV files.

The Compliance Section in Administration, Property Management and Rental Assistance are collaborating to correct these errors.

3. COMMUNITY SERVICES: Caroline Cabellon & Stacey Johnson, Community Services Division

3.1 NUMBER OF PEOPLE AND HOUSEHOLDS SERVED

Program Entries, Exits, and Unduplicated Number of Households Served

September 2017	Program/ Caseload Entries this Month	Program/ Caseload Exits this Month	Unduplicated Number Served (Month)	Unduplicated Number Served (YTD)
Case Staffing (Eviction Prevention Services)	2	2	26	60
Families in Transition (FIT)	0	2	2	8
Family Self Sufficiency (FSS)	9	2	188	195
General Services	5	90	24	180
Hardship	0	0	4	4
Housing Opportunity Program (HOP)	10	37	18	77
Children's Savings Account (CSA) K-5th Grade	0	0	56	56
Children's Savings Account (CSA) 6th - 12th Grade	1	0	48	48
McCarver	3	1	45	61
Senior & Disabled	5	1	21	220
DEPARTMENT TOTAL	35	135	432	909

3.2 PROGRAM UPDATES

3.2.1 Staffing Update

Case Workers Valorie Le and Bridgette Johnson from the Property Management Collaboration Team both resigned from THA to pursue other interests. Clients on Bridgette's and Valorie's caseloads were either completed prior to their departure or transferred to the Program Supervisor and others on the Client Services (CS) team. During this difficult transition, Case Workers and Program Supervisors from the Rental Assistance and Employment & Asset Building teams have all stepped up to share the responsibilities in THA's properties and hold office hours at the various locations to support our clients. Kye Hillig is also doing a wonderful job and jumping right into his responsibilities as the Senior and Disabled Caseworker. CS is actively recruiting to fill vacant positions.

4. RENTAL ASSISTANCE AND LEASING: Julie LaRocque, Associate Director of Client Services and Jessie Beck, Program Manager

MTW Baseline voucher utilization is reported at 94.1% for the month of September 2017. This does not include utilization through Rapid Rehousing. Pending a decision on the percentage of Housing Assistance Program (HAP) in 2018 that will be allocated to housing assistance, and corresponding utilization rate that THA can afford, Client Services is taking the following actions to stabilize or modestly increase utilization.

Support for Current Shoppers. Community Services, Rental Assistance and our partner agency Sound Outreach are meeting with all willing current shoppers, to identify and attempt to mitigate challenges to lease-up.

THA and Pierce County Housing Authority (PCHA) finally agreed upon a process to offer absorption to PCHA HCV voucher holders currently renting within THA's jurisdiction. Letters offering this option should be mailed to these voucher holders by the end of October. While 182 voucher holders will be eligible for absorption, acceptance will be voluntary and therefore the number who will choose to be absorbed is difficult to predict.

Administration, Policy and Rental Assistance agreed on a process to consolidate our site-based waitlists and offer Housing Opportunity Program (HOP) vouchers to these applicants. The process will require a change in Administrative Plan, comment period and Board approval. Because the November Board meeting occurs early in the month, our first opportunity to present an authorizing resolution will be December.

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

Program Name	Units Allocated	Units Leased	Shoppers	Percentage Leased
VASH (Veterans Administration Supportive Housing)	177	145	32	82%
NED (Non Elderly Disabled) Vouchers	100	87	37	87%
FUP (Family Unification Program)	50	43	7	86%
CHOP (Child Welfare Housing Opportunity Program)	20	13	5	65%
McCarver Program	50	34	11	68%
CHAP (College Housing Assistance Program)	25	23	12	92%
TOTAL	422	345	104	82%

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

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	20	20	100%
Eliza McCabe Townhomes	10	8	80%
Flett Meadows	14	13	93%
Guadalupe Vista	40	39	98%
Harborview Manor	125	123	98%
Hillside Gardens	8	6	75%
Hillside Terrace	9	9	100%
Nativity House	50	49	98%
New Look Apts.	42	39	93%
Pacific Courtyards	23	23	100%
New Tacoma Phase II	8	7	88%
Salishan 1-7	340	339	99%
Tyler Square	15	10	67%
TOTAL	704	685	97%

Harborview Manor requests to add 20 PBVs. THA intends to grant this request through a contract amendment, as Harborview's utilization rate is generally strong and average monthly payment low – about the same as our average monthly HOP payment.

Overall, monthly PBV utilization in 2017 has varied between 95-97%. Below is a snapshot of the factors impacting contracts where utilization is currently under 95%.

Eliza McCabe Townhomes

There are two pending referrals and we are only waiting for RFTA's. Once this process is complete, this property will be at 100% utilization.

Flett Meadows

The vacant unit is a manager's unit that the property is not renting out. THA contacted the property manager and requested a contract amendment if there is no plan to lease this unit in the future. The property only has 14 units, so switching the subsidy to another unit is not an option.

Hillside Gardens

The two vacancies have former clients still residing in the units who are no longer eligible for assistance due to being over the income limit. One tenant is vacating 10/31, and the expectation is that the unit will be leased as quickly as possible. There is no estimate on when the second tenant will vacate, as this property is permanent housing and different policies apply. Rental Assistance staff has a phone call to discuss this with the property management on 10/23 as this may result in a contract amendment.

New Look Apts.

This property is undergoing renovations and the property management staff has already started relocating clients to different units. Staff has informed that there are no plans to rent these three units until the renovations are complete.

New Tacoma Phase II

The unit became vacant on 9/11/17 and the property is working with a new referral from Shelterpoint. Previous referrals for this vacancy did not qualify, did not complete the process, or were unable to be located.

Tyler Square

Currently, there are five vacancies at this property. Two applicants have submitted the RFTA and we are waiting for the signed leases. This will bring our number to 12/80%. One applicant is pending an informal review termination from Tyler Square. One applicant failed a drug test and is now ineligible for housing. The property is waiting for a referral to fill this unanticipated vacancy. One applicant is being interviewed.

Tyler Square has been problematic for some time. Tyler Square is operated by Tacoma Rescue Mission, which is undergoing a change in executive leadership. We will revisit this contract when there is a clear new leadership team.



TACOMA HOUSING AUTHORITY

PROPERTY MANAGEMENT



TACOMA HOUSING AUTHORITY

Date: October 25, 2017

To: THA Board of Commissioners

From: Frankie Johnson
Director of Property Management

Re: Property Management Monthly Board Report

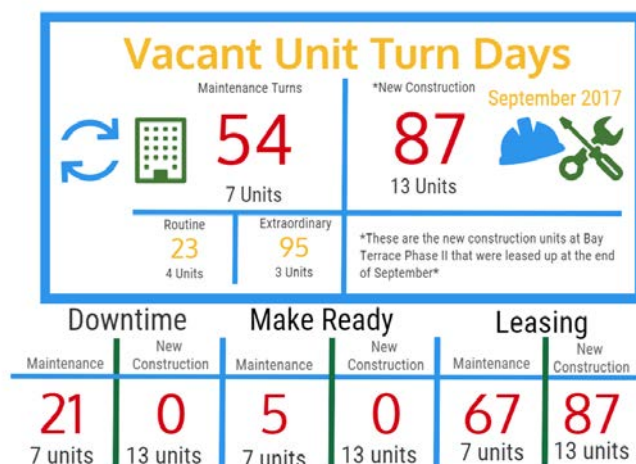
1. OCCUPANCY OVERVIEW

1.1 Occupancy

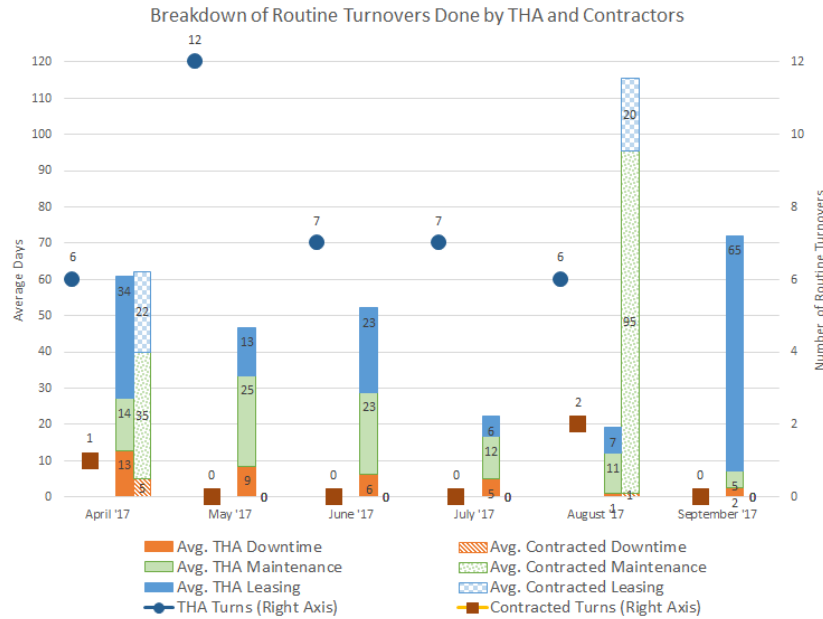
PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	6	0	200	97%	97%
Family Properties	118	0	0	118	100%	99%
Salishan	631	3	0	628	99%	99%
Senior/Disabled	353	14	1	338	96%	96%
All Total	1,308	23	1	1,284	98%	97%

Unit occupancy is reported for the first day of the month. This data is for the month of September, 2017. The chart above now reflects all of the units that were brought online for Bay Terrace II, which have been coming online since July. This changes the total units from 1,234 to 1,308.

1.2 Vacant Unit Turn Status



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



Select End Month & Year **September** **9** **2017**

August 8 2017

July 7 2017

June 6 2017

May 5 2017

Beginning Month **April** **4** **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	September	20	20	0	74.5	2.5	4.7	67.4
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

		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	September	20	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of September was 54 days for the seven (7) routine units turned by Tacoma Housing Authority (THA). The increase in the number of turnover days is a result of the remaining Bay Terrace II units coming online. These units were leased in September. Below is a list of units that exceeded THA's 20-day target. These units will be categorized as routine + 20 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

The following units are Bay Terrace Phase II units that were leased up during the month of September:

2505 Court G St	11	89
2505 Court G St	109	89
2505 Court G St	116	81
2505 Court G St	203	89
2505 Court G St	211	86
2505 Court G St	213	89
2505 Court G St	215	87
2505 Court G St	208	86
2505 Court G St	212	89
2505 Court G St	304	87
2505 Court G St	316	86
2505 Court G St	410	89
2502 Court G St	B	86

1202 South M Street #109:

New file received 9/5/17
No response as of 9/13/17
New application as of 9/15/17
Unit showing 9/19/17
Unit accepted and leased 9/27/17

Extraordinary Explanation

1202 South M Street #610:

Delay in processing documents; incomplete criminal background check
File returned
New waitlist pull on 2/15/17
Original applicant grievance overturned
Unit show 9/10/17
Application for security deposit assistance on 9/7/17.
Leased 9/28.

1202 South M Street #306:

Unit showing 9/19/17
Leased 9/25/17

1507 South G Street:

90 packets mailed; 12 responded
2 denied – rental history, 3 denied - over income,
4 refused the unit and 3 were on BT Phase I waitlist and opted to wait

File selected
Leased 9/28.

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 Work Orders

Completed WO's by Priority For Month Ending September 30, 2017				
Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	1	0	0	1
Bergerson Terrace	67	10	3	80
Dixon Village	23	4	0	27
E.B. Wilson	1	0	0	1
Ludwig Apartments	19	0	0	19
Public Housing Scattered Sites	1	0	0	1
Salishan Five	35	1	0	36
Salishan Four	24	1	0	25
Salishan One	20	0	0	20
Salishan Seven	31	0	0	31
Salishan Six	31	0	0	31
Salishan Three	39	0	0	39
Salishan Two	30	1	0	31
Grand Total	322	17	3	343

In the month of September, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 322- non-emergency work orders with a total of 2,807- for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 9 days .

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.

**Open WO's by Priority
as of September 30, 2017**

Property Name	Priority		Grand Total
	Routine	Urgent	
6th Ave Apartments	12	0	12
Bay Terrace Phase One	2	0	2
Bay Terrace Phase Two	6	0	6
Bergerson Terrace	15	0	15
Dixon Village	1	0	1
E.B. Wilson	1	1	2
Fawcett Apartments	1	0	1
Hillside Terrace 1500	8	0	8
Hillside Terrace Ph II	11	0	11
Ludwig Apartments	1	0	1
North G St	10	0	10
North K St	5	0	5
Salishan Five	2	0	2
Salishan Four	7	0	7
Salishan One	1	0	1
Salishan Seven	20	0	20
Salishan Six	4	0	4
Salishan Three	7	0	7
Salishan Two	5	0	5
Wright Ave	10	0	10
Grand Total	129	1	130

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.

1.5 Previous Board Meeting Follow up:

During the September board meeting, Ms. Bettina Carson addressed the board. Ms. Carson provided a written document outlining several questions and comments relating to her building, North K Street apartments. The original letter is attached to this report.

In summary, her concerns/questions were as follows:

1. A tenant's report of a work order needed for their fan, dating back to the board meeting on April 26th. After further investigation, a number of complaints regarding the function of the fans were submitted.
2. The concern that a master key that was reported to have been lost 5+ years ago, may have fallen into the hands of someone other than THA staff. It is alleged that although the building was rekeyed, the missing master key may be responsible for break-ins in the building.
3. Complaints related to tenants smoking in front of the building. Although tenants are smoking in the designated area, smoke drifts into nearby apartments.
4. Concerns that the designated 'cart' for the building's use is not effective.
5. Reports of extreme temperatures in the upper floor units, during the warmer days this past summer.

I met with Ms. Carson and Denise Day Joseph, the property manager for North K Street, on Friday, September 29th to discuss the content of her letter. We reviewed each concern in detail and devised the following action plan:

1. The Facility Manager is working with contractor on a permanent remedy for the fans. Several fans have already been repaired. The work will continue until they are complete.

2. After the loss of the master set was reported in 2012, K Street was completely rekeyed. Ms. Carson believes that the break-ins could be sourced from one unit in building.

In light of that information, we have agreed to install additional cameras in the area that we believe will yield more information on the break-ins.

3. Regarding smoking, staff will explore installing a smoking shed at least 25 feet away from the building.
4. Property management will work with Client Services to purchase carts for each building. These carts will be lightweight and easy to use. They will be kept in an area in each building that will be easily accessible by tenants.
5. The building's air handlers were temporarily disabled during their installation. This may account for much of the higher temperatures.

We agreed to monitor temperatures of the units included in the letter, with an official air meter. PM staff and the building rep will review the results and explore other options, if needed to address the heat.

September 27, 2017

To: THA Management: Mike Mirra, Frankie Johnson, Gretchen Sinkula, Denise Day-Joseph
THA Board: Arthur Bank, Janis Flauding, Stanley Rambaugh, Min-anh Hodge, Derek Young

From: Bettina Carson
911 North K Street #204
Tacoma, WA 98403
253-579-4222
Bett1950@yahoo.com



Re: 911 North K Street Current Issues & Request for Unit Air Conditioners

Approximately six months ago on April 26, 2017 the Board met at the 911 North K Street site. A tenant approached the board about the bathroom fan in her unit. The fan was not working correctly; in fact, it froze a glass of water in her bathroom. She was assured that it would be addressed. The "fix" and I use the word loosely was to disconnect her fan. In August, it came to my attention that the bathroom fan issue was more spread than this particular tenant. You will find attached a copy of the results of my survey. Disconnecting the fans was NOT a resolution to the various fan issues from continual running and excessive noise. This is just the surface of the issue since of the 43 apartments at the site only 26 chose to voice the conditions of their fans. I have provided Denise with a copy of each response and the results on the pages attached to your packet. The expectation of the tenants is that each fan is inspected and a correct resolution be provided. The disconnection of the fans causes several other issues, such as, but not limited to the following: Mold and steam setting off fire alarms. There is also the concern of dirt collection in the fan in a short course of time.

The second and ongoing issue for several years is the entrance of an unauthorized persons into apartments. This issue started about 5.5 years ago when the maintenance personnel lost the building keys on the 911 property. Since then several tenants have complained of someone having a "Master Key" and entering of their apartments, including me. In fact, within the last month, someone has been in my apartment and moved objects around. Unfortunately, I didn't have an approximate time when the incident happened. New tenants who had no idea of the lost "Master Key" began telling me that someone was entering their apartment. At the time of our first complaint the locks on this system were switched and we were told new "Master Keys" were made. It did not stop the break-ins. Before RAD became part of THA Pat Patterson indicated THA had extra money and asked the residents to please make a "wish list". We did. In fact, at the beginning of the RAD introduction it was one of the first issues asked about and was requested we get a completely new locking system in the renovation of the building. Well, here we are several years later, no lock change, and the break-ins continue to happen. So once again I am asking that a completely new locking system be applied in our building for the safety and well-being of the residents.

Thirdly, there are issues of folks smoking out in front of the building. The smoke goes directly into the apartments on that side. Also a visiting guest of one of the tenants smokes near the fence. Four or five written complaints have been registered along with three verbal complaints. There has been no acceptable resolve. It is realized that the smoking is done on city property, but the smoke is coming on THA property. It is a health risk for those who have to breathe in second hand smoke. When the non-

smoking issue was introduced years ago, tenants requested a shelter with appropriate ventilation to be provided. It was not a resolve that THA wanted to accept. I would be willing to work with Denise to look at different options so that all parties are happy with the resolution.

One other issue that has residents concerned is the "cart" provided for tenants use to carry items from the car to their apartment rather than the use of grocery carts. I have sent Denise pictures of a possible solution few months back I saw at the TG Hospital. The carts we use now have no sides and bags fall off; the ones I showed Denise have two levels and four sides. They are neat and small in size and far more practical than the current cart.

Finally, the colorful data document is my latest project. I personally have no vested interest in the temperatures of the building. I live on the North side towards the water and at best have maybe two weeks of uncomfortable temperatures during the summer months. However, my friends on the South side and the Third Floor are not so lucky. At least seven units have double exposure; the roof and southern exposure to the sun.

The symptoms of heat stroke include the following:

- Throbbing headache
- Dizziness and light-headedness
- Lack of sweating despite the heat
- Red, hot, and dry skin
- Muscle weakness or cramps
- Nausea and vomiting
- Rapid heartbeat, which may be either strong or weak
- Rapid, shallow breathing
- Behavioral changes such as confusion, disorientation, or staggering
- Seizures
- Unconsciousness

We have had tenants placed in the hospital both this summer and last summer due to overheating issues caused by the intense continual heat in their apartments. I have heard many residents in the Southern Exposure complain of many of the symptoms mentioned above.

I asked each tenant in the building to please document the temperatures of their apartments at various hours for the month of August. Of the 43 apartments 55% completed the calendar; 17% did not respond. One apartment was empty. One tenant was not present due to an illness. The highest temperature was 108 with no personal air conditioner and 90 with an air conditioner. The highest night temperature was 2 AM at 77 degrees. A total of 69 appliances were used. The average building temperatures, including the Ground Floor which is considerably cooler, was 77 degrees. The Third Floor average was 80; Second Floor 80; First Floor 78; Ground Floor 71. Nine of your residents are at an extreme risk as they leave their sliding glass doors open so they can get some relief.

I would like to share an experience that happened at the 911 site approximately a month ago. Several residents were in the back area and watched a male take a run the gated area of the Ground Floor apartments, leaping directly from the ground to the fence onto the First Floor balcony walking directly into the apartment without missing a beat. We live in a false assumption of "safety" thinking because

we are not on the ground floor we are safe. This is example shows we are not. The Second and Third Floors could be accessed in the same manner.

During the RAD reconstruction the Second and Third Floor offices were remodeled as well. They are in the NORTHERN EXPOSURE facing the water shaded by the design of the building. They had an access to a window for air flow. The nice thing about the Staff Office is they were able to OPEN THEIR DOORS TO ACCESS THE COMMON AREA AIR CONDITIONERS. We as tenants are NOT offered that relief. We have air conditioned common areas, however, the Community Room is locked between 10 pm and 8 am giving no relief during those hours. The small couches were removed during remodeling and only table and chairs are now available. The Common Halls each have tall tables with chairs. The main area also has four low seating areas. So if you are utilizing the Common Areas the seating is not comfortable for long exposure and many have health issues not allowing them to be comfortable. At night there is nowhere to rest and get away from the heat. I must admit I thought of buying an air mattress and putting it out in the hallway so I could get some sleep after three days and nights of limited rest.

So what is the request? Ideally, air conditioners placed in each unit. The least, providing air conditioners for the entire Third Floor and the Southern Exposure on both the First and Second Floors. Expensive you say! I guess it depends on how one looks at it; death of a tenant due to heat exposure and possible litigation or finding a way to fund air conditioners. Personally for me I like the idea of air conditioners. What about the other six building? I would be happy to provide them with the materials to do individual studies of their buildings next summer during August. In the meantime, I would like 911 to be the "Pilot" building and have installation of air conditioners completed by June 1, 2018. Tell me what I need to do. I will do the leg work. Do I need to take a class on how to write grants? I will take and pay for it. Do I have to raise funds for this project? I will do it! How you say? I smile.... I will contact anyone who has money from millionaires to billionaires; I will contact talk show host, movie stars, politicians, Face Book, Twitter, or anyone who will listen to the plight of this building.

I believe the best way would be for you and your staff to manage the estimates, grants, funding, and installation. You have the experience and realistic understanding of the building and its needs for such a long term project as this.

Yes, I understand I will not get my answer today. My expectation is that your staff will have to discuss and analyze everything. Let's say three weeks to a month and you get back to me with your response. You know I hate no so please help me, help you, help the tenants who are seriously suffering for at least three months a year in unbearable conditions that puts their well-being at risk.

Thank you.

September 27, 2017

This is the note I sent regarding fans when I got feedback during the Calendar Phase of my projects to obtain air conditioners in this building (August 2017). I have placed the numbers from the tenants regarding each apartment that responded with feedback in the blanks below. I will give the individual papers to Denise for review.

Example of Survey Form

APARTMENT_____

I am attending the September 27 Board Meeting to address the idea of possible air conditioners. I want to thank everyone for their faithfulness in completing the forms. During the April 26 Board Meeting a tenant brought up the bathroom fans. Some don't work; some are loud; some are fine; some have been turned off by management as a resolution. Please complete this form and return to the envelope at my door #204 so that I can get this issue addressed at next Wednesday meeting.

 14 I have no problem with my fan.

 6 Maintenance disconnected my fan.

 1 My fan works is noisy but turns off when I turn out the light.

 6 My fan works; is noisy; doesn't turn off when I turn out the light.

There was one empty apartment and one tenant who has been ill and out of her apartment for the month and didn't participate. There were complaints of excessive dirt accumulation on the fans. Of the 43 tenants 27 responded to the survey.

Bettina Carson
911 North K Street #204
Tacoma, WA 98403
253-579-4222
Bett1950@yahoo.com

S. Apt.	301	303	305	307	309	311	313	Total Av.	Floor Av.
3rd	82	84	83	79	83	84	80	82	
	896	2016	1344	2570	3360	672	1484		
	0	0	0	252	672	0	0		80
N. Apt	302	304	306	308	310	312			
	79	76	DNP	DNP	80	77		78	
	60	448	DNP	DNP	DNP	672			
	0	0	DNP	DNP	DNP	0			
S. Apt.	201	203	205	207	209	211	213		
	81	DNP	82	84	DNP	No Data	DNP	82	
	1344	DNP	2415	2016	DNP	No Data	DNP		
	0	DNP	133	0	DNP	No Data	DNP		80
N. Apt	202	204	206	208	210	212			
	75	75	DNP	DNP	79	78		77	
	1364	2688	DNP	DNP	2436	1008			
	0	0	DNP	DNP	0	0			
S. Apt.	101	103	105	107	109	111	113		
	80	81	80	DNP	DNP	DNP	DNP	80	
	1092	1008	1344	DNP	DNP	DNP	DNP		
	0	0	0	DNP	DNP	DNP	DNP		78
N. Apt	102	104	106	108	110	112			
	75	DNP	DNP	DNP	DNP	DNP		75	
	146	DNP	DNP	DNP	DNP	DNP			
	0	DNP	DNP	DNP	DNP	DNP			
N. Apt	G-6	G-8	G-10	G-12					
	69	DNP	73	71				71	71
	2016	DNP	182	DNP					
	0	DNP	448	DNP				Bldg Av	77

Total Apt	43								
Participants	24	55%	High Temp	108 No Air					
DNP	17	17%	High Temp	90 w Air					
Illness	1	1%	Night Temp	77	2:00 AM				
Empty	1	1%	Total Appliances	69					
			At Risk	9					



TACOMA HOUSING AUTHORITY

REAL ESTATE DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: October 25, 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 99.8% 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, Tacoma Housing Authority (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>
<u>July</u>	<u>30</u>	<u>30</u>	<u>30</u>
<u>August</u>	<u>16</u>	<u>46</u>	<u>47</u>
<u>September</u>	<u>12</u>	<u>58</u>	<u>62</u>
<u>October</u>	<u>16</u>	<u>74</u>	

Building J Lower Roof & Upper Roof

Absher contracted with Axiom to replace the lower roof. The contractor will repair the upper roof. They are prepared to replace the upper roof if signs of moisture are evident. Weatherholt is inspecting the installation.

ADA Parking Stalls

The contractor reinstalled the ADA parking stalls to the correct slope. The City has approved the recommended fix proposed by our civil engineer. The information is being prepared for the contractor to price the work.

NOTE:

The following information is based on Draw 17 for period ending 7/31/2017.

Budget

% Complete 99.8%

Item	Original Budget	Revised Budget	Expended	Balance
Soft Cost Inc. Reserves	4,861,258	4,904,798	2,973,739	1,931,059
Interest Reserve	1,000,369	1,000,369	217,609	782,760
Hard Cost Inc. Contingency	16,980,410	17,096,870	16,159,233	937,637
Total Budget	22,842,037	23,002,037	19,350,581	3,651,456
<i>Owners Contingency</i>	<i>880,000</i>	<i>880,000</i>	<i>880,000</i>	<i>0</i>
<i>Additional Sponsor Loan for Owner Changes</i>		<i>\$160,000</i>	<i>\$70,734.35</i>	<i>\$89,265.65</i>

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

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 7/31/2017
MBE	10%	13%	13%
WBE	8%	12%	12%
Section 3 Business	10%	14%	14%
Section 3 New Hires	30%	29%	29%
Apprenticeship	15%	13.05%	13%

3. OTHER PROJECTS

3.1 Highland Crest

THA closed on the purchase of Highland Crest October 10th. This is a 73-unit property with a mix of studio, 1 and 2-bedroom units in West Tacoma.

3.2 James Center North

Closing for James Center North is scheduled for October 25th. This is a commercial property located across from Tacoma Community College. THA will lead a redevelopment planning and development process to introduce mixed-income/mixed-use development into the area.

3.3 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 in the form of a forgivable loan of which 20% of the loan value will be forgiven every year.

3.3.1 Rehabilitation work was completed mid-November and Community Youth Services (CYS) began providing shelter and services for homeless teens in this temporary setting.

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

3.3.3 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
20	\$4,128,000.00	\$4,137,964.60	\$471,708.00	\$856,451.21	\$2,809,805.39
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
1	\$227,000.00	\$227,000.00	\$38,300.00	\$13,620.00	\$175,080.00
Units in Construction	Scope Preparation	Occupied			
3	4	7			



3.3.4 4033 E. J – Sold

3.3.5 Rehabilitation Work on Scattered Site Units and Sold:

- 6 of the remaining 7 occupied homes will be remodeled as residents are relocated in October 2017.
- CYS is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity.
- 6932 S. Madison is under contract for sale.
- 4033 E. J Street has sold for full asking price of \$225,000.
- 1020 NE Norpoint has sold to the Priority 1 THA tenant that was residing in the house.
- Construction contracts for 5814 Swan Creek and 4823 E M St. have been awarded to XRT Pro and renovations are nearing substantial completion.
- Relocation for the last 6 households with children has begun. Households were given 90 days to relocate. These 90-day notices were scheduled to allow for relocation over the summer months. Due to a low availability of affordable housing in Tacoma, some households needed an extension to utilize their vouchers. THA has granted these extensions when possible and all residents are expected to utilize their vouchers by the end of October 2017.

3.4 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 45-unit senior building in response to a City of Tacoma RFP for a developer for property located at 9th and MLK.

3.5 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 October 11, 2017. Two bids were received and were substantially higher than we planned for this project. Staff is working with the contractor and architect to evaluate options to reduce costs for this project. This process will delay closing to December. The

rehabilitation work will begin in January. Lender and Contractor will be presented to the board at its November 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.

3.6 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. 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. Community Youth Services (CYS) will provide the supportive services to the CRC.

THA will also develop a portion of the site for rental housing for homeless young adults ages 18-24. THA will fund this development with LIHTC and related sources. The initial costs to THA will not exceed \$50,000.

The design development is complete and the team is reviewing the package. A meeting is scheduled for the end of October 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 are 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 fourth Community Advisory Committee meeting was held October 12th at the Family Investment Center (FIC). They will be completing the main focus of their work by the end of October 2018.

4. DEVELOPMENT PIPELINE PROJECTS

4.1 1800 Hillside Terrace Redevelopment

The 1800 block of Hillside Terrace was demolished during the Bay Terrace Phase I redevelopment. Staff submitted a Housing Trust Fund application to the Department of Commerce on October 9, 2017, in response to a Stage 2 NOFA although the State does not have an approved budget for funding. 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 adjacent single-family homes in anticipation of developing this site and demolition of these two homes is complete. Clean up, site grading, seeding and landscape maintenance is expected to be finished by the end of October. A fence will also be erected around the property for liability mitigation purposes.

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

Property	Construction start	Construction schedule complete	Units complete	Units underway	Units remaining
Bergerson	5/4/2016	12/27/2016	72	0	0
E.B. Wilson aka M Street	5/4/2016	12/27/2016	77	0	0
Dixon Village	9/16/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	3/15/2017	41	0	0
Fawcett	1/9/2017	5/24/2017	30	0	0
K Street	10/11/2016	3/27/2017	43	0	0
Wright Street	2/6/2017	10/5/2017	58	0	0
6 th 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, 6th Avenue, Wright, G Street

The *Certificates of Occupancy* were issued for Ludwig and Fawcett. *Certificates of Completion* will be issued for the remaining sites by November 1, 2017. Project and individual sites are on-track for meeting the tax-exempt bond “50%” test.

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 6th Avenue are also complete. K Street’s elevator number one is complete and the second elevator is estimated to be complete by October 25, 2017. Wright’s elevator number one is estimated to be complete the first week of September and the second elevator is estimated to be complete by October 27, 2017. 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 complete at E.B. Wilson. No more relocation activity is happening. Relocation activity ended October, 2016.

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

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

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

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

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

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

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

All units are completed at Wright Street Apartments. Relocation activity ended October 9, 2017.

5.3 Watch list

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

DOE required 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. As noted below, the consultant is working with the DOE to complete the final steps for Wright and K Streets closeout and issuance of *No Further Action* letters.

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 but did state that they were going to recommend some monitoring be performed. They anticipated 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 and collected groundwater samples for laboratory analysis. DOE is currently reviewing the Environmental Covenant language. Once the Environmental Covenant is executed and filed of record, DOE will issue the *No Further Action* letter.

Wright Street:

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

Underground Storage Tank: Robinson Noble's recent investigation confirmed that there isn't an underground storage tank.

On August 17, 2017, Robinson Noble drilled three more test borings and constructed two groundwater monitoring wells. The results of the soil borings indicate if the dirty dirt has moved upward. The contamination is likely bunker oil. DOE is currently reviewing the Environmental Covenant language. Once the Environmental Covenant is executed and filed of record, DOE will issue the *No Further Action* letter.

It is our understanding that the neighbor's property was recently sold. Prior to this occurrence, Robinson Noble suggested 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 it is the case that the property was sold, we may still offer to 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.

Legal Counsel sent a letter to Superior Linen informing it that a formal complaint will be filed against it for restitution for environmental expenses. Superior Linen's legal counsel has not responded to any of the letters. THA staff made the decision that it will not pursue further legal action. THA will continue to pursue grants that may reimburse some of the environmental cost.

5.4 Issues Encountered/Status

None.

The following information provides a status as of Draw #16. Overall, the project is anticipated to be under budget.

Budget	Total budget	Expended	Outstanding
Soft Costs*	\$24,023,498	\$8,821,838	\$15,201,660
Construction (includes owner's contingency)	\$33,155,555	\$32,480,143	\$675,412
Environmental Escrow	\$3,500,000	**\$600,000	\$2,900,000

NOTE: The above reflects the budget status through Draw16 (September 2017 draw).

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

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

5.5 Walsh Construction - MWBE and Section 3 Reporting

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

Section 3 New Hires:

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

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

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

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



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-10-25 (1)

Date: October 25, 2017

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Amendment to Foster Peppers Legal Service Contract

This Resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to increase the amount of the contract with Foster Pepper PLLC from \$147,850.00 to \$316,350.00

Background

On March 14, 2017, THA entered into a contract for legal services with Foster Pepper PLLC. The contract stipulates that each engagement under the contract will require a Letter of Engagement (LOE) detailing the Scope of Work and associated fees for services. Section 2.1 of the Contract also indicates that the contract amount "shall not exceed \$150,000 unless approved by the Board of Commissioners.

The current LOE's for Foster Pepper PLLC equal \$147,850. The chart below reflects the current amount for the LOE's and the additional needed to complete projects

Letters of Engagement			
Description	Current	Additional	New Total
General	\$25,000	\$25,000	\$50,000
New Look Apts LIHTC	\$20,000	\$63,000	\$83,000
New Look Apt Construction Advice	\$5,000	\$0	\$5,000
New Look Apts Bonds	\$3,350	\$30,000	\$33,350
Renew Tacoma LLLP Tax Credit	-	\$500	\$500
RAD Restructuring of Existing LIHTC Projects	\$16,000	\$0	\$16,000
RAD Environmental Claim	\$10,500	\$35,000	\$45,500
Procurement Policy	\$28,000	\$0	\$28,000
Reasonable Accommodation Database	\$15,000	\$0	\$15,000
Highland Crest	\$5,000	\$0	\$5,000
James Center Acquisition & Financing	\$20,000	\$15,000	\$35,000
Total	\$147,850.00	\$168,500.00	\$316,350.00

THA's Real Estate Development, Administrative and Executive Departments estimate that THA needs an additional \$168,500 in Foster Pepper's legal services during 2017 and 2018. This increase will cover legal services as indicated in the Letter of Engagement spreadsheet.

Recommendation

Increase the contract amount for the legal services offered by Foster Pepper for a total not-to-exceed contract amount of \$316,350 for Foster Pepper LLP.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-10-25 (1) **(Amend Foster Pepper PLLC Legal Services Contract)**

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

WHEREAS, On March 14, 2017, THA entered into a Contract for Legal Services with Foster Pepper PLLC. The contract stipulates that each engagement under the contract will require a Letter of Engagement (LOE) detailing the Scope of Work and associated fees for services. Section 2.1 of the Contract also indicates that the contract amount “shall not exceed \$150,000 unless approved by the Board of Commissioners”; and

WHEREAS, The current LOE’s equal \$147,850.00; and

WHEREAS, THA has estimated an additional \$168,500 will be needed for the Legal Services contract; now, therefore, be it

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

Authorize THA’s Executive Director to increase the contract amount with Foster Pepper LLLP by \$168,500 for a total not-to-exceed of \$316,350

Approved: October 25, 2017

Janis Flauding, Chair

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-10-25 (2)

DATE: October 25, 2017

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Authorization to Adopt New Procurement Policy For THA Affiliates

This resolution provides guidance on when tax credit entities and other businesses of which Tacoma Housing Authority (THA) is a member or partner are required to follow THA's procurement policy.

Purpose

Tacoma Housing Authority ("THA") is a member and/or partner of several tax credit and other businesses that design, construct, and maintain affordable housing projects. This resolution serves two purposes:

- (1) provides guidance on when those businesses are required to follow THA's procurement policy; and
- (2) establishes a policy that, even when not required by law, those businesses will endeavor to pay Washington State residential prevailing wages to laborers, workers, and mechanics on new construction projects, if THA determines in its sole and absolute discretion that the payment of such wages is feasible.

Background

Legal counsel for THA has provided confidential legal advice to the Board concerning this resolution.

Recommendation

Approve Resolution No. 2017-10-25 (2).



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-10-25 (2) **(Authorization to Adopt New Procurement Policy)**

A **RESOLUTION** concerning procurements conducted by tax credit and other legal business entities of which the Tacoma Housing Authority is either a member or partner

WHEREAS, The Housing Authority is a member and partner of several tax credit and other business entities that design, construct, and maintain affordable housing projects (“Separate Entities”); and

WHEREAS, The Housing Authority intends to confirm when Separate Entities are not required to follow the Housing Authority’s procurement policy; and

WHEREAS, even if not legally required to do so, the Housing Authority desires to provide some protections to employees of contractors of Separate Entities against substandard wages if feasible; now, therefore, be it

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

1. When Separate Entities develop affordable housing projects, and such projects are not designed, constructed, or maintained at the cost of Washington State, any municipality of Washington State (including the Housing Authority) or the federal government, the Separate Entity is not required to follow the Housing Authority’s existing procurement policy.
2. Even if not required by law, Separate Entities will endeavor to pay no less than the residential prevailing wage rate to laborers, workers, and mechanics, as published by the Department of Labor & Industries, on new construction projects, when in the Housing Authority’s sole and absolute discretion, the payment of such wages is feasible. The foregoing does not relieve Separate Entities of any obligation to pay any prevailing rate of wage required by law.
3. 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.
4. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: October 25, 2017

Janis Flauding, Chair

CERTIFICATE

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

1. That the attached Resolution No. 2017-10-25 (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 October 25, 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 October 25, 2017.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: _____
Michael Mirra, Executive Director