



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**December 13, 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, December 13, 2017**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold its Regular Meeting on **Wednesday, December 13, 2017, at 4:45 pm.**

The meeting will take place at:

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

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

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I, Sha Peterson, certify that on or before December 13, 2017, I faxed / EMAILED, PUBLIC MEETING NOTICE before:

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

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

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Sha Peterson  
Executive Assistant



# TACOMA HOUSING AUTHORITY

## AMENDED AGENDA

### REGULAR BOARD OF COMMISSIONERS MEETING

December 13, 2017 4:45 PM

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

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1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
  - 3.1 Minutes of November 15, 2017—Regular Meeting
  - 3.2 Minutes of November 29, 2017—Special Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Administration
  - 7.3 Client Services
  - 7.4 Property Management
  - 7.5 Real Estate Development
8. **OLD BUSINESS**
9. **NEW BUSINESS**
  - 9.1 2017-12-13 (1) 2018 Budget
  - 9.2 2017-12-13 (2) MTW Reserve Commitments
  - 9.3 2017-12-13 (3) Purchase and Sale Agreement for Allenmore Brownstones
  - 9.4 2017-12-13 (4) Agency-Wide Special Recognition Award
  - 9.5 2017-12-13 (5) Proposed Revisions to Administrative Plan and ACOP—Waiting Lists
  - 9.6 2017-12-13 (6) Architectural and Engineering (A&E) Services for New Look Apartments –**WALK-ON**
10. **COMMENTS FROM THE COMMISSIONERS**
11. **EXECUTIVE SESSION**
12. **ADJOURNMENT**



# **TACOMA HOUSING AUTHORITY**

## **MINUTES**



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, NOVEMBER 15, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 2302 6<sup>th</sup> Avenue, Tacoma, WA 98403 at 4:45 PM on Wednesday, November 15, 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 4:54 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Chair Janis Flauding	
Vice Chair Minh-Anh Hodge (arrived late at 5:20 pm)	
Commissioner Arthur Banks	
Commissioner Stanley Rumbaugh (arrived late at 4:57 pm)	
Commissioner Derek Young	
<b>Staff</b>	
Michael Mirra, Executive Director	
Sha Peterson, Executive Assistant	
April Black, Deputy Executive Director	
Ken Shalik, Finance Director	
Toby Kaheiki, Human Resources Director	
Frankie Johnson, Property Management Director	
Kathy McCormick, Real Estate Development Director	
Greg Claycamp, Client Services Director	
Sandy Burgess, Interim Director for AD & 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 minutes for the Regular Session of the Board of Commissioners for Wednesday, October 25, 2017.

Commissioner Banks moved to adopt the minutes; Commissioner Young seconded.

Upon roll call, the vote was as follows:

AYES: 3  
NAYS: None  
Abstain: None  
Absent: 2 (Vice Chair Hodge and Commissioner Rumbaugh were not yet in attendance)

**Motion approved.**

### 4. GUEST COMMENTS

#### **Steve Payne, 6<sup>th</sup> Avenue Tenant, Unit 124**

Mr. Payne informed the board that a fir tree on the 6<sup>th</sup> Avenue property is crooked and a maple tree has hanging branches that could potentially be dangerous. Director Burgess will look into the tree concerns and risks involved.

Mr. Payne also stated that tenants were not informed of the renovation. According to Interim Director Burgess, residents were informed regarding the fix-up early on. She also offered that perhaps THA could have done a better job in keeping them up to date on the construction.

There are also issues with security. He only sees security 1-3 times per month. ED Mirra thanked him for his observation; he will inform THA's property management director.

Mr. Payne thanked property manager Eric Owens for being a wonderful manager.

### 5. COMMITTEE REPORTS

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

Nothing to report.

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

The Finance Committee met to go over the exit conference results with the state auditors. The auditors reported a very clean audit.. The committee also discussed the 2018 budget and to give direction to staff on drafting a budget proposal for the Board to consider. ED Mirra recounted how the main topic for this purpose was how to manage HUD's expectation for that THA will serve 100% of the HUD assigned baseline number of

households at rising costs with flat funding. He reviewed the four options available to THA. He recounted that the Finance Committee directed THA to focus on the fourth one—Lower Utilization Targets. Commissioners Hodge and Young confirmed this account and recounted the reasons for this direction. Director Shalik proposed and the Board agreed that staff will draft a budget that presumes on a 95% utilization rate. That will allow a budget that meets the Board’s budget principles.

***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 already covered the main topic of his report, which is the 95% utilization option for budget purposes. He shared the most recent news from Congress on the tax reform bill. In particular, he reported the good news the Senate’s version of the bill retains the tax exemption of private activity bonds.

## **7. ADMINISTRATIVE REPORTS**

### **Finance**

Finance Department (FD) Director Ken Shalik directed the board to the financial reports. At the end of 2017, THA had less of a deficit than expected because THA received \$1 millino in developer fee for the Rental Assistance Demonstration (RAD) project and for Bay Terrace 2. THA will not receive the developer fee for New Look until mid-December. The 2017 budget did not plan on New Look Apartments being on THA’s portfolio. We figured that it would be refinanced and moved to the tax credit portfolio. That is taking longer than usual. So the buildings income and expenses show in the THA budget.

Commissioner Rumbaugh asked about variance in government grants. According to Director Shalik, most government grants involve community services so this is just timing issue. THA has received \$1.2 million from the continuing sale of scattered site homes. THA has 6 more to sell. We hope we will sell them by the end of April 2018.

Overall THA is in a healthy financial position.

Director Shalik informed the board that THA received a clean audit and thanked his staff for their hard work. The board asked Director Shalik to extend their thanks to his staff. The budget study session is scheduled for November 29.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$7,369,419 for the month of October, 2017. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

<b>Motion Approved.</b>
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## **Client Services**

Client Services (CS) Director Greg Claycamp reported that the public comment period for waitlist elimination started November 2. This would allow THA to begin offering Housing Opportunity Program (HOP) vouchers to applicants who are active on THA's site-based waitlist. THA will contact applicants by letter to see if they are interested in a HOP voucher. If they do not respond, they will be removed from the waitlist entirely. Chair Flauding spoke to some people regarding the idea of regular rental vs. waitlist and she received positive responses.

## **Property Management**

Property Management (PM) Director Frankie Johnson directed the board to her report. Turn days are improving and trending in the right direction; the number has decreased by 31%. THA handled just under 3,500 work orders for the year. For the first time, Salishan is at next day service for work orders.

PM is working with the TPU on a pilot project that will have TPU install new water heaters into Phase 1 Salishan. The water heaters will be connected wirelessly to TPU to allow TPU to monitor energy usage and to control settings. TPU pays for the water heaters. THA staff do the installation. This project replaces water heaters that were approaching the end of their life span. It may also lead to energy savings. If so, TPU and THA will seek to extend it to the rest of the portfolio.

Commissioner Rumbaugh inquired about the possible discounted internet service for THA tenants. According to Director Johnson, Comcast will be compared to one other provider.

## **Administration**

Administration (AD) Interim Director Sandy Burgess reported that THA has had concerns with the implementation of OpenDoor. AD is building the team structure to improve IT communication with staff, staff understanding and training and onboarding of new staff. AD added funding in 2018 budget to bring on new resources dedicated to OpenDoor.



## Real Estate Development

Real Estate Development (RED) Department Director Kathy McCormick directed the board to her report and asked for questions from the board. Most of her items will be discussed during the New Business portion of the board meeting.

### 8. OLD BUSINESS

None.

### 9. NEW BUSINESS

#### 9.1 RESOLUTION 2017-11-15 (1) (Proposed Revisions to THA's Administrative Plan and ACOP: Exit Vouchers; THA Help to People Fleeing Disasters; Process for PBV Vouchers)

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

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

**WHEREAS**, The Admissions and Continued Occupancy Plan (ACOP) relates to the administration of the Public Housing program and is required by HUD; and

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

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

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

THA is authorized to adopt the following updates to the Administrative Plan to reflect the proposed policy changes.

Policy Proposal	Applicable THA Policies Requiring Revision
Choice Mobility for all Project Based Voucher Households (Administration Plan, pages 494)	17-V11.B. "Initial Term and Lease Renewal" MTW Policy waiving mobility option for PBV

Policy Proposal	Applicable THA Policies Requiring Revision
	<p>tenants.</p> <p>17-V11.C. "Family Right to Move" Now applies to all PBV households not just households assisted through RAD</p> <p>17-XI.C Choice mobility waiting list guidelines 17.XI.F Now applies to all PBV tenants not just those assisted through RAD</p>
<p>Changing Project Based Voucher Solicitation and Selection for new contracts (Administration Plan, pages 466 - 468)</p>	<p>17-II.B Solicitation and Selection of PBV Proposals</p>
<p>Preference for households fleeing federally-declared disaster areas (Administrative Plan, page 110; ACOP page 77)</p>	<p>4-III.C. Local Preferences 4-I.D. [ACOP] Placement on the Waiting List</p>

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

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

**9.2 RESOLUTION 2017-11-15 (2)**  
**(Alberta J Canada Renovation – Construction and Permanent Lender Selection)**

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

**Whereas**, In April, 2017, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) for Letters of Interest from lenders interested in providing construction and permanent financing for the acquisition/renovation of the Alberta J. Canada senior housing apartments; and

**Whereas,** The RFP was forwarded to seven lenders of which four lenders responded with Letters of Interest on May 26, 2017; and

**Whereas,** An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposer; and

**Whereas,** The evaluation team unanimously agreed to recommend negotiating with the Banner Bank and the execution of the Commitment Letter for both the construction and permanent financing; 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 negotiate and execute the Commitment Letter from Banner Bank for construction and permanent financing for the acquisition/renovation of the Alberta J. Canada senior housing, (Alberta J. Canada LLLP). The negotiated final terms and loan agreements will be presented to the Board for its consideration and approval prior to execution and financial closing for the project.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

**9.3 RESOLUTION 2017-11-15 (3)**  
**(Alberta J Canada Renovation – Construction and Permanent Lender Selection)**

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

**Whereas,** In April, 2017, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) for Letters of Interest from investors interested in providing LIHTC equity for the acquisition/renovation of the Alberta J. Canada senior housing apartments; and

**Whereas,** The RFP was forwarded to eight investors of which four investors responded with Letters of Interest on May 31, 2017; and

**Whereas,** An evaluation team, composed of four THA staff and Brawner and Company evaluated the terms of each proposer; and

**Whereas,** The evaluation team unanimously agreed to recommend negotiating with Aegon and the execution of the Commitment Letter for LIHTC equity for the acquisition/renovation project; now, therefore, be it

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

Authorize THA's Executive Director to (a) negotiate and execute the commitment letter from Aegon for the purchase of low-income housing tax credits to be allocated to Alberta J. Canada (Alberta J. Canada, LLLP), and (b) negotiate an Operating Agreement between THA as General Partner and Aegon as Limited Investor Partner. The negotiated Operating Agreement will be presented to the Board for its consideration and approval prior to execution.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

**9.4 RESOLUTION NO 2017-11-15 (4)  
(Crisis Residential Center Development on Arlington Property HUD  
Disposition Amendment)**

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

**WHEREAS,** The Board of Commissioners authorized the use of Arlington Drive to a youth campus to include a Crisis Residential Center/HOPE bed facility for homeless youth; and

**WHEREAS**, By resolution 2017-2-22(2), the Board of Commissioners authorized the terms of the agreement with the City to state that THA would own the land, not lease it to the City for the purpose of developing a youth home; and

**WHEREAS**, It is necessary to submit an amended disposition request to HUD for the use of the Arlington Drive property for this purpose; 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 submit an amended disposition request to HUD for the development of a Crisis Residential Center for youth experiencing homelessness on the Arlington Drive property.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

**9.5 RESOLUTION 2017-11-15 (5)**  
**(Alberta J Canada Renovation – Enter Into Contract with General Contractor)**

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

**WHEREAS**, On August 30, 2017, THA staff notified interested General Contractors and publicly advertised an Invitation to Bid (ITB) for the Alberta J Canada Renovation project; and

**WHEREAS**, The ITB was posted on Washington Electronic Business Solutions, (WEBS) and THA's website and forwarded to 35 plan centers and prospective bidders; and

**WHEREAS**, Two firms submitted proposals for the public opening by the deadline of October 11, 2017, at 3:00 pm with the following bid results; and

Contractor	Base Bid	Deductive Alt 1	Deductive Alt 2	Unit Price 1	Unit Price 2	Unit Price 3
CDK Construction	\$4,680,000	-\$107,000	-\$207,500	\$8,800	\$11,600	\$15,900
Marpac	\$6,980,000	-\$217,266	-\$53,816	\$96,095	\$101,748	\$33,916

**WHEREAS,** The lowest responsive and responsible bidder is CDK Construction in the amount of \$4,680,000; and

**WHEREAS,** The lowest bid exceeded the project budget and THA will negotiate a lower price through a scope of work reduction; now, therefore, be it

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

Approve Resolution 2017-11-15 (5) authorizing THA's Executive Director to negotiate through a scope of work reduction, and if those negotiations are successful, to award the contract to CDK Construction in an amount not-to-exceed the base bid of \$4,680,000 plus owner contingency of \$481,000, as needed to reduce the cost closer to the budgeted amount of \$3,974,610.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

## **9.6 RESOLUTION 2017-11-15 (6)** **(Alberta J. Canada Omnibus)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the lease of Authority property to The Alberta J. Canada LLLP, authorizing one or more loans to The Alberta J. Canada LLLP, approving the execution and delivery of documents relating to the acquisition and rehabilitation of the Alberta J. Canada Building, and determining related matters.

**Whereas**, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” “make and execute contracts and other instruments, including but not limited to partnership agreements,” and “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income”;

**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 dwelling apartments, mobile home parks or other living accommodations for persons of low income”;

**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”;

**Whereas**, pursuant to the authority provided by RCW 35.82.070, the Authority formed The Alberta J. Canada LLLP (the “Partnership”) with Tacoma Housing Development Group (“THDG”);

**Whereas**, the Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to acquire, rehabilitate, operate and maintain the Alberta J. Canada Building currently consisting of 49-unit low-income housing units and ground floor commercial space (the “Project”), to provide housing for low income persons within the City of Tacoma, Washington (the “City”);

**Whereas**, in connection with the financing for the Project, the Authority will lease the Project to the Partnership;

**Whereas**, the financing for the Project will require the use of various funding sources, including a tax-exempt bond, low income housing tax credits and federal grants;

**Whereas**, AEGON USA Realty Advisors, LLC (or one or more of its affiliates) (collectively, the “Investor”) has offered to acquire the limited partner interest in the Partnership, and the Authority’s Board of Commissioners (the “Board”) finds and determines that the capital contributions expected to be made by the Investor to the Partnership will be sufficient, together with other available money, to enable the Partnership to acquire, rehabilitate, operate and maintain the Project;

**Whereas**, as a condition to acquiring the limited partner interest in the Partnership, the Investor requested that the Authority amend and restate the Partnership’s original limited partnership agreement and execute and deliver certain other agreements, certificates and other documents relating to the Partnership and the Project, which request the Board finds and determines to be reasonable;

**Whereas**, the Board finds and determines that the Project likely would not be developed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor committed to make its capital contributions to the Partnership;

**Whereas**, the total cost of acquiring, constructing, equipping and financing the Project is not expected to exceed \$15,000,000, which will be financed by the Partnership with numerous sources of funds, including a loan of proceeds of a tax-exempt bond issued by the Authority, one or more additional loans from the Authority in the aggregate amount not expected to exceed \$4,300,000, and capital contributions from the Investor;

**Whereas**, the Partnership will provide the Authority with a right of first refusal to acquire the Project at the end of the 15-year low-income housing tax credit “compliance period” for the Project; and

**Whereas**, the Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, and to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership;

**Whereas**, the Board finds and determines that the financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm; and

**Whereas**, based on the consideration of funding sources available for the Project, the need for affordable housing in the City, and other matters, it is necessary that the Authority proceed with the transactions described in this resolution;

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

1. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Chair of the Board, the Authority’s Executive Director and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the “Transaction Documents”) in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer’s signature on a Transaction Document shall be construed as the Authority’s approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general



partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).

From and after the date the Transaction Documents are effective, the Executive Director (or his designee) is authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

2. Authorization to Lend Money. The Authority is authorized to lend to the Partnership, pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading “Housing Authority Loan Documents”, an amount(s) of up to \$4,300,000 for the purpose of financing or refinancing costs of the Project. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for each loan contemplated under the Housing Authority Loan Documents. Such loan (or loans) is intended to be in addition to the loan of Authority bond proceeds authorized by the Board by a separate resolution.
3. Authorization to Lease Apartment Complexes. The Authority is authorized to lease to the Partnership, for a term not exceeding 100 years, the Project and the land on which the Project is located.
4. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority’s rights under the construction contract, the architects’ contracts, the geotechnical consultant contracts, and other development contracts, as such rights pertain to the construction of improvements on land leased to the Partnership, and (ii) assigning to lenders and others the Partnership’s interests in such contracts.
5. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Project including, without limitation: the filing of one or more applications with the Washington State Housing Finance Commission (the “Commission”); the execution of all necessary and related documents, including without limitation regulatory agreements, declarations and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation § 1.42-8(b)(4)(i).

6. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, rehabilitation, development, financing, construction, and leasing of the Project; and (iii) cause the Authority and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.
7. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf or in its capacity as general partner of the Partnership, as applicable) to fulfill the Authority's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various agreements authorized by this resolution.
8. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, or to increase the principal amount of any loan by or capital contribution from the Authority by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans to the Partnership.
9. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board or the Executive Director of the Authority may, in such person's absence, be taken by the Vice Chair of the Board or the Deputy Executive Director of the Authority, respectively.
10. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto 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.

11. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
12. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

## EXHIBIT A TRANSACTION DOCUMENTS

### **Partnership Documents**

- Amended and Restated Agreement of The Alberta J. Canada LLLP A Washington Limited Liability Limited Partnership by and among the Authority, Tacoma Housing Development Group and the Investor;
- Development Services Agreement by and between the Partnership and the Authority;
- Put Option Agreement by and among the Partnership, the Authority and the Investor;
- Purchase Option and Right of First Refusal Agreement by and among the Partnership, the Authority and the Investor;
- Assignment, Pledge and Security Agreement by and among the Partnership, the Authority and the Investor;
- Environmental Indemnity Agreement by the Authority in favor of the Partnership and the Investor;
- Repurchase Option Agreement by and among the Partnership, the Authority and the Investor;
- Unconditional Guaranty by the Authority in favor of the Partnership and the Investor;
- Property Management Agreement by and between Quantum Management Services, Inc. and the Partnership;
- Reimbursement and Assignment Agreement between the Partnership and the Authority;
- Assignment and Assumption Agreement Section 8 Housing Assistance Payment Contract among the Authority and the Partnership;

### **Bond Loan Documents**

- Loan Agreement between the Authority and the Partnership;
- Regulatory Agreement between the Authority and the Partnership;
- Renovation and Term Loan Agreement between the Partnership and Banner Bank (the "Bank");
- Promissory Note from the Partnership payable to the Authority (and to be endorsed by the Authority to the Bank);

- Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing from the Partnership in favor of the Bank;
- Landlord's Consent and Subordination Agreement among the Authority, the Partnership, and the Bank;
- Replacement Reserve and Security Agreement between the Partnership and the Bank;
- Assignment of Construction Contracts and Permits by the Partnership in favor of the Bank;
- Assignment of Architect Contracts and Plans by the Partnership in favor of the Bank;
- Assignment of Rights Under Management Agreement by the Partnership in favor of the Bank;
- Hazardous Waste Warranty and Indemnification Agreement from the Partnership and the Authority in favor of the Bank;
- Commercial Guaranty by the Authority in favor of the Bank;
- Assignment of Rights Under Development Agreement by Borrower in favor of Bank;
- Federal Tax Exemption Certificate and Agreement between the Authority and the Partnership;

#### **Housing Authority Loan Documents**

- Master Loan Agreement between the Authority, as lender, and the Partnership, as borrower;
- Promissory Note (The Alberta J. Canada Project – Acquisition Loan) by the Partnership for the benefit of the Authority;
- Promissory Note (The Alberta J. Canada Project – Rehabilitation Loan) by the Partnership for the benefit of the Authority;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (The Alberta J. Canada Project – Master Loan) by the Partnership in favor of the Authority; and
- Hazardous Substance Warranty/Indemnity Agreement by the Partnership for the benefit of the Authority.

#### **Real Estate Documents**

- Regulatory Agreement (Extended Use Agreement) relating to each Apartment Complex among the Commission, the Authority and the Partnership;
- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership;
- Commercial Lease Agreement between the Authority and the Partnership;
- Assignment of Leases and Rents between the Authority and the Partnership;
- Assignment of Contracts and Intangibles between the Authority and the Partnership; and
- Priority and Subordination Agreement among the Authority, the Partnership, the Bank, Tacoma Community Redevelopment Authority and the Commission.

## CERTIFICATE

I, the undersigned, the duly chosen, qualified 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. 2017-11-15(6) (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 November 15, 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 November 15, 2017.

HOUSING AUTHORITY OF THE CITY OF TACOMA

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

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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

### **9.7 RESOLUTION 2017-11-15 (7) (Alberta J. Canada Authorizing Bonds)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of a revenue bond of the Authority in a principal amount of not to exceed \$7,500,000, the proceeds of

which will be used to make a loan to The Alberta J. Canada LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to acquire and rehabilitate a multifamily rental housing project located in the Alberta J. Canada Building, to provide housing for low income persons in the City of Tacoma, Washington; determining the form and terms of the bond; authorizing the execution and delivery of a loan agreement providing for repayment of the loan, a regulatory agreement governing the use of the facility and other bond and loan documents; providing for the sale and delivery of the bond to Banner Bank; and authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution.

**Whereas**, the Housing Authority of the City of Tacoma (the “Authority”) seeks to encourage the provision of 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, among other things, “lease or rent any . . . lands, buildings, structures or facilities embraced in any housing project and . . . establish and revise the rents or charges therefor” and “sell, lease, exchange, transfer . . . or dispose of any real or personal property or any interests therein”; and

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

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

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

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

**Whereas,** The Alberta J. Canada LLLP (the “Borrower”), a Washington limited liability limited partnership of which the Authority is the sole general partner, has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to acquire and rehabilitate a multifamily rental housing project located in the Alberta J. Canada Building at 1102 South 11th Street in the City, currently known as the New Look Apartments and which currently contains 49 units and, after rehabilitation, is expected to contain 48 units (the “Project”); and

**Whereas,** the Borrower has requested that the Authority issue and sell its revenue bond for the purpose of assisting the Borrower in financing the Project; and

**Whereas,** the Project will be used by the Borrower to provide housing for low-income persons in the City, and no more than an insubstantial portion of the proceeds of the Bond (defined below) will be used in connection with the financing or refinancing of any portion of the Project to be used by the Borrower for any other purpose; and

**Whereas,** the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to issue the Bond, in a principal amount not to exceed \$7,500,000, and to use the proceeds thereof to make a loan to the Borrower for the purposes described herein; and

**Whereas,** it is anticipated that Banner Bank will offer to purchase the Bond on the terms and conditions set forth herein;

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:

“Assignment of Architect’s Contract” means the Assignment of Architect’s Contract and Plans to be executed by the Borrower, relating to assignment of certain of the Borrower’s interests in the architect contract with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Construction Contracts and Permits” means the Assignment of Construction Contracts and Permits to be executed by the Borrower, relating to assignment of certain of the Borrower’s interests in the construction contracts and permits with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Rights Under Development Agreement” means the Assignment of Rights Under Development Agreement to be executed by the Borrower, relating to

assignment of certain of the Borrower's interests in development agreement with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

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

"Authorized Officers" means the Chair of the Board, the Executive Director of the Authority, any Deputy Executive Director of the Authority, and their respective designees.

"Bank" means Banner Bank, as Registered Owner of the Bond, and any subsequent Registered Owner thereof.

"Bank Loan Agreement" means the Renovation and Term Loan Agreement between the Borrower and the Authority, setting forth certain covenants and conditions relating to the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.

"Board" means the Board of Commissioners of the Authority.

"Bond" means the Housing Authority of the City of Tacoma Revenue Bond, [2017/2018] (Alberta J. Canada Project), issued pursuant to, under the authority of and for the purposes provided in this resolution.

"Bond Fund" means the Housing Authority of the City of Tacoma Revenue Bond Fund, [2017/2018] (Alberta J. Canada Project).

"Bond Loan Agreement" means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

"Bond Registrar" means the Executive Director of the Authority.

"Borrower" means The Alberta J. Canada LLLP, a Washington limited liability limited partnership.

"City" means the City of Tacoma, Washington.

"Code" means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

"Deed of Trust" means the leasehold deed of trust encumbering the Borrower's leasehold interest in the real property and improvements and personal property constituting the Project, securing payment of the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.



“Draws” means incremental draws on the Bond.

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

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

“Guaranty” means the Commercial Guaranty executed by the Authority guaranteeing certain of the Borrower’s obligations with respect to the Loan.

“Hazardous Waste Agreement” means the Hazardous Waste Warranty and Indemnification Agreement to be executed by the Borrower and the Authority relating to environmental claims with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Loan” means the loan from the Authority to the Borrower of the proceeds of Draws on the Bond.

“Loan Documents” means the Assignment of Architect’s Contract, the Assignment of Construction Contracts and Permits, the Assignment of Rights Under Development Agreement, the Bank Loan Agreement, the Bond Loan Agreement, the Deed of Trust, the Hazardous Waste Agreement, the Promissory Note, any related UCC Financing Statements, and any other documents relating to the Loan to be executed by the Borrower.

“Project” means, depending on the context, (1) the acquisition and rehabilitation of a multifamily rental housing project, currently known as the New Look Apartments, located in the Alberta J. Canada Building at 1102 South 11<sup>th</sup> Street in the City, or (2) the multifamily rental housing project so acquired and rehabilitated.

“Promissory Note” means the promissory note evidencing the Loan.

“Proposal Letter” means the proposal letter dated May 26, 2017, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Bond, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

“Registered Owner” means the owner of the Bond registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement executed by the Borrower and the Authority, governing the use of the Project, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Subordination Agreements” means, collectively, subordination agreements by and among the Authority, the Borrower and certain other parties providing for the order of priority of various liens and encumbrances on the Project.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Borrower and the Authority in the connection with the Bond, including any supplements or amendments thereto made in conformity therewith.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

Section 2. Authorization of Bond and Application of Proceeds. The Authority shall issue the Bond in a principal amount not to exceed \$7,500,000 for the purpose of making a loan to the Borrower to provide a portion of the funds required to pay, or reimburse the Borrower for, costs of the Project and costs of issuing the Bond. Such Bond financing is declared and determined to be important for the feasibility of the Project. All proceeds from Draws on the Bond shall be lent to the Borrower for those purposes. The Board finds that it is in the best interest of the Authority to issue the Bond for the purposes set forth in this resolution.

Section 3. Description of Bond. The Bond shall be called the Revenue Bond, [2017/2018] (Alberta J. Canada Project), of the Authority; shall be in a principal amount not to exceed \$7,500,000; shall be dated its date of delivery; and shall be numbered R-1. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bond. The Bond shall bear interest payable on such dates and at such rates (which may include variable and/or fixed rates), shall mature at such times and in such amounts, shall have such prepayment and/or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the Bond by the Bond Registrar and the execution of the Loan Documents by an Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 4. Draws on the Bond. The Board authorizes the Executive Director, as authorized signer for the Authority, in its capacity as general partner of the Borrower, or his or her designee, to make Draws on the Bond in such amounts and at such times as he or she may determine, those Draws to be made in accordance with the terms and provisions set forth herein, in the Bond and in the Loan Documents. Draws shall be recorded in such form as the Borrower and the Bank may agree. Draws shall be limited to an aggregate principal amount of \$7,500,000. In the event that the Authority determines that legislative, judicial or other developments have occurred or other circumstances have emerged which could result in interest on Draws which have not been drawn to date (the “Remaining Authorized Amount”) not being excluded from gross income for federal income tax purposes, or otherwise determines that it is in its best interest to convert the Bond into a fully funded obligation of the Authority in order to assure that interest on the Bond will remain excluded from gross income for federal income tax, the

Authority is authorized to draw the Remaining Authorized Amount and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Borrower, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

Section 5. Bond Registrar; Registration and Transfer of Bond. The Bond shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bond by the Bond Registrar (the “Bond Register”). The Executive Director shall serve as Bond Registrar for the Bond. The Bond Register 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 may be assigned or transferred only (i) in whole to a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (ii) if endorsed in the manner provided thereon and surrendered to the Bond Registrar and (iii) upon the assignee or transferee delivering to the Authority an executed Certificate of Transferee in the form attached to the Bond. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the five days preceding any interest payment date, prepayment date or the maturity date.

Section 6. 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 a 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 7. Bond Fund; Security for the Bond. The Bond Fund is hereby established as a special fund of the Authority designated the Revenue Bond Fund, [2017/2018] (Alberta J. Canada Project). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest and premium, if any, on the Bond. The Authority irrevocably obligates and binds itself to set aside and pay into the Bond Fund, from amounts owed or paid by the Borrower under the Loan Documents, amounts sufficient to pay principal of and interest and premium, if any, on the Bond when due, all of which amounts are pledged to the payment of the Bond. Payments of the Bond shall be further secured by the Loan Documents and the Guaranty.

Upon the issuance of the Bond, the Authority shall cause the Loan Documents to be executed by the Borrower for the benefit of the Authority and/or the Bank, as applicable, and the Authority shall assign certain of its rights under the Loan Documents to which it is a party to the Bank, as security for the Authority's payment of the principal of and interest and premium, if any, on the Bond. Upon that assignment, the Bank shall collect, on behalf of the Authority and the Bond Fund, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bond, and the Authority shall have no obligation to make principal and interest payments on the Bond except from those payments collected by the Bank on the Authority's behalf (except to the extent and as required by the terms of the Guaranty). The Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bond, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal, interest and premium payments under the Loan Documents or the Bond, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium, if any, on the Bond. If the Bond is assigned and transferred to a new Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, premium, and interest payments under the Loan Documents and apply the same to the payment of principal of and interest and premium, if any, on the Bond.

The Authority pledges its General Revenues to the payment of its obligations under the Guaranty and the Hazardous Waste Agreement, subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with obligations of the Authority under the Guaranty and the Hazardous Waste Agreement. At its option, the Authority may pledge any revenues that comprise a portion of the General Revenues to the payment of other obligations, such payments to have priority over the payments to be made under the Guaranty and the Hazardous Waste Agreement with respect to that portion of the General Revenues so pledged.

The Bond shall not be a debt of the 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 described herein) shall be liable for payment of the Bond nor in any event shall the principal of and interest on the Bond be payable out of any funds or

assets of the Authority other than those pledged to that purpose by the Authority herein. The Authority has no taxing power.

Neither the Authority (except to the extent of the pledge of its General Revenues) nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bond.

Section 8. Form and Execution of Bond. The Bond shall be 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 the Executive Director and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. Only a Bond bearing a Certificate of Authentication in the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution:

#### CERTIFICATE OF AUTHENTICATION

This Bond is the fully registered Housing Authority of the City of Tacoma Revenue Bond, [2017/2018] (Alberta J. Canada Project), described in the Bond Resolution.

\_\_\_\_\_  
Executive Director of the Authority, 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.

Neither the Commissioners of the Authority nor any person signing the Bond shall be liable personally by reason of the issuance and sale of the Bond.

Section 9. Preservation of Tax Exemption for Interest on Bond. Subject to the last paragraph of this section, 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 (but only from amounts received by the Authority from the Borrower as payments for those purposes). The Borrower will agree in the Bond Loan Agreement to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Bond Loan Agreement, in so complying.

Section 10. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Regulatory Agreement, the Guaranty, the Subordination Agreements, the Tax Certificate and Agreement, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Bond, the Guaranty, the Subordination Agreements, the Tax Certificate and Agreement, the Loan Documents to which it is a party, and this resolution, and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bond. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to execute on behalf of the Authority and to deliver the Regulatory Agreement, the Guaranty, the Subordination Agreements, the Tax Certificate and Agreement, and the Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bond or required by the Bank as a condition to purchasing the Bond. The Board further authorizes the Authorized Officers, and each acting alone, to do everything necessary or appropriate for the issuance, execution, and delivery of the Bond to the purchaser thereof and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the Bond.

Section 11. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of the Authority in its capacity as general partner of the Borrower, the Loan Documents, the Regulatory Agreement, the Subordination Agreements, the Tax Certificate and Agreement, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bond and the Loan to the Borrower.

Section 12. Approval of Sale of Bond to Bank. It is anticipated that the Bank will offer to purchase the Bond under the terms and conditions contained in this resolution and in the Proposal Letter. The Board finds that such offer is in the best interest of the Authority, and therefore authorizes the Authorized Officers, and each of them acting alone, accept such offer on behalf of the Authority. The Bond will be delivered to the Bank with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington.

Section 13. Acting Officers Authorized. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in his absence be taken by a duly authorized Deputy Executive Director of the Authority or any other employee of the Authority that has been designated by the Executive Director or the Board to act in the Executive Director's absence. Any action authorized by this resolution to be taken by a Deputy Executive Director, may in his or her absence be taken by a duly authorized acting Deputy Executive Director of the Authority or any other employee of the Authority that has been designated by such Deputy Director or the Board to act in the Deputy Executive Director's absence. Any action authorized by this resolution to be taken by the Chair of the Board may, in the absence of such person, be taken by the duly authorized acting Chair of the Board.

Section 14. 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 15. 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 16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

### **CERTIFICATE**

I, the undersigned, the duly chosen, qualified 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. 2017-11-15 (7) (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 November 15, 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 November 15, 2017.

HOUSING AUTHORITY OF THE CITY OF  
TACOMA

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

Commissioner Banks raised a motion to approve the resolution. Commissioner Young seconded the motion.

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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

**9.8 RESOLUTION 2017-11-15 (8)**  
**(Authorization for Acquiring New Insurance Coverage from Philadelphia Insurance Company)**

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

**WHEREAS**, THA procured Alliant Insurance Services in 2015 to evaluate THA insurance coverage; and

**WHEREAS**, THA is currently insured through HARRP, AHRP, CHUBB, ORWACA and others; and

**WHEREAS**, The evaluation of current insurance coverage identified gaps and limitations with the current coverage; and



**WHEREAS,** The Philadelphia Insurance Companies premium is lower than THA's current insurance program and new coverage fills gaps and adds needed coverages such as bodily injury for passengers of THA vehicles, \$10 million excess liability for all policies, and insurance for tax credit losses; and

**WHEREAS,** The new program consolidates all policies into one portfolio and one renewal period versus 13 policies and renewal periods; and

**WHEREAS,** Philadelphia Insurance Companies meet lender's insurance requirements for an insurer who is rated A or better by AM Best; and

**WHEREAS,** Philadelphia Insurance Companies provide a complimentary, web-hosted employee training software with 2,000 topics, training tracking, and certificates; and

**WHEREAS,** Alliant Insurance Services and Philadelphia Insurance Companies have claims departments who will help THA manage claims; and

**WHEREAS,** Philadelphia Insurance Companies provide free loss control services and benchmarking to help THA prevent losses; now, therefore, be it

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

1. Be it resolved that THA's executive director is authorized to execute all documents and payments necessary to transfer insurance policies and bind coverage with Philadelphia Insurance Companies effective December 2017.
2. Acting Officers Authorized. The proper officers of the Authority are hereby authorized, empowered, and directed to take such further action on behalf of the Authority as they deem necessary to effectuate the foregoing sections of this resolution. Any action required by this resolution to be taken by the Executive Director of the Authority may in his absence be taken by the duly authorized acting Executive Director of the Authority.

**Comments:** Commissioner Rumbaugh asked if THA's current coverage insures uninsured drivers. AD Interim Director Burgess will check into this.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

**9.9 RESOLUTION 2017-11-15 (9)**  
**Contract Amendment to Increase Project Based Vouchers at Harborview Manor**

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

**Whereas**, American Baptist Homes of the West (ABHOW) owns Harborview Manor at South 9th and Fawcett in Tacoma. This building has 169 units. It houses only elderly residents;

**Whereas**, THA presently provides 125 project based vouchers to the building. Doing this helped to finance ABHOW's major fix-up of the building in 2013. The vouchers also make the units affordable to extremely low-income seniors.

**Whereas**, ABHOW has requested THA to add 20 vouchers to the contract. Doing this will help ABHOW finance the building's operations. It will also make those additional 20 units affordable to extremely low-income seniors.

**Whereas**, This contract with ABHOW helps THA with its own budget and utilization requirements. It helps in two ways. **First**, ABHOW has a rate of using our vouchers between 98% to 100%. **Second**, the cost of these vouchers is lower than THA's program average. It is lower because the units in Harborview Manor are studios or one bedroom.

**Whereas**, Harborview Manor provides a lovely building with numerous amenities and services.

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

The Board authorizes THA to increase the number of project based vouchers to Harborview Manor by 20.

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

Upon roll call, the vote was as follows:

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

**9.10 RESOLUTION 2017-11-15 (10)  
(Salishan Family Investment Center and Maintenance Shop Renovation –  
Contractor)**

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

**WHEREAS**, On October 4, 2017, THA staff notified interested General Contractors and publicly advertised an Invitation to Bid (ITB) for the Salishan Family Investment Center and Maintenance Shop Renovation project; and

**WHEREAS**, The ITB was posted on Washington Electronic Business Solutions, (WEBS) and THA's website and forwarded to 35 plan centers and prospective bidders (previous project plan holders); and

**WHEREAS**, Three firms submitted proposals by the deadline of November 1, 2017; and

**WHEREAS**, The lowest responsive and responsible bidder is Buchanan General Contracting Company in the amount of \$1,164,432 with Deductive Alternates totaling \$168,327; and

**WHEREAS**, In order to keep a reasonable budget, Deductive Alternates 1, 2 and 3 are accepted along with an increase in the total budget of \$208,307 for a total budget of \$1,473,301; now, therefore, be it

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

Approve Resolution 2017-11-15 (10) to increase the overall budget \$208,307 for a total of \$1,473,301 and to authorize the executive director to negotiate, and if those negotiations are successful to award the contract to Buchanan General Contracting Company in the amount of \$996,105 plus contingency of \$99,611 as needed. The total amount of the contract is not to exceed \$1,095,716 including contingency.

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

Upon roll call, the vote was as follows:

AYES: 5

NAYS: None  
Abstain: None  
Absent: None

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

## 9. COMMENTS FROM COMMISSIONERS

None.

## 10. EXECUTIVE SESSION

The board went into Executive Session at 6:23 pm for 16 minutes to discuss a potential real estate purchase. The board came back to regular session at 6:40 pm.

Commissioner Banks moved to authorize ED Mirra to sign a Professional Service Agreement (PSA) for Allenmore Brownstones for \$11.5M, subject to financing, further due diligence, and board approval. Vice Chair Hodge seconded the motion.

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

**Motion Approved:** November 15, 2017

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Janis Flauding, Chair

## 11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 6:45 PM.

**APPROVED AS CORRECT**

**Adopted:** December 13, 2017

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Janis Flauding, Chair



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION WEDNESDAY, NOVEMBER 29, 2017

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L. Street, Tacoma, WA at 12:00 PM on Wednesday, November 29, 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 12:09 PM.

### 2. ROLL CALL

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

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

Chair Flauding declared there was a quorum present @ 12:10 pm and proceeded.

### **3. PROPOSED 2018 BUDGET**

Executive Director (ED) Michael Mirra led the discussion of the proposed 2018 budget. Staff will present the proposed budget at the board's December 13, 2017, meeting.

The discussion focused on the main puzzle facing THA. How to serve the same number of families at greatly increasing costs when funding is flat. The discussion reviewed the four main options available to the Board. The 2018 budget will be the occasion to choose among these options.

- Reduce the value of the vouchers
- Redirect voucher dollars to higher income families
- Redirect money from other services to vouchers
- Face the arithmetic and presume a utilization rate of less than 100%.

The Board directed staff to propose a budget that presumes upon a 95% utilization rate.

The Board also discussed its wish to elicit community views about this choice. It noted that there was not time enough to do that before it had to adopt a 2018 budget. Instead, it will adopt the budget presuming upon a 95% utilization rate to allow for the budget to balance. It directed staff to include this in a proposed amendment to THA's MTW plan. Staff will elicit community comment on that proposal. If those comments elicit concerns or alternative ideas that merit a budget adjustment, the Board will consider an adjustment.

### **4. POSSIBLE GOVERNMENT SHUTDOWN**

ED Mirra conveyed the latest word from our various sources of Congressional information. It appears that the government may indeed shutdown on December 9<sup>th</sup> because Congress may not agree by then on a funding extension. The Board discussed what THA would then do. The Board directed that in such an event, THA will do nothing initially. THA has reserves enough for two months. We will not terminate anyone off the rental assistance programs. We will not lay off staff. We will not delay expenditures.

Instead, we will watch Congress carefully and take advice. If the government remains shut down in early January, the Board will convene. At that point, it will judge how much longer the shutdown will likely last. In the unlikely event that the shutdown will last much longer, THA would then start planning to wind down its expenditures.

The Board agreed that for now THA should not disrupt its clients, staff or contractors with cuts that will likely be unnecessary.

## **5. REAL ESTATE PURCHASE**

Director McCormick reported that Claude Remy accepted THA's \$11.5M offer to purchase Allenmore Brownstones. THA should close in February and tenants will be able to move in at that time. THA's proposal is to have vouchers on 20% of the apartments..

ED Mirra discussed the option of putting MTW dollars on some units. Director Shalik wants to pay close attention to the affordability clauses that will be placed on the property. ED Mirra thinks another opportunity is to turn some units into public housing then convert them immediately into Section 8 units under RAD. He has requested these discussions to take place before THA closes on the property.

## **7. BOARD COMMENTS**

Chair Flauding thanked everyone for their hard work and asked that the directors extend her thanks to staff.

## **6. ADJOURNMENT**

There being no further business to conduct, the meeting ended at 12:31 pm.

**APPROVED AS CORRECT**

**Adopted:** December 13, 2017

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Janis Flauding, Chair



# **TACOMA HOUSING AUTHORITY**

## **Real Estate Development Committee**

Commissioner Stanley Rumbaugh

## **Finance Committee**

Commissioner Minh-Anh Hodge

Commissioner Derek Young

## **Citizen Oversight Committee**

Chair Arthur C. Banks

## **Education Committee**

Commissioner Minh-Anh Hodge





**TACOMA HOUSING AUTHORITY**

**COMMENTS FROM THE  
EXECUTIVE DIRECTOR**



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
**From:** Michael Mirra, Executive Director  
**Date:** December 5, 2017  
**Re:** Executive Director's Monthly Report

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

## 1. **THA's 2018 BUDGET AND THANKS TO THE BOARD**

The main event for this month is the 2018 budget proposal that the Board will consider in resolution (1). Drafting this budget proposal was a particular puzzle for Board and staff. In addition to the normal uncertainties arising from Congressional inaction and action, we face in 2018 a reckoning with Tacoma's hot rental market. For the last three years, that rising market has been increasing THA's rental assistance costs to serve the same number of families by \$600,000 a year. We have absorbed that cost up until now. But doing so again is not sustainable. In this budget proposal, we face the arithmetic.

I will not use my report to recount the Board's extensive discussions over the past months on how we will do that. The budget resolution recounts that discussion in detail. For that reason, my monthly report will be brief.

Instead, I will use this space to thank the Board. Staff are grateful to have a Board that is so willing and able to follow the nuance and detail of this important budget puzzle with such attention. We thank the Board for its confidence in staff. That confidence is a necessary part of the Board's ability to choose the budget it did. Finally, we thank the Board for its willingness to face the budget issue that THA faces from the rising costs of Tacoma's rental market. Doing so required a decision that only the Board can make.

The Board made this decision as it makes all its decision: with a solid grounding in the mission, vision, values and strategic objectives that the Board has chosen for THA. Staff are proud of those directives. It is inspiring to see them at work in such a decision.

We are grateful to work for such a Board.

## 2. **CONGRESSIONAL TAX PROPOSAL AND AFFORDABLE HOUSING**

The tax reform proposal pending in Congress has important potential consequences for THA, all unfavorable. I listed them in my November report. Since then I have been sending the Board various updates. The reports, news and possible news seem to change too frequently to make an update in this space worthwhile. I will bring to the December Board meeting anything I have to report that is new.

## 3. **AN EXAMPLE OF THA AT WORK AND THE LIVES AT STAKE**

I attach an email from our Deputy Executive Director, April Black. She served Thanksgiving Dinner at the Beacon Center shelter for homeless youth and young adults. In

her email, she recounts a conversation with a young man at the shelter. Her experience and her account of it show the value of our work, the heart that THA brings to it, and the lives at stake.

On behalf of the THA staff, we wish the Commissioners a peaceful and meaningful holiday.

## Michael Mirra

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**From:** April Black  
**Sent:** Monday, November 27, 2017 12:11 PM  
**To:** THA PIE; THA Cabinet  
**Subject:** Thanksgiving experience

Hi PIE and Cabinet teams,

I wanted to share an experience I had last week that relates directly to our work. On Tuesday night I served Thanksgiving dinner to guests at the young adult shelter. There were about 40 young people, mostly boys, gratefully accepting food and shelter. I sat with one young man who told me about the apartment he moved into yesterday after being homeless for 10 years. He'd bounced from place to place, in and out of shelter, and had been renting a storage unit behind someone's house for \$250 per month. He told me about his story of Coordinated Entry (CE). He'd been placed in shared housing through CE a few years back and it "didn't work out" for him. He was a little apprehensive to access the system again but he got linked up with someone at Comprehensive Life Resources and they were able to get him linked to CE through an onsite CE navigator at Comprehensive Life Resources (a win for the now de-centralized system). That meeting happened two Mondays ago. His full intake happened that same week on Thursday. He waited through the weekend and last Monday he got these keys to the first place that has ever been his, and only his. His place is the housing that MDC created for chronically homeless young adults (MDC has been asking for project based vouchers for this property). He kept talking about how fast the help and housing came once he finally made the effort to access the help.

He was at the shelter on Tuesday because he didn't have food in his apartment yet. He had gone to the Dollar Store the day he moved in to get laundry detergent and some Christmas decorations to make the place feel like his own.

This is why we support this work. It's not work we do directly but it's work we are supporting and our community partners are succeeding in helping the young people we care so much about.

April

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April Black | Deputy Executive Director | Tacoma Housing Authority  
902 S L St. Tacoma, WA 98405 | Phone: 253.207.4474 | [www.tacomahousing.org](http://www.tacomahousing.org)



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION  
REPORTS**



# **TACOMA HOUSING AUTHORITY**

## **FINANCE**



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,454,356 for the month of November, 2017.

**Approved: December 13, 2017**

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Janis Flauding, Chair

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

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Account						
Accounts Payable Checks	Check #'s	90,880	-	91,026		
Business Support Center				255,570	Program Support	
Moving To Work Support Center				24,786		
Moving To Work Buildings (used by Support Center)				35,985		
Tax Credit Program Support Center				5,939		
Section 8 Programs				98,387	Section 8 Operations	
Hillside Terrace 1800 Court G				158	Properties	
James Center				76,418		
KeyBank Building				1,413		
Outrigger				7,481		
Salishan 7				46,518		
Highland Crest Apts				27,550	Development	
James Center				9,244		
New Look-Development				4,579		
Salishan Area 4 - Arlington				37,074		
Salishan Developer Fee				160		
Hilltop Redevelopment				6,950		
Bus Development Activity				10,034		
MTW Development Activity				995		
Community Services MTW Fund				9,660	Community Service	
Education Private Grants (Gates, etc.)				641		
HUD-ROSS Svc Coord				854		
AMP 6 - Scattered Sites				41,316	Public Housing	
THA SUBTOTAL				701,713		
Hillside Terrace 1 through 1500				26,564	Tax Credit Projects - Reimbursable	
Bay Terrace 1 & Community Facility				32,752		
Bay Terrace 2				636		
Renew Tacoma Housing				13,003		
Salishan I - through Salishan 6				212,071		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				285,026	986,739	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	482,161	-	482,206	43,519	
	ACH				2,826,070	\$ 2,869,589
Payroll & Payroll Fees - ADP						\$ 598,028
Other Wire Transfers						
						\$ -
TOTAL DISBURSEMENTS						\$ 4,454,356



TACOMA HOUSING AUTHORITY		
CASH POSITION - Sep 2017		
Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	809,465	0.33%
Section 8 Checking	3,965,765	0.33%
THA Affordable Housing Proceeds-Salishan	3,427,491	0.33%
Scattered Sites Proceeds	2,947,188	0.33%
FSS Escrows	142,698	0.33%
Note Fund Account	101	0.33%
Credit Card Receipts	114	0.33%
THA Investment Pool	291	0.33%
THA LIPH Security Deposits	4,214	0.33%
THDG - Tacoma Housing Development Group	388,674	0.33%
Salishan 7	1,738,604	0.33%
Salishan 7 Security Deposit	26,788	0.33%
Salishan 7 Replacement Reserve	226,568	0.33%
Salishan 7 Operating Reserve	200,372	0.33%
Outrigger Operations	71,529	0.33%
Outrigger Security Deposit	26,198	0.33%
Outrigger Replacement Reserve	61,949	0.33%
Prairie Oaks Operations	75,313	0.33%
Prairie Oaks Security Deposit	3,559	0.33%
Prairie Oaks Replacement Reserve	14,553	0.33%
Payroll Account	10,418	0.33%
WASHINGTON STATE		
Investment Pool	\$ 1,645,532	0.87%
<b>1. TOTAL THA CASH BALANCE</b>	<b>\$ 15,787,385</b>	
Less:		
<b>2. Total MTW Cash Balance</b>	<b>\$ 831,847</b>	
Less Minimum Operating Reserves		
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	
<b>3. MTW Cash Available (Lines 2-2.10)</b>	<b>\$ 40,847</b>	
3. MTW Cash Held By HUD		
3.11 Undisbursed HAP Reserves Held by HUD	\$ 1,115,034	
3.20 Total MTW Cash Held By HUD	\$ 1,115,034	

TACOMA HOUSING AUTHORITY				
CASH POSITION - Sep 2017				
<b>4. Non MTW Cash Restrictions</b>				
<i>Other Restrictions:</i>				
4.01 FSS Escrows		\$ 142,698		
4.02 VASH, FUP & NED HAP Reserves		155,693		
4.03 Mod Rehab Operating Reserves		104,476		
4.04 Security Deposit Accounts		60,760		
4.05 Gates Foundation		173,373		
4.06 Outrigger Reserves		111,949		
4.07 Salishan 7 Reserves		1,276,940		
4.08 Prairie Oaks Reserves		54,553		
4.09 THDG - 048		388,674		
4.10 Area 2B Sales Proceeds (Afford Hsg)		3,427,491		
4.11 Scattered Sites Proceeds (Afford Hsg)		2,947,188		
4.20 Total - Other Restrictions			\$ 8,843,794	
<b>5. Agency Liabilities:</b>				
5.10 Total - Agency Liabilities			\$ -	
5.20 Development Draw Receipts for Pending Vendor Payments			\$ -	
5.30 Development Advances/Due Diligence Commitments <sup>1</sup>			\$ -	
<b>6. Total Non MTW Cash Restrictions</b> (Lines 4.20+5.10+5.20+5.30)			\$ 8,843,794	
<b>7. THA UNENCUMBERED (Non-MTW) CASH</b> (Lines 1-2-6)			\$ 6,111,744	
<b>8. MTW Reserve Commitments</b>				
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)			(280,646)	
8.04 Education Projects - McCarver & Others			310,000	
8.10 Total Reserve Commitments (Lines 8.01 through 8.04)			\$ 984,954	
<b>9. Agency Current Commitments:</b>	Board Approval	Expended	Obligation Balance	
<sup>1</sup> Total Current Commitments outstanding				\$ -
<b>Agency Advances for Current Development Projects</b>				
			\$ -	
			\$ -	
<b>Total Agency Advances</b>			\$ -	



**TACOMA HOUSING AUTHORITY**

**ADMINISTRATION**



# TACOMA HOUSING AUTHORITY

**DATE:** December 13, 2017

**TO:** THA Board of Commissioners

**FROM:** Sandy Burgess  
Interim Director of Administrative Services

**RE:** Administration Services Department Monthly Board Report

## **1. BOSTON FINANCIAL INVESTMENT MANAGEMENT (BFIM) BUYOUT**

### **1.1. Hillside I & II and Salishans 1-3**

Prior to converting Hillside I & II, and Salishans 1-3 to Rental Assistance Demonstration (RAD), Tacoma Housing Authority (THA) will buyout BFIM, the investor in these five properties. The Board approved this buyout last year at a price of \$528,400, but negotiations stalled. Finance and Asset Management have re-engaged BFIM to pursue this buyout and anticipate completing the transaction immediately after the New Year. THA will be required to provide BFIM a guarantee against the potential loss of tax credits through 2020 and will accomplish this with a Line of Credit from Heritage Bank.

We anticipate closing on the RAD conversion for the remaining public housing units in these properties, as well as Salishans 4-6 in the first quarter of 2018. Before we do that we will explore the option of a HUD option that allows THA to draw down more public housing subsidies and to convert them immediately to Section 8 units under RAD. We may lose this option if we first convert all our existing public housing units.

## **2. INSURANCE TRANSITION**

In November, the Board of Commissioners approved THA's switch in property and liability insurance to Philadelphia Insurance Company. Staff are completing the transition. This includes providing new insurance certificates to all lenders, investors, vendors, etc. This will be accomplished before December 20, and the new insurance coverage will begin on that date. In addition, new web based training programs will be rolled out to staff over the coming year.

## **3. NEW PROPERTY ACQUISITIONS**

Asset Management is overseeing the third party managers for our new property acquisitions, James Center North and Highland Crest. This includes managing procurement of new contracts for the maintenance and other services on the sites. It also includes working with Policy Innovation and Evaluation (PIE) and Tacoma Community College (TCC) to develop a process

for homeless students in the CHAP program at TCC to access vacancies in the Highland Crest property.

#### **4. OPENDOOR UPDATES**

##### **4.1 WBARs**

THA is required to submit information to WSHFC's online system, called WBARs, by January 31<sup>st</sup> of each year. In the past, staff had to enter information into this system manually anytime a tenant moved in, moved out, or had an annual review. For 2017, however, we will be able to export the data for the whole year out of OpenDoor and import it into WBARs with very minimal data entry required by staff. Staff have been busy testing this process over the past couple months and WBARs will be fully updated with the necessary data by the January 31<sup>st</sup> deadline.

##### **4.2 Year-End Processes**

Our OpenDoor staff is currently working closely with the Finance department to ensure they have everything they need for a successful year-end. The main focus for year-end is around reporting and processing 1099's. The processing of 1099's out of Intacct has posed some challenges due to some of the issues we had early on with Section 8 Housing Assistance Program (HAP) transactions. The two departments are fine-tuning a plan to ensure we get the 1099 reporting done accurately and on-time.

##### **4.3 Landlord Statements**

Each time we process checks, there are a number of check statements that go out to landlords that have been adjusted by overpayments or other transactions impacting the landlord accounts. The statement that is automatically generated does not show all of the information regarding these adjustments and so staff now generate a separate report showing the required detail and email it to landlords as soon as the information is available. In addition, we have made some changes to the check process to reduce the number of adjustments the system makes automatically, which were put in place prior to the December 1<sup>st</sup> check run. The combination of this process change and the new statements appear to have resolved most of the questions that come up from landlords on a monthly basis, but there are still some issues that require staff to run other reports and gather more information in order to give the landlords an accurate accounting of the transactions. We are working on identifying what these issues are so we can further improve the reports sent to our landlord partners.

##### **4.4 Staffing**

The OpenDoor team is in the process of expanding to include liaisons from each department who will dedicate a significant amount of their time to implementing OpenDoor within their departments. We will also be hiring a temporary staffing consultant who will help us complete the list of reports and letters we still need to create. The staffing consultant should be on board by the December board meeting and two department liaisons are already in place, one from Rental Assistance and one from Property Management.



**TACOMA HOUSING AUTHORITY**

**CLIENT SERVICES**



# TACOMA HOUSING AUTHORITY

**DATE:** December 13, 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**

### **Waitlist Consolidation**

At the December board meeting, Client Services will present a resolution requesting the Board's authorization to move forward with consolidation of our site-based waitlists, and to begin offering Housing Opportunity Program (HOP) vouchers to applicants on the consolidated list. If the Board approves, we will begin offering HOP vouchers to waitlist applicants in early January.

Consolidation to one waiting list serves at least four purposes.

First, consolidation will potentially assist applicants who have been on THA waiting lists for many years to become housed more quickly. In 2016-2017, we closed and comprehensively updated our site-based lists. We removed nonresponsive and ineligible households, and confirmed site preferences. This reduced the combined list from over 11,000 to about 3,500 unduplicated households. Of these, about 700 applied for HOP during past waitlist openings. Even with updating, hundreds of households have been waiting for over five years and a significant number have already demonstrated interest in the HOP program.

Second, consolidation gets THA's HOP rental assistance flowing quickly with less administrative burden and technical challenge than a traditional waitlist opening. This is important when the agency's software conversion continues to present challenges.

Administrative resources and technical focus need to be managed pragmatically during this time.

Third, we will not offer HOP vouchers to all waitlist applicants at once. Instead, we will offer in batches. This means we can adjust the pace at which we offer HOP vouchers to waitlist applicants, according to the agency's need to maintain a specific utilization rate.

Fourth, offering HOP vouchers through consolidation helps create an option for THA to discontinue site-based waitlists in favor of market leasing. Households who are currently on the property lists will be offered HOP as an alternative. While there is no immediate consequence for declining HOP, households will be informed that THA may discontinue its property waitlist in the future.

Waitlist consolidation is a transitional step in two ways. It allows us to begin issuing HOP vouchers without proceeding with a full waitlist opening until we are more practically positioned to do so. Consolidation also provides a transition to either eliminating the property waitlist altogether, or managing it in a less passive model.

If the Board authorizes this resolution, we understand that Client Services and Property Management will need to monitor the impact on applicant pools for each property. As noted above, the property waitlist is currently closed. If acceptance and successful utilization of HOP vouchers is high, we will need to make a decision relatively soon regarding either re-opening the property waitlist or moving to direct marketing.

### **Payment Standards**

In October, Rental Assistance Program Manager Rich Price completed an analysis of our current payment standards. The analysis considered a number of factors, including receipt from Housing and Urban Development (HUD) of our 2018 Fair Market Rents (FMRs), and the September 2017 Dupre & Scott local market assessment.

The Client Services and Policy Directors have reviewed Rich's analysis and accept his recommendation that THA not change its payment standards at this time. We do this with some unease, and with the understanding that the next steps will occur.

- 1) Admin and Rental Assistance will continue to improve the accessibility and reliability of reports generated through OpenDoor. For example, we need to be able to more reliably distinguish rents for recently leased units from rents generally.



- 2) A new analysis of Payment Standards will occur upon receipt of the March 2018 Dupre & Scott report.
- 3) Unless there is a substantial relaxation in local market conditions, THA will commission its own market survey in advance of receiving 2019 FMRs from HUD.

The decision to continue current payment standards seems counter-intuitive, given the steady increases we are experiencing in average monthly payment, and sense of the market as highly competitive. However, a number of factors support this decision.

First, the 2018 FMR for a two-bedroom unit in Tacoma and Pierce County is \$1145. According to Dupre & Scott (D&S), the average September 2017 rent for a two-bedroom unit in Pierce County was \$1130. THA's payment standard is \$1142. We suspect that average rents within the Tacoma metropolitan area are higher, and substantially higher in some neighborhoods. However, a confirming analysis is a fairly sophisticated undertaking.

Second, the September D&S Report documents increased vacancy rates, slightly decreased rents and increased move-in incentives in most areas of the city and county. We do not wish to increase payment standards at a point when the market may be softening. The March D&S report will indicate whether this relaxation is sustained.

Third, we do not wish to adversely impact the rental market. An increase in THA's payment standard now may have the unintended effect of driving up rents at a time when they are otherwise trending downward.

Fourth, we appear to have flexibility to maintain current payment standards relative to the average rents and rent burden our voucher holders are paying. At \$920, our voucher holder's average monthly rent is at 81% of payment standard. We provisionally calculate average shelter burden to be 26% for our traditional HCVs and 33% for our HOP clients.

Because no change in payment standards is recommended, no Board action is required. We will revisit payment standards in March.

**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**

<b>November 2017</b>	<b>Program/ Caseload Entries this Month</b>	<b>Program/ Caseload Exits this Month</b>	<b>Unduplicated Number Served (Month)</b>	<b>Unduplicated Number Served (YTD)</b>
Case Staffing (Eviction Prevention Services)	3	2	35	64
Families in Transition (FIT)	0	0	0	8
Family Self Sufficiency (FSS)	11	4	199	214
General Services	4	4	38	198
Hardship	0	0	4	4
Housing Opportunity Program (HOP) Case Management	4	4	23	82
Children's Savings Account (CSA) K-5th Grade	2	0	61	61
Children's Savings Account (CSA) 6th - 12th Grade	0	0	50	50
McCarver	0	1	37	62
Senior & Disabled	4	15	45	220
<b>DEPARTMENT TOTAL</b>	<b>28</b>	<b>30</b>	<b>492</b>	<b>963</b>

### 3.2 PROGRAM UPDATES

#### 3.2.1 Staffing Update

Community Services is pleased to announce the addition of two new Case Workers to the THA team.

- Martha Matthias joins the Education Project team as the new Elementary School Housing Assistance Program (ESHAP) Case Worker. Martha joins THA from Goodwill, where she worked in their job training programs. Martha brings various assets, including her familiarity with the Center for Strong Families and a teaching background.
- Shelly Azabache joins the Property Management Collaboration Team, serving primarily residents at Salishan and Hillside Terrace. Shelly comes to us from MDC's Rise Program. Prior to working in the Rise Program she worked in MDC Veteran Services. Shelly has been in the human services field for 20 years and has a background in community outreach, employment services, and homeless services. Shelly is fluent in both English and Spanish.

#### 3.2.2. Programming Updates

**Senior & Disabled Buildings:** In November, seniors enjoyed the annual free Lobster Shop Thanksgiving meal, and both senior and residents with disabilities participated in the annual Mercy House Thanksgiving meal at the New Look Apartments. Tacoma Family Medicine's Dr. Mirzaie was at several senior buildings in November for "Dr. Talks." Clients enjoyed asking him questions about medication management, diabetic care and prevention, and the intersection of mental and physical health. The seniors have been busy this fall. Check out the senior newsletter to see all the events and activities that went on in the seven senior & disabled buildings.

**Family Properties:** Both Salishan and the family properties are welcoming their new Case Workers. Shelly Azabache started on 11/27/17 to serve the Salishan and Hillside communities. Robert Lewis has been kept busy with Bergerson Terrace, Bay Terrace, and Dixon Village. Robert has jumped in feet first and has already done door-to-door outreach at all his buildings. Residents of Bergerson enjoyed a community dinner in coordination with KBTC and Client Services. The dinner was a huge success. Both children

and adults attended the dinner and the community room was hopping with 45 participants!

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

Moving to work (MTW) Baseline Voucher utilization is reported at 94.3% for November 2017.

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	152	22	86%
NED (Non Elderly Disabled) Vouchers	100	90	10	90%
FUP (Family Unification Program)	50	43	7	86%
CHOP (Child Welfare Housing Opportunity Program)	20	14	5	70%
McCarver Program	50	37	7	74%
CHAP (College Housing Assistance Program)	25	23	19	92%
<b>TOTAL</b>	<b>422</b>	<b>359</b>	<b>70</b>	

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

Project-Based Properties	Units Allocated	Units Leased	Percentage Leased
Bay Terrace	61	61	100%
Eliza McCabe Townhomes	10	10	100%
Flett Meadows	14	13	93%
Guadalupe Vista	40	38	95%
Harborview Manor	145	144	99%
Hillside Gardens	8	6	75%
Hillside Terrace	14	12	86%
Nativity House	50	46	92%
New Look Apts.	42	38	90%
Pacific Courtyards	23	22	96%
New Tacoma Phase II	8	7	88%
Salishan 1-7	340	339	99%
Tyler Square	15	11	73%
<b>TOTAL</b>	<b>770</b>	<b>747</b>	<b>97%</b>

With the November 2017 approval of the addition of 20 units for Harborview Manor, we have increased the allocated number to 145. 19 of the 20 units have been leased up by December 1, 2017.



**TACOMA HOUSING AUTHORITY**

**PROPERTY MANAGEMENT**



# TACOMA HOUSING AUTHORITY

**Date:** December 13, 2017

**To:** THA Board of Commissioners

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

**Re:** Property Management Monthly Board Report

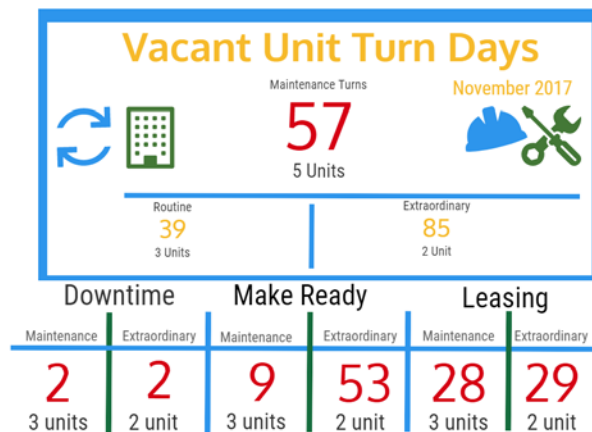
## 1. OCCUPANCY OVERVIEW

### 1.1 Occupancy

PROPERTY	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MONTH OCCUPIED	% YTD OCCUPIED
All Hillside/Bay Terrace	206	8	0	198	96%	97%
Family Properties	118	1	0	117	99%	99%
Salishan	631	0	0	631	100%	99%
Senior/Disabled	353	8	0	345	98%	98%
All Total	1,308	17	0	1,291	98%	98%

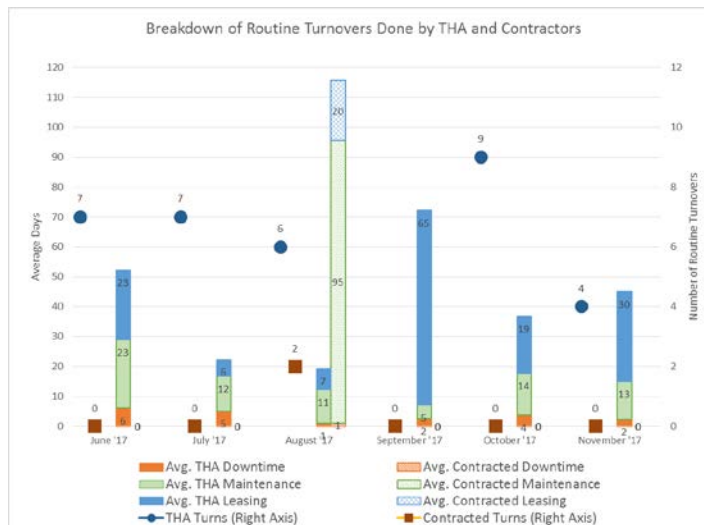
Unit occupancy is reported for the first day of the month. This data is for the month of November, 2017. The chart above now reflects all of the THA units, including Bay Terrace II, for a total of 1,308.

### 1.2 Vacant Clean Unit Turn Status



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

Page 2



All Turns - Performed by THA and Contractors  
Today's Date 12/6/2017

Select End Month & Year: **November 11 2017**  
 October 10 2017  
 September 9 2017  
 August 8 2017  
 July 7 2017  
 Beginning Month: **June 6 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	November	5	5	0	57.8	2.2	27.0	28.6
2017	October	10	10	0	36.7	3.9	14.6	18.2
2017	September	20	20	0	74.5	2.5	4.7	65.0
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

		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	November	5	0	0	0.0	0.0	0.0	0.0
2017	October	10	0	0	0.0	0.0	0.0	0.0
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

The average unit turn time for the month of November was 57 days for three (3) routine units turned and 85 for two (2) extraordinary unit turns by Tacoma Housing Authority (THA).

**Routine** means units with repairs that fall under the category of normal wear and tear that can be repaired within 5-15 days.

**Extraordinary** means that the units have heavy damage as a result of the tenancy, including meth, extensive damage and casualty loss that cannot be repaired in less than 30 days.

**Exempt** means units with special circumstances, such as transfers, temporary hotel holds or Reasonable Accommodations.



### **Extraordinary Explanation**

**2324 South G Street #200:** A roof leak was discovered at the time of vacate. The roof was repaired by a 3<sup>rd</sup> party vendor. Their schedule and timeline for the repair delayed turning the unit.

### **Exempt Units**

**5315 South Orchard #72:** Rental Assistance (RA) transfer to another property. Delay with movers until 10/18/2017. Tenant delivered keys on 10/23/2017. Unit turn (repair make ready) began 10/23/2017, with damages. Extensive repair needed including, wall repair, full paint, and door replacement.

**2302 6<sup>th</sup> Avenue #114:** RA transfer to Bergerson. Resident items remained in unit until 09/29 due to delays with movers.

Numerous attempts were made to lease, both internally and externally. Staff continues to experience a number of challenges with initial contact with applicants due to outdated or changed information, such as phone numbers. One applicant was denied as a result of a failed criminal background check.

**1512 Court F #188:** Unit refused twice, due to unusual floorplan. Several applicants reviewed before an eligible applicant, meeting the Large Household set aside was found.

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

- **Downtime** - Start the unit turn process within 1 day of vacancy. Reduce downtime to 1 day.
- **Repair make ready**
  - ✓ Identify appropriate staffing levels needed to complete maintenance work during the move-out inspection.
  - ✓ Procure contractors who will respond to request for service if needed that have the appropriate staff to assign multiple units.
  - ✓ Increase inspections to deter heavy damage at move out.
  - ✓ Unit work every working day. Unit is the sole priority by assigned staff.
  - ✓ Use of tracking charts to monitor projected progress.
- **Leasing**
  - ✓ Prescreen to identify ready applicants.
  - ✓ Site-based leasing. Concentrated efforts on units. Each property staff will be responsible for the leasing efforts to fill their units.
  - ✓ THA staff will undergo training to better lease out units that are not subsidized. THA is competing with the open market in some cases. Having

better tools and tactics will be helpful to attract applicants that will accept the units in a timelier manner.

### Proposed

Downtime	Repair Make ready	Vacant	Total days
1	17	2	20

### 1.3 THA Meth Data Trends

Per July 2017 Board discussion, Meth information will be included only when there are updates to report.

### 1.4 Work Orders

Completed WO's by Priority For Month Ending November 30, 2017				
Property Name	Priority			Grand Total
	Routine	Urgent	Emergency	
6th Ave Apartments	3	0	0	3
Bay Terrace Phase One	15	1	0	16
Bay Terrace Phase Two	12	1	0	13
Bergerson Terrace	44	4	0	48
Dixon Village	12	3	1	16
E.B. Wilson	33	5	0	38
Fawcett Apartments	4	1	3	8
Hillside Terrace 1500 Block	5	0	0	5
Hillside Terrace Ph 1	10	1	0	11
Hillside Terrace Ph II	5	0	0	5
Ludwig Apartments	9	1	0	10
North G St	1	0	0	1
North K St	46	0	0	46
Public Housing Scattered Sites	4	0	0	4
Salishan Five	38	1	0	39
Salishan Four	30	0	0	30
Salishan One	16	1	0	17
Salishan Seven	19	1	0	20
Salishan Six	29	0	0	29
Salishan Three	36	1	0	37
Salishan Two	18	0	0	18
Wright Ave	11	0	0	11
<b>Grand Total</b>	<b>400</b>	<b>21</b>	<b>4</b>	<b>425</b>

In the month of November, 100% of emergency work orders were completed within 24 hours; maintenance staff completed 421 non-emergency work orders with a total of 3,875 for the calendar year. The year-to-date average number of days to complete a non-emergency work order is 9 days.

**Open Work Orders by Priority  
as of Month Ending November 30, 2017**

Property Name	Priority		
	Routine	Urgent	Grand Total
6th Ave Apartments	2	0	2
Bay Terrace Phase One	4	0	4
Bay Terrace Phase Two	4	1	5
Bergerson Terrace	29	1	30
Dixon Village	2	0	2
E.B. Wilson	15	0	15
Hillside Terrace 1500 Block	1	0	1
Hillside Terrace Ph 1	1	0	1
Hillside Terrace Ph II	0	1	1
Ludwig Apartments	4	0	4
North G St	1	0	1
Salishan Five	6	0	6
Salishan Four	9	1	10
Salishan One	1	0	1
Salishan Seven	7	1	8
Salishan Six	11	0	11
Salishan Three	5	0	5
Salishan Two	2	0	2
Wright Ave	19	0	19
<b>Grand Total</b>	<b>123</b>	<b>5</b>	<b>128</b>

Property Management (PM) continues to bring down the number of outstanding work orders and improve customer service.

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

- Make every attempt to address routine work orders within five (5) days. When this is not possible, contact the tenant and provide them an alternate date that they may expect service;

- Improve communication with the tenants when services will be delayed and/or when procurement is needed to service the request; and
- Close work orders within 48 hours of completion.



**TACOMA HOUSING AUTHORITY**

**REAL ESTATE DEVELOPMENT**



# TACOMA HOUSING AUTHORITY

**DATE:** December 13, 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.

### 1.2 Salishan Family Investment and Maintenance Shop Renovations

Several meetings with Property Management, Client Services, Real Estate Development and Buffalo Design were held in early 2017 to select design elements for the Family Investment Center (FIC) building. Staff at the building chose from numerous options including door types, flooring, wall colors and accents. An Invitation to Bid (ITB) was published to solicit proposals for a General Contractor. Buchanan General Contracting is the successful bidder for the project's renovation. A pre-construction meeting is scheduled in late November with construction expected to begin in December. The construction includes tenant improvements in the FIC building along with a new Heritage Branch office and ATM. The Maintenance Shop includes plans for a mezzanine and an underground fiber optic cable between the FIC and the shop.

## 2. NEW DEVELOPMENT

### 2.1 Bay Terrace – Phase II

Construction is 99.9% complete. Building J – Contractor reached Substantial Completion and Temporary Certificate of Occupancy on June 23, 2017. Substantial Completion was reached on schedule. On August 7, 2017, THA received final Certificate of Occupancy for buildings G & H and on August 14, 2017, final Certificate of Occupancy for Building J.

The following chart identifies the projected lease up schedule.

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

<u>Month</u>	<u>Units Per Mo.</u>	<u>Accumulative</u>	<u>Leases Signed</u>
July	30	30	30
August	16	46	47
September	12	58	67
October	16	74	7

**Building J Lower Roof & Upper Roof2**

Staff is working with the contractor regarding the TPO roofing system on Building J. The roof was installed during this winter's rainy weather. Our building envelope special inspector (Wetherholt & Assoc.) had documented potential high moisture saturation within the roofing system which is limited to the lower roof. Staff is withholding \$78,000 of the roofing contractor's final payment and retainage until the issues are remedied.

**On August 9, 2017, THA and Absher Construction met to discuss the Building J roofing issues. Absher has agreed to the following:**

Lower Roof – Complete removal and replacement. 100% of the lower roof has been replaced to date. The contractor has a few punchlist items to complete.

Upper Roof - Remove and replace membrane and cover board completely. While the membrane and cover board are removed, THA's inspector will test the layers of insulation for moisture content. Insulation found to have high moisture levels will be removed and replaced. The upper roof replacement is 100% complete with the exception of punchlist items.

**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 contractor has priced the alley regrade and will be submitting a schedule to complete the work.

NOTE: The following information is based on Draw 17 for period ending 7/31/2017. There have been no budget changes since the last report.

**Budget**

**% Complete 99.9%**

<b>Item</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Expended</b>	<b>Balance</b>
Soft Cost Inc. Reserves	4,861,258	4,904,798	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
<b>Total Budget</b>	<b>22,842,037</b>	<b>23,002,037</b>	<b>19,350,581</b>	<b>3,651,456</b>
<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>



**Building J – At Court G**



**Building H – At Court G**

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

	GOAL	PREVIOUS ACTUAL	FINAL AS OF 8/31/2017
<b>MBE</b>	10%	13%	13%
<b>WBE</b>	8%	12%	12%
<b>Section 3 Business</b>	10%	14%	14%
<b>Section 3 New Hires</b>	30%	29.41%	29.41%
<b>Apprenticeship</b>	15%	13.05%	13%

### **3. OTHER PROJECTS**

#### **3.1 James Center North**

The purchase of James Center North was completed by October 25<sup>th</sup>. RED is preparing to demolish an old restaurant that cannot be repaired and is preparing Requests for Proposals for a firm to assist with the planning for the redevelopment.

#### **3.2 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.

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



3.2.2 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
21	\$4,355,000.00	\$4,364,964.60	510,008.00	\$906,079.16	\$2,943,877.44
Units Listed	Market Value	List Price	Rehab Costs	Sales Costs Estimated	Projected Proceeds
2	\$444,000.00	\$444,000.00	\$69,300.00	\$70,000	\$304,700.00
Units in Construction	Scope Preparation	Occupied			
1	8	1			



5814 Swan Creek - Listed



3.2.3 Rehabilitation Work on Scattered Site Units and Sold:

- 12 of the remaining 13 occupied homes will be remodeled as the remaining tenant is relocated in December 2017.
- CYS is occupying 120 Bismark to temporarily house homeless youth. They are consistently at capacity.
- 6932 S. Madison has sold for \$227,000.
- 2225 E. George Street has been completed in November and will be listed for sale in December 2017.
- 5814 Swan Creek and 4823 E. M Street have been listed for sale and are awaiting offers from eligible buyers.
- Relocation for the last household with children is almost complete. Households were given over 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 December 2017.

### **3.3 Consulting and Community Engagement**

Staff is working with the Korean Women's Association (KWA). They 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 9<sup>th</sup> and MLK. Unfortunately, KWA was not chosen for this project

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

THA selected Buffalo Design to plan the capital work for the New Look Apartments. Two bids were received in response to an Invitation to Bid for the remodel of New Look. Both bids were substantially higher than planned for this project. The development team has completed a review of the specifications and made modifications that have reduced the overall cost of this project, and we expect to close by December 19th. 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.

### **3.5 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. 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 an initial cost estimate completed. The cost estimate is significantly higher than anticipated because this project has to meet commercial codes and specific licensing requirements. Staff has to evaluate the cost

and has started conversations with the City of Tacoma about covering these additional costs.

THA has engaged the Corporation for Supportive Housing to assist with issuing an RFP for a service provider for the rental housing component of the Arlington Campus and is consulting with Corporation for Supportive Housing. 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 12<sup>th</sup> at the Family Investment Center (FIC).

### **3.6 Allenmore Brownstones**

The seller of the Allenmore Brownstones accepted THA's offer to purchase the property. Legal counsel is preparing a Purchase and Sale Agreement at this time. Staff will solidify financing and conduct due diligence activities once this agreement is signed.

## **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 plan 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. Given that the legislature has not voted on a budget, staff believe that projects that are not solely for the homeless will be competitive.

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 the service provider.

#### **4.3 Hilltop Lofts and THA Owned Properties Master Development Plan**

THA and the City extended the timeline by two years for THA to develop the Hilltop Lofts project. Council approved the extension request at its November 3, 2015, meeting. Work needs to begin by the end of 2017. Staff submitted a January, 2017 9% tax credit submission; however, it did not score high enough to receive tax credits. Staff is reviewing other financing options for this site. In the meantime, the City has asked THA to take over the property and manage the lease and building with Mr. Mack. The City will quit claim the deed to THA.

##### **4.3.1 City of Tacoma 311 Mobilization**

RED, in partnership with the Hilltop Action Coalition, will facilitate the outreach and mobilization so that residents of the Hilltop understand and use the City's 311 customer service line. This will be completed through a series of workshops, events, canvassing and literature creation. The agreement with the City has been executed and planning work initiated.

## **5. Renew Tacoma Housing, LLLP**

### **5.1 Construction**

<b>Property</b>	<b>Construction start</b>	<b>Construction schedule complete</b>	<b>Units complete</b>	<b>Units underway</b>	<b>Units remaining</b>
Bergerson	5/4/2016	12/27/2016	72	0	0
E.B. Wilson aka M Street	5/4/2016	12/27/2016	77	0	0
Dixon Village	9/16/2016	12/27/2016	31	0	0
Ludwig	6/23/2016	3/15/2017	41	0	0
Fawcett	1/9/2017	5/24/2017	30	0	0
K Street	10/11/2016	3/27/2017	43	0	0
Wright Street	2/6/2017	10/5/2017	58	0	0
6 <sup>th</sup> Avenue	4/1/2017	9/26/2017	64	0	0
G Street	3/7/2017	9/7/2017	40	0	0

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

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

2017 Projects: Ludwig, Fawcett, K Street, 6<sup>th</sup> Avenue, Wright, G Street  
The *Certificates of Substantial Completion* were issued for Ludwig, K Street, Fawcett, 6<sup>th</sup> Avenue and Wright Street. The permit for G Street is final. The Certificate of Completion is to follow. 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 6<sup>th</sup> Avenue are also complete. The second elevators at K and Wright Streets are waiting final inspection. G Street’s elevator is waiting on a final engineer’s report. 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 5, 2017.

### 5.3 Watch list

***Environmental*** – The Department of Ecology (DOE) issued a *No Further Action* (NFA) letter for 6<sup>th</sup> 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 supported 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 Street 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 that DOE reviewed in April. THA and its consultant met with DOE staff the end of May. DOE's opinion letter stated that they recommended 3-4 monitoring<sup>2</sup> events and 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, DOE staff verbally reported that two monitoring wells and long-term monitoring will be required. DOE staff verbally stated that removal of dirty dirt is not required because of the cost and anticipate they can issue an NFA 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 will indicate if the dirty dirt has moved upward. The contamination is likely bunker oil. DOE is currently reviewing the Environmental Covenant language. The final report and draft Environmental Covenant was forwarded to DOE mid-October. 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, 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 is sold, we may still offer to buy the portion with the contamination and offer the neighbor an easement to continue using it for parking. The environmental 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 them that and a formal complaint will be filed against them for restitution for environmental expenses. Superior Linen's legal counsel has not responded to any of the letters. THA staff 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**

Given the concerns about how tax reform could impact projects funded with tax-exempt private activity bonds, we must draw down all bond proceeds by December 28, 2017. Interest will accrue on the full amount drawn; however, given that we are near the end of the project and we are under-budget, increased interest should be minimal and manageable.

The following information provides a status as of Draw #18 (November, 2017 draw).

<b>Budget</b>	<b>Total budget</b>	<b>Expended</b>	<b>Outstanding</b>
Soft Costs*	\$24,023,498	\$10,236,747	\$13,786,751
Construction (includes owner's contingency)	\$33,755,555 +2 (includes \$500,000 reallocation from Environmental Escrow + \$100,000 seismic bracing release)	\$34,067,779	***(\$312,224)
Environmental Escrow	\$3,500,000	**\$1,100,000	\$2,400,000

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

\*\*\$600,000 reallocated to construction budget due to 6<sup>th</sup> Avenue "No Further Action Letter" issued by DOE. \$500,000 reallocated to construction due to significant progress on K and Wright Street remediation. \$100,000 reallocated to construction due to seismic bracing sign-off.

\*\*\*Excess "soft cost" budget will cover the \$312,224. Extra construction work was required to meet the 50% test.

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

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

#### Section 3 New Hires:

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

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

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



- Walsh's outreach efforts, such as town hall meetings, advertising, speaking at National Association of Minority Contractors (NAMC) meetings, and phone calls were outstanding. We simply had trouble finding MWBE subcontractors. It is possible that this can be attributed to the significant amount of work underway in the South Sound.



**TACOMA HOUSING AUTHORITY**

**NEW BUSINESS**

# **Resolution 1**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13 (1)

**Date:** December 05, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Fiscal Year 2018 Agency Budget

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*This resolution would adopt Tacoma Housing Authority's (THA) budget for 2018. It provides for the expenditure of \$63,028,799. The details show in the attachments. This budget proposal closely tracks the version that received tentative approval from the Board's Finance Committee and from the Board at its budget study session on November 29<sup>th</sup>.*

### 1. SOME BACKGROUND AND SUMMARY

Each year THA budgets for its upcoming fiscal year. THA's fiscal year aligns with the calendar year. By this resolution, the Board would adopt a THA budget for FY 2018. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget through its Finance Committee, the current chair, and other Commissioners. The Board also reviewed the budget proposal at its study session on November 29<sup>th</sup>. I have provided additional direction to staff based on these discussions. The Finance Director facilitated multiple meetings with the other Directors to come up with a budget to present to both me, and now the Board.

This proposal denotes a lot of work and thought by Board and staff. This budget has to account for some particular puzzles and challenges we face from our Congressional funding uncertainties, Housing and Urban Development (HUD) directives, and most of all Tacoma's steeply rising rental market that is increasing the cost of our vouchers at unsustainable rates. This budget has to account for THA's own ambitions in ways that will keep us innovative and effective for the people and communities we serve. Most of all, this budget has to reflect the Board's vision, mission and values and its strategic objectives for THA and its work. I believe it does.

The biggest topic of discussion that underlays this budget proposal has been the expenditure of THA's Housing Assistance Payment (HAP) funds. This is the largest allocation of federal funding that THA receives, approximately \$35.5 million per year. The main challenge is to conform with HUD's expectations that we continue to serve the same number of families as the baseline number of families HUD assigned to THA in 2010 when we become a Moving to Work (MTW) agency. This expectation has been manageable up to the last few years. Starting about two or three years ago, however, the Tacoma rental market has accelerated to make it one of the hottest rental markets in the nation. In response, we have increased the value of our vouchers to try and keep our assisted families competitive. This has increased THA's costs by an additional \$600,000 per year for each of the last three years. We do not see any change in the next year covered by this budget. Instead, we anticipate in 2018 an additional \$625,000 cost to fund the same number of vouchers. Yet, Congressional funding for this program has remained largely flat over that time and will likely remain flat. The arithmetic does not allow us to serve the same number of families at an increasing cost with flat funding.

The Board's directions on how to manage that brutal arithmetic is an important feature of this budget. Below I provide more information about the details of the choices we face to manage this puzzle. I also describe the choices this budget would make not only to balance but also to balance in a reasonable way the many claims on our resources.

Here are some of the notable features within this budget proposal:

- The budget reflects the Board's Statements of Vision and Mission and its seven strategic directives for THA. I attach a copy. Accordingly, this budget allows THA to continue initiatives that have distinguished our work. In general, this work seeks ways to spend a housing dollar, not only to house someone, but also to get two other things done: first, to help them succeed not just as tenants but also, as our vision statement contemplates, as "parents, students, wage earners and builders of assets"; second, to help our communities succeed and that they do so with a shared prosperity that allows all people to experience them as places that are "safe, vibrant, prosperous, attractive and just." THA's Education Project is a notable example of what this work looks like.
- In doing this work, the budget also conforms to the Board's three basic budget principles:

**First**, recurring and non-projected oriented expenses fit within recurring income. We do not use reserves on recurring expenses. This budget would leave a recurring operating surplus of *\$129,300*.

**Second**, the budget leaves us with reserves that are not too little and not too much. It would spend down our reserves from \$12.6 million to about *\$9 million* at the end of 2018. \$9 million would cover about 2 months of THA's operations. This amount is \$1.8 million above the Board's optimal levels.

**Third**, we use reserves for expenditures that have a plausible chance to make us money, save us money or make us more effective. Much of that expenditures is on building and buying properties, rapid rehousing expenses for homeless families with children and homeless young adults, the software conversion and other administrative investments.

THA will receive another \$5 million in developer fee in early 2019. That \$5 million does not feature in this budget, but it will help next year.

Below I show more details about these aspects of the budget proposal.

I am pleased to present this budget proposal to the Board. It reflects discussions throughout the year by both the Board and staff. The proposed budget leaves THA in relatively good shape. It allows THA to continue core programs. It also allows THA to continue its special programs that continue to distinguish THA nationally for its innovation, such as the Education program, the community services to help families prosper, and rapid rehousing for homeless families with children and homeless young adults.

I must note an important uncertainty about this budget. As I write this, Congress has not yet passed a budget for 2018. Its present deadline for keeping the government operating and avoiding its shutdown is midnight December 8<sup>th</sup>. This budget assumes that when Congress does pass a budget for 2018 we will receive at least flat funding from 2017. If we assume incorrectly, this budget may require the Board's adjustment once we do learn what Congress does.

## **2. PRINCIPLES GUIDING THE BUDGET CHOICES**

Staff have used the following principles to guide the preparation of this budget proposal:

### **2.1 THA's strategic directives**

The Board's Statements of vision, mission and values, and its seven strategic objectives remain our primary principles that guide our work, including budget choices. Each department considered the priority of programs and projects serving each strategic objective when proposing its own budget. The budget proposal allows us to proceed with our most important initiatives.

As in the past, this budget seeks to retain what is distinctive about THA: we do not confine our mission to being a real estate developer, a landlord and a distributor of rent checks. We are also community developers. We seek ways to spend our housing dollar to leverage other outcomes: increased earned income of our families, improved educational outcomes, and improved asset building. Our efforts to do this have become signature attributes of THA. They have distinguished THA from its counterparts. Even in the face of budget cuts, we have sought to retain a meaningful measure of these functions, even on a reduced scale, rather derail the significant movement forward on important initiatives due

to fear of reduced funding. If we retain at least a minimal presence in these areas it allows us to later pick these initiatives back up and move them forward easier than if we had to start again from scratch.

**Here are the notable examples of this work that the budget proposals funds:**

**2.1.1 *THA's Real Estate Development***

We are continuing to build or buy properties. We do this with a new urgency as Tacoma's rental market continues its steep climb. We judge that in five years the only housing in large parts of Tacoma that will be affordable to the households we serve, even with a voucher, and the only notable measure of racial and economic integration in those areas, will come from properties we and our partners own or buy now.

**2.1.2 *THA's Education Project***

- expansion of the Elementary School Housing Assistance Program
- expansion of the College Housing Assistance Program
- Children's Savings Account

**2.1.3 *Community Services***

The budget funds ongoing Community Service to help our assisted households succeed, not just as tenants, but also, as our vision statement contemplates as "parents, students, wage earners and builders of assets".

**2.1.4 *Policy, Innovation and Evaluation***

This budget continues to fund our department of Policy, Innovation and Evaluation. This is where we envision THA's programmatic future, decide what programs to try, design them, and then evaluate them. Next year this work will focus on at least these four main areas:

- redesign and expansion of the Elementary School Housing Assistance Program
- expansion of the College Housing Assistance Program
- evaluation of the HOP Program as we approach the expiration next spring of the first of the 5 year time limits.
- improvement of our collection and use of data

**2.2 *Board's Three Budget Principles***

The Board has three long established budget principles. They have served us well. This proposed budget conforms to all three.

### 2.2.1 Recurring Income Must Cover Recurring Expenses

We seek a budget where our recurring income pays for our recurring expenses, including our non-project oriented expenses that are part of our mainstream work. Our proposed budget will show an aggregate surplus of recurring income over these recurring expenses of \$129,300.

2.	RECURRING OPERATIONAL INCOME AND EXPENSES FY-2018					
		Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations <sup>1</sup>
	MTW	\$43,637,100		\$43,048,300		\$588,800
	Non-MTW	\$7,613,900		\$8,073,400		(\$459,500)
	<b>Total</b>	<b>\$51,251,000</b>		<b>\$51,121,700</b>		<b>\$129,300</b>

I note that characterizing income or expenditure as either recurring or non-recurring is not a precise exercise. It requires judgment. In general, we defer the judgment to the Finance Department and its conservative budget sensibilities. They have served us well.

One of the ways to make this judgment is to regard as non-recurring expenses on not only time limited activities like our software conversion or our Rental Assistance Demonstration (RAD) fix-up, but also projects that are longer duration but outside THA's mainline housing programs, *e.g.*: \$1.288 million for rapid rehousing, \$5.490 million for real estate purchases, due diligence and development staff. One way to think of these expenditures is to regard them as what we would consider first to reduce if we had to cut the budget.

### 2.2.2 Reserve Levels: Not Too Little, Not Too Much

The Board has identified minimum and optimal levels of reserves overall and for each type of reserve. This budget would keep overall reserves at \$9 million, or enough to cover about 2 months of operations. This amount is \$1.8 million above the Board's optimal levels. The non-MTW reserves, a subset of all reserves, is at minimal levels.

Type/Purpose of Reserves	Projected Reserves 01/01/18	-	Minimum	Optimal or Maximum	Amount to Reserve	=	Amount of reserves available to use in FY018
a. MTW Reserves	\$750,000		\$ 500,000	\$ 1,000,000	\$500,000		\$250,000
b. Business Activities (Non-MTW) reserves	\$4,500,000		\$4,000,000	\$5,750,000	\$5,750,000		(\$1,250,000)
c. PH Owned Property Reserves	\$1,000,000		\$400,000	\$750,000	\$1,000,000		\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$6,175,000		\$0	\$0	\$0		\$6,175,000
e. Section 8 Reserves held at HUD.	\$250,000		\$0	\$0	\$0		\$250,000
<b>Totals</b>	<b>\$12,675,000</b>		<b>\$4,900,000</b>	<b>\$7,500,000</b>	<b>\$7,250,000</b>		<b>\$5,425,000</b>



Type/Purpose of Reserves *			Projected Reserves 12/31/18	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal		Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
a.	MTW Reserves		\$118,400	\$500,000	\$1,000,000	(\$881,600)		\$500,000	(\$381,600)
b.	Business Activities (Non-MTW) reserves		\$4,614,900	\$4,000,000	\$5,750,000	(\$1,135,100)		\$5,750,000	(\$1,135,100)
c.	PH Owned Property Reserves		\$ 1,250,000	\$750,000	\$1,250,000	\$0		\$1,000,000	\$250,000
d.	Reserves with Restrictions (ACC sale proceeds)		\$ 3,075,000	\$0	\$0	\$3,075,000		\$0	\$3,075,000
e.	Section 8 Reserves held at HUD.		\$ -	\$0	\$0	\$0		\$0	\$0
f.		Totals	\$9,058,300	\$5,250,000	\$8,000,000	\$1,058,300		\$7,250,000	\$1,808,300

### 2.2.3 Uses of Reserves

The best use of reserves would pay for activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. Here are the notable examples in this budget:

- *\$5.528 million – real estate development*  
Most of the spending of reserves is on building or buying properties. We would build or buy a property for one or more of five reasons:
  - (i) to preserve a property's affordability to low-income households that might otherwise be lost either as a affordability requirement expires or, more commonly, as the rental market rises around the property;
  - (ii) to buy a property that needs investment or management that the present owner cannot provide and in that way help its residents and its neighborhood;
  - (iii) to make our vouchers more usable in parts of Tacoma where the rental market is on such a trajectory that the only housing accessible to our voucher holders and the only notable measure of racial or economic integration will be the properties that THA or its nonprofit partners own or control;
  - (iv) to further our educational partnerships. For example, our purchases of Outrigger Apartments, Highland Crest Apartments and James Center North are an easy walk to the Tacoma Community College Campus. Those apartments will be very useful to our program that houses homeless enrolled TCC students;
  - (v) to make money, in one or more of three ways: earning a developer fee, rental stream, investment value.
- *\$1.288 million to Pierce County for Rapid Rehousing of Homeless Families with Children and Homeless Young Adults*

- *\$1.242 million to fix up the Family Investment Center (including cost of tenant improvements for Heritage Bank's new branch at Salishan).*
- *\$500,000 for continuing software conversion costs*  
This amount for the software conversion may rise further.
- *\$350,000 for James Center North capital items*
- *\$750,000 for the Salishan and Hillside properties for RAD capital needs.*
- *\$30,000 to replace maintenance vehicles and other equipment*

### 3. NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones for this 2018 budget proposal:

#### 3.1 Congressional Appropriations for 2018: Flat Funding

We will presume on flat funding from Congress.

Congress is supposed to adopt a federal budget by October 1<sup>st</sup> every year. If Congress did that, the Board would know THA's funding when it adopts its budget in December. Unfortunately, Congress usually misses its own deadline. When that happens THA must place its bets on what Congress will do. That is true this year. As I write, the government is operating on a continuing resolution that will expire at midnight on December 8<sup>th</sup>. All we have are budget proposals from the House and the Senate.

As in past years when Congress has been late with a budget, we have written our own budget presuming on the worse of the plausible versions of the budget pending in Congress. To make this judgement, we consult with HUD, Congressional budget staff, our Congressional offices, and our legislative liaison.

This year, we judge that we should budget to the House version of the budget. That version would give us in 2018 the same funding we received in 2017. This flat funding would mean we would receive only 80% of what HUD calculates to be necessary to administer the housing voucher program. We would receive only 86% of what HUD calculates to be necessary to manage public housing units. NOTE: As our traditional public housing portfolio transitions to Section 8 RAD, this budget shortfall afflicts only our Salishan and Hillside Terrace portfolios.

I must note some uncertainty about this judgment in a year that is unusual even for Congress. As late as last week, flat funding was a reasonable bet. It still may

be reasonable. Yet, within the last week the budget prospects have been roiled by other contentions. The main one seems to be the huge new deficits that will result from the pending tax reform. Congressional voices are already projecting an effort to pay for those deficits by reducing federal spending on programs for poor people. Other complicating contentions include the need to raise the debt ceiling to avoid a governmental default, DACA, the “wall” and the ongoing efforts to repeal the Affordable Care Act or renew the Children’s Health Insurance Program (CHIP). We are also told that the prospect is increasing that on December 9<sup>th</sup> the government will shut down because Congress will not be able to agree on even a temporary spending extension.

I propose that the Board adopt this budget and its presumption of flat funding despite these uncertainties. We will watch Congress carefully. When it does pass either a real budget for 2018 or another continuing resolution we then consider whether the Board needs to adjust this budget to account for what Congress does.

NOTE: At its study session on November 29<sup>th</sup> the Board discussed what THA would do in the event the government shuts down on December 9<sup>th</sup>. The Board directed that we would do what we have done with past governmental shutdowns: initially, we would do nothing. We would not curtail any expenditures. We would not layoff staff. We would not suspend or terminate contracts. We have reserves to last us two months. Instead, we would watch Congress carefully. We would consult with our advisors on such questions. If the shutdown lasts into early January, the Board will reconvene then, consider the advice we will collect and judge how much longer the shutdown will likely last. If we judge that the shutdown will last into February, we will begin planning to wind down our operations as necessary. We presently judge such a prolonged shutdown to be very unlikely. On those grounds, we do not wish to disrupt and alarm our clients and partners now with shutdown planning that our present information tells us will be unnecessary.

### **3.2 Tacoma’s Rental Market and Voucher Utilization Rate: 95%**

This budget includes expenditures that we hope will have THA as close as reasonably possible to 100% of our HUD assigned baseline number of families. But for purposes of a budget that must balance, it will presume on a 95% utilization rate. This judgment pertains mainly to THA’s rental assistance program.

To write a budget, THA must presume on the expenditures necessary for its rental assistance programs. These programs are THA’s largest, measured by either persons served or money spent.

The calculation begins with a requirement of the MTW statute. That statute requires that each MTW agency plan to serve “substantially the same” number of families we would serve if we were not MTW.

HUD and the MTW agencies have contended over the meaning of this requirement for the past several years. HUD assigns to each MTW agency a “baseline” number of families calculated from the number each agency was serving right before it became an MTW agency. For THA, which became an MTW agency in 2010, our baseline number for 2018 is 4,570.

HUD has recently clarified its view that the requirement to serve “substantially the same” as the baseline number means serving the baseline number. This is called 100% utilization. In the discussions with HUD over its interpretation, THA has offered its legal opinion that HUD’s interpretation clashes with the statute. *See* my letter to HUD of February 21, 2017.

Up to 2017, THA has been able to reach 100% utilization easily enough. However, beginning in 2017, the steeply rising Tacoma rental market caught up to us. That market had been rising quickly since 2015. Tacoma’s rental market is now among the fastest rising in the nation. That market presents two different and reinforcing challenges to our families and to our budget. **First**, the value of our vouchers has trouble keeping up with the rising rents. **Second**, as vacancies diminish, landlords get fussier. Our families do not compete well against other tenants with stronger credit or rental histories. About 40% of our families who receive a new voucher from THA, after waiting years for it, cannot find a landlord willing to rent to them within the 3 months they have to use it. They require extensions of up to another 6 months, and more frequently longer.

At the same time, THA has received no increase in funding. Indeed, our funding has been essentially flat since 2013. Our judgment about Congress does not allow us to anticipate any increases in funding in 2018 or beyond.

In response to the market, THA has increased the value of its vouchers in an effort to keep its assisted families somewhat competitive. This has direct budget consequences. THA has increased what it has spent on rent payments for the same number of families by \$600,000 each year for the past three years, for a total increase of \$1.8 million. We have done that by redirecting funds from reserves and other uses. We do not see an end to the market’s rise. For 2018, we expect the rising cost to THA of subsidizing same number of vouchers to be an additional \$625,000. This increase is not sustainable.

THA now must face the brutal arithmetic. HUD does not adjust the baseline number to account for either the changes in our rental market since 2010 or flat congressional funding. In such a circumstance, the arithmetic tells us that we simply cannot serve the same number of families at such increasing costs when congressional funding is flat.

The Board has considered the four main options available to THA to manage this challenge. I describe them below. At the Board’s direction, this budget adopts

the fourth option. Pursuant to that option, while the budget funds efforts to try for 100% utilization rate, it presumes that we will end up with a 95% utilization rate. Here are the four options and the reasons why the Board chose the fourth one:

*3.2.1 First Option: Lower the Value of Vouchers: “Thin the Soup”*

We could lower the value of our vouchers to spread the money over more families and perhaps raise our utilization rate. We did this in 2010 in response to that year’s Congressional funding shortfalls. Doing that allowed THA to avoid removing anyone from our programs for lack of funds. We call this option “thinning the soup”. The first choice we now face is to thin the soup further and further reduce the value of our voucher. We judge that doing this in 2018 would be a mistake. Our market is much tighter now. Our present voucher values are having trouble competing in the market. Lowering their value further would make them less competitive and instead may lower rather than raise our utilization rate.

*3.2.2 Second Option: Favor Higher Income Households*

We could purposefully redirect vouchers away from lower-income households to higher income households. Doing this may increase our utilization rate in two ways. **First**, those higher income households are probably more competitive in the market than lower-income households. **Second**, vouchers for those higher income households cost less because the households pay more of the rent. However, we will not do this because it would clash with THA’s strategic objective directs that us to it “focus this assistance to meet the greatest need.”

*3.2.3 Third Option: Redirect Money from Other Services and Purposes*

We can redirect funds from other services, support and investments to pay for the increased cost of 100% utilization. For example, THA spends \$3.4 million on supportive services, the Education Project, and administrative support. I attach the chart we use to depict these expenditure choices. We could serve more families if we redirected the money to vouchers. This budget does not propose we do that. We do not propose it for three main reasons.

**First**, this budget does not propose to cut those other services because they are valuable. These services include the following:

- Supportive services: These services help our families succeed as tenants. Some families need help to stabilize coming to us from homelessness, domestic violence or other trauma. Services make their success as tenants a lot more likely. These services also drive our mission to help them succeed, not just as tenants, but also “parents, students, wage earners and builders of assets.”

- THA's Education Project: This project is a THA signature initiative. It seeks ways to help the people we assist succeed in school and help the success of Tacoma schools and colleges in educating low-income students. This project too is central to THA's mission.
- Real Estate Development: Above I review why THA is buying or building housing, and why doing so now is urgent as Tacoma's market continues to climb.
- Administrative Services: We spend the money it takes to administer THA and its programs. We must always be mindful that we are reasonably efficient. We have some benchmarks to assure us that we are. **First**, Congress does not fund us at levels that HUD judges it takes to administer the Section 8 program and the portfolio. We use funds to backfill these shortfalls. But we do not backfill our operations to more than what 100% funding would give us. **Second**, we spend only 6% on our back office functions of Finance, Administration, HR and Executive functions. This is well within the normal range, especially for such a heavily regulated business like a housing authority.

**Second**, we do not propose to curtail these expenditures and redirect money to more vouchers because these expenditures are necessary to serve more families, for our voucher families to find housing and to our hopes of getting as close as possible to 100% utilization. For example:

- Real Estate Development: The budget will allow us to build or buy more housing. This will increase the number of families we serve. That will help our utilization rate. This housing development will also ensure that those properties at least will remain one of the dwindling number of properties in town that will welcome vouchers. We will know that they will welcome vouchers because THA will own them. That too will help our utilization rate.
- Supportive Services Helps Families Find and Keep Housing: Our services will help families find and keep housing. For the first time, we are budgeting a landlord-liaison function to help recruit landlords to the voucher program and to help families shop for landlords. Our supportive services will intervene when problems arise in a tenancy. This too will help recruit landlords. It will also save tenancies that may otherwise end. All this will help our utilization rate.

- Administrative Services: We are spending a lot of money on our software conversion. We also spend a lot on staffing our programs. This is necessary to provide the customer service necessary to recruit landlords to our voucher programs.

**Third**, we do not propose to redirect other expenditures to vouchers because doing so is not sustainable. Our rental market is increasing our voucher payment costs by \$625,000 a year. We do not see an end in sight. If we cannibalized our other services and operations at that rate it quickly would so weaken THA that we would not be able to function at acceptable levels of competency and customer service.

#### 3.2.4 *Fourth Option: Face the Arithmetic*

The Board has chosen a fourth option. This option would have THA face the arithmetic directly. That arithmetic tells us that it is impossible to serve the same number of families at such an increasing cost with flat funding. Therefore, while this budget provides services that we hope will get us to 100% utilization, for purposes of devising a balanced budget, this budget proposal presumes on a 95% utilization rate. That rate is about where THA's utilization currently is.

NOTE: THA serves other households that do not count toward our utilization rate. For example, the budget provides approximately \$1.3 million for special program initiatives:

- Rapid rehousing for homeless families
- Housing for unaccompanied youth

The funding for special programs represents housing an equivalent of approximately 140 families per year that does not count toward HUD's baseline. If we did count them toward HUD's baseline, it would increase our utilization rate by 3% or so. Also, we house still other families in our properties that receive no HUD funding. They do not count either. Counting them would increase our utilization rate even further.

We come to this first option after extensive consultation with HUD staff, other housing authorities, our congressional offices and consultants. We understand that this lowered utilization rate will be acceptable as long as we explain our choice. We do so in this memo and resolution.

We also mean to reflect and explain this choice in an amendment to THA's Moving to Work Plan that we will submit to HUD. To do that, THA will consult our community and ask it for its views and suggestions on how to face this arithmetic. We will do that in early 2018. If the community offers other ideas or suggestions to balance our budget, the Board could take that chance to revise the budget.

### **3.3 Wages and salaries**

For 2017, we are budgeting to include a 3% increase for OPEIU and non-represented staff, along with an extra 2.0% for Variable pay based on performance. We budget a 2.5% salary increase for our trades staff, with a 2.0% variable pay amount. These increases are budgeted for July 1<sup>st</sup>.

### **3.4 Employee benefits**

Affording the cost of employee health coverage and other benefits continue to be a challenge. We calculate the costs of employee benefits on the following assumptions:

#### *Health Care benefits*

We plan for a 5% increase in the Laborers trust for our maintenance staff, effective July 1<sup>st</sup>. For our other staff, we switched plans from Regence to PEBB for 2018. This will give us approximately a 10% decrease in overall premiums.

#### *Dental*

We budget for a 3.5% increase over 2017's costs.

#### *Retirement*

THA participates in Washington State's retirement systems. This budget would assumed that THA's required contribution to that system will be at the same 12.67% rate that we incurred in 2017. This rate has been increasing the last couple of years.

#### *Short and Long Term Disability/Life Insurance*

The costs for these benefits remain at 2017 levels.

#### *Unemployment Insurance*

THA pays out all unemployment claims and remains self-insured for 2018. We are maintaining the accrual at 1.5% in 2018. THA pays for all of the claims from this accrual.

The cost of benefits, on average, remain approximately 43.5% of salary dollars.

## **4. SOME MISCELLANEOUS ITEMS**

### **4.1 THA's Education Project; Community Service grants**

This budget continues THA's substantial investment in its Education Project, including its Children Savings Account program. A variety of grant sources, including generous philanthropies, help us do that.



## 4.2 Hilltop Redevelopment

We cut the ribbon this last summer on Bay Terrace: 148 new apartments. The Hilltop remains a priority for THA's further investments. It is quickly gentrifying. THA seeks by its investments to deflect the arc of that development in equitable directions. This budget funds the following:

- *New Look Apts. (Alberta Canada):* THA will re-syndicate this property as a new 4% tax credit deal. That will finance an extensive fix-up of the building.
- *Hillside 1800 Block:* THA owns this land. It is vacant. We plan to apply in 2018 for tax credits to build 70 – 90 units. We hope this is our next big project for the Hilltop.
- *New Purchases:* THA continues to seek new purchases on the Hilltop, especially along the street car line extension.

## 4.3 Use of MTW flexibility

Due to our MTW flexibilities, we combine our public housing operating subsidies, public housing capital funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. We use this single funding source to carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under public housing or Section 9 programs. In 2017, the utilization of this flexibility will change somewhat. As the Board has long directed, we are converting our public housing financing to Section 8 financing. We do this as part of HUD's RAD program. This conversion is not complete for the public housing units that remain in Salishan and Hillside. Their public housing operating subsidies will flow to those properties directly. THA cannot use these funds for any other purpose, other than 5% that THA is able to keep for its administration services.

## Recommendation

I recommend that the Board adopt Resolution 2017-12-13 (1) to formally approve THA's Fiscal Year 2018 Annual Budget.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13(1) (FISCAL YEAR 2018 ANNUAL BUDGET)

**WHEREAS**, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2018; and

**WHEREAS**, Staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2018 annual budget; now, therefore, be it

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2018 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 879,197
Administration	2,738,178
Finance	1,246,007
Human Resources	587,119
Policy, Innovation and Evaluation	1,056,211
Real Estate Development	2,753,246
Client Services Overhead	438,994
Community Services	2,043,555
Rental Assistance	39,698,095
Property Management Overhead	684,855
Property Budgets	<u>3,231,636</u>
Subtotal	55,357,093
 <u>Additional Cash Outflows</u>	
Debt Service	67,581
Capital Expenditures	7,492,075
Replacement Reserves	<u>112,050</u>
Subtotal	7,671,706
 <b>TOTAL APPROVED BUDGET</b>	 <b><u>\$63,028,799</u></b>

**Approved: December 13, 2017**

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

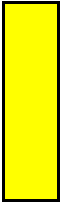


Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2018 Budget  
December, 2018



The green boxes below denote the main decisions for the THA Board. The contents of the green boxes are staff proposals.



The yellow boxes below and other text contain information and staff proposals that will help the Board decide.

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Projected Reserves 01/01/18
a. MTW Reserves	\$750,000
b. Business Activities (Non-MTW) reserves	\$4,500,000
c. PH Owned Property Reserves	\$1,000,000
d. Reserves with Restrictions (ACC sale proceeds)	\$6,175,000
e. Section 8 Reserves held at HUD.	\$250,000
<b>Totals</b>	<b>\$12,675,000</b>

-

Minimum	Optimal or Maximum	Amount to Reserve
\$ 500,000	\$ 1,000,000	\$500,000
\$4,000,000	\$5,750,000	\$5,750,000
\$400,000	\$750,000	\$1,000,000
\$0	\$0	\$0
\$0	\$0	\$0
\$4,900,000	\$7,500,000	\$7,250,000

=

Amount of reserves available to use in FY018
\$250,000
(\$1,250,000)
\$0
\$6,175,000
\$250,000
\$5,425,000

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum		Maximum	
\$12,504,220	Period	Amount	Period	Amount
	1/2 month	\$ 500,000	4 months	\$ 4,200,000
Total		\$ 500,000	Total	
			\$ 4,200,000	

2.

RECURRING OPERATIONAL INCOME AND EXPENSES FY-2018

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations <sup>1</sup>
MTW	\$43,637,100		\$43,048,300		\$588,800
Non-MTW	\$7,613,900		\$8,073,400		(\$459,500)
<b>Total</b>	<b>\$51,251,000</b>		<b>\$51,121,700</b>		<b>\$129,300</b>

3. BUDGET IMPACT - RESERVES - FY-2018

	Non - MTW					
	MTW	Business Activities	PH Owned Property Reserves	Reserves with Restrictions (ACC sale proceeds)	Section 8 Reserves held at HUD.	Total
Estimated Reserves - 01/01/18	\$750,000	\$4,500,000	\$1,000,000	\$6,175,000	\$250,000	\$12,675,000
a. Recurring Surplus/(Shortfall) <sup>1</sup>	\$588,800	(\$807,500)	\$348,000			\$129,300
Non-Recurring Income/(Expense)						
b. Non Recurring Income - Operational <sup>2</sup>	\$0	\$6,542,000				\$6,542,000
c. Non Recurring Income - Capital <sup>3</sup>	\$0	\$1,255,000		\$900,000		\$2,155,000
d. Operations & Support Department Expenses - Operational <sup>4</sup>	(\$2,561,000)	(\$252,000)				(\$2,813,000)
e. Operations & Support Departments Expenses- Capital <sup>5</sup>	(\$1,602,000)	(\$508,000)				(\$2,110,000)
f. Development Department - Operational <sup>6</sup>	(\$132,400)	(\$1,357,600)				(\$1,490,000)
g. Development Department - Capital <sup>7</sup>	(\$25,000)	(\$1,255,000)		(\$4,000,000)		(\$5,280,000)
h. Operating Transfers	\$3,100,000	(\$2,752,000)	(\$98,000)		(\$250,000)	\$0
i. Transfer to Salishan/Hillside RAD Physical Needs		(\$750,000)				(\$750,000)
j. Projected Reserves - 12/31/18	\$118,400	\$4,614,900	\$1,250,000	\$3,075,000	\$0	\$9,058,300

4. FY-2018 PROJECTED END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves *	Projected Reserves 12/31/18	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal
a. MTW Reserves	\$118,400	\$500,000	\$1,000,000	(\$881,600)
b. Business Activities (Non-MTW) reserves	\$4,614,900	\$4,000,000	\$5,750,000	(\$1,135,100)
c. PH Owned Property Reserves	\$ 1,250,000	\$750,000	\$1,250,000	\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$ 3,075,000	\$0	\$0	\$3,075,000
e. Section 8 Reserves held at HUD.	\$ -	\$0	\$0	\$0
f. Totals	\$9,058,300	\$5,250,000	\$8,000,000	\$1,058,300

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$500,000	(\$381,600)
\$5,750,000	(\$1,135,100)
\$1,000,000	\$250,000
\$0	\$3,075,000
\$0	\$0
\$7,250,000	\$1,808,300

5. A LOOK AHEAD TO FY-2018 and beyond (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

5.1	Recurring FY018 Income	Recurring FY018 Expense	Amount
a.	Cash Flow - RTH Tax Credit Properties		\$900,000
b.	Net Income - Highland Crest Apts.		\$150,000
c.	Net Income - James Center North		\$50,000
d.		HAP expenditures due to increasing rents	\$600,000
5.2	Recurring FY019 Income	Recurring FY019 Expense	Amount
a.	Cash Flow - Tax Credit Properties (Salishan & Hillside RAD)		TBD
b.		HAP expenditures due to increasing rents	\$600,000
5.3	Non-Recurring FY019 Income	Non-Recurring FY019 Expense	Amount
a.	Developer Fee - RTH		\$5,000,000
b.			
c.			
5.4	Non-Recurring FY020 Income	Non-Recurring FY019 Expense	Amount
a.	Developer Fee - Bay Terrace - Phase 3		TBD
b.	Developer Fee - Alberta Canada		\$500,000

6. MTW Commitments passed by Board - 2017	Current Commitment	Projected Balance at end of 2017	Included in 2018 Budget	Revised Commitment Amount - 2018
a. Renovation/Remodel of Family Investment Center Building	\$669,100	\$600,000	\$1,241,650	\$1,241,650
b. Renovation of Salishan Maintenance Shop	\$286,500	\$286,500	\$68,200	Included above
c. Software Conversion of Yardi/VisualHOME Platform (Open Door/Intacct)	\$150,000	\$0	\$500,000	\$500,000
d. Education Projects - McCarver and Others	\$310,000	\$310,000	\$0	\$310,000
e. Childrens Savings Account Cohort payments	\$270,000		\$36,000	\$270,000
f. Development Projects (Hilltop)	\$2,500,000		\$0	\$2,500,000
g. Bay Terrace 3 Funding Gap			\$25,000	\$2,500,000
g.	<b>\$4,185,600</b>	<b>\$1,196,500</b>	<b>\$1,870,850</b>	<b>\$7,321,650</b>

Back-up Detail

7. Non-Recurring Income: FY-2018

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
Sources of Non-Recurring Income						
Operational <sup>2</sup>						
a. 2017 HAP income carryover to 2018	\$0					
b. Developer Fee Income						
1. RAD		\$2,000,000				
2. Bay Terrace - Phase 2		\$333,000				
3. New Look Resyndication		\$0				
c. RTH - Interest from RAD cash collateral loan		\$3,309,000				
d. RTH RAD - THA Issuance Fee		\$900,000				
e. Operations Subtotal <sup>2</sup>	\$0	\$6,542,000	\$0	\$0	\$0	\$0
Capital <sup>3</sup>						
f. Bay Terrace 3						
1. TCRA loan		\$300,000				
g. Arlington - CRC						
1. COT Funds						
1.1 Architectural		\$205,000				
1.2 Construction		\$750,000				
h. 2. Sale of 8 Single Family Scattered Site Homes (Prog Inc)		\$900,000				
i. Capital Subtotal <sup>3</sup>	\$0	\$2,155,000	\$0	\$0	\$0	\$0

8. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes (Non-grant funded)

Operations & Support Departments

8.1 Operations & Support Department Non-Recurring - Operational <sup>4</sup>	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 10.2 a - d.	\$340,000	\$65,000				
2. New project oriented positions - 10.2- k.	\$0	\$0				
3. Existing project oriented Positions - 10.3	\$0	\$0				
4. Overtime/Interns	\$288,000	\$49,000				
b. Information Technology Expenses (Line 20)						
1. Protivity Open Door Contractor	\$50,000	\$10,000				
c. Office Equipment Expensed (Line 26)						
1. Mitel phone system upgrades (AD)	\$15,000					
2. New Fallover cluster server (AD)	\$10,000					
3. 902 Interview phones (RA)	\$10,000					
4. Headsets (RA)	\$8,000					
d. Legal (Line 27)						
1 . RAD Conversion - Salishan & Hillside (AD)	\$130,000					
2. Union Contract Negotiations (HR)	\$30,000					
e. Administrative Contracts (Line 30)						
1 . RAD Conversion - Salishan & Hillside (AD)	\$60,000					
2.. Leadership Team Development (HR)	\$40,000					
3. MTW Consultant- 2016/2017 planning (PIE)	\$50,000					
4. Marketing Material Evaluation (PIE)						
5. HOP Analysis (PIE)	\$50,000					
6. McCarver Redesign (PIE)	\$50,000					
7. McCarver Evaluation (PIE)	\$25,000					
8. RDA Analyst (PIE)	\$25,000					
9. Community Health Advocate focus groups (PIE)	\$15,000					
f. Tenant Services - Relocation (Line 36)						
1. Relocation - Scattered Site Home Sales	\$60,000					
g. General Expenses (Line 48)						
1. Buyout incentives/ separation agreements (HR)		\$25,000				
h. Section 8 HAP Payments (line 54)						
1. Rapid Rehousing/Homeless Youth	\$1,288,000					
i. Contingency (Line 33)	\$17,000	\$103,000				
j. Operational Subtotal <sup>4</sup>	\$2,561,000	\$252,000	\$0	\$9	\$0	\$0



8.2 Operations & Support Departments - Capital <sup>5</sup>	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. FIC/Salishan Maintenance Shop Renovations	\$1,242,000					
b. Maintenance vehicle replacement with outfitting	\$30,000					
c. Transition IT Platform to new system	\$130,000					
d. PH Scattered Site homes - Prepare units for sale	\$200,000					
e. Highland Crest Roof Replacements		\$158,000				
f. James Center North Capital Items		\$350,000				
g. Capital Subtotal <sup>5</sup>	\$1,602,000	\$508,000	\$0	\$0	\$0	\$0

### Real Estate Development Department Activity

8.3 Development Department Nonrecurring - Operational <sup>6</sup>	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 10.2 e.-i.	\$50,000	\$303,000				
2. Existing project oriented Positions - 10.3 h.-i.	\$82,400	\$550,600				
b. Legal (Line 27)						
1. Hilltop Master Plan		\$10,000				
2. New Look Apts.						
3. Other Acquisitions		\$15,000				
3. Miscellaneous		\$15,000				
c. Administrative Contracts (Line 30)						
1. Moving and Storage during FIC renovation		\$9,000				
2. Miscellaneous		\$20,000				
d. Due Diligence - Development Opportunities (Line 32)						
1. Hilltop Master Plan		\$50,000				
2. Potential land/building acquisitions		\$100,000				
3. Many Lights						
4. Hillside Terrace 1800		\$250,000				
5. New Tax Credit Project						
6. Other Opportunities		\$25,000				
7. Salsihan Core Master Planning		\$10,000				
e. Contingency (Line 33)		\$0				
f. Development Activity - Operational - Subtotal <sup>6</sup>	\$132,400	\$1,357,600	\$0	\$0	\$0	\$0

8.4 Development Department - Capital <sup>7</sup>	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Bay Terrace - Phase 3						
1. THA - MTW funds	\$25,000					
2. TCRA loan		\$300,000				
b. Land/Property purchases - MLK corridor		\$0				
c. New Acquisitions		\$4,000,000				
d. Crisis Residential Architecture and Construction		\$955,000				
e. Purchase Hillside 1500 - Year 15 exit (early)						
f. Development Activity - Capital - Subtotal <sup>7</sup>	\$25,000	\$5,255,000	\$0	\$0	\$0	\$0

9. Operating Transfers/Reserve Appropriations Requested

9.1 Operations	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Transfer to Salishan/Hillside for RAD capital improvements		(\$750,000)				
b. Operations Subtotal	\$0	(\$750,000)	\$0	\$0	\$0	\$0

9.2 Capital	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. FIC/Salishan Maintenance Shop Renovations	\$1,242,000					
b. Maintenance vehicle replacement with outfitting	\$30,000					
c. Transition IT Platform to new system	\$130,000					
d. Bay Terrace 3 Redevelopment	\$25,000					
e. Land/Property purchases - MLK corridor		\$0				
f. New Acquisitions		\$4,000,000				
g. James Center North Capital Items		\$350,000				
h. Capital Subtotal	\$1,427,000	\$4,350,000	\$0	\$0	\$0	\$0

10. Notable Non-Recurring Operational/Support Department Costs

			Staff Positions		Change	Comments
			Increase/ Decrease fm previous year budget	Original		
10.1	Position Changes - FY-2018 -Recurring					
	Currently Occupied					
a.	Sr. Office Assistant to Operations Coordinator (AD)	1.00				
b..	Desktop Support Specialist Reclassification (AD)	1.00				
c.	Project Manager to Project Manager 2 (PIE)	1.00				
d.	Subtotal	3.00	0			
	New Positions - Recurring					
e.	Senior Office Assistant (AD)	1.0	\$68,124			Allows for realignment of needs in dept.
f.	Technical Support Analyst (AD)	1.0	\$96,845			Open Door Support
g.	Inspector (RA)	1.0	\$72,000			RAD inspections
h.	Subtotal	3.00	\$72,000			

10.2	Positions classified as non-recurring					
	Sunset Positons					
a.	Open Door/Salesforce Administrator (AD)	1.0	\$195,000			
b.	Project Manager 2 - Asset Mgt (AD)	1.0	\$116,000			
c.	Accounting Specialist (Fin)	1.0	\$66,000			Assist staff during RAD and IT software conversions
d.	Community Builder (Bay Terrace) (CS)	0.6	\$28,000			New- 2018
e.	Construction Site Manager (RED)	1.0	\$105,000			Transition from RAD to other projects
f.	Senior Office Assistant (RED)	1.0	\$68,000			Transition from RAD to other projects
g.	Program Specialist (RED)	1.0	\$79,000			Transition from RAD to other projects
h.	Program Manager (RED)	1.0	\$101,000			Hilltop
i.	Subtotal	5.60	\$758,000			

	New Positions - Project Oriented					
j.						
k.	Subtotal	0.00	\$0			
10.3	Project or MTW Oriented Positions (Non Grant funded) classified as non-recurring					
a.	Sr. Project/Construction Manager (RED) (3)		\$437,000			BA
b.	Project Manager 1 (RED) (2)		\$196,000			BA
c.	Subtotal	0.00	\$633,000			

10.4 Operations & Support Department - Notable Recurring Information

Income

a. Section 8 Admin Fee Increase for RAD

Expenses

b. Workato Integration between Open Door and Intacct

c. FSS paypoints - Replaces HAP FSS escrow amounts (Included with HAP)

d. Increase in MTW due to escalating rents in community

e. MTW Security Deposit Program

f. Totals

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
	\$900,000					
	\$60,000					
	\$125,000					
	\$625,000					
	\$40,000					
	\$790,000	\$0				

11. Positions hired after MTW conversion to strengthen operations or support new initiatives resulting from MTW conversion (rounded salaries & benefits) - Included in recurring

	# positions	Salary & Benefits	
a. Risk Manager (AD)	1.0	\$118,000	
b. Compliance Auditor (AD)	1.0	\$96,000	
c. Project Manager - Asset Management (AD)	1.0	\$96,000	
d. Business Process Improvement Specialist (AD)	1.0	\$113,000	
e. Technical Support Analyst (AD)	1.0	\$97,000	
f. Department Manager (PIE)	1.0	\$140,000	
g. Policy & Planning Analyst (PIE)	1.0	\$102,000	
h. Communications Manager (PIE)	1.0	\$108,000	
i. Project Manager 1 (PIE) (2)	2.0	\$228,000	
j. Operations Coordinator (CLS)	1.0	\$95,000	
k. Community Service Staff (Non RAD, non Grant)	1.0	\$341,000	
l. Landlord Liasion (RA)	1.0	\$85,000	

m. Subtotal

	13.00	\$1,619,000	
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FY 2018 Tacoma Housing Authority Budget  
Agency Total by Departmental Areas

INCOME													
	Executive	Administration	Finance	Human Resources	PIE	Development	Client Services Overhead	Rental Assistance	Community Services	PM Overhead	Property Budgets	Agency Total	
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,043,912	\$3,043,912	
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$123,250	\$123,250	
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,903,047	\$0	\$0	\$0	\$37,903,047	
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,312,617	\$0	\$0	\$0	\$3,312,617	
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,003,125	\$1,003,125	
6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$274,779	\$0	\$0	\$274,779	
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$506,585	\$506,585	
8	\$314,833	\$1,194,078	\$849,235	\$235,294	\$0	\$0	\$0	\$216,569	\$252,403	\$237,159	\$0	\$3,299,571	
9	\$0	\$0	\$0	\$0	\$0	\$6,755	\$0	\$0	\$151,747	\$0	\$0	\$158,502	
10	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$4,750	\$0	\$0	\$4,213,530	\$4,258,280	
11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000	
12	\$0	\$0	\$0	\$0	\$0	\$388,863	\$0	\$0	\$0	\$0	\$2,000,000	\$2,388,863	
13	\$0	\$0	\$32,000	\$0	\$193,000	\$158,000	\$0	\$17,500	\$424,230	\$0	\$685,750	\$1,510,480	
TOTAL OPERATING RECEIPTS		\$314,833	\$1,194,078	\$921,235	\$235,294	\$193,000	\$553,618	\$0	\$41,464,483	\$1,103,159	\$237,159	\$11,576,152	\$57,793,011

OPERATING EXPENDITURES

Administrative													
14	Administrative Salaries	\$421,699	\$1,292,793	\$806,766	\$275,810	\$493,196	\$1,012,072	\$297,345	\$1,571,720	\$0	\$185,740	\$159,678	\$6,516,819
15	Administrative Personnel - Benefits	\$147,980	\$511,704	\$343,123	\$110,313	\$201,056	\$394,502	\$117,419	\$739,507	\$0	\$81,627	\$42,458	\$2,689,689
16	Audit Fees	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$0	\$35,000	\$0	\$0	\$13,028	\$78,028
17	Management Fees	\$0	\$0	\$0	\$0	\$0	\$739,333	\$0	\$1,267,710	\$388,679	\$0	\$179,054	\$2,574,776
18	Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$14,400
19	Advertising	\$0	\$0	\$0	\$0	\$1,500	\$3,000	\$0	\$0	\$1,000	\$4,000	\$4,035	\$13,535
20	Information Technology Expenses	\$200	\$522,068	\$0	\$0	\$0	\$0	\$0	\$0	\$16,600	\$5,000	\$5,550	\$549,418
21	Office Supplies	\$7,000	\$5,000	\$3,000	\$1,500	\$3,000	\$5,500	\$0	\$25,000	\$15,500	\$3,000	\$3,900	\$72,400
22	Publications & Memberships	\$39,690	\$750	\$750	\$1,342	\$18,165	\$550	\$0	\$1,000	\$2,000	\$1,835	\$0	\$66,082
23	Telephone	\$4,300	\$30,770	\$0	\$1,500	\$0	\$5,832	\$1,350	\$7,500	\$15,000	\$11,000	\$11,250	\$88,502
24	Postage	\$500	\$1,000	\$1,250	\$50	\$300	\$500	\$0	\$25,000	\$4,500	\$100	\$920	\$34,120
25	Leased Equipment & Repairs	\$0	\$75,500	\$0	\$0	\$0	\$3,460	\$0	\$38,000	\$18,440	\$0	\$2,450	\$137,850
26	Office Equipment Expensed	\$1,000	\$33,405	\$2,000	\$500	\$3,000	\$998	\$1,500	\$44,500	\$15,000	\$2,000	\$1,500	\$105,403
27	Legal	\$40,000	\$130,000	\$0	\$50,000	\$4,000	\$40,000	\$0	\$3,000	\$0	\$10,000	\$6,750	\$283,750
28	Local Mileage	\$2,000	\$0	\$1,500	\$100	\$2,400	\$500	\$0	\$500	\$2,000	\$250	\$150	\$9,400
29	Staff Training/ Out of Town Travel	\$64,500	\$27,597	\$28,950	\$26,500	\$44,000	\$10,000	\$19,800	\$35,750	\$26,800	\$25,650	\$1,500	\$311,047
30	Administrative Contracts	\$25,000	\$79,500	\$33,000	\$78,450	\$275,000	\$29,000	\$0	\$17,500	\$5,000	\$52,500	\$11,160	\$606,110
31	Other Administrative Expenses	\$20,000	\$4,900	\$5,000	\$11,500	\$5,000	\$10,000	\$0	\$32,000	\$11,200	\$17,800	\$7,890	\$125,290
32	Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$435,000	\$0	\$0	\$0	\$0	\$0	\$435,000
33	Contingency	\$100,000	\$0	\$0	\$3,000	\$2,500	\$0	\$0	\$5,000	\$0	\$10,000	\$0	\$120,500
Total Administrative Expenses		\$873,869	\$2,714,987	\$1,240,339	\$560,564	\$1,053,117	\$2,705,247	\$437,414	\$3,848,686	\$536,119	\$410,503	\$451,273	\$14,832,119

Tenant Services

34	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$889,902	\$0	\$0	\$889,902
35	Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$425,884	\$0	\$0	\$425,884
36	Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,500	\$62,500
37	Tenant Service - other	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$177,100	\$20,000	\$22,750	\$245,050
Total Tenant Services		\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$1,492,886	\$20,000	\$85,250	\$1,623,336

Utilities													
	Executive	Administration	Finance	Human Resources	PTE	Development	Client Services Overhead	Rental Assistance	Community Services	PM Overhead	Property Budgets	Agency Total	
38 Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,600	\$62,750	\$72,350	
39 Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,000	\$35,300	\$64,300	
40 Gas	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$3,000	\$1,625	\$5,125	
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$11,710	\$0	\$0	\$0	\$14,250	\$150,170	\$176,130	
Total Project Utilities	\$0	\$0	\$0	\$0	\$0	\$12,210	\$0	\$0	\$0	\$55,850	\$249,845	\$317,905	

**Ordinary Maintenance & Operations**

42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,000	\$156,378	\$192,378
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,286	\$31,557	\$48,843
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	\$0	\$2,500	\$1,500	\$18,000	\$84,750	\$109,250
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$10,775	\$0	\$3,500	\$1,250	\$76,750	\$455,465	\$547,740
<b>Total Routine Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,275</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$2,750</b>	<b>\$148,036</b>	<b>\$728,150</b>	<b>\$898,211</b>

**General Expenses**

46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$1,300	\$13,800
47 Insurance	\$5,128	\$23,191	\$5,668	\$1,555	\$3,094	\$17,514	\$1,580	\$33,077	\$85,213	\$11,800	\$20,466	\$68,652	\$191,724
48 Other General Expense	\$0	\$0	\$0	\$25,000	\$0	\$5,000	\$0	\$0	\$85,213	\$0	\$2,500	\$1,067,200	\$1,184,913
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,524	\$12,524
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$29,742	\$59,742
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$532,700	\$532,700
<b>Total General Expenses</b>	<b>\$5,128</b>	<b>\$23,191</b>	<b>\$5,668</b>	<b>\$26,555</b>	<b>\$3,094</b>	<b>\$22,514</b>	<b>\$1,580</b>	<b>\$148,290</b>	<b>\$148,290</b>	<b>\$11,800</b>	<b>\$35,466</b>	<b>\$1,712,118</b>	<b>\$1,995,403</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>\$879,197</b>	<b>\$2,738,178</b>	<b>\$1,246,007</b>	<b>\$587,119</b>	<b>\$1,056,211</b>	<b>\$2,753,246</b>	<b>\$438,994</b>	<b>\$4,027,976</b>	<b>\$669,855</b>	<b>\$2,043,555</b>	<b>\$3,226,636</b>	<b>\$19,666,974</b>	
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**Nonroutine Expenses and Capital Expenditures**

52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,670,119	\$0	\$0	\$0	\$0	\$35,670,119
<b>Total Nonroutine Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,670,119</b>	<b>\$35,670,119</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$5,000</b>	<b>\$35,690,119</b>

<b>TOTAL EXPENSES</b>	<b>\$879,197</b>	<b>\$2,738,178</b>	<b>\$1,246,007</b>	<b>\$587,119</b>	<b>\$1,056,211</b>	<b>\$2,753,246</b>	<b>\$438,994</b>	<b>\$39,698,095</b>	<b>\$684,855</b>	<b>\$2,043,555</b>	<b>\$3,231,636</b>	<b>\$55,357,093</b>	
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**OPERATING SURPLUS/(DEFICIT)**

55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$67,581)	(\$67,581)
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**Surplus/Deficit Before Reserve Appropriations**

56 Reserve Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Operations/Transfers In/(Out)	\$0	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	(\$900,000)	(\$750,000)

**Surplus/Deficit Before Capital Expenditures**

58 Capitalized Items/Development Projects	\$0	(\$130,000)	\$0	\$0	\$0	(\$6,521,985)	\$0	\$0	(\$30,000)	\$0	(\$698,040)	(\$7,380,025)	(\$7,380,025)
59 Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$112,050)	(\$112,050)	(\$112,050)
60 Revenue - Capital Grants/Sale of property	\$0	\$0	\$0	\$0	\$0	\$1,255,335	\$0	\$0	\$0	\$0	\$900,000	\$2,155,335	\$2,155,335
61 Reserve Appropriations - Capital	\$0	\$130,000	\$0	\$0	\$0	\$5,266,650	\$0	\$0	\$30,000	\$0	\$350,000	\$5,776,650	\$5,776,650

**AGENCY WIDE BUDGET**

<b>SURPLUS/(DEFICIT)</b>	<b>(\$564,364)</b>	<b>(\$1,544,100)</b>	<b>(\$324,772)</b>	<b>(\$351,825)</b>	<b>(\$863,211)</b>	<b>(\$2,049,628)</b>	<b>(\$438,994)</b>	<b>\$1,766,388</b>	<b>(\$447,697)</b>	<b>(\$940,396)</b>	<b>\$7,816,845</b>	<b>\$2,058,247</b>	
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2018 Tacoma Housing Authority Budget  
THA Properties

AMP 6										James Center		Key Bank		Salishan 7		Totals	
Single Family Homes										North		Prairie Oaks		Outrigger		Totals	
Family										AMP's 7-15		Key Bank		Outrigger		Totals	
Units										AMP's 7-15		Key Bank		Outrigger		Totals	
										601		Key Bank		Outrigger		Totals	
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										601		Key Bank		Outrigger		Totals	
										73		Key Bank		Outrigger		Totals	
										AMP's 7-15		Key Bank		Outrigger		Totals	
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										73		Key Bank		Outrigger		Tot	

OPERATING EXPENDITURES

Administrative																				
14	Administrative Salaries										\$6,000		\$0	\$45,000	\$0	\$0	\$47,000	\$0	\$61,678	\$159,678
15	Administrative Personnel - Benefits										\$2,400		\$0	\$3,443	\$0	\$0	\$8,100	\$0	\$28,516	\$42,458
16	Audit Fees										\$200	\$4,278	\$0	\$0	\$0	\$0	\$0	\$0	\$8,550	\$13,028
17	Management/Service Fees										\$857		\$0	\$47,400	\$32,460	\$0	\$23,000	\$8,250	\$67,087	\$179,054
18	Rent										\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Advertising										\$0		\$0	\$2,000	\$1,235	\$0	\$600	\$0	\$200	\$4,035
20	Information Technology Expenses										\$200		\$0	\$3,250	\$0	\$0	\$1,000	\$1,000	\$100	\$5,550
21	Office Supplies										\$100		\$0	\$600	\$0	\$0	\$1,500	\$200	\$1,500	\$3,900
22	Publications & Memberships										\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Telephone										\$200		\$0	\$2,500	\$0	\$0	\$1,750	\$4,400	\$2,400	\$11,250
24	Postage										\$20		\$0	\$300	\$0	\$0	\$0	\$0	\$600	\$920
25	Leased Equipment & Repairs										\$50		\$0	\$0	\$0	\$0	\$0	\$0	\$2,400	\$2,450
26	Office Equipment Expensed										\$0		\$0	\$0	\$0	\$0	\$1,000	\$0	\$500	\$1,500
27	Legal										\$250		\$0	\$1,000	\$0	\$0	\$500	\$1,000	\$4,000	\$6,750
28	Local Mileage										\$25		\$0	\$0	\$0	\$0	\$0	\$0	\$125	\$150
29	Staff Training/ Out of Town Travel										\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$1,500
30	Administrative Contracts										\$250		\$0	\$0	\$5,660	\$0	\$1,000	\$0	\$4,250	\$11,160
31	Other Administrative Expenses										\$0		\$0	\$4,500	\$990	\$0	\$1,000	\$400	\$1,000	\$7,890
32	Due Diligence - Perspective Development										\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Contingency										\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Administrative Expenses											\$10,552	\$4,278	\$109,993	\$40,345	\$0	\$86,450	\$15,250	\$184,406	\$451,273	

Tenant Services

34	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Relocation Costs	\$60,000		\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	\$62,500
37	Tenant Service - other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000	\$22,750
<b>Total Tenant Services</b>		<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,000</b>	<b>\$85,250</b>

		AMP 6	Tax Credit AMP's	Highland Crest	James Center North	Key Bank	Outrigger	Prairie Oaks	Salishan 7	Totals
<i>Utilities</i>										
38	Water	\$300	\$0	\$15,950	\$0		\$7,250	\$1,750	\$37,500	\$62,750
39	Electric	\$300	\$0	\$5,500	\$0		\$7,500	\$18,500	\$3,500	\$35,300
40	Gas	\$75	\$0	\$0	\$0		\$1,200	\$0	\$350	\$1,625
41	Sewer	\$1,000	\$0	\$41,800	\$5,870		\$27,500	\$9,000	\$65,000	\$150,170
<b>Total Project Utilities</b>		<b>\$1,675</b>	<b>\$0</b>	<b>\$63,250</b>	<b>\$5,870</b>	<b>\$0</b>	<b>\$43,450</b>	<b>\$29,250</b>	<b>\$106,350</b>	<b>\$249,845</b>
<i>Ordinary Maintenance &amp; Operations</i>										
42	Maintenance Salaries	\$2,500	\$0	\$40,000	\$0		\$40,000	\$4,000	\$69,877	\$156,377
43	Maintenance Personnel - Benefits	\$1,000	\$0	\$3,060	\$0		\$0	\$0	\$27,497	\$31,557
44	Maintenance Materials	\$1,000	\$0	\$55,000	\$0		\$0	\$1,750	\$27,000	\$84,750
45	Contract Maintenance	\$2,500	\$0	\$75,000	\$178,565		\$82,500	\$8,500	\$108,400	\$455,465
<b>Total Routine Maintenance</b>		<b>\$7,000</b>	<b>\$0</b>	<b>\$173,060</b>	<b>\$178,565</b>	<b>\$0</b>	<b>\$122,500</b>	<b>\$14,250</b>	<b>\$232,774</b>	<b>\$728,149</b>
<i>General Expenses</i>										
46	Protective Services	\$300	\$0	\$0	\$0	\$500	\$0	\$500	\$0	\$1,300
47	Insurance	\$2,205	\$0	\$14,000	\$5,870	\$3,376	\$9,202	\$7,500	\$26,499	\$68,652
48	Other General Expense	\$0	\$928,000	\$0	\$0	\$0	\$0	\$40,000	\$99,200	\$1,067,200
49	Payment in Lieu of Taxes	\$0	\$11,609	\$0	\$0	\$0	\$0	\$165	\$750	\$12,524
50	Collection Loss	\$0	\$0	\$15,800	\$0	\$0	\$1,200	\$742	\$12,000	\$29,742
51	Interest Expense	\$0	\$0	\$288,000	\$155,000	\$0	\$77,875	\$11,825	\$0	\$532,700
<b>Total General Expenses</b>		<b>\$2,505</b>	<b>\$939,609</b>	<b>\$317,800</b>	<b>\$160,870</b>	<b>\$3,876</b>	<b>\$88,277</b>	<b>\$60,732</b>	<b>\$138,449</b>	<b>\$1,712,118</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$81,732</b>	<b>\$943,887</b>	<b>\$664,103</b>	<b>\$385,650</b>	<b>\$3,876</b>	<b>\$343,177</b>	<b>\$128,482</b>	<b>\$675,729</b>	<b>\$3,226,635</b>
<i>Nonroutine Expenses and Capital Expenditures</i>										
52	Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54	Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Nonroutine Expenditures</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>TOTAL EXPENSES</b>		<b>\$81,732</b>	<b>\$943,887</b>	<b>\$664,103</b>	<b>\$385,650</b>	<b>\$3,876</b>	<b>\$343,177</b>	<b>\$128,482</b>	<b>\$680,729</b>	<b>\$3,231,635</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(\$50,687)</b>	<b>\$7,423,198</b>	<b>\$190,898</b>	<b>\$258,100</b>	<b>\$31,624</b>	<b>\$108,103</b>	<b>\$23,128</b>	<b>\$360,153</b>	<b>\$8,344,516</b>
55	Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	(\$55,081)	\$0	(\$12,500)	(\$67,581)
<b>Surplus/Deficit Before Reserve Appropriations</b>		<b>(\$50,687)</b>	<b>\$7,423,198</b>	<b>\$190,898</b>	<b>\$258,100</b>	<b>\$31,624</b>	<b>\$53,022</b>	<b>\$23,128</b>	<b>\$347,653</b>	<b>\$8,276,935</b>
56	Reserve Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Operations/Transfers In/(Out)	\$0	(\$750,000)	\$0	(\$150,000)	\$0	\$0	\$0	\$0	(\$900,000)
<b>Surplus/Deficit Before Capital Expenditures</b>		<b>(\$50,687)</b>	<b>\$6,673,198</b>	<b>\$190,898</b>	<b>\$108,100</b>	<b>\$31,624</b>	<b>\$53,022</b>	<b>\$23,128</b>	<b>\$347,653</b>	<b>\$7,376,935</b>
58	Capitalized Items/Development Projects	(\$190,000)	\$0	(\$158,040)	(\$350,000)	\$0	\$0	\$0	\$0	(\$698,040)
59	Reserve for Replacement			\$0	(\$50,000)	\$0	(\$12,550)	\$0	(\$49,500)	(\$112,050)
60	Revenue - Capital Grants/Sale of property	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$900,000
61	Reserve Appropriations - Capital	\$0	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0	\$350,000
<b>Surplus/Deficit</b>		<b>\$659,313</b>	<b>\$6,673,198</b>	<b>\$32,858</b>	<b>\$58,100</b>	<b>\$31,624</b>	<b>\$40,472</b>	<b>\$23,128</b>	<b>\$298,153</b>	<b>\$7,816,845</b>



**FY17 Budget - Supporting Schedule for Housing Development Capital Expenditures**  
**January 1, 2018 through December 31, 2018**

Project	Funding Source	Total	THA MTW/CFP/RHF	THA BA/Demo-dispo funds	THA Reserves & Program Income	WSHFC	State \$ Local Grants
<b>Bay Terrace Phase 3 redevelopment</b>							
TCRA		300,000					300,000
THA		25,000	25,000				
CBDG		-					
<b>SUBTOTAL</b>		<b>325,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
<b>RAD Conversion</b>							
THA Funds - Transfer to Salishan/Hillside Properties		750,000		750,000			
<b>SUBTOTAL</b>		<b>750,000</b>	<b>-</b>	<b>750,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>THA Homes for Sale Rehab</b>							
Prepare Scattered Site homes for sale		200,000	200,000				
<b>SUBTOTAL</b>		<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Renovations - THA (2018 portion)</b>							
Family Investment Center Remodel		1,242,000	1,242,000				
Bank Addition - FIC		-	w/ above				
Salishan Maintenance Shop renovations		-	w/above				
James Center North Capital Items					350,000		
Highland Crest Roof Replacement					158,000		
<b>SUBTOTAL</b>		<b>1,750,000</b>	<b>1,242,000</b>	<b>-</b>	<b>508,000</b>	<b>-</b>	<b>-</b>
		<b>640,553</b>					
<b>Crisis Residential Center</b>							
Architectural (COT)		205,335					205,335
Construction		750,000					750,000
<b>SUBTOTAL</b>		<b>955,335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>955,335</b>
<b>Property Purchases</b>							
New Acquisitions		4,000,000		\$4,000,000			
Purchase of Land		-					
<b>SUBTOTAL</b>		<b>4,000,000</b>	<b>-</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditures:</b>							
		<b>7,980,335</b>	<b>1,467,000</b>	<b>4,750,000</b>	<b>508,000</b>	<b>-</b>	<b>1,255,335</b>

PHA Board Resolution  
Approving Operating Budget

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing -  
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026  
(exp. 07/31/2019)

**Public reporting burden for** this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: \*\*\*\*\*PHA Code:

PHA Fiscal Year Beginning: \*\*\*\*\*Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☐ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, 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 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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# TACOMA HOUSING AUTHORITY

## Statements of Vision, Mission and Values

Amended by the THA Board: February 27, 2013

### THA's Vision

THA envisions a future where everyone has an affordable, safe and nurturing home, where neighborhoods are attractive places to live, work, attend school, shop and play, and where everyone has the support they need to succeed as parents, students, wage earners and neighbors.

### THA's Mission

THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just.

### THA's Values

#### Service

Work in service to others is honorable. We will do it honorably, effectively, efficiently, with pride, compassion and respect.

#### Integrity

We strive to uphold the highest standards of integrity and ethical behavior.

#### Stewardship

We will be careful stewards of the public and private financial and environmental resources entrusted to us.

#### Communication

We value communication. We strive to be open and forthcoming with our customers, employees and colleagues, our partners, and our communities. We will listen to others.

#### Diversity of Staff

We value the diversity of our staff. It makes us stronger and more effective.

#### Collegial Support and Respect

The work we do is serious. We seek to create an atmosphere of teamwork, support and respect. We also value a good humor.

#### Excellence

We strive for excellence. We will always seek to improve.

#### Leadership

Everyone at THA, the Board, management and staff, shares the leadership it will take to extend these values throughout THA's work, to fulfill the mission and to advance the vision for our city.



# TACOMA HOUSING AUTHORITY

## Strategic Objectives

Amended by the THA Board: February 27, 2013

### **Housing and Supportive Services**

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.

### **Housing and Real Estate Development**

THA will efficiently develop housing and properties that serve primarily families and individuals unable to find the affordable and supportive housing they need. Its work will promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.

### **Property Management**

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

### **Financially Sustainable Operations**

THA seeks to be more financially self-sustaining.

### **Environmental Responsibility**

THA will develop and operate its properties in a way that preserves and protects natural resources.

### **Advocacy and Public Education**

THA will advocate for the value of its work and for the interests of the people it serves. It will be a resource for high quality advice, data and information on housing, community development, and related topics. THA will do this work at the local, state and national levels.

### **Administration**

THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.

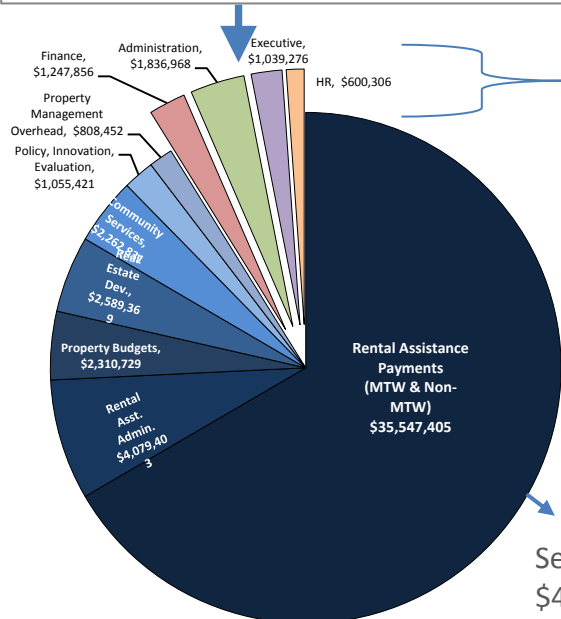
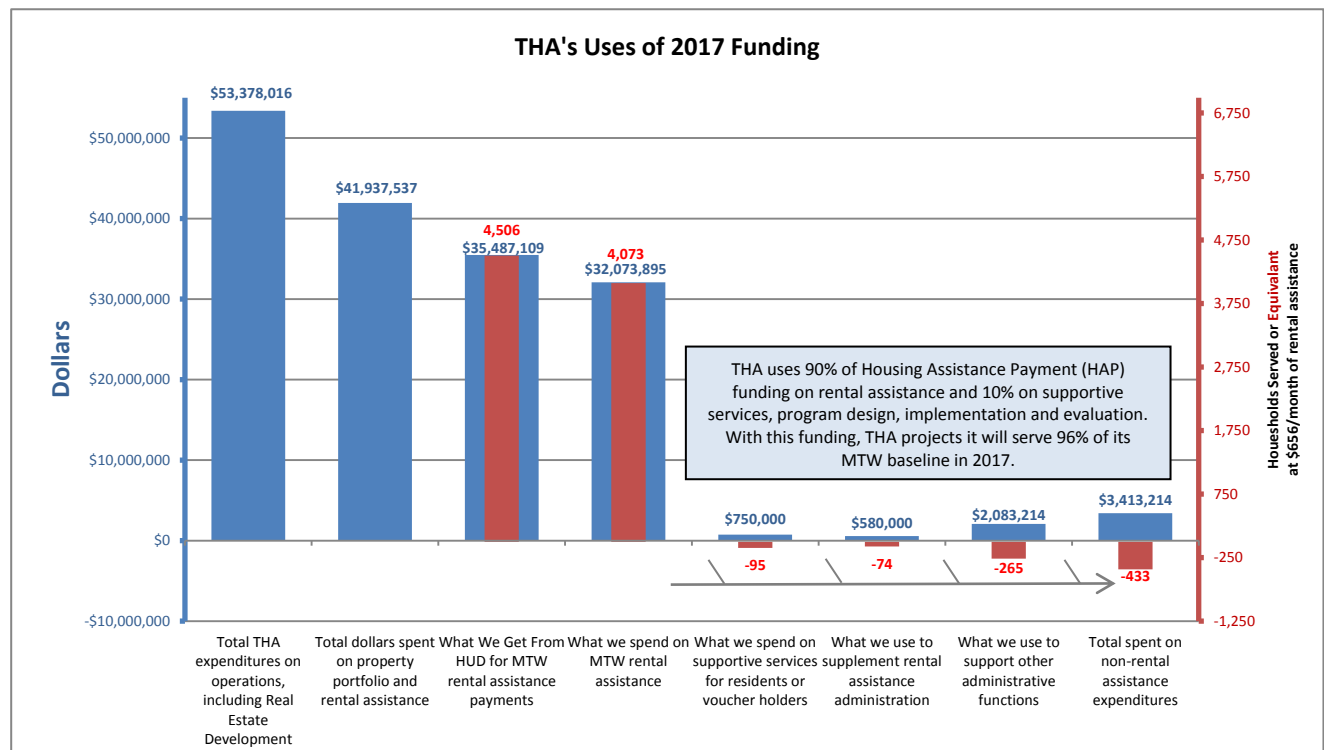


# TACOMA HOUSING AUTHORITY

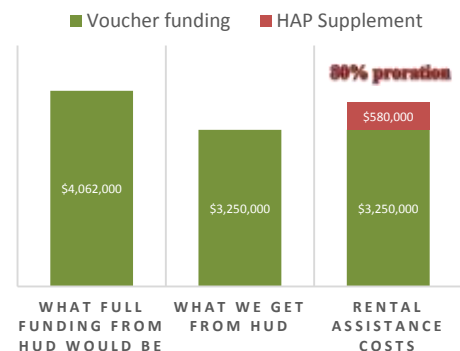
## THA USES OF FUNDING

October 13, 2017

This document illustrates the choices THA faces when allocating its housing resources to housing and other related purposes.



**VOUCHER PROGRAM: DOES NOT RECEIVE FULL HUD FUNDING FOR ADMINISTRATIVE COSTS**



# **Resolution 2**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13 (2)

**Date:** December 13, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** MTW Reserve Commitment

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*This resolution would update the Board's commitment of Tacoma Housing Authority's (THA) Moving to Work (MTW) reserves. These reserves are essential for purposes vital to THA's mission and to cover important obligations.*

### Background

THA is an MTW agency, and therefore subject to Housing and Urban Development (HUD) Cash Management rules. At the moment, any eligible Housing Assistance Payment (HAP) funds not reported on the agency's month report as HAP expenditures remain at HUD until the agency submits a request based on expenditures to draw it down.

Furthermore, HUD is not requiring MTW agencies to report on the status of their commitments on their Voucher Management System (VMS) report annually.

Over the years, THA has built up reserves in both its MTW and Business Activity areas. In doing so, the agency plans for the future in both capital and operational areas, and identifies areas where the Reserve funds will allow THA to move forward on accomplishing its goals.

Formally committing these funds with Board approval is a useful planning tool. It also helps HUD understand their purposes.

Resolution 2016-12-14(9) provided the latest approved list of commitments for 2017. This resolution will update the agency commitments based on the 2018 Budget.

### Recommendation

Approve Resolution 2017-12-13(2) committing THA MTW reserves as identified in the attached Schedule of MTW Reserve Commitments.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-12-13 (2) (Commitment of Moving to Work Reserves)**

**WHEREAS**, For THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and has assembled reserves for those purposes; and

**WHEREAS**, The Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

**WHEREAS**, The attached Schedule of MTW Reserve Commitments updates Resolution 2016-12-14(9), and reflects the Authority's current plans for such capital and operational expenditures of MTW reserves; and

**WHEREAS**, The Authority intends to include a Schedule of MTW Reserve Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it

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

1. The Board authorizes commitments of the Authority's MTW Reserves as outlined in the attached Schedule of MTW Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes the Executive Director to include the latest MTW Reserve Commitments in the annual MTW Report submitted to HUD.

**Approved: December 13, 2017**

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Janis Flauding, Chair



## Resolution 2017-12-13 (2) Backup

### Schedule of MTW Reserve Commitments

Planned Expenditure	Current Commitment	Revised Commitment	Planned Expenditure Date
Renovation/Remodel of Salishan Family Investment Center	\$ 669,100	\$ 1,241,650	12/31/2018
Renovation of Salishan Maintenance Shop	\$ 286,500	Included in FIC Remodel	
Software Conversion (Open Door/Intacct)	\$ 150,000	\$ 500,000	6/30/2017
Education Projects - McCarver & Others	\$ 310,000	\$ 310,000	12/31/2020
Children Savings Account Cohort	\$ 270,000	\$ 270,000	12/31/2020
Affordable Housing (Re)/Development (Hilltop)	\$ 2,500,000	\$ 2,500,000	12/31/2020
Bay Terrace 3 Funding Gap	\$ -	\$ 2,500,000	12/31/2020
<b>Total Committed Funds</b>	<b>\$ 4,185,600</b>	<b>\$ 7,321,650</b>	

# **Resolution 3**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13 (3)

**Date:** December 13, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Purchase and Sale Agreement and Financing for Allenmore Brownstones

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*This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to negotiate, and if those negotiations are successful, execute a Purchase and Sale Agreement for THA's purpose of the Allenmore Brownstones. It would also authorize the use of loans for the purchase and the proceeds from the sale of THA property.*

### Background

Allenmore Brownstones is currently under construct. This property is located in Central Tacoma. The property consists of 58 units and is a mix of one, two and three bedroom apartments. It is well located relative to public transit, parks, a community pool, freeway access, Tacoma Community College, Bates Technical College, and University of Washington at Tacoma. Its owner is willing to sell the property to THA.

This resolution would authorize the Executive Director to negotiate, and if those negotiations are successful, to execute a purchase and sale agreement for THA's purchase of the property. The agreement will provide for the following:

- THA staff to monitor the construction progress and be involved in the final inspection;
- due diligence period of at least 60 days to assess the property's condition and arrange financing;
- final THA commitment to purchase will require THA Board approval.

To buy this property, THA will use up to \$4 Million of the proceeds generated from the sale of the scattered site public housing units and lot sales in Salishan. Since those properties were HUD financed, use of these proceeds requires a proportionate share of the units based on the equity provided be maintained through the use of project-based vouchers as affordable to households earning up to 80% of the AMI. Staff also expects to issue a governmental bond that a lender will purchase to finance the acquisition. These bonds impose their own affordability requirement that at least 50% of the units be rented to households earning up to 80% of the AMI at rents affordable to a household at 80% AMI.

## **Recommendation**

Approve Resolution No. 2017-12-13 (3) authorizing THA's Executive Director to negotiate the Purchase and Sale Agreement for Allenmore Brownstones.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-12-13 (3)** **(Purchase and Sale Agreement for Allenmore Brownstones)**

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

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

**WHEREAS**, RCW 35.82.070(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any corporate purposes; and

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

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

**WHEREAS**, The board of commissioners of the authority deems it to be in the best interest of the authority to acquire the project for the purpose of future development to include residential rental components, and to borrow money by the issuance of the Heritage Bank note for the purpose of financing a portion of the cost of acquiring the property.

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

THA’s Executive Director is authorize to negotiate, and if those negotiations are successful, execute a purchase and sale agreement for THA’s purchase of the Allenmore Brownstones. The agreement will conform to the terms discussed above and in closed Board session.

**Approved: December 13, 2017**

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Janis Flauding, Chair

# **Resolution 4**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13 (4)

**Date:** December 13, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Agency-Wide Special Recognition Award

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*This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to issue a one-time Special Recognition Award to all eligible staff in recognition of their exceptionally hard work throughout 2017.*

### Background

The past year, 2017, has been hard on THA staff. Their work included the following, in addition to the normal effort it takes to keep THA and all its programs operating:

- software conversion
- Bay Terrace completion
- Arlington Drive Youth Campus
- redesigning our wait lists
- a clean state audit
- software conversion
- a clean HUD MTW audit
- hiring or transferring 36 staff positions
- property and liability insurance change
- changing health care insurance plans
- an OIG audit of RAD
- redesign and expand ESHAP
- CHAP expansion
- writing a budget that accounts for the imponderables of Congress, HUD, our rising costs, and our ambitions
- Highland Crest purchase
- James Center North purchase

With the approval of the Board chair, the Executive Director has told staff at the Employee Appreciation Lunch on December 1<sup>st</sup> that THA will recognize this hard work by all eligible

employees with a one-time Special Recognition Award (SRA) of \$1,000.

Section 7.2.3(c) of THA policy HR-20.35 Variable Pay authorizes the Executive Director to make this decision. Eligible employees are those that meet the following criteria at the time of the award payment:

- have successfully passed Probation; and
  - must be a currently employed, regular status employee; and
  - must not have received a formal Disciplinary notice in the past six (6) months; and
- Temporary and Probationary employees are not eligible.

The 2017 budget authorizes 2% of salaries for use in accordance with the Variable Pay policy. As these SRA payments will exceed this percentage, the Board's formal approval will be necessary. Even with these payments THA remains within the overall 2017 budgeted amount for salaries.

### **Recommendation**

I recommend that the Board approve this resolution.





# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-12-13 (4) (Agency-Wide Special Recognition Award)**

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

**WHEREAS**, The agency has an established and defined Variable Pay policy; and

**WHEREAS**, Section 7.2.3(c) of the Variable Pay policy authorizes the Executive Director to make this decision; and

**WHEREAS**, THA has required staff to continually meet exceptionally demanding work requirements in 2017; and

**WHEREAS**, In recognition of doing this hard work, some extra compensation would be appropriate; and

**WHEREAS**, Salary payments for 2017 will remain within the existing budget including these SRAs; now, therefore, be it

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

The Board authorizes a one-time Special Recognition Award in the amount of \$1,000.00 for all regular employees based on the following criteria:

- All employees must have successfully passed Probation; and
- All employees must be a currently employed, regular status employee; and
- Eligible employees must not have received a formal Disciplinary notice in the past six (6) months; and
- Temporary and Probationary employees are not eligible.

The board also authorizes an increase of up to 4% of the 2017 salary budget for Special Recognition Awards.

**Approved: December 13, 2017**

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Janis Flauding, Chair

# **Resolution 5**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 17-12-13 (5)

**Date:** December 13, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Proposed Revisions to Administrative Plan and ACOP – Waiting Lists Consolidation

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*This resolution would approve revisions to Tacoma Housing Authority's Administrative Plan and Admissions and Continued Occupancy Plan (ACOP) that would consolidate the waiting list for the portfolio and the HOP waiting list into one waiting list. It would also approve some additional administrative changes.*

### Background

The Tacoma Housing Authority (THA) proposes to consolidate waiting lists for the following programs: Housing Opportunity Program (HOP), THA-administered project based vouchers (PBV), and public housing (PH) programs. Housing and Urban Development (HUD) regulation 24 CFR § 982.205 allows this consolidation. THA elicited public comment on this change and adjusted the proposal to account for the comments.

THA has exhausted its waiting list for HOP. At the same time, thousands of people remain on site-based waiting lists waiting to rent an apartment at one of THA's subsidized properties. These properties are either public housing or have project-based vouchers. Under this proposal, THA will not reopen its HOP waiting list. Instead, it will offer HOP vouchers to applicants from its property lists. Applicants on the consolidated waiting list remain eligible for subsidized portfolio units, unless they succeed in leasing with a HOP voucher.

Consolidation to one waiting list serves at least four purposes:

- 1. Serve People on the Waiting List Faster**

Consolidation of the waiting lists will offer housing assistance faster to applicants who have been on THA waiting lists for many years. In 2016-2017, we closed and comprehensively updated our site-based lists. We removed nonresponsive and ineligible households, and confirmed site preferences. This reduced the combined list from over 11,000 to about 3,500 unduplicated households. Of these, about 700 applied for HOP during past waitlist openings. Even with updating, hundreds of

households have been waiting for over five years and a significant number have already demonstrated interest in the HOP program.

**2. Puts Voucher Dollars in Use Faster and With Less Administrative Burden**

Consolidation of the waiting list gets THA's HOP rental assistance flowing more quickly with less administrative burden and technical challenge than a traditional waitlist opening. This is important when the agency's software conversion continues to present challenges. Administrative resources and technical focus need to be managed pragmatically during this time.

**3. Controls the Pace of Voucher Issuances**

Consolidation of the waiting lists still allows us to control the pace of voucher issuances. We will not offer vouchers to all waitlist applicants at once. Instead, we will offer in batches. This means we can adjust the pace at which we offer HOP vouchers to waitlist applicants, according to the agency's need to maintain a specific utilization rate.

**4. Eases the Way to Reforming the Portfolio's Waiting List**

THA may later propose to do without waiting lists for its portfolio, or much shorter ones, to more closely resemble a market rate practice of advertising only upon vacancies. Consolidation of the waiting lists is a transitional step to reform.

While there is no immediate consequence for declining HOP, THA will inform households on the consolidated wait list that THA may discontinue its property waitlist.

If the Board authorizes this resolution, Client Services and Property Management will need to monitor the effect on applicant pools for each property. If acceptance and successful utilization of HOP vouchers is high, we may deplete the waiting list quickly. This would mean we need to decide quickly on the reform of the portfolio waiting list so we are not left with unfilled vacancies for lack of either a waiting list or a marketing plan.

## **Some Additional Changes**

### **Regular Updates to the Waitlist**

THA's current policies state that it will "purge" or update its waiting list annually. These updates require contacting all applicants on our waiting list(s) to confirm interest and eligibility. Applicants that do not respond or have become ineligible are removed from the waiting list. This is time consuming as a formal process for THA, and is not necessary if the waitlist is being continually updated by offering HOP vouchers and portfolio units from a consolidated list. THA proposes to amend its policies to state that it will only update its waiting lists as necessary.

## Managing Applicant Status

The consolidation of the waiting lists would not change an applicant's relative position on the property waitlist. Each would still be eligible for the same THA properties they originally signed up for. We hope, and expect, that some families will like this alternate assistance option. Households who have waited for years on the site-based lists may be housed more quickly. If these applicants lease successfully using HOP vouchers, everyone moves up faster.

THA also proposes that it will not remove an application from the waiting list if the family chooses not to accept a HOP subsidy but wants to keep waiting for an apartment. If they accept the HOP subsidy, we will allow them to remain active on the list until they actually lease-up. Only at that point will we remove them from the waiting list. A household who attempts to use a HOP voucher but is unsuccessful and returns the voucher will remain eligible for placement at a property.

We will remove applicants from the consolidated waitlist if they do not respond by either choosing HOP or declining HOP and confirming they wish to remain on the property list.

We are not proposing any changes to our unit turn down policy. Under that policy, applicants have one chance to reject an offered apartment. After rejecting an apartment, a household remains eligible for one more offer. After declining two units, the household become ineligible to lease within our subsidized portfolio. However, the household will remain eligible for a HOP voucher unless until it declines HOP or is unsuccessful in leasing with HOP.

There are reasons why accepting or declining HOP may make sense for a family. The comparisons below between HOP and site-based programs highlight the major differences:

<b>Key Differences of Tenant Based Assistance (HOP) vs. Project Based and Public Housing Assistance</b>	
<i>HOP</i>	<i>Project Based/Public Housing</i>
<b>Tenant Based Assistance</b> The client has the ability to take the assistance anywhere in THA's jurisdiction that accepts a voucher.	<b>Assistance is attached to unit not individual</b> The client must stay in the subsidized unit to receive assistance.
<b>No Time Limit for Elderly or Disabled</b> Families that are considered Elderly or Disabled are not subject to a 5-year term limit.	<b>No Time Limits for Anyone</b>
<b>5-Year Time Limit for Work-Able Families</b> If the family is not considered Elderly or Disabled, they have a 5 year limit on the program.	<b>No Time Limit for Anyone</b>
<b>Assistance is Based on Percentage of Payment Standard for Family Size</b> This means even if you make more money, the amount of your subsidy does not decrease. If your income goes down, your subsidy does not increase.	<b>Assistance is Based on Income</b> The higher your income, the more you may have to pay toward rent. The lower your income, the less you may have to pay.
<b>Proposed Revisions to ACOP and Administrative Plan</b>	

The following changes to ACOP and Admin plan will be required to implement this resolution.

Policy Proposal	Applicable THA Policies Requiring Revision
Waitlist consolidation for HOP and PBV assistance (Administrative Plan and ACOP)	<p><b><u>ACOP</u></b></p> <p>4-II.B. "Organization of the Waiting List" Allow for merging of waitlists</p> <p>4-III.B. "Selection Method" Allow for selecting off consolidated list</p> <p><b><u>Admin Plan</u></b></p> <p>4-I.D "Placement on the Waiting List" Allow for placement on a consolidated list</p> <p>4-II.B "Organization of Waiting List" Allow for merging to a single list</p> <p>4-II.F "Updating the Waiting List"</p>

### Public Comment

THA posted the proposed changes on its website and in social media outlets on November 2, 2017. We invited comments for the required 30-day public comment period, ending on December 2, 2017. THA received two comments, both from Northwest Justice Project.

Their **first** comment recommended that THA carefully consider the marketing materials utilized to ensure a complete explanation is provided detailing the differences between HOP and site-based programs. THA plans to provide existing HOP marketing material when contacting waitlist applicants as well as a summary of differences between HOP and site-based programs. Their **second** comment recommended allowing households to stay on the portfolio list if they are unsuccessful in leasing a unit with a HOP subsidy. We have accepted this recommendation. It will provide a safety net in a difficult rental market and may encourage households to try a HOP voucher knowing that if it does not work they can remain on the waiting list for an apartment.

### Recommendation

Approve Resolution 2017-12-13 (5) Authorizing THA to adopt the proposed revisions to the Administrative Plan and ACOP.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-12-13 (5)** **(Proposed Revisions to THA's Administrative Plan and ACOP re Waiting List Consolidation)**

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

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

**WHEREAS,** The Admissions and Continued Occupancy Plan (ACOP) relates to the administration of the Public Housing program and is required by HUD; and

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

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

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

THA is authorized to adopt the following updates to the Administrative Plan to reflect the proposed policy changes.

<b>Policy Proposal</b>	<b>Applicable THA Policies Requiring Revision</b>
Waitlist consolidation for HOP and PBV assistance (Administrative Plan and ACOP)	<u><b>ACOP</b></u>  4-II.B. "Organization of the Waiting List" Allow for merging of waitlists  4-III.B. "Selection Method" Allow for selecting off consolidated list  <u><b>Admin Plan</b></u>

Policy Proposal	Applicable THA Policies Requiring Revision
	<p>4-I.D  “Placement on the Waiting List”  Allow for placement on a consolidated list</p> <p>4.II.B  “Organization of Waiting List”  Allow for merging to a single list</p> <p>4-II.F  “Updating the Waiting List”</p>

**Approved: December 13, 2017**

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Janis Flauding, Chair



## CERTIFICATE

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

1. That the attached Resolution No. 2017-12-13 (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 the 13<sup>th</sup> day of December, 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 13<sup>th</sup> day of December, 2017.

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Michael Mirra, Executive Director of the Authority



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13 (6)

**Date:** December 13, 2017

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Architectural and Engineering (A&E) Services for New Look Apartments

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*This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to negotiate and amend A&E Services for the New Look Apartments fix-up with Buffalo Design Architects to increase its amount by \$109,201 to a new total of \$496,605.*

### Background

On March 23, 2016, the Board approved Resolution 2016-03-23(5) authorizing the Executive Director to negotiate, and execute a contract not-to-exceed \$150,000 with Buffalo Design for the New look renovations project. On June 10, 2016, the Executive Director executed the agreement with Buffalo Design.

On December 14, 2016, the Board approved Resolution 2016-12-14(7) authorizing the Executive Director to negotiate an Amendment No. 1 to increase Buffalo Design's agreement not-to-exceed \$237,404.00 for Construction Administration for a total contract amount of \$387,404.

THA staff is requesting to add additional Scope of Work to the Buffalo Design Agreement for additional services. These services include additional design requirements, civil engineering, building envelop consultant inspection services, value engineering, Evergreen Standard development and furniture selection and specifications. Amendment No. 2 will add \$109,201 to the current contract and increase the total contract amount to \$496,605.

### Recommendation

Authorize THA's Executive Director to negotiate and amend the Buffalo Design A&E contract for additional services in an amount not-to-exceed \$109,201.00. The total contracted amount with this authorization will be not-to-exceed: \$496,605.00.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2017-12-13 (6)** **(Architectural and Engineering Services for New Look Apartments)**

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

**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**, On March 23, 2016, the Board approved Resolution 2016-03-23(5) authorizing the Executive Director to negotiate and execute a contract not-to-exceed \$150,000 with Buffalo Design for the New Look Apartments; and

**WHEREAS**, On December 14, 2016, the Board approved Resolution 2016-12-14(7) authorizing the Executive Director to negotiate an Amendment No 1 to increase Buffalo Design’s agreement not-to-exceed \$237,404.00 for Construction Administration services for a total contract amount of \$387,404; and

**WHEREAS**, THA is requesting authorization for the Executive Director to negotiate an Amendment No. 2 for Additional Services including but not limited to; additional design, civil engineering, building envelop inspection services, value engineering, Evergreen Standard development and furniture selection and specifications. Amendment no. 2 not-to-exceed \$109,201.00; and

**WHEREAS**, The total contract amount for Buffalo Design services including this amendment is not-to-exceed \$496,605.00; 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 negotiate and, if those negotiations are successful, execute Amendment No. 2 of Buffalo Design’s A&E Services Agreement dated June 10, 2016 to a total amount not-to-exceed: \$496,605.00

**Approved:** December 13, 2017

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Janis Flauding, Chair