



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET


January 26, 2011



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

——
Dr. Arthur C. Banks, Chair
Janis Flauding, Vice Chair
Greg Mowat
Stanley Rumbaugh
Ken Miller

REGULAR MEETING BOARD OF COMMISSIONERS

WEDNESDAY, January 26, 2010

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Regular Meeting **Wednesday, January 26, 2010 at 4:00 p.m.**

The meeting will be held at:

**6th Avenue
2302 – 6th Avenue**

The site is accessible to persons with disabilities. Persons requiring special accommodations should contact Christine Wilson at (253) 207-4421, before 4:00 p.m. the day before the scheduled meeting.

I, Christine Wilson, certify that on or before Friday, January 21, 2010, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE to:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	email: tips@q13fox.com
KSTW-TV/Channel 11	602 Oaksdale Avenue SW Renton, WA 98055-1224	fax: 206-861-8915
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 resident organizations with notification requests on file

Christine Wilson
Executive Administrator



TACOMA HOUSING AUTHORITY

AGENDA
BOARD OF COMMISSIONERS
JANUARY 26, 2011, 4:00 PM
2302 – 6th Avenue

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of December 17, 2010 Regular meeting
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. ADMINISTRATION REPORTS**
 - 6.1 Finance and Administration
 - 6.2 Real Estate Management and Housing Services
 - 6.3 Real Estate Development
 - 6.4 Community Services
- 7. OLD BUSINESS**
- 8. NEW BUSINESS**
 - 8.1 Resolution 2011-1-26 (1), Approval of Tenant Account Receivable Write-off's
 - 8.2 Resolution 2011-1-26 (2), Inter-local Cooperation Agreement with Pierce County Housing Authority
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 11. EXECUTIVE SESSION**
- 12. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, DECEMBER 15, 2010

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 911 North K Street, Tacoma, WA at 4:00 PM on Wednesday, December 15, 2010.

1. CALL TO ORDER

Vice Chair Flauding called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:10 PM.

2. ROLL CALL

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

Present	Absent
Janis Flauding, Vice Chair Greg Mowat, Commissioner Stanley Rumbaugh, Commissioner	Arthur C. Banks, Chair Ken Miller, Commissioner
Staff Michael Mirra, Executive Director Christine Wilson, Executive Administrator Ken Shalik, Finance and Administration Director Julie LaRocque, Interim REMHS Director Barbara Tanbara, Human Resources Director Nancy Vignec, Community Services Director Walter Zisette, RED Director	

Vice Chair Flauding declared there was a quorum present @ 4:11 PM and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Flauding asked for any corrections to or discussion of minutes for the Meeting of the Board of Commissioners of Wednesday, October 27th. Commissioner Mowat moved to adopt the minutes, Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

None

5. COMMITTEE REPORTS

Finance Committee – Commissioner Mowat stated the committee did not meet this month.

6. ADMINISTRATIVE REPORTS

Finance Administration

Director Shalik directed the board to his monthly report and described the newly created cash disbursements table, questions about the table ensued from the commissioners.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$5,897,719 for the month of October 2010, Commissioner Mowat seconded. Director Shalik mentioned the scheduled budget study session in February will likely be moved back by a few months, possibly to March or April. Rent reform activities will take place July 1st.

Upon roll call, the vote was as follows:

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

MOTION APPROVED

Commissioner Mowat moved to ratify the payment of cash disbursements totaling \$4,435,124 for the month of November 2010, Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

MOTION APPROVED

Real Estate Management and Housing Services

Interim Director Julie LaRocque directed the board to her monthly report. She touched on the recent news that cuts to GAU, now called “Disability Lifeline” will affect 121 THA clients. ED Mirra stated the Governor’s budget proposed for 2011 to eliminate Disability Lifeline assistance altogether. Interim Director LaRocque also mentioned proposed changes to the TANF program that starting in 2011 would terminate participants who have received 60 months worth of assistance. . Commissioner Mowat asked how many of our clients will be impacted. Interim Director LaRocque stated that she did not have those numbers. She did note that these cuts will create an even greater need for THA services. Interim Director LaRocque stated that her department has set a goal of March 1st to have all vacant units leased. She also informed the board that THA has applied for 100 FUP vouchers.

Real Estate Development

Director Walter Zisette referred the board to his monthly report. He announced that the his department will be stepping back to reassess the approach to the Salishan Education, Retail, and Training Center. He expects to broaden the planning to encompass the “campus” at eh core of Salishan. He explained that his planning will begin with an another assessment of community needs. He noted that Hillside Terrace has been on hold for lack of financing. His department is also reviewing ways forward to get it started. Director Zisette is also focusing on the planning around the types of projects that we take on as an agency, looking at our revenue goals for the next five years and developing new business scenarios. ED Mirra stated that he and Director Zisette are making the rounds with the City of Tacoma Mayor, Councilmembers and the City Manager.

Community Services

Director Vignec referred the board to her report. Community Services staff has been focused on the FSS Program and possible issues with an improved orientation process that may help families continue in the program longer. Financial Literacy has been a focus in the orientation and progress for the program will be monitored. Commissioner Rumbaugh noted the remarkable success in the GED goals. Director Vignec stated that this was an excellent example of partnering with Bates Technical College. Although there is no contract in place, Bates’ use of the FIC building for classes has been a success.

Human Resources

Director Tanbara referred the board to her report. She discussed benefits, OPEIU and their cooperation. Our employees have agreed to greater medical cost sharing. Discussion ensued about the continuing rise of healthcare costs. Director Tanbara also discussed that THA will

take a look at job classifications and compensation in 2011. It has been 8 years since the last survey and positions must be properly and competitively compensating THA employees.

7. OLD BUSINESS

None.

8. NEW BUSINESS

The BOC determined to create a Real Estate Development Committee of the Board and appointed Commissioner Rumbaugh and Miller to serve on this committee. ED Mirra and Director Zisette will staff the committee and will schedule the meetings with the commissioners.

8.1 Resolution 2010-12-15 (1), Amending THA Policy G-05 Exercising and Delegating Executive Director Authority

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

Whereas, THA Policy G-05 governs the Executive Director's exercise and delegation of authority.

Whereas, this policy needs some updating in the manner set forth in the attached redlined version. These changes add the Real Estate Development Director to the succession of directors who can act for the Executive Director in narrow circumstances when he or she is not available. The changes also update the titles of the Director of Finance and Administration and the Director of Real Estate Management and Housing Services.

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

1. THA Policy G-05 is amended in the manner set forth in the attached redlined version.

Approved: December 15, 2010

Janis Flauding, Vice Chair

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

Upon roll call, the vote was as follows:

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

Motion approved

8.2 OPEIU Salary Re-Opener and Non-Represented Staff Wage Adjustment

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

Whereas, The collective bargaining agreement between the Tacoma Housing Authority (THA) and the Office and Professional Employees International Union, Local 23 (OPEIU) called for a salary and insurance benefit opener in 2010 to be effective in 2011;

Whereas, The Board of Commissioners finds that the salary increase for OPEIU and non-represented staff reached in the tentative agreement with OPEIU as describe in the accompanying memo is fair and reasonable and that it would serve THA's interests;

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

1. The Board authorizes the Executive Director to agree to the salary increases with the Office and Professional Employees International Union, Local 23 described in the accompanying memo and to allow increases to the same extent for non-represented staff.

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

Approved: December 15, 2010

Janis Flauding, Vice Chair

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

Upon roll call, the vote was as follows:

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

Motion Approved

9. COMMENTS FROM COMMISSIONERS

The Board wished the staff happy holidays and looked forward to another productive year in 2011.

10. COMMENTS FROM THE EXECUTIVE DIRECTOR

ED Mirra directed the board to his report. He reported on the work of the City of Tacoma's Affordable Housing Policy Advisory Group and its report, which he provided. He noted that such work required a lot of time and effort by THA staff and discussed why it was a good use of agency resources. Commissioner Rumbaugh stated appreciation for the thorough detail of this plan. ED Mirra expressed appreciation to all of the committee members.

11. EXECUTIVE SESSION

The Board of Commissioners adjourned the regular meeting and moved into Executive Session at 5:50 PM to discuss collective bargaining with OPEIU and non-represented staff wage adjustment for 15 minutes. It moved back into regular session at 6:05 PM and voted on THA Resolution 2010-12-15 (2) as stated above under new business.

12. ADJOURNMENT

There being no further business to conduct, Commissioner Mowat moved to adjourn, and Commissioner Flauding seconded the motion. All voted in favor. The meeting adjourned at 6:10 PM.

APPROVED AS CORRECT

Adopted: December 15, 2010

Dr. Arthur C. Banks, Chair

Finance Committee
Commissioner Mowat

Real Estate and Development Committee
Commissioner's Miller and Rumbaugh

ADMINISTRATION REPORTS

FINANCE
AND
ADMINISTRATION



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,866,713 for the month of December, 2010.

Approved: January 26, 2011

Dr. Arthur C. Banks, Chairman

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of December, 2010

Bank	Check Numbers		Amount	Totals
	From	To		
HERITAGE BANK				
A/P Checking Account				
Low Rent Module Checks	Check #'s	2,012	2,039	3,161
Accounts Payable Checks	Check #'s	71,904	72,203	
Central Office Cost Center			228,244	Program Support
Moving To Work Support Center			28	
Section 8 Programs			20,633	Section 8 Operations
Windstar			10,609	
SF Non-Assisted Housing - N. Shirley			6	
SF Non-Assist Housing - 9SF Homes			1,453	
Stewart Court			9,079	Local Funds
Wedgewood			864	
Salishan 7			6,255	
Tacoma Housing Development Group			200	
Hillsdale Hts. TCRA Loan			942	
Salishan Program Income			2,262	
Salishan Developer Fee			7,920	
NSP Grant			2,517	Development
Development Activity			22,240	
Salishan Area 2B-Dev			23,660	
Salishan 7 - Dev A/C			856,428	
Bea's Fund			1,020	
Community Services General Fund			359	
Salishan Sound Family			53	
Wash. Families Fund 2006			230	
Chef Grant			200	
Gates Ed Grant			260	Community Service
2006 ROSS Fam H.O.			68	
2007 ROSS Fam H.O.			14,170	
2008 ROSS Svc Coord			339	
2010 City of Tacoma FSS Grant			29	
COT-CDBG-FSS Grant			12	
AMP 1 - No K, So M, No G			52,761	
AMP 2 - Fawcett, Wright, 6th Ave			162,008	
AMP 3 - Lawrence, Orchard, Stevens			45,135	
AMP 4 - Hillside Terr - 1800/2500			27,702	
AMP 5 - Salishan Common Areas			2,080	
AMP 6 - Scattered Sites			6,898	
AMP 7 - HT 1 - Subsidy			18,428	
AMP 8 - HT 2 - Subsidy			4,275	Public Housing
AMP 9 - HT 1500 - Subsidy			2,331	
AMP 10 - SAL 1 - Subsidy			27,720	
AMP 11 - SAL 2 - Subsidy			20,181	
AMP 12 - SAL 3 - Subsidy			13,608	
AMP 13 - SAL 4 - Subsidy			17,426	
AMP 14 - SAL 5 - Subsidy			20,851	
AMP 15 - SAL 6 - Subsidy			10,721	
Allocation Fund			15,843	Allocations-All Programs
THA SUBTOTAL			1,661,208	
Hillside Terrace I - Operations			927	
Hillside Terrace II - Operations			949	
1500 Block Hillside Terrace - Operations			1,071	
Salishan I - Operations			705	
Salishan II - Operations			353	
Salishan III - Operations			361	Tax Credit Projects - billable
Salishan IV - Operations			257	
Salishan V - Operations			303	
Salishan VI - Operations			227	
Salishan Association - Operations			9,137	
TAX CREDIT SUBTOTAL (Operations - billable)			14,290	1,675,497.83
Section 8 Checking Account (HAP Payments)				
SRO/HCV/TBRA/VASH/FUP	Check #'s	449,973	451,137	1,159,916
	ACH	18,331	19,196	1,423,779
				\$ 2,583,695
US BANK				
Payroll & Payroll Fees - ADP				\$ 607,520
TOTAL DISBURSEMENTS				\$ 4,866,713



TACOMA HOUSING AUTHORITY

Date: January 26, 2011

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance and Administration

Re: Finance & Administration Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

I present the December, 2010 disbursement reports for your approval.

The Finance Department is submitting the financial statement for the month of November, 2010. We are still on track for having a surplus for the Fiscal Year. There are some anomalies that I will address below, but am not seeing any area of concerns that need to be addressed at this time.

- Line 2 – Tenant Revenue Other – Higher than budgeted. The majority of the income is from late fees, legal fees and tenant move out (maintenance charges).
- Line 7 – Capital Fund Revenue – We will meet budget by end of the year. The lower income YTD is due to timing issues.
- Line 13 – Developer Fee Income – We are still on track to receive the money budgeted by Fiscal Year end close. We have not received any of the payments as of this date.
- Line 10 – Other Government grants – Approximately \$200,000 is payment from Tacoma Utility companies for rebates for Salishan 7. This will not be received until the project is completed. It is still anticipated that funds will be received by June, 2011.
- Lines 16 thru 36 – Administrative Expenses – There are many areas with variances. I am not seeing any areas of concern, but will look at more thoroughly during the mid-year budget review.
- Line 39 – Relocation Costs – This is for reasonable accommodation moves, or moves for Capital Fund work. This is an estimate, and we will revise later on in year, if it is viewed the full amount is not needed.
- Line 40 – Tenant Service Other – This is a timing issue. One of the ROSS grants closed in October, and contracts that were in place are being paid to close out the grant. The tenant services area is an area we will need to review as we move into Moving to Work.
- Line 52 – Protective Services – We are providing extra Security for Salihan and currently paying for it from THA funds. We will be reviewing our Security overall and making a budget revision if needed.

- Line 62 – Section 8 HAP Payments – The expense is lower than budgeted thru November due to occupancy. The occupancy will be increasing through January, and the costs will be increasing.

Overall, the financial position is very healthy at the moment with a projected \$227,473 surplus (line 68), as compared to a budgeted \$11,744. This amount will most likely change as we get further into the year, but as stated earlier I am not seeing any areas that are causing concern.

2. INVESTMENTS

Surplus funds had been invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank remain at .51%. The Washington State Local Government Investment Pool currently provides a return rate of .24%.

3. INFORMATION TECHNOLOGY/SOFTWARE IMPLEMENTATION

Moving to Work is Information Technology's number one initiative for 2011. We will be implementing the VisualHOMES Moving to Work module after extensive testing during the first half of 2011. We have also requested a VisualHOMES software customization to augment our own internal software programming which will handle our extensive MTW rent reforms.

SharePoint will be introduced in early 2011, and will first feature a collaboration site for the MTW project. SharePoint is known for providing a highly functional information platform for staff to access information related to their daily tasks.

Information Technology continues to offer a wide variety of VisualHOMES related software training classes on an ongoing basis.

Significant Software and Hardware Initiatives Underway

- Planning for S8Tran08 Upgrade – January/February
- Planning for LRTran07 Upgrade – TBD
- VisualHOMES system change to accommodate 18 month Fiscal Year - February
- Analysis and Review of Tax Credit Upgrade Module – VisualHOMES
- I.T. Disaster Recovery Project Planning – In Progress
- MTW Software Module Data Conversion and Testing – Jan thru Jun
- PIC 50058 Testing – Ongoing through March
- THA Tenant Adjustment Application Development and Testing – Final testing
- MTW Baseline Data Extractions – July 2010 to June 2011
- Visual Homes Software Upgrade to version 10.0 - January
- SharePoint Implementation Training, Planning and Deployment – 2010/11

FINANCE DEPARTMENT MONTHLY REPORT

January 2011

Page 3

We experienced no new issues for the month of December. Software upgrade 9.9 eliminated a couple of outstanding issues which now number 21. The majority of outstanding issues are related MTW, S8TRAN08 and LRTRAN07 system enhancements which are expected to be completed over the next few months. We expect the number of issues to rise temporarily during the implementation phase of these software enhancements.

Outstanding Issues List Matrix

Current Month Scorecard	Priority				
	Low	Medium	High	Critical	Total
Support issues brought forward	3	15	3	0	21
+ New issues this period	0	0	0	0	0
- Total Issues resolved this period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
= Outstanding issues– end of period	3	15	3	0	21
% of Outstanding resolved this period	0%	0%	0%	0%	0%
Bug report submitted	0	4	0	0	4
Modification needed	1	6	2	0	9
Training required	0	0	0	0	0
Upgrade available	0	0	0	0	0
Action required from THA	1	5	1	0	7
Under VH review	0	0	0	0	0
In VH development	1	0	0	0	1
In THA testing	0	0	0	0	0
Total Outstanding Issues	3	15	3	0	21

- **Total Support Requests Beginning Number** – This is the beginning number from the prior months ending numbers.
- **New this Month** – Issues, bugs and modifications requests submitted this month.
- **Bug Report Submitted** – Bugs are considered errors within the current functionality. Please note enhancements to current functionality should not be categorized as bugs.
- **Modification Needed** – This category should include all requests for new functionality or enhancement of current functionality
- **Training Required** - A lack of understanding in the software has resulted in need for THA to schedule training. Issues in this category need to be addressed with staff training.
- **Upgrade Available** - The solution to the reported issue has already been resolved in a new release. THA needs to schedule an upgrade with VisualHOMES Support.
- **Action Required from THA** – VisualHOMES has requested additional information to provide clarification of the reported issue
- **Under VH Review**– VisualHOMES support staff handles issues related to minor system bugs, data issues and training. When in this category, the issue is being worked on.
- **In VH Development** – Issues (Bugs and/or Approved Modifications) in development will be addressed in future releases (builds) or added to technical specs of future enhancements.
- **In THA Testing** - VisualHOMES has tested and delivered the requested changes to THA for Acceptance Testing.

4. ASSET MANAGEMENT AND COMPLIANCE

The Asset Management and Compliance area is responsible for Asset Management, Risk Management, Financial Reporting, Procurement, Compliance, and oversight of the Desk Manual Project. This area is also responsible for the oversight of the MTW Implementation Project while April Davis is out on maternity leave.

In Compliance, THA's current PIC reporting rate is 99.44% for Public Housing and 98.59% for Section 8. This number represents the percentage of files we submit to HUD on an annual basis versus how many files HUD expects us to submit. HUD requires that we maintain at least a 95% reporting rate. Also in Compliance, we can report that all 2009 reporting to the Washington State Housing Finance Commission for our Tax Credit properties has been "satisfied". This means that all of the 2009 information for our properties that the Finance Commission reviewed in 2010 satisfied their requirements. This month, we are busy ensuring that we get all of our reporting done for 2010, which is due January 31, 2011.

MTW

In mid-December, we received HUD's comments to our Moving to Work (MTW) Annual Plan. Our response to these comments is due January 21. Most of their comments were either requiring clarifications or additional metrics. We have worked hard to compile our responses and are on-target for getting our response in to HUD prior to the 21st.

We have also been working hard on identifying software needs and changes to our VisualHOMES software system due to our MTW activities. We have some preliminary designs and specifications complete and are beginning the process of putting some of our systems together. Our target date for having our software systems in place for staff troubleshooting and training is April 1, 2011, and we believe we will meet this deadline.

Our MTW Plan calls for the majority of our activities to begin on July 1, 2011 and we believe we are on target for this. We have detailed and realistic schedules in place and staff are willing and excited to participate in the implementation process.

5. YEAR-END UPDATE

Finance Department staff finished the unaudited Financial Data Schedule (FDS) and REAC submission for FY 2010 the third week of August. We are still awaiting REAC review of this unaudited submission, which hopefully will be completed by the end of January (since the audited submission is due by the end of March). The State Auditor's Office (SAO) is currently auditing our federal programs (Section 8 Program, ARRA – Tax Credit Assistance Program

[Salishan 7], and ARRA – Capital Fund Program) and working on portions of the accountability audit. SAO has completed their planning for the financial statement audit and will be conducting an entrance conference on January 26th to discuss their audit approach.

6. BUDGET

HUD approved THA's request to change its Fiscal Year to a Calendar year in December. The current Fiscal Year will run from July 1, 2010 to December 31, 2011. This will necessitate a system change in Accountmate (VisualHOMES accounting package) to accommodate the 18 month Fiscal Year for the current period. Additionally, the current year's budget will have to be revised to accommodate the 18 month period. Initially, February 4th was scheduled for our mid-year budget review. We are postponing the meeting until mid April to accommodate the budget extension. The current Continuing Resolution for the FY 2011 budget expires in early March. We are hoping that further information may be received from Congress and HUD regarding renewal funding for our Public Housing and Section 8 programs in time for our April study session.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		November, 2010				Thru 06/30/2011		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS								
1	Tenant Revenue - Dwelling rent	225,676	1,121,366	1,049,964	6.80%	2,641,278	2,519,913	4.82%
2	Tenant Revenue - Other	3,506	31,453	18,333	71.56%	55,487	44,000	26.11%
3	HUD grant - Section 8 HAP reimbursemen	2,617,839	13,172,125	13,336,464	-1.23%	31,613,100	32,007,514	-1.23%
4	HUD grant - Section 8 Admin fee earned	219,935	1,141,728	1,100,943	3.70%	2,640,147	2,642,264	-0.08%
5	HUD grant - Public Housing subsidy	206,426	1,032,128	949,875	8.66%	2,402,107	2,279,701	5.37%
6	HUD grant - Community Services/HOPE	31,852	226,375	177,484	27.55%	393,300	425,961	-7.67%
7	HUD grant - Capital Fund Operating Reve	148,733	189,783	329,275	-42.36%	780,479	790,259	-1.24%
8	Management Fee Income	138,713	871,673	937,039	-6.98%	2,092,015	2,248,893	-6.98%
9	Fee For Service Income	4,805	28,410	33,582	-15.40%	68,184	80,596	-15.40%
10	Other Government grants	68,266	134,411	133,280	0.85%	322,586	319,872	0.85%
11	Investment income	4,682	21,091	22,292	-5.39%	50,618	53,500	-5.39%
12	Fraud Recovery Income - Sec 8	6,706	13,412	13,073	2.59%	32,189	31,375	2.59%
13	Other Revenue- Developer Fee Income	0	0	1,045,690	-100.00%	2,509,657	2,509,657	0.00%
14	Other Revenue	75,686	295,651	271,416	8.93%	709,562	651,398	8.93%
15	TOTAL OPERATING RECEIPTS	3,752,825	18,279,606	19,418,710	-5.87%	46,310,711	46,604,903	-0.63%
OPERATING EXPENDITURES								
Administrative Expenses								
16	Administrative Salaries	243,308	1,395,340	1,442,960	-3.30%	3,398,076	3,463,104	-1.88%
17	Administrative Personnel - Benefits	98,919	517,713	576,980	-10.27%	1,332,511	1,384,752	-3.77%
18	Accounting & Audit Fees	1,022	1,022	31,458	-96.75%	75,500	75,500	0.00%
19	Management Fees	156,633	667,158	803,537	-16.97%	1,851,179	1,928,489	-4.01%
20	Rent	12,813	64,067	66,989	-4.36%	153,761	160,774	-4.36%
21	Advertising	0	1,479	5,229	-71.72%	8,550	12,550	-31.88%
22	Data Processing Expenses	15,453	76,830	126,915	-39.46%	279,392	304,595	-8.27%
23	Office Supplies	2,556	21,508	40,583	-47.00%	71,619	97,400	-26.47%
24	Publications & Memberships	416	5,581	18,698	-70.15%	43,394	44,875	-3.30%
25	Telephone	6,823	35,612	37,125	-4.08%	85,469	89,100	-4.08%
26	Postage	1,734	17,403	19,854	-12.35%	41,767	47,650	-12.35%
27	Leased Equipment & Repairs	5,449	22,490	30,065	-25.19%	53,976	72,155	-25.19%
28	Office Equipment Expensed	317	10,563	25,000	-57.75%	55,000	60,000	-8.33%
29	Legal	5,118	15,537	49,792	-68.80%	97,289	119,500	-18.59%
30	Local Milage	307	2,014	6,829	-70.51%	16,834	16,390	2.71%
31	Staff Training/Out of Town travel	3,402	25,460	75,019	-66.06%	171,104	180,045	-4.97%
32	Contract Services	35,406	115,711	160,979	-28.12%	377,706	386,350	-2.24%
33	Other administrative expenses	9,251	30,029	37,275	-19.44%	87,070	89,461	-2.67%
34	Due diligence - Development projects	0	0	20,833	-100.00%	35,000	50,000	-30.00%
35	Contingency	0	0	1,042	-100.00%	0	2,500	-100.00%
36	Total Administrative Expenses	598,927	3,025,517	3,577,163	-15.42%	8,235,197	8,585,190	-4.08%

	November, 2010				Thru 06/30/2011			
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE	
Tenant Service								
37	Tenant Service - Salaries	43,215	227,067	246,761	-7.98%	586,704	592,226	-0.93%
38	Tenant Service Personnel - Benefits	16,797	91,747	94,952	-3.38%	220,193	227,884	-3.38%
39	Relocation Costs	(1)	831	15,208	-94.54%	1,994	36,500	-94.54%
40	Tenant Service - Other	14,665	102,918	58,042	77.32%	107,003	139,300	-23.19%
41	Total Tenant Services	74,676	422,563	414,963	1.83%	915,894	995,910	-8.03%
Project Utilities								
42	Water	6,418	38,961	37,136	4.91%	93,506	89,126	4.91%
43	Electricity	19,700	71,548	76,495	-6.47%	171,715	183,588	-6.47%
44	Gas	6,554	21,212	25,570	-17.04%	50,909	61,367	-17.04%
45	Sewer	20,854	119,482	116,835	2.27%	286,757	280,404	2.27%
46	Total Project Utilities	53,526	251,203	256,035	-1.89%	602,887	614,485	-1.89%
Ordinary Maintenance & Operations								
47	Maintenance Salaries	42,049	252,543	240,076	5.19%	596,920	576,182	3.60%
48	Maintenance Personnel - Benefits	12,847	70,627	67,892	4.03%	169,505	162,941	4.03%
49	Maintenance Materials	16,591	67,401	73,000	-7.67%	161,762	175,200	-7.67%
50	Contract Maintenance	51,399	260,100	302,250	-13.95%	699,240	725,400	-3.61%
51	Total Routine Maintenance	122,886	650,671	683,218	-4.76%	1,627,427	1,639,723	-0.75%
General Expenses								
52	Protective Services	18,301	57,240	50,167	14.10%	147,376	120,400	22.41%
53	Insurance	12,259	67,734	81,691	-17.09%	192,562	196,059	-1.78%
54	Other General Expense	129,281	419,217	362,630	15.60%	1,006,121	870,312	15.60%
55	Payment in Lieu of Taxes	1,017	5,994	6,185	-3.08%	14,386	14,843	-3.08%
56	Bad Debt - Tenant Rents	0	8,833	11,042	-20.00%	26,500	26,500	0.00%
57	Interest Expense	56,033	281,632	276,621	1.81%	675,917	663,890	1.81%
58	Total General Expenses	216,891	840,650	788,335	6.64%	2,062,861	1,892,004	9.03%
59	TOTAL OPERATING EXPENSES	\$ 1,066,906	\$ 5,190,604	\$ 5,719,713		\$ 13,444,266	\$ 13,727,312	
Nonroutine Expenditures								
60	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	26,268	41,667	-36.96%	63,043	100,000	-36.96%
61	Casualty Losses	0	9,828	0	#DIV/0!	9,828	0	#DIV/0!
62	Sec 8 HAP Payments	2,546,225	12,668,420	13,126,648	-3.49%	31,304,208	31,503,954	-0.63%
63	Total Nonroutine Expenditures	2,546,225	12,704,516	13,168,314	-3.52%	31,377,079	31,603,954	-0.72%
64	TOTAL EXPENDITURES	3,613,131	17,895,120	18,888,028	-5.26%	44,821,346	45,331,266	-1.12%
65	OPERATING SURPLUS/(DEFICIT)	<u>139,694</u>	<u>384,486</u>	<u>530,682</u>	<u>-27.55%</u>	<u>1,489,366</u>	<u>1,273,637</u>	<u>16.94%</u>
Reserve/Capital Affecting Operations								
66	THA transfer to development projects	(20,403)	(206,231)	(647,594)	-68.15%	(1,554,226)	(1,554,226)	0.00%
67	Reserve Appropriations	43,727	81,389	121,805	-33.18%	292,333	292,333	0.00%
68	THA SURPLUS/(DEFICIT)	<u>163,018</u>	<u>259,644</u>	<u>4,893</u>		<u>227,473</u>	<u>11,744</u>	

TACOMA HOUSING AUTHORITY
CASH POSITION - December, 2010

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	\$ 4,883,220	0.510%
Section 8 Checking	3,203,938	0.510%
THA Investment Pool	283	0.510%
THA LIPH Security Deposits	105,130	0.510%
THDG - Tacoma Housing Development Group	54,339	0.510%
LF - Windstar	300	0.510%
LF - Stewart Court	79,024	0.510%
LF - Stewart Ct Security Deposit Account	13,892	0.510%
LF - SF 9Homes Alaska	194,481	0.510%
LF - SF 9Homes Alaska Sec Dep Acct	8,961	0.510%
LF - SFH No. Shirley	4,039	0.510%
LF - SFH N Shirley Security Deposit Acct	1,003	0.510%
LF - Wedgewood Homes	358,130	0.510%
LF - Wedgewood Homes Security Deposit Acct	16,009	0.510%
General Fund Money Market	3,495,538	0.510%
KEY BANK		
LF - Salishan 7	14,436	0.000%
LF - Salishan 7 Security Deposit Acct	7,084	0.000%
WASHINGTON STATE		
Investment Pool	\$ 1,167,996	0.240%
US BANK		
Payroll Account	\$ 7,117	
CHASE		
IDA Account	63,480	0.01%
TOTAL THA CASH BALANCE	\$ 13,678,401	
Less:		
<i>MTW:</i>		
MTW Reserves	\$ 6,060,434	
<i>Other Restrictions:</i>		
FSS Escrows	189,305	
VASH & FUP Operating Reserves	436,820	
Mod Rehab Operating Reserves	117,035	
Security Deposit Accounts	134,809	
Salishan Sound Families - 608	236,473	
IDA Accounts - 604,605,611	63,480	
THDG - 048	54,339	
<i>Total - Other Restrictions</i>	\$ 1,232,261	
<i>Agency Liabilities:</i>		
Windstar Loan - 042	330,514	
Citibank Loan for Area 3 - Guarantee	3,081,384	
<i>Total - Agency Liabilities</i>	\$ 3,411,897	
<i>THA Designated Reserve for Development:</i>	\$ 553,842	
Total Restrictions	\$ 11,258,434	
THA UNENCUMBERED CASH	\$ 2,419,967	
Agency Current Commitments:		
	Balance	
Salishan Infrastructure Area 2B - Latest	\$ 300,000	
Habitat for Humanity Loan	45,000	
Salishan Education & Training - On hold		
Development Projects		
Total Current Commitments outstanding		\$ 345,000

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: January 26, 2011
To: THA Board of Commissioners
From: Julie LaRocque
Interim Director of Real Estate Management and Housing Services
Re: Department of Real Estate Management and Housing Services Monthly Board Report

HUD 5-YEAR AND ANNUAL PLAN

THA received confirmation from HUD that THA will no longer be required to submit an Annual Plan. The Annual Moving-to-Work (MTW) Plan will replace the Annual Plan for FY2011 forward.

Any revisions to the Annual MTW Plan that was prepared for THA's MTW application will go through a public review process and be presented to the Board of Commissioners for approval.

PROPERTY MANAGEMENT DIVISION

1. Performance Report Summaries:

1.1 Public Housing Information Center (PIC) reporting:

THA's reporting rate for accurately submitting public housing program participation data (50058) to HUD is at 99.56% HUD requires a housing authority to accurately submit at 95% or better.

1.2 Occupancy:

Unit occupancy is reported for the first day of the month. This data is for the month of December 2010.

PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OCCUPIED	% MTH OCCUPIED	% YTD OCCUPIED
AMPs 1-6	594	11	583	98.1%	97.8%
Tax Credit Units	600	37	563	93.7%	94.8%
Local fund units	69	5	64	92.8%	98.1%
All Total	1263	53	1,210	95.8%	98.1%

Vacancy Unit Turn (PHAS/MASS Indicator #1):

- (a) To earn maximum points for this sub-indicator housing authorities must complete unit turns at an average rate of 20 days or less per AMP. The average unit turn rate for the month of December was is 26.6. Below is a table with a breakdown of the units turned during the month of December 2010. If the aged vacant unit at AMP 4 were to be removed from this average, the average unit turn time would be 22.6. There will also be more aged vacant units coming on line in January from the Salishan units. In Salishan 7 we have 38 units to lease up as well as leasing up units in Salishan 1-6 at the same time. The goal is to have all of Salishan units leased up by March 31.

AMP	Downtime	Make ready	Leasing	Total
1	0	2	4	6
1	0	2	7	9
1	10	0	7	17
1	0	4	11	15
2	0	6	2	8
2	0	3	4	7
2	0	7	0	7
2	0	0	0	0
3	1	27	3	31
3	0	6	22	28
3	0	48	8	56
Totals	23	203	93	319
Averages	2.1	18.5	8.5	26.6

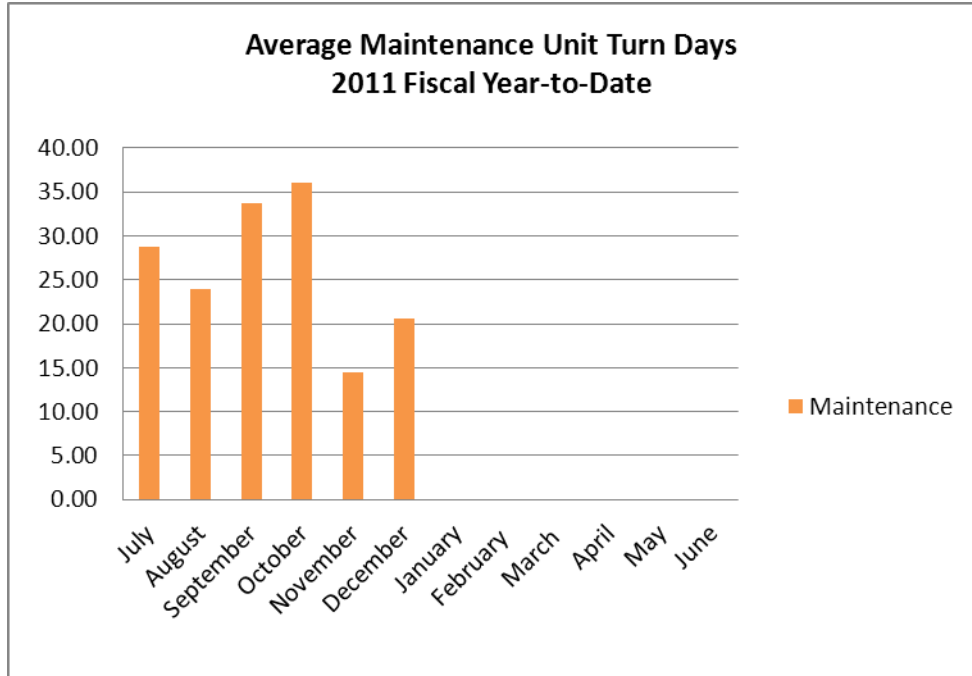
The average fiscal year-to-date average unit turns across all AMPs are 33.96 days per turn. This is a decrease from last month. AMP 4 has had 2 evictions that has required extensive repairs to the units. This will drive the unit turn report up once the units are leased.

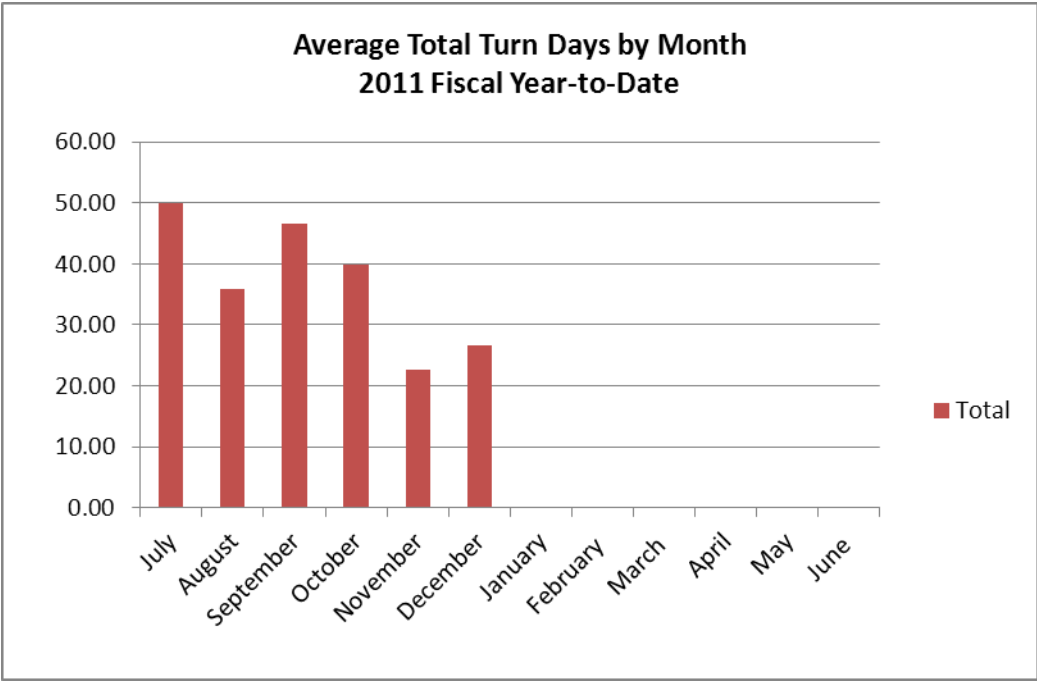
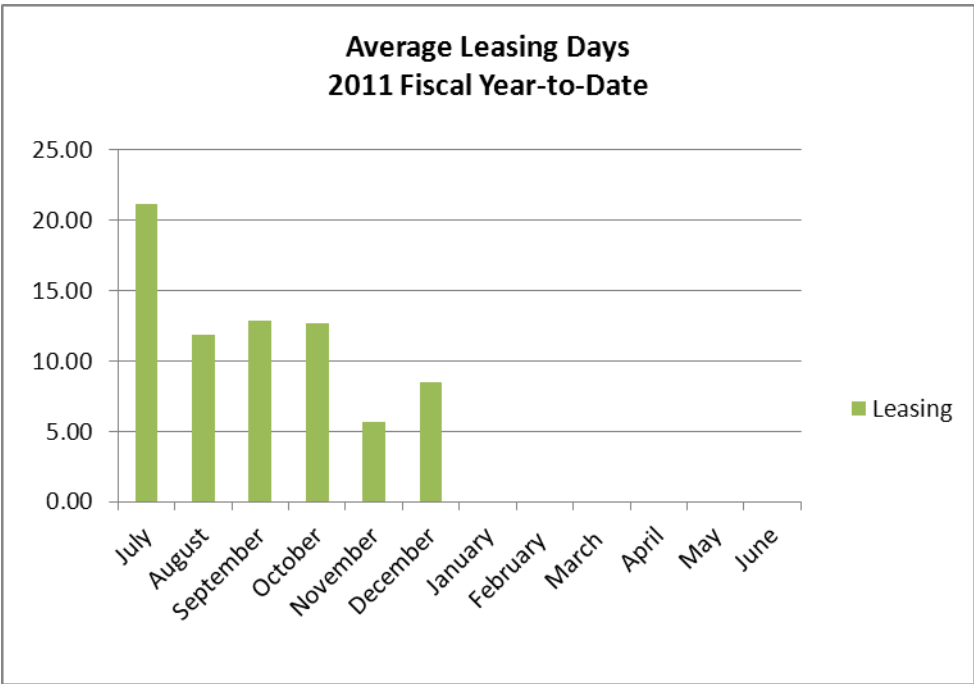
DECEMBER 2011 FYTD VACANT UNIT TURN REPORT (MASS #1)							
AMP # *	Units Turned	Down Time	Make Ready	Lease Up	Days to Turn	Exempt Days	Avg Turn
AMP 1	16	29	100	147	276	0	17.25
AMP 2	16	6	163	60	229	54	14.31
AMP 3	12	22	273	172	467	140	38.92
AMP 4	8	16	395	148	559	190	69.88
AMP 6	1	0	14	5	19	0	19.00
AMP 7	0	0	0	0	0	0	0
AMP 8	0	0	0	0	0	0	0
AMP 9	1	41	56	23	120	0	120.00

DECEMBER 2011 FYTD VACANT UNIT TURN REPORT (MASS #1)							
AMP # *	Units Turned	Down Time	Make Ready	Lease Up	Days to Turn	Exempt Days	Avg Turn
AMP 10	2	31	181	20	232	0	116.00
AMP 11	0	0	0	0	0	0	0
AMP 12	0	0	0	0	0	0	0
AMP 13	0	0	0	0	0	0	0
AMP 14	0	0	0	0	0	0	0
AMP 15	0	0	0	0	0	0	0
NON AMP PROPERTIES	0	0	0	0	0	0	0
TOTALS	56	145	1,182	575	1,902	384	33.96

*Please refer to the table in Section 2.1 for a list of the properties associated with each AMP.

Below are trend reports for maintenance unit turn time (reflected as “make ready” in the chart above), average leasing days and average days to turn a unit.





1.3 Work Order Report (PHAS/MASS Indicator #4):

The work order report accounts for two separate performance indicators in work order management, time to complete emergency work orders and average time to complete non-emergency work orders (routine). The performance indicators are recorded per AMP. HUD requires housing authorities to complete at least 99% of its annual emergency work orders within 24 hours.

In the month of December all emergency work orders were completed within 24 hours. Maintenance has done a great job completing all work orders in the required times. AMP'S 10 – 14 still are experiencing a high number of work orders for the appliances. All appliance service calls are being assessed within 3 days.

Work Order Completion Table:

WORK ORDER COMPLETION REPORT (PHAS/MASS #4)								
AMP # *	Emergency				Non Emergency			
	December 2010		FYTD		December 2010		FYTD	
	# Completed	% Completed in 24 hrs	# Completed	% Completed in 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
AMP 1	1	100%	13	100%	23	4.74	159	4.21
AMP 2	0	100%	12	100%	25	2.35	287	8.75
AMP 3	3	100%	45	97.8%	55	6.76	323	7.06
AMP 4	7	100%	34	97.1%	22	28.86	110	7.33
AMP 6	1	100%	23	95.7%	17	1.89	73	3.68
AMP 7	0	0%	0	0%	0	0	9	3.11
AMP 8	0	0%	0	0%	0	0.00	5	3.20
AMP 9	0	0%	0	0%	0	0	0	0
AMP 10	1	100%	2	100%	4	8.00	57	22.33
AMP 11	1	0%	9	100%	3	15.00	63	22.54
AMP 12	0	0%	5	100%	4	16.00	40	16.25
AMP 13	1	100%	6	100%	7	0	64	23.72
AMP 14	0	0%	1	100%	13	6.00	77	12.51
AMP 15	0	0%	2	100%	1	14.25	59	9.08
Non-AMP	0	0%	6	100%	17	3.53	66	1.74
TOTALS	15	100%	158	98.1%	191	9.90	1,621	9.49

*Please refer to the table in Section 2.1 for a list of the properties associated with each AMP.

Outstanding Work Orders Table:

Outstanding Work Orders as of December 30, 2010			
AMP #	Open Non-Emergency	<25 Days open	>25 Days open
AMP 1	9	6	3
AMP 2	3	3	0
AMP 3	5	5	0
AMP 4	4	3	1
AMP 6	1	1	0
AMP 7	17	5	12
AMP 8	6	1	5
AMP 9	7	0	7
AMP 10	7	5	2
AMP 11	23	11	12
AMP 12	14	5	9
AMP 13	7	3	4
AMP 14	16	9	7
AMP 15	8	3	5
Non-AMP	6	1	5
TOTALS	133	61	72

2. SALISHAN ASSOCIATION

CDC Management Services, LLC has been hired as the new management company to run the Salishan Association. The company has extensive experience in running Associations such as Salishan, and has been involved in managing HOPE 6 properties, such as High Point. The contract commenced on December 1st. They will be taking on all aspects of managing the Association, to include day to day management, collection of dues, all other accounting functions and community building. They have been working with Ken Shalik to transition the responsibilities to their staff on January 1st. Even though there will a day to day manager located in Salishan, they will have a management team that works with CDC to support them in their functions.

4. RENTAL ASSISTANCE DIVISION

a. Performance Report Summary:

Public Housing Information Center (PIC) reporting:

THA's reporting rate for accurately submitting HCV program participation data (50058) to HUD is at 98.45%. HUD requires a housing authority to accurately submit at 95% or better.

Housing Choice Voucher (HCV) Utilization:

Housing Choice Voucher utilization is reported at 100% for the month of December and 98.00 % for calendar year to date. Budget utilization is reported at 95.00% for the month and 97.00% for calendar year to date.

HCV UTILIZATION SUMMARY REPORT					
Voucher			HAP		
	Month			Month	
Voucher Allocation	3,543		Budget	2,556,618	
Voucher Leased	3,550		Actual	2,432,375	
% Utilized	100		% Utilized	95%	

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: January 26, 2011

TO: THA Board of Commissioners

FROM: Walter Zisette
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

- *Education, Training and Retail Center:* In collaboration with other departments, staff is in the process of developing new concepts for the development of a “Campus Center” at Salishan that would include all of the sites controlled by THA that are located around the Community Health Clinic. The first question to be addressed is: how should the facilities to be developed in this campus area be programmed to best serve Salishan residents and members of the surrounding community? Retail uses, a library, THA offices & facilities, and programmable space for Salishan community activities continue to be likely end uses for facilities to be developed in this area.

1.1.2 Area 3

- *Lot Sales:* Habitat for Humanity has completed the first eleven homes in Area 3. Staff continues to pursue homebuilders for additional lot sales in Area 3.

1.1.3 Area 2B

- *Infrastructure:*
Infrastructure is complete.
- *Salishan 7:* Current program plans include (90) project-based Section 8 rental units and (1) unrestricted manager’s unit. The Final punch is complete. The final 26 units were turned over on January

18, 2011.

1.1.4 Arlington Rd: Staff will issue an RFP in the spring for proposals from prospective Senior Care Facility developers.

1.2 Financial

Salishan Seven: The final 26 units were delivered on January 18. All units are expected to be occupied by the end of February. Staff hopes to convert to the permanent loan in mid to late spring.

1.3 Construction Oversight Committee

The Construction Oversight Committee (COC) was held as scheduled on January 13, 2011. The committee was updated on all elements of Salishan and Walsh provided an overall summary and lessons learned from the Salishan experience as it relates to Section 3 and WMBE contracting. This was the last meeting of the Salishan COC.

2. PUBLIC HOUSING PROJECTS

2.1 1800/2500 Hillside Terrace

2.1.1 Financing: Staff is developing various financial models in preparation for this year's funding rounds. Currently, it is anticipated that 9% LIHTC's with a combination of Project Based Section 8 vouchers and other common sources could prove to be a viable model. With this, there remains challenges with tax credit competitive scoring as well as City and State funding levels that will require further strategic planning and effort. On January 27, 2011 staff will be submitting a Stage 1 application to the Housing Trust Fund.

2.1.2 Architecture: Negotiations with the architect are on hold.

2.1.3 Construction: Pre-construction services are on hold.

2.1.4 Demolition/Disposition: Staff is reviewing options for demolition and disposition for the site.

3. CAPITAL FUNDS & AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) CAPITAL FUNDS

3.1 Capital Fund Construction:

- 3.1.1 Staff has engaged Casey Group Architects and they have begun Phase 3 of their contract. The architect is working on design and bid documentation for the Ludwig and Fawcett re-siding and window projects. Staff is budgeting approximately \$1.2MM in capital funds for this effort. Additional upgrades will include upgrading attic insulation at North K, G and Ludwig. Dixon Village (2 buildings) and several scattered sites will receive new roofing. Staff is beginning work to assess the extent of other repairs needed at the scattered sites.
- 3.1.2 Bid documents for the 902 L Street parking lots are being prepared with the work anticipated to be completed in the spring of 2011.

3.2 ARRA Construction

- 3.2.1 *All work has been completed at AMP1, AMP 2 and AMP3 and the final punch lists are complete.*
- 3.2.2 *Final Closeout:* Staff is working on grant closeout. HUD performed their on-site review January 11, 2011. The review included files as well as a tour of the sights. It is anticipated that the grant will be closed out by March 2011, one year ahead of the required date of March 2012.

3.3 Grants

- 3.3.1 NSP 1: THA has sold four of the houses. The only house without an offer is located at 2323 S Ash. THA purchased a house located at 5806 S Cheyenne at the end of December and is scheduled to close on 6636 S Lawrence and 4315 S 49th Street at the end of January

4. PROJECTS IN THE PIPELINE

- 4.1 *The 2316 Building:* Staff has been in discussion with the Tacoma City Association of Colored Women's Club's Inc. (CWC) with regard to a development opportunity. The CWC owns a 30,000 sf site with a small 2-story building, located at 2316 Yakima Ave. in Tacoma. CWC is interested in developing this property and has approached THA to be a potential partner in this development. THA and CWC have agreed that THA's role will be that of the developer. THA and CWC are currently negotiating a Memorandum of Understanding (MOU) for the

predevelopment phase. Staff plans to bring a resolution before the BOC in January for this MOU. The current vision for the property is that of a mixed-use facility with meeting space for public and private rentals, rental housing, office and meeting space for community organizations, CWC meeting and office space, some commercial rental space as well as a dining/banquet/meeting room and a deli service.

5. M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING

5.1 The Final meeting of the Salishan Construction Oversight Committee was held on January 13, 2011. Final minority and women-owned business (M/WBE) subcontracting equals about thirty-four percent (34%) of total contract dollars awarded (the original goal was 22%). Twenty-six percent (26%) of all contract dollars have been awarded to MBE firms, and nine percent (9%) to WBE firms. Thirty-nine percent (39%) of all contracts have been awarded to Tacoma based companies, and forty-seven percent (47%) have been awarded to Pierce County based companies. Section 3 results total 202; the project goal was 150.

5.2 ARRA AMP 1: Three Section 3 employees have been hired to date.

6. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the obligated and expenditures as of December 6, 2010.

January 2011 Board of Commissioners Meeting
 REAL ESTATE DEVELOPMENT DEPARTMENT MONTHLY REPORT
 Page 5

Grant	Total Grant	Obligated	% Obligated	Expended	% Expended	Obligation Start Date	Obligation End Date	Disbursement End Date
2007 CFP (P)	\$2,909,072	\$ 2,909,072	100%	\$2,909,072	100%	09/13/07	09/12/09	09/12/11
2008 CFP (P)	\$1,849,412	\$1,849,412	100%	\$1,546,374	84%	6/13/08	06/12/10	06/12/12
2008 CFP (1 st R)	\$1,351,655	\$1,351,655	100%	\$1,351,655	100%	6/13/08	06/12/10	06/12/12
Sal. HOPE VI (Revitalization)	\$35,000,000	\$35,000,000	100%	\$35,000,000	100%	04/26/01	12/31/10	12/31/10
2009 CFP	\$2,410,953	\$663,262	28%	\$266,695	11%	9/15/09	9/14/11	9/14/13
2009 CFP (1 st R)	\$703,863	\$703,863	100%	\$355,885	51%	9/15/09	9/14/11	9/14/13
2009 CFP (2 nd R)	\$54,932	\$54,932	100%	0	0	9/15/09	9/14/11	9/14/13
2009 CFP (3 rd R)	\$2,724	\$2,724	100%	0	0	4/12/10	4/12/12	4/12/14
2010 CFP	\$2,345,627	\$167,295	7%	\$153,524	7%	7/15/10	7/15/12	7/15/14
2010 CFP (1 st R)	\$1,216,978	\$1,216,978	100%	0	0	7/15/10	7/15/12	7/15/14
2010 CFP (2 nd R)	\$219,721	\$219,721	100%	0	0	7/15/10	7/15/12	7/15/14
CFRG*	\$4,096,616	\$4,096,616	100%	\$3,466,267	85%	3/18/09	3/17/10	3/17/12

*ARRA Capital Fund Recovery Grant

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

DATE: January 26, 2011
TO: THA Board of Commissioners
FROM: Nancy Vignec
Community Services
RE: Monthly Board Report

STRATEGIC OBJECTIVE: ASSISTANCE

THA will provide high quality housing and supportive services. Its supportive services will help people succeed as residents, neighbors, parents, students, and wage earners who can live without assistance. It will focus this assistance to meet the greatest need.

1. 2010 GOALS

Fifteen different major funding sources support the Community Services department's staff and activities. Most of these funding sources identify performance measures and goals. This report groups the various funding source's annual goals by service area. It summarizes progress toward attaining annual goals during the month of December and for the calendar year 2010.

1.1 Employment

The CS department offers employment services through its case workers. The case workers refer clients to local vocational training programs and then track their progress. The Goodwill employment specialist contract ended in August, but case workers will continue to refer clients to Goodwill Industries.

In November THA hired two new caseworkers with extensive employment preparation and employment placement experience. These caseworkers significantly enhanced the employment services the department offers. In late December, the caseworkers strengthened THA's partnership with Workforce Central Business Connection, which matches qualified applicants to employers. Business Connection contacted us with an offer for open interviews for our clients with an employer with 35 available warehouse positions. THA caseworkers sent five qualified residents to begin the application process by taking a basic skills test. Three residents were able to successfully test and move on to the interview process. We look forward to continuing this partnership with Business Connection to assist our residents in their efforts to move to work.

Activities	Month	YTD	Annual Goal	% of Goal
Clients enrolled in vocational training program	1	13	20	65%
Clients completed vocational training program	0	9	12	75%
Clients enrolled in employment readiness soft skills program	0	44	52	85%
Clients completed employment readiness soft skills program	0	6	44	14%
Job Placement	1	40	60	67%
Earned Income Increased	1	40	30	133%
Entered Apprenticeship	0	0	2	0%

1.2 Education

Bates continues to offer GED classes at the FIC. Standard class size is 18. During the month of December, 18 participants attended GED classes which included 9 new enrollments. A total of 86 participants have attended since January 1, 2010.

Activities	Month	YTD	Annual Goal	% of Goal
Participants attending Bates GED classes	9	86	18	478%
Completes one or more GED tests	0	8	3	267%
Attains GED	0	4	3	133%

1.3 Family Self-Sufficiency Program

The THA Family Self-Sufficiency (FSS) program is a five year employment and savings incentive program funded by HUD and the City of Tacoma.

Status	Month	YTD	Annual Goal	% of Goal
Current Participants	106	139	153	91%
Graduates	0	11	5	220%
Removed/Voluntarily Withdrawn	2	22	n/a	n/a
New Contracts Signed	3	22	10	220%
Escrow Balance	\$248,737.97			

1.4 Life Skills and Parenting Classes

THA contracts with Bates Technical College for Life Skills and Parenting classes and parenting support groups. A new session of Exodus Housing Next Chapter Domestic Violence Healing class started in November and had four participants complete the course.

Activities	Month	YTD	Annual Goal	% of Goal
Life Skills Enrollment	0	18	20	90%
Life Skills Completion	4	17	15	113%
Parenting Enrollment	0	17	25	68%
Parenting Completion	0	21	20	105%

1.5 Asset Building

The department provides financial literacy, credit counseling, homeownership counseling and individual development accounts to help THA clients build assets and prepare to become homeowners.

Activities	Month	YTD	Annual Goal	% of Goal
Financial Literacy Enrollment	0	36	120	30%
Financial Literacy Completion	11	20	72	28%
Credit Counseling Enrollment	0	1	17	6%
Credit Counseling Completion	0	2	10	20%
Homeownership Counseling	4	81	17	476%
Individual Development Account Participants	21	45	30	150%
Qualified Withdrawals	0	8	30	27%
Home Purchase	1	11	10	110%
Other Asset Purchases	0	7	20	35%

1.6 Neighborhood Networks and VITA

THA has Neighborhood Networks computer labs at Bergerson Terrace, Dixon Village, Hillside Terrace and Salishan. The AmeriCorps member assigned to the computer labs is responsible for outreach and computer lab programming. Each lab has scheduled times for adult activities and for youth activities including, resume writing, research, and homework assistance. During September and October the AmeriCorps members went door to door at Bergerson, Dixon and Hillside Terrace to ask residents about their which times of the day or evening they would like the labs to be open. The AmeriCorps members adjusted the lab schedules accordingly. The Asset-Building Program Manager interviewed individuals interested in a part-

time short-term position coordinating the VITA. The VITA coordinator will begin in the short-term position in January 2011.

Activities	Month	YTD	Annual Goal	% of Goal
Computer Lab Participation	31	199	150	133%
VITA Tax Returns for THA clients	0	55	125	44%
EITC Received (PH only)	0	17	85	20%

1.7 Youth Activities

THA contracts with Girl Scouts of Western Washington to provide a youth mentoring program for Hillside Terrace, Bergerson Terrace and Salishan. There are currently 118 troop members, 67 of which are THA residents.

Northwest Leadership Foundation (NLF) began its after school tutoring program at Lister Elementary school in October. We have 26 public housing youth enrolled in the youth tutoring program.

Activities	Month	YTD	Annual Goal	% of Goal
Youth tutoring	0	35	35	100%
80% or better on computer skills post-test	0	21	25	84%
GPA improved .5 or more	0	9	15	60%
Life skills/financial literacy completed	0	0	75	0%
80% or better on life skills/financial literacy post-test	0	0	45	0%
Summer Program Enrollment	0	40	55	73%
Youth mentoring (PH only)	0	58	45	129%
Youth mentoring ongoing more than six months	0	35	40	88%
Youth Section 3 employed	0	0	4	0%

1.8 Senior and Disabled Services

The Specialist links residents with services to help them succeed as tenants. The services help elderly residents age in place. These services include COPES, State Health Insurance Benefits Advisors (SHIBA), a home delivery food bank (BASH) that delivered food baskets to 225 senior apartment residents, housekeeping, transportation, and social resources.

The Senior and Disabled Services Program Specialist serves the 360 residents of THA's seven senior apartment buildings. During the month of December, the Specialist had 116 client contacts (79 unduplicated). In addition, 29 unduplicated

home visits were made and 26 residents received 1:1 situational and wellness counseling.

Activities	Month	YTD	Annual Goal	% of Goal
Unduplicated client contacts	79	268	260	103%
Referrals	9	48	55	87%
Unduplicated situation/wellness counseling	28	106	150	71%
Assistance with correspondence for Entitlement Programs	2	30	40	75%

1.9 Families in Transition (FIT)

The Community Service Department's FIT program is funded by Washington Families Fund and Sound Families grants. FIT caseworkers help participants succeed as tenants, parents and wage earners.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
Total Current Caseload	20		3		7	
	Month	YTD	Month	YTD	Month	YTD
Entrances	1	8	0	1	2	5
Graduations	0	3	0	2	0	2
Exits	0	0	0	1	0	2
Terminations	0	1	0	0	0	0

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-01-26 (1)

DATE: January 26, 2011
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of tenant account receivable write offs

Background

THA has established a process of writing off tenant receivable bad debt. This debt is incurred when a program participant leaves the public housing or Housing Choice Voucher program with a balance owing. The balance may be incurred by excessive damage to a public housing unit, unpaid rent, tenant fraud/unreported income or abandonment of an assisted unit.

Until we write off tenants as a bad debt, they stay on the active tenant ledger in our accounting system and General Ledger (GL). The receivable balance also remains as part of our Tenant receivables that are reported to HUD on our year end financials. At year end, they are reported as an Allowance for bad debt, which also is reported as a bad debt on the GL. This number gets higher and higher each year when write offs are not done, which does not reflect well on the agency.

Once the debt is written off, it is taken off of THA's receivable balance and is then provided to the collection agency in order for the agency to attempt to collect. THA will receive 50% of any proceeds that are collected.

Each individual included in this tenant account write off has been notified of their debt. THA mails two notices to the last known address of the individual. These notices provide the opportunity for the individual to pay the debt or enter into a repayment agreement with THA. Sending a tenant to collections is the last resort for THA to collect the tenant debt.

One account from Rental Assistance will probably jump out at the board. One family has been terminated from the program due to fraud. During our investigation we have found that the family had an additional person in the household for at least 5 years. We were able to verify the person and their income causing an overpayment of over \$30,000. This file has been forwarded to the Office of Inspector Generals office for further follow up.

Recommendation

Approve Resolution 2011-1-26 (1) authorizing THA to write off tenant accounts totaling: \$61,742.59.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-1-26 (1)

WHEREAS, Tacoma Housing Authority (THA) provided housing services to Housing Choice Voucher and Public Housing participants who discontinued housing assistance with debt owing to THA.

WHEREAS, each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution.

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

1. Approve Resolution 2011-1-26 (1) authorizing THA staff to “write off” the following accounts and send these debts to an external collection agency to pursue collection action:

Client Number	Client Program	Total Debt
142527	Public Housing	1,347.53
128034	Public Housing	363.31
102701	Public Housing	203.20
127937	Public Housing	193.35
122998	Public Housing	1,652.77
141349	Public Housing	338.70
102204	Public Housing	97.31
140852	Public Housing	193.49
121400	Public Housing	135.00
XXX0358	Public Housing	654.36
146357	Public Housing	120.57
146631	Public Housing	145.62
XXX0415	Public Housing	362.25
127874	Public Housing	206.88
XXX0330	Public Housing	1,457.03
136069	Public Housing	120.45
144208	Public Housing	164.90
140896	Public Housing	73.48
102773	Public Housing	134.19

Client Number	Client Program	Total Debt
139276	Public Housing	1,309.56
143984	Public Housing	3,134.06
139812	Public Housing	764.65
128342	Public Housing	219.76
126382	Public Housing	145.17
110057	Public Housing	43.02
129352	Public Housing	312.23
125851	Public Housing	228.09
143585	Public Housing	355.84
142792	Public Housing	2,767.36
114162	Public Housing	4,452.12
143364	Public Housing	815.98
Security Deposits not refunded		2,800.00
Sub Total-Public Housing		\$22,688.40
XXX000446	Non Public Housing	130.00
XXX000183	Non Public Housing	2,399.05
XXX000238	Non Public Housing	4,469.31
XXX000196	Non Public Housing	1,135.00
XXX000243	Non Public Housing	597.83
Sub Total Non-Public Housing		\$8,731.19
145448	Affordable Housing	30,323.00
Sub Total-Affordable Housing		\$30,323.00
TOTAL WRITE-OFFS		\$61,742.59

Approved: January 26, 2011

Dr. Arthur Banks, Chairman

RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-1-26(2)

Date: January 26, 2011
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Interlocal Cooperation Agreement with Pierce County Housing Authority

Background

Washington State law allows local governments to agree to cooperate to better serve their communities. These agreements are called Interlocal Cooperation Agreements (ICA). One use of such agreements allows agencies to share functions or to engage in activities in each other's jurisdictions. THA and the Pierce County Housing Authority (PCHA) have several ICAs. They have allowed one PHA to use housing choice vouchers or other forms of rental assistance in the other's jurisdiction for discrete programs or properties. For example one ICA allows THA to provide rental assistance in the Sumner School District as part of a pilot program the state funded serving families in the Sumner and Tacoma school districts. Another ICA allowed THA to participate with Helping Hands House in the state funded Front Door Project that served families in Tacoma and the Puyallup area. Another ICA allowed PCHA to project vouchers into a Tacoma property. These ICAs also allow us to share the administration of the assistance in efficient ways. These agreements have been helpful as THA and PCHA further the effort to better coordinate our rental assistance programs in service to what is essentially a shared rental market. The Boards of the two PHAs have approved each of these ICA as each separate use of vouchers has arisen.

I ask the Board to approve a new ICA with PCHA. It is attached. It does two things. **First**, it allows the Executive Directors of THA and PCHA to approve of activities of one PHA in the jurisdiction of the other PHA without having to go to the Boards for each new use. This will make us more flexible and nimble. I will still inform the Board when this happens. **Second**, this ICA clarifies how either PHA can withdraw its approval of such activities that are approved either under past ICAs or in the future under this new one. The previous ICAs did not make that clear.

PCHA's Board will be considering the same ICA.

Recommendation

I recommend that the Board approve this resolution.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-1-26 (2)

GENERAL INTERLOCAL COOPERATION AGREEMENT WITH THE PIERCE COUNTY HOUSING AUTHORITY

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

Whereas, state law allows governmental agencies to execute Interlocal Cooperation Agreements (ICAs) to allow for ways to better serve their communities;

Whereas, the Tacoma Housing Authority (THA) and the Pierce County Housing Authority (PCHA) have used ICAs to good advantage to allow discrete uses of voucher assistance in each other's jurisdiction and to share functions when it is efficient to do so;

Whereas, reasons and opportunities for cooperation in discrete situations and for specific properties may arise unexpectedly or, we hope, more frequently,

Whereas, it would be convenient to give the Executive Directors authority to approve such cooperation without having to seek Board approval for each use;

Whereas, THA and PCHA also need a clear way to withdraw approval for such activities once given;

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

The Executive Director is authorized to execute an Interlocal Cooperation Agreement with the Pierce County Housing Authority in substantially the form set forth in the attached draft.

Approved: January 26, 2011

Dr. Arthur Banks, Chairman

INTERLOCAL COOPERATION AGREEMENT
between the
PIERCE COUNTY HOUSING AUTHORITY
and the
TACOMA HOUSING AUTHORITY

GENERAL

The PIERCE COUNTY HOUSING AUTHORITY (PCHA) and the HOUSING AUTHORITY OF THE CITY OF TACOMA (THA) agree as follows:

1. RECITALS

- 1.1** Pursuant to Chapter 39.34 RCW, any two public agencies may enter into agreements with one another for joint or cooperative action to provide services and facilities in a manner that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.
- 1.2** PCHA and THA are public housing authorities operating pursuant to Chapter 35.82 RCW.
- 1.3** RCW 35.82.100 provides that “Any two or more authorities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of financing, planning, undertaking, constructing or operating a housing project or projects located within the area of operation of any one or more of said authorities.”
- 1.4** PCHA and THA enter this agreement to promote better service to their communities and more efficient operations.

- 1.5 PCHA and THA partner with other agencies and non-profit service providers that in turn serve areas or populations that cross jurisdictional lines between PCHA and THA.

2. AGREEMENT

- 2.1 The recitals are part of this agreement.

- 2.2 PCHA and THA may each conduct specific activities within the other's jurisdiction upon the written agreement of their Executive Directors, or designees. These written agreements shall be executed for each specific activity.

2.3 Miscellaneous

- 2.3.1 Nothing in this agreement, including sections 2.3.3, 2.3.4 and 2.3.5 below, limits the administration of federally funded housing vouchers or other programs in the other's jurisdiction pursuant to the federal rules governing such activities.

- 2.3.2 This Agreement does not create any separate legal or administrative agency.

- 2.3.3 Either party may terminate this agreement with thirty (30) days written notice to the other. This agreement shall be effective until it is so terminated.

- 2.3.4 Subject to the following section 2.3.5, this agreement shall not diminish the authority of either party to continue activities previously begun under prior interlocal cooperation agreements.

- 2.3.5 The termination of this agreement, unless otherwise allowed by the terms of the termination, shall require the parties to terminate their specific activities in the other's jurisdiction undertaken pursuant to this or prior interlocal cooperation agreements and to do so by the end of each specific activity's funding, lease or contractual obligation that governs the specific activity, PROVIDED a termination shall not affect a party's ownership or operation of any real property purchased under this or prior interlocal cooperation agreements.

- 2.3.6 This agreement shall be filed with the Auditor Office's for Pierce County consistent with Chapter 39.34 RCW.

2.3.7 This Agreement shall be interpreted and construed under the laws of the State of Washington.

Approved by the Board of Commissioners of the Pierce County Housing Authority on the ___ day of _____, 2011.

By: _____
Chairperson

Attest: _____
Executive Director

Approved by the Board of Commissioners of the Tacoma Housing Authority on the ___ day of _____, 2011.

By: _____
Chairperson

Attest: _____
Executive Director

DRAFT

EXECUTIVE DIRECTOR REPORT



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

Date: January 19, 2011
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Executive Director's Report: January 2011

This is my monthly report for January 2011. It supplements the Departments' reports.

1. THE YEAR AHEAD

This year, we hope, will see resolution or important progress on some long pending projects and efforts. Here is a list of some of the notable ones of interest to the Board:

- **Strategic Planning**
We will be resuming our strategic planning discussion. This has been delayed pending changes in the cabinet and the press of other business. I expect we will resume this important effort within the next several weeks. I will distribute a revised plan and schedule shortly.
- **MTW Implementation**
This year we will implement THA's first MTW plan, which we hope HUD will approve this Spring. Having waited 5 years to become an MTW agency, we now face the charm and challenge of actually doing the plan. This will require a lot of work by staff on the front end in anticipation of efficiencies, savings and innovation later on.
- **Salishan**
New Salishan is not quite finished. We have the following left to do:
 - sell 240 finished lots
 - plan and build the Salishan core
 - find a developer of an assisted living facility for Arlington Drive
- **Hillside Terrace**
Old Hillside remains that part of THA's portfolio most in need of attention. We hope to tear it down and rebuild it. Following our unsuccessful application for HOPE VI funds we will think anew.

- **Education Project**

We will be in the third full year of our Education Project. This year will see the launch of the McCarver Elementary School Initiative. We remain very excited about what we will learn about the role of a public housing authority in promoting school success.

- **Property Management**

We will shortly be fully leased up at Salishan. That will allow us to turn our full attention to turning units quickly, fulfilling work orders and other rudiments of property management that will show ourselves capable of first rate property management.

2. **CONGRESSIONAL APPROPRIATION NEWS**

As you know, Congress did not finish a federal budget for FY 2011 by the normal deadline of October 1, 2010. The lame duck Congress in December also did not get it done. Instead, it passed a continuing resolution keeping the federal government going at 2010 levels of expenditure. That continuing resolution expires on March 4th, which becomes Congress' next deadline.

The continuing resolution may actually be good for us because the next budget is not likely to be as favorable as the 2010 one. I attach CLPHA's chart assessing President Obama's 2011 budget levels. The President's proposals are pretty good. However, since the election in November he has stated his intention to seek serious cuts in discretionary spending. The new leadership in the House has expressed a resolved for even deeper cuts. I append an analysis from CBPP.

I must mention a danger that always arises when Congress is late with a budget. It may impose any cuts retroactively to January 1st. It did so in 2004 when it cut our voucher program. That set off a scramble to "catch" up with shortfalls that we did not know we had been incurring.

Another possibility is that Congress will extend the continuing resolution for the entire budget year. That has also happened before.

This next budget will be our next significant fiscal news. Stay tuned!

3. **THA GETS 100 NEW VOUCHERS**

I am very pleased about the news that HUD has fully granted THA's application for 100 vouchers to serve "non-elderly disabled persons." (NED vouchers). This award is notable for several reasons:

- These vouchers were very competitive. HUD granted only 948 nationwide; THA received 100 of them! This is as many as the entire state of New Jersey.
- These vouchers will allow us to serve 100 persons who presently live in nursing homes and other institutions but who can live independently if only they could find an affordable place to live. Moving these persons to independent living will also save the state and federal Medicaid budgets a significant amount of money.

- These vouchers will further strengthen THA has a pending application for 100 FUP vouchers in partnership with DSHS and the Pierce County Alliance and others. We should hear in the next month or so. In February we expect to apply for still more VASH vouchers in partnership with the VA and local service organizations.

CHLPHA: Industry & HUD Requests FY2010 - FY2011

	FY2010 Industry Needs	FY2010 HUD Request	FY2010 Final	FY2011 Industry Needs	FY2011 HUD Request
Operating Fund	\$5.5 billion	\$4.6 billion	\$4.775 billion	\$5.084 billion	\$4.829 billion
Capital Fund [Service Coordinators & for the Elderly and Disabled] [Safety and Security] [Resident Opportunity and Supportive Services]	\$5 billion [\$105 million] [\$310 million] [\$0]	\$2.244 billion [\$40 million] [\$20 million] [\$0]	\$2.5 billion [\$50 million] [\$20 million] [\$40 million]	\$5 billion [\$50 million] [\$310 million] [\$55 million]	\$ 2.044 billion [\$0] [\$0] [\$0]
HOPE VI	\$800 million	\$0	\$200 million	\$800 million	\$0
Choice Neighborhoods Initiative	\$0	\$250 million	\$65 million	\$0	\$250 million
Housing Choice Voucher Tenant-Based Renewals	\$16.5 billion	\$16.189 billion	\$16.3 billion	\$17.165 billion	\$17.31 billion
HCV Admin Fees	\$1.65 billion	\$1.493 billion	\$1.57 billion	\$1.72 billion	\$1.791 billion
Section 8 Family Self Sufficiency Program	\$72 million	\$50 million	\$60 million	\$72 million	\$60 million

November 29, 2010

PROPOSALS TO CUT DOMESTIC PROGRAMS THREATEN LOSS OF HOUSING ASSISTANCE FOR THOUSANDS OF LOW-INCOME FAMILIES

Current House and Senate Bills Would Fully Fund Vouchers

By David Lara and Douglas Rice

Summary

The full House of Representatives and the Senate Committee on Appropriations have approved bills that would provide adequate funding in 2011 to renew all Housing Choice (“Section 8”) vouchers used by low-income families this year, according to Center analysis. If final appropriations legislation were to fund the voucher program at the midpoint between the House and Senate bills, it would provide \$19.3 billion for housing vouchers, including \$17 billion for voucher renewals.

However, several proposals to reduce overall funding for nondefense discretionary programs in the final appropriations bills for fiscal year 2011 threaten cuts in voucher funding that could cause tens of thousands of low-income families to lose rental assistance. These threats are real under each of the plausible scenarios in which Congress may complete final funding legislation for the year:

- If Congress approves an omnibus spending bill before the end of December, overall funding for discretionary programs is likely to be reduced to, or even somewhat below, the level proposed by Senators Sessions and McCaskill earlier this year.¹ If the reductions were imposed uniformly across nondefense discretionary programs, funding for HUD programs would be cut by \$800 million below the midpoint of the House and Senate bills, including a cut of nearly \$300 million for housing voucher renewals. This would eliminate funding for housing vouchers used by 38,000 low-income families. (A state-by-state breakdown of cuts is in the appendix.)
- If Congress is unable to reach agreement on an omnibus appropriations bill, it could approve a resolution to continue to fund federal agencies at 2010 levels through the remainder of the fiscal year ending on September 30, 2011. Under such a “continuing resolution,” cuts to HUD programs, including the voucher program, would likely be deeper than under an omnibus —

¹ An “omnibus” bill would include all of the unfinished appropriations bills for 2011, including Transportation-HUD. The figures in this analysis assume compliance with the separate caps on defense and nondefense funding proposed by Senators Sessions and McCaskill. However, if overall funding for the omnibus is held to the total proposed by Sessions and McCaskill, but defense funding is below what they proposed, then the reduction in nondefense funding would be smaller. For information on the Sessions-McCaskill proposal, see James R. Horney, “Sessions-McCaskill Proposal to Establish Discretionary Funding Limits Would Impose Steep Cuts on Domestic Programs,” Center on Budget and Policy Priorities, May 25, 2010, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3195>.

housing vouchers for 100,000 low-income families would not be funded — but not nearly as deep as they could be if Congress delays final decisions until early next year (see below).

- Finally, Congress could leave final decisions to the next Congress by approving a temporary resolution to fund federal agencies at 2010 levels through early next year. Under this scenario, the new House would almost certainly make major changes to most funding bills, and likely would use as a starting point the September proposal by House Speaker-elect John Boehner to cut overall funding for nondefense discretionary programs by \$101 billion, or 21 percent, below fiscal year 2010 funding levels adjusted for inflation.² If such a deep cut were imposed uniformly across programs, the HUD budget in the House and Senate bills would be slashed by nearly \$10 billion, and funding for voucher renewals would be cut by \$3.6 billion. This would result in the elimination of housing vouchers for approximately 475,000 low-income families in 2011, a loss of assistance that would be unprecedented in the history of federal housing policy.

While some state and local housing agencies are able to mitigate the impact of *modest* funding shortfalls on low-income families by drawing down funding reserves to renew vouchers, many agencies have few reserves. Moreover, the funding shortfalls that would exist under the scenarios described above would be far from modest, unless Congress exempted the voucher program from the deep cuts in nondefense programs.

If Congress does not protect the voucher program from cuts, then even under the most favorable of the scenarios described above — an omnibus appropriations bill at the Sessions-McCaskill level — many local housing agencies would be forced to terminate rental assistance for thousands of families, reduce further the number of families they assist through program attrition, and take actions that raise rents sharply on low-income tenants. Under the worst-case scenario — delaying a final HUD funding bill until next year and imposing a 21 percent cut — it would be impossible for agencies to avoid terminating rental assistance for hundreds of thousands of low-income families.

The full renewal of housing vouchers in 2011 is critical to preventing homelessness and other hardships, particularly at a time of high unemployment and weak wage growth. More than 2 million low-income families — nearly all of which include people who are children or elderly or who have disabilities — use vouchers to rent modest housing in the private market. Monthly housing costs for these families would typically *double* or *triple* if their vouchers were terminated, placing many at risk of losing their homes. Moreover, only a fraction of eligible low-income families currently receive assistance due to funding limitations — and the need for assistance is rising sharply. Since 2007, when the economy began to weaken, the number of poor families struggling to pay severely unaffordable rental housing costs has increased by 800,000, or 17 percent, while the number of homeless children living in temporary shelters has increased by 12 percent, to 325,000, in 2009. Two to three times as many were homeless in 2009 if one also includes children living in temporary hotels or motels, doubled up with other families, or on the street.³

² For more on the Boehner proposal, see James R. Horney and Robert Greenstein, “Boehner Proposal Would Cut Non-Security Discretionary Programs 21 Percent, The Deepest Such Cut in Recent U.S. History,” Center on Budget and Policy Priorities, September 15, 2010, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3286>.

³ Housing costs are unaffordable under federal guidelines if they exceed 30 percent of household income. The figures cited here refer to households with housing costs equal to at least half their income. See footnote 14 for data sources.

Cuts in housing vouchers would also diminish a helpful source of economic demand that contributes to growth in local economies. Housing vouchers free up budgetary resources for low-income families that they are likely to spend quickly on food and other necessities. In this respect, housing vouchers are similar to food stamps and unemployment insurance, which the Congressional Budget Office and other economic experts have identified as among the most effective tools to spur demand and boost the economy when it is weak. In addition, housing vouchers reduce vacancies and provide reliable rental income for thousands of low- and moderate-income property owners who rent to voucher tenants. This helps owners to maintain their properties in good condition at a time when foreclosures and high vacancy rates are contributing to blight in many neighborhoods.

House and Senate HUD Bills Would Fully Renew Housing Vouchers in 2011

The House of Representatives and the Senate Committee on Appropriations have approved separate bills to fund programs administered by the U.S. Department of Housing and Urban Development (HUD) for fiscal year 2011. The bills are frugal: both are *below* the 2010 funding level, adjusted for inflation. If the final bill were funded at the midpoint between the two bills, total discretionary funding would be reduced, in real terms, by \$453 million, or 0.7 percent, below the real 2010 funding level.

	House	Senate	Midpoint
Housing Vouchers, total	\$19,296	\$19,396	\$19,346
Voucher renewals	\$16,980	\$17,065	\$17,023
Administrative fees	\$1,851	\$1,851	\$1,851
Incremental vouchers	\$160	\$175	\$168
Other	\$305	\$305	\$305

Source: H.R. 5850, S. 3644. "Other" includes funding for tenant protection vouchers when federally-subsidized housing is demolished or lost, renewal of Section 811 rental assistance for people with disabilities, and the Disaster Housing Assistance Program. Figures do not include funding for the Transformation Initiative.

The two bills' proposed funding levels for the Housing Choice Voucher Program are shown in the table. If the final bill were to fund the program at the midpoint between the House and Senate bills, it would provide \$19.3 billion for housing vouchers, including \$17 billion for voucher renewals.⁴ This amount would likely be adequate to renew all vouchers that low-income families used in 2010, according to the Center's analysis of voucher program cost data.⁵

⁴ The House and Senate bills are H.R. 5850 and S. 3644. The figures cited exclude amounts provided in the Housing Choice Voucher Program account in each bill for the Administration's Transformation Initiative.

⁵ Put another way, the renewal funding amount is sufficient to provide housing agencies with 100 percent of the funds for which they will be eligible under the voucher renewal formula. This analysis is based on voucher cost data through June 2010; actual renewal eligibility could be somewhat higher or lower depending on cost trends in the second half of the year. In addition, our analysis assumes that the inflation factors used in the voucher renewal formula will average a

A great deal of uncertainty exists about when the final funding bill will be completed. Moreover, total funding for HUD programs in the final bill will likely be lower — perhaps considerably lower — than the amounts in the House and Senate bills. This could have deleterious impacts on low-income families now using housing vouchers, as discussed below.

Potential Cuts Threaten Loss of Vouchers for Tens of Thousands of Families

Several proposals have been introduced in Congress to make deep cuts in overall funding for non-defense programs below the levels in the bills approved by the House and Senate appropriations committees. In recent months, these proposals have gained momentum. They are nearly certain to affect final funding legislation for 2011, including the HUD bill, although the potential impact on any particular program remains difficult to gauge.

The process of finalizing funding legislation for 2011 is likely to proceed along one of the following three paths. In each of these scenarios, HUD funding would be reduced below the levels in the current House and Senate bills; the third scenario would almost certainly result in much deeper cuts than the first two options:

- **Omnibus spending bill could result in loss of funding for 38,000 vouchers.** If Congress approves an omnibus spending bill before the end of December, overall funding for discretionary programs is likely to be set at, or even somewhat below, the level proposed by Senators Sessions and McCaskill in an amendment offered to separate legislation in May. The Sessions-McCaskill proposal requires, in effect, that total funding for nondefense discretionary programs be reduced to 2.4 percent below the 2010 funding level, adjusted for inflation. If such reductions were imposed uniformly across programs, total funding for HUD programs would be reduced by \$800 million below the midpoint of the House and Senate bills, including a cut of nearly \$300 million for housing voucher renewals.⁶ Such a cut would eliminate housing vouchers for approximately 38,000 low-income families.
- **Long-term funding resolution could result in greater loss of vouchers.** If Congress is unable to reach agreement on an omnibus, it could approve a resolution to fund federal agencies at 2010 levels through the remainder of the fiscal year ending on September 30, 2011.

modest 0.3 percent in 2011, a figure derived from recent changes in the Consumer Price Indices for residential rents and utilities.

The voucher renewal policies of the House and Senate bills are nearly identical: renewal funding for most housing agencies would be based on the leasing and costs of authorized vouchers during calendar year 2010, with adjustments for inflation and additional costs associated with the first-time renewal of tenant protection and incremental vouchers. Of the renewal funding amount, each bill sets aside \$150 million for funding adjustments for costs related to “unforeseen circumstances” or portability, project-based voucher commitments, deposits to Family Self Sufficiency escrow accounts, certain agencies that are in receivership and have approved fungibility plans, and to prevent the termination of assistance for families participating in the disaster voucher program.

⁶ Specifically, these are the funding reductions that would be made if total funding for HUD discretionary programs was reduced to 2.4 percent below the CBO 2010 baseline level, and the reductions were distributed among programs in proportion to each program’s share of total funding. The proposal does not *require* that the funding reductions be imposed uniformly among bills or programs.

Under such a “continuing resolution,” cuts to HUD programs, including the voucher program, would likely be deeper than under an omnibus — but not nearly as deep as they are likely to be if Congress delays final decisions until early next year (see below). Funding voucher renewals at the 2010 level (with no adjustment for inflation) would eliminate funding for 100,000 housing vouchers now used by low-income families.⁷

- **Short-term funding resolution could result in loss of nearly *half a million* vouchers.**

Congress could approve a continuing resolution to fund federal agencies at 2010 levels through early next year, leaving decisions about funding for the rest of the fiscal year to the next Congress. Under this scenario, the new House would almost certainly make substantial changes to most funding bills for 2011, and likely would use as a starting point the September proposal by House Speaker-elect John Boehner to cut overall funding for nondefense discretionary programs by \$101 billion, or 21 percent, below fiscal year 2010 funding levels adjusted for inflation.

If such a deep cut were imposed uniformly across programs, the HUD budget in the House and Senate bills would be slashed by nearly \$10 billion, and funding for voucher renewals would be cut by \$3.6 billion. This would result in the loss of housing vouchers for approximately 475,000 low-income families in fiscal year 2011. This would be the deepest reduction in housing assistance for vulnerable families in the nation’s history. It would occur at a time when millions of low-income families are already experiencing considerable hardship as a result of persistently high rates of unemployment.

In each of the three scenarios, Congress could choose to protect Housing Choice vouchers (and other programs serving vulnerable individuals and families) from deep cuts — but to do so would likely require making even deeper cuts elsewhere. The deeper the overall funding reductions, moreover, the more difficult it will be to for programs serving low-income families to escape without substantial cuts.

While some state and local housing agencies would be able to mitigate the impact of modest funding shortfalls on low-income families by drawing down funding reserves to renew vouchers, many agencies have few or no reserves on which they can rely. As a result, budget shortfalls would compel many agencies, at a minimum, to cut the number of families they assist through attrition and to reduce voucher payment standards (an action that effectively raises the rents paid by low-income tenants using vouchers unless it is phased in slowly over time).

Furthermore, even under the most favorable of the scenarios examined here (an omnibus appropriations bill with overall funding set at the Sessions-McCaskill level), housing agencies would be forced to terminate assistance for thousands of low-income families, if Congress does not protect the voucher program from substantial reductions in funding below the House and Senate bill levels.

⁷ “Continuing resolutions” typically allow no inflation adjustments in program funding. We estimate that inflation in rents and utility costs will be modest in 2011, about 0.3 percent. Nevertheless, the cost of renewing all housing vouchers in 2011 will be significantly higher than in 2010 due to other factors, the most important of which are the following. Approximately 25,000 new “tenant protection” vouchers are issued to low-income families every year to replace other forms of rental assistance that have been lost, e.g., public housing that has been demolished. In recent years, Congress also has funded a substantial number of new vouchers for homeless veterans, people with disabilities, and other vulnerable populations, and a large share of these vouchers must be renewed for the first time in 2011.

Under the worst-case scenario — a 21 percent cut in voucher funding — the termination of voucher assistance for hundreds of thousands of low-income families would almost certainly be unavoidable.

Renewal of All Vouchers Critical to Preventing Homelessness and Other Hardships

The Housing Choice Voucher Program currently enables 2.1 million low-income families to rent modest apartments in the private market at an affordable cost.⁸ The great majority of these households are poor, with incomes averaging about \$12,500.⁹ About one-third are headed by elderly people or people with disabilities, and half are families with children. Because housing vouchers are a flexible form of rental assistance and are effective at helping even poorer families to remain stably housed, they are an essential tool in community efforts to prevent and reduce homelessness.¹⁰ Housing vouchers are also a cost-effective form of rental assistance.¹¹

Monthly housing costs typically double or triple for low-income families that lose voucher assistance, making it extremely difficult for them to afford necessities such as food and medicine and to pay for the child care and transportation required to maintain a job. A significant share of these families are likely to lose their homes.¹²

Due to funding limitations, the voucher program currently serves only a fraction of the low-income families who are eligible for assistance, and the need for rental assistance is rising sharply:

- Some 5.6 million poor households — or about 60 percent of all poor renter households — paid at least *half* of their income for rent and utilities in 2009, according to the most recent Census data. That constitutes an increase of 800,000 households (17 percent) since 2007, prior to the beginning of the recession — and a 45 percent increase since 2003.¹³
- Homelessness is rising across the country, especially among families with children. According to HUD, 325,000 children lived at least part of 2009 in a homeless shelter, an increase of 12 percent since 2007. Separate data from the U.S. Department of Education show that two to three times as many children were homeless in 2009 if one also includes children living in

⁸ Participants in the voucher program generally pay 30 percent of their income for rent and basic utilities; the voucher covers the gap between this payment and the actual costs, within reasonable limits set by the local housing agency and HUD. For general information on the voucher program, see “Introduction to the Housing Voucher Program,” Center on Budget and Policy Priorities, May 15, 2009, <http://www.cbpp.org/cms/index.cfm?fa=view&id=2817>.

⁹ HUD Resident Characteristics Report, as of October 31, 2010.

¹⁰ Jill Khadduri, “Housing Vouchers Are Critical for Ending Family Homelessness,” National Alliance to End Homelessness, January 28, 2008.

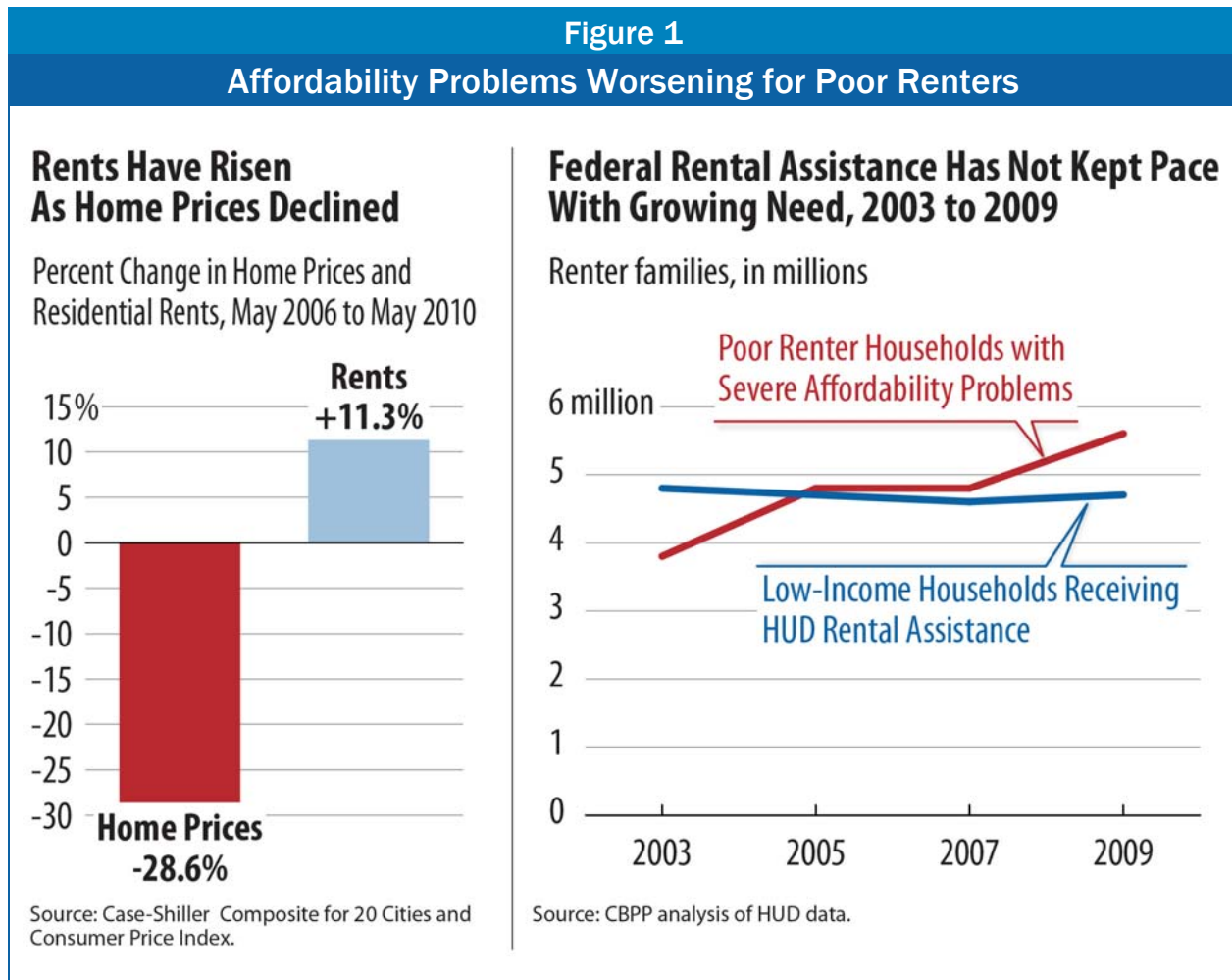
¹¹ See Government Accountability Office (GAO), *Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs*, GAO-02-76.

¹² Data compiled by HUD, the Department of Education, and the Bureau of the Census suggest that, every year, roughly 1 in 10 people with incomes below the poverty line become homeless for at least part of the year, if one includes people living temporarily in motels or doubled up with other families, as well as those living in shelters or on the street.

¹³ Source is the 2007 and 2009 American Housing Survey, administered by the U.S. Bureau of the Census.

temporary hotels or motels, doubled-up with other families, or on the street.¹⁴

- Recent changes in the housing market have done little to ease cost burdens on low-income renters. While home prices have fallen by nearly 30 percent since the market peaked in 2006, residential rents have merely leveled off and are actually 11 percent *higher* than in 2006.



History suggests that these problems are likely to worsen before they get better, as improvement in the unemployment and poverty rates typically lags economic recovery. In the last three recessions, the poverty rate did not begin to fall until a year after the annual unemployment rate began to decline.¹⁵ The most recent Blue-Chip estimates expect that the unemployment rate will remain above 9 percent through the fourth quarter of 2011.¹⁶

¹⁴ Data are from the following sources: U.S. Bureau of the Census, *2009 American Housing Survey*; U.S. Department of Housing and Urban Development, *The 2009 Annual Homeless Assessment Report to Congress*; National Center for Homeless Education, *Education for Homeless Children and Youth Program Data Collection Summary*, June 2010.

¹⁵ See Arloc Sherman, "Where Will Poverty Go from Here?," Off the Charts Blog, September 17, 2010, <http://www.offthechartsblog.org/where-will-poverty-go-from-here/>.

¹⁶ Chad Stone and Hannah Shaw, "Emergency Unemployment Insurance Benefits Remain Critical for the Economy," Center on Budget and Policy Priorities, November 10, 2010, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3320>.

In short, weak income growth is likely to continue among low-income households, sustaining and perhaps even widening the gap between tenants' incomes and housing costs. It is therefore critical that Congress fully renew housing vouchers to prevent reductions in the number of families receiving rental assistance in 2011.

Voucher Cuts Would Also Hurt Local Economies and Housing Markets

While the economy has begun to recover, its continuing weakness has led many economists to conclude that additional stimulus is needed to increase economic activity and reduce unemployment.¹⁷ One of the most effective ways to boost demand and generate increased economic activity is to target financial assistance on low- and moderate-income households, since they are more likely to spend rather than to save any additional income they receive. This is why numerous experts, including the Congressional Budget Office and economist Mark Zandi of Moody's Economy.com, have concluded that expanding food stamp and unemployment benefits is, dollar for dollar, among the most effective ways to spur demand in the face of economic weakness.¹⁸

In much the same way, rental assistance — including assistance provided through the Housing Choice Voucher Program — provides considerable “bang for the buck” in producing jobs and stimulating economic growth during a downturn. Like food stamps, voucher assistance is targeted to the most hard-pressed families: three-quarters of new admissions to the voucher program must have extremely low incomes (below 30 percent of the area median income). When families use vouchers to rent housing, this frees up budgetary resources that the families will spend quickly on other essentials. The benefits of this increased spending then ripple through the economy.

Indeed, every additional \$1 spent on rental assistance will likely generate between \$1.50 and \$2 in additional economic demand, on a par with the powerful effect of expanded food stamp and unemployment benefits.¹⁹ In addition, housing vouchers reduce vacancies and provide reliable rental income for thousands of low- and moderate-income property owners who rent to voucher tenants. This helps owners to maintain their properties in good condition at a time when foreclosures and high vacancy rates are contributing to blight in many neighborhoods.²⁰

¹⁷ Chad Stone and Hannah Shaw, “Emergency Unemployment Insurance Benefits Remain Critical for the Economy,” Center on Budget and Policy Priorities, November 10, 2010, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3320>.

¹⁸ Mark M. Zandi, “Assessing the Macro Economic Impact of the Fiscal Stimulus 2008,” January 2008; Congressional Budget Office, “Policies for Increasing Economic Growth and Employment in 2010 and 2011,” January 2010, Table 1, p. 18.

¹⁹ The economic multipliers cited here are consistent with Zandi (2008) and the President's Council of Economic Advisers, “Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009,” May 2009.

²⁰ For further explanation of the role that rental assistance can play in supporting local economies, including local housing markets, see Douglas Rice, “Options For Jobs Legislation: Providing \$1 Billion To Prevent Homelessness,” Center on Budget and Policy Priorities, December 15, 2009, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3032>.

Appendix

Potential Cuts in Families Assisted with Housing Vouchers in 2011, by State

	Omnibus at Sessions- McCaskill Level	Continuing Resolution through FY 2011	Revised Funding Bills at Boehner Level
Alabama	516	1,385	6,346
Alaska	77	206	942
Arizona	365	979	4,486
Arkansas	380	1,021	4,678
California	5,370	14,418	66,060
Colorado	506	1,358	6,223
Connecticut	628	1,686	7,723
Delaware	74	200	916
District of Columbia	232	624	2,860
Florida	1,586	4,259	19,513
Georgia	1,068	2,868	13,139
Hawaii	165	442	2,024
Idaho	119	321	1,469
Illinois	1,652	4,437	20,327
Indiana	602	1,616	7,404
Iowa	377	1,012	4,637
Kansas	201	540	2,474
Kentucky	560	1,504	6,889
Louisiana	858	2,303	10,550
Maine	214	576	2,637
Maryland	736	1,977	9,059
Massachusetts	1,306	3,507	16,070
Michigan	912	2,450	11,223
Minnesota	531	1,427	6,536
Mississippi	387	1,038	4,756
Missouri	699	1,878	8,602
Montana	100	269	1,234
Nebraska	199	535	2,453
Nevada	234	628	2,879
New Hampshire	164	441	2,022
New Jersey	1,120	3,007	13,776
New Mexico	224	601	2,751
New York	3,967	10,652	48,804
North Carolina	1,001	2,689	12,319
North Dakota	125	334	1,532
Ohio	1,594	4,279	19,604

Appendix

Potential Cuts in Families Assisted with Housing Vouchers in 2011, by State

Oklahoma	421	1,130	5,178
Oregon	576	1,547	7,088
Pennsylvania	1,565	4,202	19,250
Rhode Island	149	401	1,837
South Carolina	419	1,125	5,156
South Dakota	96	257	1,175
Tennessee	588	1,579	7,236
Texas	2,624	7,045	32,277
Utah	184	495	2,266
Vermont	99	265	1,216
Virginia	768	2,061	9,442
Washington	935	2,511	11,504
West Virginia	246	661	3,028
Wisconsin	473	1,271	5,823
Wyoming	39	106	484
Territories	575	1,543	7,070
Total	38,609	103,664	474,948

Note: Figures are Center on Budget and Policy Priorities estimates derived from analysis of HUD data. For each funding reduction proposal, it was assumed that the reduction would be imposed uniformly across nondefense programs. For instance, the Sessions-McCaskill proposal would cap total funding for nondefense discretionary programs in fiscal year 2011 at \$544 million, an amount that is 2.4 percent below the 2010 funding level, adjusted for inflation. Accordingly, our estimates assume that total funding for HUD discretionary programs would be set at 2.4 percent below the inflation-adjusted 2010 level, and that reductions in program funding would be made in proportion to each program's share of the total HUD budget. Similar procedures were used in analyzing the impact of the other two proposals. Using projected per-voucher costs for each agency in 2011, we then calculated the number of vouchers in each state that would not receive renewal funding in 2011 under each proposal. The figures assume that housing agencies address shortfalls by reducing the number of families they assist, rather than by taking other steps that may be available to them (most of which would also harm low-income families).