



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

July 27, 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, July 27, 2011

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Regular Meeting **Wednesday, July 27, 2011 at 4:00 p.m.**

The meeting will be held at:

**902 South L Street
Tacoma, WA 98405**

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, July 22, 2011, 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
JULY 27, 2011, 4:00 PM
902 South L Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of June 22, 2011 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
 - 6.5 Human Resources
- 7. OLD BUSINESS**
- 8. NEW BUSINESS**
 - 8.1 THA Resolution 2011-7-27 (1), A&E Svcs for THA Admin Offices Space Study and Design**
 - 8.2 THA Resolution 2011-7-27 (2), Commitment of THA funds for Stewart Court Apartments**
 - 8.3 THA Resolution 2011-7-27 (3), Disposition Application for 1800/2500 Hillside Terrace**
 - 8.4 THA Resolution 2011-7-27 (4), Hillside Terrace Phase I Authorizing Resolution**
 - 8.5 THA Resolution 2011-7-27 (5), Hillside Terrace Phase II Authorizing Resolution**
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 11. EXECUTIVE SESSION**

Discussion of collective bargaining issues
- 12. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, JUNE 22, 2011

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 1202 South M Street, Tacoma, WA at 4:00 PM on Wednesday, June 22, 2011.

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 4:07 PM.

2. ROLL CALL

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

Present	Absent
Arthur C. Banks, Chair	
Janis Flauding, Vice Chair	
Greg Mowat, Commissioner	
Ken Miller, Commissioner (arrived at 4:20 PM)	
Stanley Rumbaugh, Commissioner (arrived at 4:08 PM)	
Staff	
Michael Mirra, Executive Director	
Christine Wilson, Executive Administrator	
Ken Shalik, Finance and Administration Director	
April Black, REMHS Director	
Barbara Tanbara, Human Resources Director	
Nancy Vignec, Community Services Director	
Walter Zisette, RED Director	

Chair Banks declared there was a quorum present @ 4:01 PM.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Banks asked for any corrections to or discussion of minutes for the Meeting of the Board of Commissioners of Wednesday, May 25th. Commissioner Mowat moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Chair Banks asked for any corrections to or discussion of minutes for the Meeting of the Board of Commissioners Study Session of Friday, June 3rd. Commissioner Mowat moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

Ms. Pamela Kebre, resident of the EB Wilson building commented on safety issues in the building and the surrounding neighborhood. She asked if THA is looking at implementing additional safety measures for each building. Ms. Kebre is not confident that persons who are not authorized to be in the building are being kept out and added that she has witnessed those unauthorized individuals getting through the locked front door by following authorized residents into the building. She would like to see security cameras installed around the building. Mr. Robert Sager, also a resident of the EB Wilson building agreed with Ms. Kebre's concerns about safety issues in the building. Ms. Hope Rehn, President of SAFE stated that EB Wilson has a building representative who monitors these issues and reports back to the SAFE board. Commissioner Miller requested that a report be provided to the board related to these safety issues that have been brought to the board this evening by the residents. Ms. Emily Pierce-North, resident of the EB Wilson building commented that she would also like to see the same cameras installed at Wright Street Apartments installed here at EB Wilson. Commissioner Miller stated that the individual issues and concerns need to be resolved by staff. He thanked the residents for bringing these issues to the board and looks forward to reviewing the safety report that will be brought forward by staff. Chair Banks asked Director Black to provide this report to the board. He added that the residents can also assist in the safety of the building by working with one another to make sure that exterior doors are closed and added that if deemed necessary, the board will entertain any policy recommendations from staff to increase the safety of our residents and THA buildings. Commissioner Miller added that THA has discussed in the past to look at separating our elderly and

disabled populations and inquired with ED Mirra when a more thorough conversation will occur. ED Mirra reported that such separation is the subject of a pending project that staff have not yet undertaken. Commissioner Flauding suggested that the residents invite a Safe Streets representative to a meeting and engage in safety assistance. Ms. Kebre added that she is concerned about the screening of applicants allowed into THA programs and stated that she does not believe THA staff is enforcing the lease, especially the no-smoking rule. ED Mirra noted that tenants are served notice of violations and evicted for non-compliance of the lease. Ms. Rehn ended the guest comment period by responding to concerns she heard that the SAFE board by-laws governing SAFE are not legal. Ms. Rehn clarified that the SAFE by-laws are legal and copies are provided to the Washington Secretary of State's office annually as required by law. Regarding the safety of EB Wilson, she does not believe these issues are unique to this building, other buildings also have challenges.

5. COMMITTEE REPORTS

Real Estate Development Committee – No report

Finance Committee – Commissioner Mowat stated he met with the finance staff and the financial reports are in order.

6. ADMINISTRATIVE REPORTS

Finance Administration

Director Shalik directed the board to his monthly report.

Commissioner Mowat moved to ratify the payment of cash disbursements totaling \$3,517,392 for the month of May 2011. Commissioner Flauding 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

Director Black directed the board to her monthly report. She announced that THA has been awarded 25 additional VASH Project Based Vouchers from HUD. Staff is preparing for REAC inspections in August and expects our pre-inspections of the units to generate more work orders that will increase the monthly work order numbers significantly for next month's report. Director Black added that she will work with Director Tanbara on Commissioner Rumbaugh's request for a cost-benefit analysis

between labor costs and lost revenue with slow unit turns and will provide this information at the next board meeting.

Real Estate Development

Director Walter Zisette referred the board to his monthly report. He discussed the Salishan Core Campus survey results. Staff are compiling them. These results will help staff program the Core. Commissioner Flauding announced and invited THA staff to attend Salishan's National Night Out event on Tuesday, August 2nd. She added that this would be a great opportunity to continue surveying residents and other community members from the eastside of Tacoma. Director Zisette added that 28 Salishan lots in Area 3 have been sold to Quadrant Homes. He corrected his report and stated that there will be a Hillside Terrace community meeting scheduled for July 6th not June 29th.

Community Services

Director Vignec referred the board to her report and described the summer activities that will be available to THA children. Starting on June 20th, St. Leo's Food Connection will provide free brown bag lunches for school aged children. The sites this year will be Salishan, Hillside Terrace, and Bergerson Terrace. Additionally, activities have been organized at Courtyard Park providing lunch and snacks. Commissioner Rumbaugh asked if THA is able to provide transportation. Director Vignec stated we will need approved drivers and is willing to look at the possibility of approving THA resident drivers.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2011-6-22 (1), FISCAL YEAR 2011 BUDGET REVISION

Whereas, The Board of Commissioners of the Housing Authority of the City of Tacoma ("Authority") approved the FY 2011 Budget on June 23, 2010

Whereas, The THA 2011 Fiscal Year was changed to a Calendar Year in 2011, including a six month extension from June 30 to December 31.

Whereas, Authority staff determined that the FY 2011 Budget should be revised based on updated information on funding and expenditure needs.

Whereas, Authority staff has prepared, and the Board of Commissioners of the Housing Authority of the City Tacoma have reviewed and provided input to the proposed Revised

FY 2011 budget:

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the Revised FY 2011 Budget and hereby authorizes the Executive Director to implement and execute said document. Revised expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$641,691
Human Resources	529,083
Finance & Administration	2,525,468
Community Services	2,088,260
Development	2,454,662
Rental Assistance	51,539,700
Property Management	<u>9,540,913</u>
Subtotal	\$69,319,777

<u>Additional Cash Outflows</u>	
Capital Expenditures	15,671,523
Debt Service	<u>279,110</u>
Subtotal	15,950,633

TOTAL APPROVED BUDGET	<u>\$ 85,270,410</u>
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Commissioner Mowat motioned to approve the resolution. Commissioner Flauding seconded the motion.

Upon roll call, the vote was as follows:

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

Approved: June 22, 2011

Dr. Arthur C. Banks, Chairman

8.2 RESOLUTION 2011-6-22(2), AUTHORIZATION TO SUBMIT ROSS SERVICE COORDINATOR GRANT APPLICATION

Whereas, On April 21, 2011, the Department of Housing and Urban Development (HUD) issued a Notice of Funding Availability (NOFA) for the Resident Opportunity and Self-Sufficiency (ROSS) Service Coordinator grant;

Whereas, The NOFA specifies that Tacoma Housing Authority (“Authority”) is eligible to apply for \$240,000 for a term of three years;

Whereas, The Authority plans to continue its Service Coordinator program at its family housing developments;

Whereas, The Authority plans to provide services to help public housing residents attain economic and housing self-sufficiency through the Service Coordinator program;

Whereas, The Authority has developed a preliminary budget of \$240,000 for the provision of Service Coordinator program components;

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

1. That the Executive Director of the Tacoma Housing Authority submit a HUD ROSS Service Coordinator grant application with a proposed budget of \$240,000 for a three-year term to provide services to help public housing residents attain economic and housing self-sufficiency.

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

Upon roll call, the vote was as follows:

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

Approved: June 22, 2011

Dr. Arthur C. Banks, Chairman

8.3 RESOLUTION 2011-06-22 (3) REVISION TO SEASHOLTZ CONSULTING INC. CONTRACT FOR MOVING TO WORK CONSULTING SERVICES

WHEREAS, Tacoma Housing Authority (THA) has engaged the services of Seasholtz Consulting Inc. for assistance in analyzing activities related to THA’s Moving-to-Work designation;

WHEREAS, the scope of work must be expanded;

WHEREAS, the length of the contract must be extended;

WHEREAS, the amount of the contract must be increased.

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

1. Approve Resolution 2011-06-22 (3), Authorizing the Executive Director to sign a contract amendment for the Seasholtz Consulting Inc. Contracts in the amount not-to-exceed \$160,000.

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

Upon roll call, the vote was as follows:

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

Approved: June 22, 2011

Dr. Arthur C. Banks, Chairman

8.4 RESOLUTION 2011-6-22(4), AUTHORIZATION TO EXECUTE THE PUGEST SOUND REGIONAL COUNCIL'S MEMORANDUM OF UNDERSTANDING FOR ITS GROWING TRANSIT COMMUNITIES CONSORTIUM

Whereas, the US Department of Housing and Urban Development's Office of Sustainable Housing and Communities has awarded the central Puget Sound region with a federal Partnership for Sustainable Communities grant to implement its six livability principles;

Whereas, the Federal Partnership for Sustainable Communities grant in the central Puget Sound region is the *Growing Transit Communities* program;

Whereas, the central Puget Sound region has established a strong foundation for regional collaboration and planning with the adoption of VISION 2040, Transportation 2040, and a coordinated Regional Economic Strategy, which, combined together, provide a regional sustainable development vision and policy framework;

Whereas, the purpose of the Growing Transit Communities program is to address some of the greatest barriers to implementation of the regional plans;

Whereas, it is in the interest of elected officials; public agencies; leaders of and for affordable housing, communities and neighborhoods, business, education, the environment, philanthropy, finance, real estate, and transportation to cooperatively engage in the work related to the Growing Transit Communities program for its successful completion;

Whereas, the Growing Transit Communities program will be managed by the Puget Sound Regional Council in cooperation with its partners;

Whereas. In order to facilitate collaboration and engagement among the partners of the Growing Transit Communities Program, the Puget Sound Regional Council has create a Consortium;

Whereas, a Memorandum of Understanding that describes how Consortium Partners will collaboratively achieve the Growing Transit Communities Program's goals; roles and responsibilities; decision-making; governance; accountability; and joinability has been prepared;

Whereas, the Tacoma Housing Authority has been invited by the City of Tacoma and the Puget Sound Regional Council to be a partner in the Growing Transit Communities Program

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

1. That the Executive Director of the Tacoma Housing Authority is authorized to execute the Growing Transit Communities Memorandum of Understanding; and,
2. That the Executive Director of the Tacoma Housing Authority, or his representative, is authorized to represent the Tacoma Housing Authority in meetings and deliberations he deems appropriate and in the best interests of THA.

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

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Approved: June 22, 2011

Dr. Arthur C. Banks, Chairman

8.5 RESOLUTION 2011-06-22 (5), PAYMENT STANDARDS FOR HOUSING CHOICE VOUCHER PROGRAM

WHEREAS, HUD updates its Fair Market Rents annually;

WHEREAS, housing authorities may adopt payment standards between 90-110% of the effective Fair Market Rents;

WHEREAS, THA will adopt payment standards that are appropriate based on available rental market data.

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

1. Approve Resolution 2011-06-22 (5) authorizing THA to adopt payment standards at 96% of the current fair market rent.

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

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Approved: June 22, 2011

Dr. Arthur C. Banks, Chairman

8.6 RESOLUTION 2011-6-22(6), SUBMISSION OF FUNDING APPLICATION FOR STEWART COURT APARTMENTS

Whereas, The Housing Authority of the city of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low income persons residing within the City of Tacoma, Washington;

Whereas, RCW 35.82.070(2) provides that a housing authority may “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof...”;

Whereas, The Authority has submitted a Stage 1 application for funding for rehabilitation and improvements to the Stewart Court Apartments to the Housing Trust Fund for the 2011 Funding Round;

Whereas, The Authority's Stage 1 application was successful and the Authority received an invitation to submit a Stage 2 application;

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

The Executive Director or his designee is authorized to apply for the Housing Trust Funds Stage 2 2011 Funding Round and other funding sources, as needed to support priority rehabilitation work and property improvements.

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

Upon roll call, the vote was as follows:

AYES: 5
NAYS: None
Abstain: None
Absent: 0

Adopted: June 22, 2011

Dr. Arthur C. Banks, Chairman

9. COMMENTS FROM COMMISSIONERS

None

10. COMMENTS FROM THE EXECUTIVE DIRECTOR

ED Mirra directed the board to his report. He noted that there will be two upcoming visits to THA, one from Senator Patty Murray and the other from Gates Foundation CEO Jeff Rakes to review our education project. He will keep the Board informed as we get the details of those visits.

11. EXECUTIVE SESSION

None.

12. ADJOURNMENT

There being no further business to conduct, Commissioner Miller moved to adjourn, and Commissioner Flauding seconded the motion. All voted in favor. The meeting adjourned at 5:55 PM.

APPROVED AS CORRECT

Adopted: July 27, 2011

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 \$3,896,945 for the month of June, 2011.

Approved: July 27, 2011

Dr. Arthur C. Banks, Chairman

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of June, 2011

Bank	Check Numbers		Amount	Totals
	From	To		
HERITAGE BANK				
A/P Checking Account				
Low Rent Module Checks	Check #'s	2,180 - 2,213	2,966	
Accounts Payable Checks	Check #'s	73,436 - 73,736		
Central Office Cost Center			192,469	Program Support
Moving To Work Support Center			30,319	
Tax Credit Program Support Center			-	
Section 8 Programs			23,942	Section 8 Operations
SF Non-Assisted Housing - N. Shirley			1	Local Funds
SF Non-Assist Housing - 9SF Homes			236	
Stewart Court			7,632	
Wedgewood			226	
Salishan 7			38,855	
Tacoma Housing Development Group			209	
Hillsdale Heights			985	Development
Salishan Program Income			2,300	
Salishan Area 3			14,648	
NSP Grant			250	
Development Activity			1,919	
Salishan Area 2B-Dev			5,648	
Salishan 7 - Dev A/C			8,224	
Hillside Terrace Predevelopment			1,274	Community Service
Bea's Fund			352	
CS Special Fund			304	
Community Services General Fund			536	
Paul G. Allen Foundation Grant			143	
Wash. Families Fund 2006			1,679	
Gates Ed Grant			3,937	
2007 ROSS Fam H.O.			7,004	
2008 ROSS Svc Coord			300	
2011 WA Families Fund			96	
COT-CDBG-FSS Grant			45	Public Housing
AMP 1 - No K, So M, No G			34,826	
AMP 2 - Fawcett, Wright, 6th Ave			40,433	
AMP 3 - Lawrence, Orchard, Stevens			33,990	
AMP 4 - Hillside Terr - 1800/2500			23,925	
AMP 5 - Salishan Common Areas			120	
AMP 6 - Scattered Sites			16,744	
AMP 7 - HT 1 - Subsidy			14,898	
AMP 8 - HT 2 - Subsidy			4,746	
AMP 9 - HT 1500 - Subsidy			2,005	
AMP 10 - SAL 1 - Subsidy			25,391	
AMP 11 - SAL 2 - Subsidy			8,483	
AMP 12 - SAL 3 - Subsidy			11,929	
AMP 13 - SAL 4 - Subsidy			19,893	
AMP 14 - SAL 5 - Subsidy			28,763	
AMP 15 - SAL 6 - Subsidy			26,728	
Allocation Fund			40,012	Allocations-All Programs
THA SUBTOTAL			679,383	
Hillside Terrace 1 through 1500			2,222	Tax Credit Projects - billable
Salishan I - through Salishan 6			837	
Salishan Association - Operations			3,209	
TAX CREDIT SUBTOTAL (Operations - billable)			6,268	685,650.34
Section 8 Checking Account (HAP Payments)				
SRO/HCV/TBRA/VASH/FUP	Check #'s	457,108 - 458,267	1,050,313	
	ACH	23,929 - 24,875	1,530,756	\$ 2,581,069
US BANK				
Payroll & Payroll Fees - ADP				\$ 630,226
TOTAL DISBURSEMENTS			\$	3,896,945



TACOMA HOUSING AUTHORITY

Date: July 27, 2011

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

I present the June, 2011 disbursement report for your approval.

The Finance Department is submitting the financial statement for the month of May, 2011. With this report, we are transitioning to the 18 month reporting period for the current Fiscal Year. The budgeted figures are updated based on the approved Budget revision, and 'Projected Actuals' are extrapolated through December 31st. The agency wide financials are in very good shape for the Fiscal Year. I will only comment specifically on a couple of areas at this time. A general comment I will make is that we are gearing up for full implementation of our MTW activities effective January 1st. In order to effectively communicate with the tenants, certain administrative expenses will increase the second half of CY 2011. Also we will be hiring additional Community Service staff to assist the tenants with hardships and additional services required through MTW. Additionally, I have reviewed the YTD actuals, and made adjustments in the "Projected Actual" column for areas that I believe adjustments will be made due to timing issues. A couple of areas I would like to point out.

- Line 12 – Developer Fee Income – Due to cost savings in the Salishan 7 development, it is likely we will be receiving approximately \$300,000 less in Developer Fee than budgeted
- Lines 16 thru 36 – Administrative Expenses – There are many areas with variances. I am not seeing any areas of concern. Certain areas will increase as we increase our communication with tenants.
- Lines 46 - 50 – Maintenance Expenses – These expenses may spike in the next couple of months due to preparation for REAC inspections.

Overall, the financial position is very healthy at the moment with a projected \$2,581,627 surplus (line 67), as compared to a budgeted \$1,767,475. I am not seeing any areas of real concern as we continue through the budget year.

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 .15%.

3. YEAR-END UPDATE

There is nothing to report at this time.

6. BUDGET

We are preparing documents to commence the 2012 budget cycle in August.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		May, 2011				Thru 12/31/2011		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	OPERATING RECEIPTS							
1	Revenue - Dwelling rent	320,746	2,914,637	3,041,310	-4.17%	5,084,637	4,976,689	2.17%
2	Tenant Revenue - Other	5,329	65,370	53,891	21.30%	106,969	88,186	21.30%
3	HUD grant - Section 8 HAP reimbursemen	2,620,495	28,921,330	29,543,906	-2.11%	47,725,813	48,344,573	-1.28%
4	HUD grant - Section 8 Admin fee earned	234,416	2,484,536	2,319,200	7.13%	3,865,604	3,795,054	1.86%
5	HUD grant - Public Housing subsidy	181,644	2,146,762	2,087,237	2.85%	3,512,883	3,415,479	2.85%
6	HUD grant - Community Services/HOPE	30,689	375,398	416,024	-9.77%	614,288	680,766	-9.77%
7	HUD grant - Capital Fund Operating Reve	9,276	736,230	504,857	45.83%	806,230	826,130	-2.41%
8	Management Fee Income	274,233	2,500,327	2,682,456	-6.79%	4,091,444	4,389,473	-6.79%
9	Other Government grants	35,486	346,440	240,214	44.22%	396,902	393,077	0.97%
10	Investment income	84,313	141,333	110,865	27.48%	183,333	181,415	1.06%
11	Fraud Recovery Income - Sec 8	1,339	41,159	35,872	14.74%	59,851	58,700	1.96%
12	Other Revenue- Developer Fee Income	0	500,492	1,533,679	-67.37%	2,209,657	2,509,657	-11.95%
13	Other Revenue	107,419	712,747	586,133	21.60%	1,006,313	959,127	4.92%
14	TOTAL OPERATING RECEIPTS	3,905,385	41,886,761	43,155,644	-2.94%	69,663,924	70,618,326	-1.35%
	OPERATING EXPENDITURES							
	<i>Administrative Expenses</i>							
15	Administrative Salaries	272,229	3,157,318	3,346,055	-5.64%	5,316,520	5,475,362	-2.90%
16	Administrative Personnel - Benefits	112,586	1,204,364	1,322,025	-8.90%	2,020,777	2,163,314	-6.59%
17	Accounting & Audit Fees	1,099	75,698	46,683	62.15%	76,390	76,390	0.00%
18	Management Fees	188,410	1,907,972	2,029,611	-5.99%	3,122,136	3,321,182	-5.99%
19	Rent	20,776	184,264	183,200	0.58%	301,523	299,781	0.58%
20	Advertising	0	1,479	10,212	-85.52%	10,420	16,711	-37.64%
21	Data Processing Expenses	18,559	161,461	186,179	-13.28%	304,209	304,657	-0.15%
22	Office Supplies	2,504	50,824	75,732	-32.89%	98,167	123,925	-20.79%
23	Publications & Memberships	323	36,646	45,307	-19.12%	59,966	74,139	-19.12%
24	Telephone	7,060	79,047	87,405	-9.56%	129,350	143,027	-9.56%
25	Postage	3,695	36,631	48,814	-24.96%	59,942	79,878	-24.96%
26	Leased Equipment & Repairs	8,143	57,037	55,593	2.60%	93,333	90,971	2.60%
27	Office Equipment Expensed	2,339	34,890	54,370	-35.83%	57,093	88,969	-35.83%
28	Legal	7,886	31,898	124,059	-74.29%	172,197	203,005	-15.18%
29	Local Milage	1,614	6,017	11,843	-49.20%	13,846	19,380	-28.56%
30	Staff Training/Out of Town travel	6,610	75,183	135,857	-44.66%	173,027	222,312	-22.17%
31	Contract Services	28,486	300,130	418,032	-28.20%	641,122	684,053	-6.28%
32	Other administrative expenses	21,525	115,290	132,824	-13.20%	188,656	217,349	-13.20%
33	Due diligence - Development projects	0	0	45,833	-100.00%	50,000	75,000	-33.33%
34	Contingency	0	0	0		0	0	
35	Total Administrative Expenses	703,844	7,516,149	8,359,636	-10.09%	12,888,673	13,679,405	-5.78%

		May, 2011				Thru 12/31/2011		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	56,270	608,859	677,246	-10.10%	1,036,315	1,108,220	-6.49%
37	Tenant Service Personnel - Benefits	23,505	239,218	267,673	-10.63%	403,448	438,010	-7.89%
38	Relocation Costs	676	7,478	11,776	-36.50%	12,237	19,270	-36.50%
39	Tenant Service - Other	7,465	148,200	130,866	13.25%	242,509	214,145	13.25%
40	Total Tenant Services	87,916	1,003,755	1,087,561	-7.71%	1,694,508	1,779,645	-4.78%
	Project Utilities							
41	Water	17,307	102,147	107,823	-5.26%	167,150	176,438	-5.26%
42	Electricity	17,433	181,797	172,025	5.68%	297,486	281,496	5.68%
43	Gas	4,787	59,460	55,904	6.36%	97,298	91,480	6.36%
44	Sewer	50,591	321,071	314,788	2.00%	525,389	515,107	2.00%
45	Total Project Utilities	90,118	664,475	650,541	2.14%	1,087,323	1,064,521	2.14%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	52,353	558,520	554,069	0.80%	913,942	906,659	0.80%
47	Maintenance Personnel - Benefits	15,559	154,010	159,919	-3.70%	252,016	261,686	-3.70%
48	Maintenance Materials	17,698	155,096	144,832	7.09%	253,793	236,997	7.09%
49	Contract Maintenance	73,403	601,347	602,176	-0.14%	984,022	985,379	-0.14%
50	Total Routine Maintenance	159,013	1,468,973	1,460,996	0.55%	2,403,774	2,390,721	0.55%
	General Expenses							
51	Protective Services	7,393	139,807	130,489	7.14%	228,775	213,528	7.14%
52	Insurance	16,884	162,879	160,950	1.20%	266,529	263,373	1.20%
53	Other General Expense	74,360	796,592	850,711	-6.36%	1,303,514	1,392,073	-6.36%
54	Payment in Lieu of Taxes	1,199	13,186	13,288	-0.77%	21,577	21,744	-0.77%
55	Bad Debt - Tenant Rents	0	10,669	18,580	-42.58%	30,458	30,404	0.18%
56	Interest Expense	26,846	584,273	722,045	-19.08%	1,006,083	1,181,528	-14.85%
57	Total General Expenses	126,682	1,707,406	1,896,064	-9.95%	2,856,937	3,102,650	-7.92%
58	TOTAL OPERATING EXPENSES	\$ 1,167,573	\$ 12,360,758	\$ 13,454,798		\$ 20,931,215	\$ 22,016,942	
	Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	26,268	53,330	-50.74%	42,984	87,268	-50.74%
60	Casualty Losses	0	39,470	15,780	150.13%	39,470	25,821	52.86%
61	Sec 8 HAP Payments	2,521,878	28,067,234	28,838,179	-2.67%	46,528,201	47,189,747	-1.40%
62	Total Nonroutine Expenditures	2,521,878	28,132,972	28,907,289	-2.68%	46,610,655	47,302,836	-1.46%
63	TOTAL EXPENDITURES	3,689,451	40,493,730	42,362,087	-4.41%	67,541,871	69,319,778	-2.56%
64	OPERATING SURPLUS/(DEFICIT)	<u>215,934</u>	<u>1,393,031</u>	<u>793,557</u>	<u>75.54%</u>	<u>2,122,054</u>	<u>1,298,548</u>	<u>63.42%</u>
	Reserve/Capital Affecting Operations							
65	THA transfer to development projects	(77,532)	(576,936)	(1,292,628)	-55.37%	(1,359,404)	(1,410,140)	-3.60%
66	Reserve Appropriations	282,221	699,541	1,722,478	-59.39%	1,818,977	1,879,067	-3.20%
67	THA SURPLUS/(DEFICIT)	<u>420,623</u>	<u>1,515,636</u>	<u>1,223,407</u>		<u>2,581,627</u>	<u>1,767,475</u>	

TACOMA HOUSING AUTHORITY			
CASH POSITION - June, 2011			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		\$ 4,222,999	0.510%
Section 8 Checking		3,846,130	0.510%
THA Investment Pool		284	0.510%
THA LIPH Security Deposits		105,442	0.510%
THDG - Tacoma Housing Development Group		35,468	0.510%
LF - Windstar		301	0.510%
LF - Stewart Court		112,865	0.510%
LF - Stewart Ct Security Deposit Account		13,933	0.510%
LF - SF 9Homes Alaska		179,259	0.510%
LF - SF 9Homes Alaska Sec Dep Acct		6,692	0.510%
LF - SFH No. Shirley		5,969	0.510%
LF - SFH N Shirley Security Deposit Acct		2,006	0.510%
LF - Wedgewood Homes		53,337	0.510%
LF - Wedgewood Homes Security Deposit Acct		15,753	0.510%
Salishan 7 Replacement Reserve		7,875	0.510%
Salishan 7 Operating Reserve		196,522	0.510%
General Fund Money Market		3,504,389	0.510%
KEY BANK			
LF - Salishan 7		129,293	0.000%
LF - Salishan 7 Security Deposit Acct		25,573	0.000%
WASHINGTON STATE			
Investment Pool		\$ 1,419,010	0.150%
US BANK			
Payroll Account		\$ 5,133	
CHASE			
IDA Account		84,727	0.01%
TOTAL THA CASH BALANCE		\$ 13,972,960	
Less:			
<i>MTW:</i>			
MTW Reserves		\$ 5,311,375	
<i>Other Restrictions:</i>			
FSS Escrows	211,547		
VASH, FUP & NED HAP Reserves	835,147		
Mod Rehab Operating Reserves	139,929		
Security Deposit Accounts	150,075		
Salishan 7 Reserves	204,397		
Salishan Sound Families - 608	204,461		
IDA Accounts - 604,605	84,727		
THDG - 048	35,468		
Total - Other Restrictions		\$ 1,865,751	
<i>Agency Liabilities:</i>			
Windstar Loan - 042	331,759		
Citibank Loan for Area 3 - Guarantee (Current)	1,906,315		
Additional Reserve Set Aside for Area 3 Loss on sales	2,400,000		
Total - Agency Liabilities		\$ 4,638,074	
THA Designated Reserve for Development:		\$ 553,842	
Total Restrictions		\$ 12,369,042	
THA UNENCUMBERED CASH		\$ 1,603,918	
Agency Current Commitments:		Balance	
Salishan Campus - On hold			
Development Projects			
902 1st Floor Reconfiguration - MTW funds		700,000	
Total Current Commitments outstanding		\$ 700,000.00	\$ -

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: July 27, 2011

To: THA Board of Commissioners

From: April Black
Director of Real Estate Management and Housing Services

Re: Department of Real Estate Management and Housing Services Monthly Board Report

1. PROPERTY MANAGEMENT DIVISION

1.1. Performance Report Summaries:

1.1.1. Occupancy:

Unit occupancy is reported for the first day of the month. This data is for the month of June 2011.

PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OCCUPIED	% MTH OCCUPIED	% YTD OCCUPIED
AMPs 1-6	594	19	575	97.0%	97.6%
Tax Credit Units	690	6	684	99.1%	99.1%
Local fund units	69	3	66	95.7%	94.4%
All Total	1,353	28	1,325	98.0%	98.6%

1.1.2. Vacant Unit Turn:

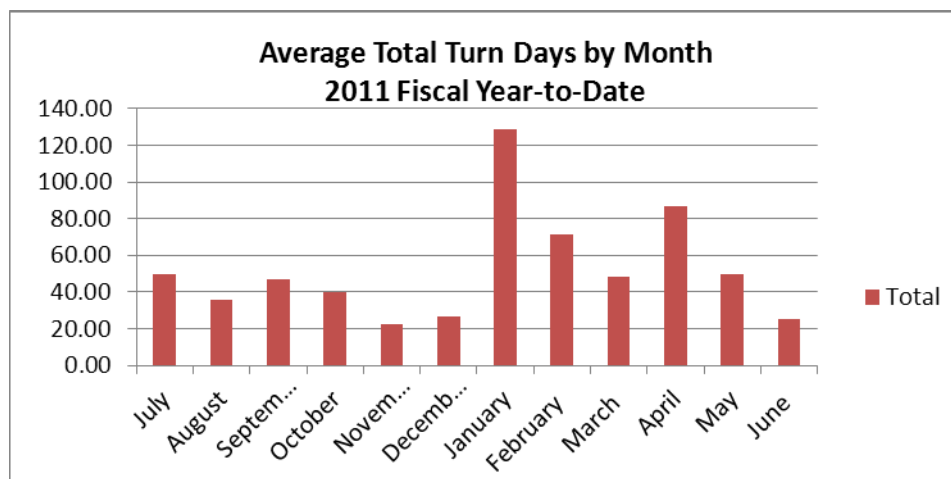
The following page includes a table with all of the units turned calendar year to date (January-April 2011). Fourteen (14) units were turned and rented in the month of May. The average unit turn for the month of June was 25 days; average units turns calendar year-to-date are 73 days. This is a significant improvement from the past months.

Calendar Year to Date through the end of June, 2011

AMP	Units Turned	Avg Turn Days	Units Currently Vacant	Avg # Days Vacant
Amp 1 (G ST, K St, M ST)	15	14.3	0	0.0
Amp 2 (6th Ave, Fawcett, Wright)	10	22.5	2	1.5
Amp 3 (Bergerson, Dixon, Ludwig)	16	28.6	0	0.0
Amp 4 (Old Hillside Terrace)	17	42.4	2	8.5
Amp 6 (PH Scattered Sites)	6	63.7	1	27.0
Hillside Terrace Tax Credit	9	93.9	1	0.0
Salishan Tax Credit	49	125.7	5	11.4
Local Fund (Stewart, Market Rate Homes)	5	46.0	3	145.7
Agency Summary	127	73	14	39

July 2011 Board of Commissioners Meeting
REAL ESTATE MANAGEMENT and HOUSING SERVICES DEPARTMENT MONTHLY
REPORT
Page 2

Below is a trend report of the average days to turn a unit.



Below is a table with the list of the current portfolio-wide vacancies as of July 14, 2011

Nbr	AMP	Project	Unit Nbr	Address	Apt Nbr	Beds	Unit Status	Vacate Date	Days Vacant	Maint Turn Date	Applicant Ready Date	Site Note	Leasing Note
1	MR	044	01211	1211 S TRAFTON		5	Vacant	11/17/2010	240	04/01/2011		Y	N
2	MR	044	01118	1118 SOUTH SHERIDAN		5	Repair-Make Ready	12/13/2010	214			Y	N
3	04	018	01220	2517 S YAKIMA AVE	44	2	Repair-Make Ready	6/13/2011	32	07/13/2011	07/13/2011	Y	N
4	12	33P	01709	1841 EAST 44TH STREET		2	Repair-Make Ready	6/16/2011	29	07/12/2011	07/07/2011	N	Y
5	15	36S	08209	4302 EVERETT AVENUE		3	Repair-Make Ready	6/16/2011	29	07/11/2011		Y	N
6	15	36S	08244	4221 EVERETT AVENUE		3	Repair-Make Ready	6/16/2011	29	07/29/2011		Y	N
7	SC	045	20112	3201 S TYLER	12	1	Vacant	6/17/2011	28	07/01/2011	07/01/2011	Y	N
8	14	35S	08190	2006 EAST 41ST		2	Repair-Make Ready	6/17/2011	28	07/11/2011	06/20/2011	Y	Y
9	14	35P	01812	3917 EVERETT AVE		3	Repair-Make Ready	6/28/2011	17	07/29/2011	07/12/2011	Y	Y
10	02	009	00874	3201 S FAWCETT AVE	226	1	Repair-Make Ready	6/30/2011	15		07/01/2011	N	Y
11	04	018	01263	2516 COURT G	60	2	Vacant	6/30/2011	15	07/11/2011	07/11/2011	Y	N
12	07	028	01540	2341 COURT G STREET	228	2	Downtime	6/30/2011	15			N	N
13	02	009	00877	3201 S FAWCETT AVE	330	1	Repair-Make Ready	7/11/2011	4			N	N
14	16	47S	08257	4658 COURT Q		3	Downtime	7/11/2011	4			N	N
15	15	36P	01854	2016 E 43RD STREET		3	Repair-Make Ready	7/5/2011	10	08/05/2011		Y	N
16	13	34S	08132	4460 EAST Q STREET		2	Repair-Make Ready	7/7/2011	8		06/16/2011	Y	Y
Average Days Vacant									44.8				

The two market rate units that have been vacant for 200+ days have been set aside for Non Elderly Disabled (NED) voucher participants. We are currently working with DSHS to finalize an agreement to modify these units for this use.

1.1.3. Work Orders:

Work order completion is no longer scored under PHAS. THA will continue to track its work order management and maintains the same expectation that emergency work orders be completed within 24 hours and all others within 25 days. In the month of June all 21 emergency work orders were completed within 24 hours. This month, maintenance staff completed 269 non-emergency work orders. The average number of days to complete a non-emergency work order was 8.26 for the month and 11.92 FYTD. We should expect a high volume of reported work orders due to pre REAC inspections that will be conducted in the month of July. Some work orders will exceed the normal 25 day threshold due to REAC items. REAC inspections are scheduled for the month of August.

Work Order Completion Table:

WORK ORDER COMPLETION REPORT (PHAS/MASS #4)								
	Emergency				Non Emergency			
	June 2011		FYTD		June 2011		FYTD	
AMP # *	# 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	7	100%	34	100%	45	4.47	426	3.88
AMP 2	0	0%	23	100%	25	3.24	458	6.26
AMP 3	6	100%	81	98.8%	50	1.36	649	6.59
AMP 4	3	100%	74	98.6%	21	13.29	289	10.84
AMP 6	5	100%	44	97.7%	21	17.00	145	7.27
AMP 7	0	0%	1	100%	1	3.00	29	7.24
AMP 8	0	0%	0	0%	2	10.00	24	23.33
AMP 9	0	0%	0	0%	0	0.00	3	18.67
AMP 10	0	0%	2	100%	15	14.07	125	22.22
AMP 11	0	0%	9	100%	20	12.35	177	27.47
AMP 12	0	0%	5	100%	19	8.63	116	25.24
AMP 13	0	0%	6	100%	10	8.10	124	36.37
AMP 14	0	0%	1	100%	11	22.91	181	23.58
AMP 15	0	0%	3	100%	9	17.67	122	19.17
Non-AMP	0	0%	9	88.9%	10	1.70	156	3.63
TOTALS	21	100%	292	98.6%	259	8.26	3,025	11.92

As stated in last month's report. Salishan staff has control of the appliance issue. There are a total eleven work orders that have been open for ten or more days. All of these should be repaired by July 29th.

Outstanding Work Orders Table:

Outstanding Work Orders as of June 2011			
AMP #	Open Non-Emergency	<25 Days open	>25 Days open
AMP 1	7	7	0
AMP 2	2	2	0
AMP 3	112	110	2
AMP 4	5	4	1
AMP 6	21	18	3
AMP 7	0	0	0
AMP 8	0	0	0
AMP 9	0	0	0
AMP 10	12	7	5
AMP 11	20	12	8
AMP 12	48	44	4
AMP 13	13	11	2
AMP 14	13	6	7
AMP 15	11	6	5
Non-AMP	6	0	6
TOTALS	270	227	43

2. SALISHAN ASSOCIATION

Salishan National Night Out (NNO) is being held Tuesday, August 2nd. We encourage the Commissioners to attend.

3. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 97.4% for the month of June 2011 and 98.1% for calendar year to date. Budget utilization is reported at 97.1% for the month and 98.2% for calendar year to date.

4. UPDATE FROM PREVIOUS BOARD MEETING:

During the June Board meeting the Commissioners heard from a number of residents at EB Wilson about safety and management concerns.

ASSESSMENT OF THE BUILDING

During the meeting you heard of the need for security cameras in the building. There is currently one security camera on-site. This camera can be monitored through the residents' televisions. However, this monitoring feature does not work for residents who subscribe to Comcast cable. The site manager, Pat Patterson, and I have a meeting schedule with the Tacoma Police Department for later this month. We will ask them to help us assess whether additional cameras are necessary. If so, we will identify what the AMP budget can support.

Residents reported crime in and around the building. I investigated these concerns. Here is what I found:

- There have not been any deaths in the building this year. There was a death in the building in 2009 but there were no reports from the police that this death was questionable in nature. This is contrary to what was reported in the meeting.
- The security reports show four calls in 2011 for drug activity—the smell of marijuana in the building. Security was not able to confirm the presence of marijuana in any of these cases.
- In December 2010 management received information that there was serious drug activity in the building. Management approved Securetrans to use a vacant unit and to set up surveillance equipment in the laundry room near the suspected units. During the surveillance, Securetrans did not discover anything.
- Since January, approximately six lease violations have been issued for noise, smoking and unauthorized guests. We also sent notices to everyone in the building to clarify the expectations regarding smoking and residents responsibility in reporting violations of smoking, drugs or criminal activity.
- Management reports that there has been an issue with residents be-friendly with people at the bus stop on M Street and bringing groups of people into the building. This does not cause a lease violation but may not be the safest idea. We will ask Hilltop Action Coalition to help us communicate this to the residents.

Residents also reported that staff is not available to them. On Wednesdays and Fridays, all public housing sites are closed for paperwork, meetings and inspections. Most of our sites have one-person offices and these days are necessary to focus on completing accurate rent calculations, resident notices, etc. Site staff work in their on-site offices because there is no other office space for them to use on closed days. I support keeping the office doors closed on these days to allow staff to complete their work without interruptions. Office hours are clearly posted at each of the site locations so residents are aware of the times when they

can expect staff to be available at the office. We also post the phone numbers that residents can use to have emergency maintenance issues handled on these days.

Maintenance response for this building is above expectations. Maintenance has completed 15 unit turns in an average of 14 days in 2011. They have also completed 426 work orders in an average of 3.88 days this year. This shows quick response to building issues and an attentiveness to resident needs.

PENDING ACTIONS

I have contacted Hilltop Action Council and the Tacoma Police Department Community Liaison Officer for this area to schedule resident meetings at the building. Both of these groups have valuable information about neighborhood watch, documenting what they see and being involved in their community. I have received some emails from Hilltop Action Coalition about recent block walks they have been doing in response to drug activity in the immediate vicinity of EB Wilson (13th and M and around the Safeway). This activity will obviously impact our residents. By engaging the two active area anti-crime organizations, we will provide residents with the tools they need to take control of their living environment.

I will also ask these groups to help management make an assessment about whether additional security cameras are necessary. We have our first meeting scheduled for the week of July 25th. They may have other ideas that would be more effective and/or affordable. Once we have a clear recommendation, I will work with Finance to identify funding sources to implement additional security measures.

Seniors Advocating for Equality (SAFE) which is the resident advisory group that represents each of the seven senior buildings has been involved with the EB Wilson residents. This involvement has been positive for some residents and contentious for a handful of others. Pat Patterson has been working with the SAFE members and the EB Wilson residents to help smooth these relationships and make SAFE a useful resource for these residents.

SUMMARY

Overall, the EB Wilson building is well maintained and well managed but it has some challenges. A handful of residents have violated the non-smoking policy and the building is in a challenging neighborhood—the Hilltop. Management is facilitating regular meetings with the residents to air their concerns and identify solutions. Management has been enforcing the lease and has issued a number of notices relating to the non-smoking policy. These notices may result in resident evictions in the future.

In addition to regular patrol by our security company, we are also engaging the Hilltop Action Coalition and Tacoma Police Department to help get the residents more involved in patrolling their building and neighborhood so we can address issues as they are identified.

I will continue to monitor the security reports that are generated for that building. I will also attend the building meeting on a quarterly basis so I am able to hear directly from the residents about their concerns.

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: July 27, 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

- *Campus Center Development.* Staff have initiated an outreach process intended to gain input on program-related questions that need to be addressed in order to effectively plan for, finance and operate services and facilities in the core area of Salishan. Our outreach strategy has two forms: (1) meet with leaders of faith-based, neighborhood, business, educational, and social service organizations; and (2) coordinate our outreach and program planning for Salishan with other planning efforts taking place in the area, especially: Tacoma 360, Metro Parks planning and development efforts for Swan Creek open space, and community development efforts being conducted by the Puyallup Tribe.

In addition, THA staff developed a survey that is being distributed through the schools, churches and the community at large. Staff will consider the community feedback in conjunction with the above input. The survey was distributed in English and was translated in to Korean, Vietnamese, Cambodian, Spanish and Russian. In addition, it is available on Survey Monkey. The department now has a part time intern who is soliciting additional feedback by going door to door at Salishan. It is staff's hope that by August we will have a good idea of the most popular and feasible concepts. The concepts most likely to be used and accepted by community members will be included in a draft program statement that will be circulated to community members for comment, and to potential tenants and partners for their review and feedback.

1.1.2 Area 3

- *Lot Sales:* THA closed on the sale of 28 lots to Quadrant in June. Quadrant Home's sales model on Roosevelt Avenue is in the frame stage. Staff continues discussions with interested homebuilders on the remaining lots. Staff is keeping the Cabinet updated with THA's negotiations involved in actual.

1.1.3 Area 2B

- *Salishan 7:* The construction of Salishan 7 is completed and fully leased. Walsh, THA and Torti Gallas received a Green Building Build Washington Award from the Washington Association of General Contractors for Salishan 7. The Final warranty walks for the landscape irrigation will begin in late July.

1.1.4 Arlington Rd (Area 4): Staff will issue an RFP in August for development proposals from Assisted Living agencies for this site. If the responses to the RFP – and the offers received – are not acceptable to THA– staff will conduct an analysis of other real estate development scenarios for this site.

1.1.5 18 Market Rate Rentals (Area 2B): Staff is preparing a draft budget and schedule to determine how quickly we will be able to develop these units.

1.2 Financial

Salishan Seven: As was mentioned above, Salishan Seven is fully leased. Staff expects to convert to the permanent loan in early August after the new signage is installed.

2. PUBLIC HOUSING PROJECTS

2.1 1800/2500 Hillside Terrace

2.1.1 Financing: Staff has developed a financial strategy to redevelop the 104 public housing units currently located at the 1800 and 2500 blocks of Hillside Terrace using 9% competitive low income housing tax credits. This community will be replaced with 140 units of a mix of subsidized and non-subsidized affordable housing. All 140 units will be developed on the 2500 block, leaving the 1800 block in THA ownership, reserved for future development. The project will be developed in two project phases, of 70 units each. All units will be reserved for individuals and families with incomes at or below 50% of Area Medium Income.

In response to a funding application submitted to the Tacoma Community Redevelopment Authority (TCRA), THA was notified on June 9, 2011 that TCRA will contribute an award to the Hillside Terrace project. The award is a combination of \$498,000 in HOME funds and \$127,000 from CDBG.

On January 27, 2011 staff submitted a stage 1 application to the Housing Trust Fund. On June 9, 2011 THA was notified that we have been invited to submit a second round application. Of the 148 original stage 1 applicants 79 are invited to submit a round 2 application. The Stage 2 applications are due July 27, 2011.

On February 2, 2011 staff submitted a CFCF Education Grant Application to HUD. On June 9, 2011 staff received notification that HUD would not be funding the Hillside Terrace community facility. Staff received a debriefing from HUD that helped us understand why our application was not successful. We learned that HUD thought our application was actually excellent but that it denied it because it misunderstood it to mean that we were relying on our use of public housing capital dollars in ways that the grant would not allow. HUD strongly encouraged us to reapply for the 2011 CFCF NOFA. We have done so.

On April 28, 2011 staff submitted a funding application to Pierce County for SHB 2060 funds. Staff provided a project presentation to Pierce County on June 8, 2011. Staff received notification that the project will not receive an award from this funding round. Pierce County encouraged THA to submit another application for the next funding cycle.

Staff is submitting two additional resolutions during the July 27, 2011 Board meeting. The resolutions seek authorization to form a Limited Liability Limited Partnership for each of the two (70) unit tax credit projects planned for the 2500 Hillside Terrace. The two partnerships are Phase I, 2500 Yakima, LLLP and Phase II, 2500 Court G, LLLP. THA's project legal consultant (Foster Pepper) assisted with the formation of the entities and developed the resolutions.

- 2.1.2 *Project Planning:* During the July 27, 2011 Board of Commissioners meeting, staff will provide a presentation and discussion for the Hillside Terrace redevelopment concept and financing strategy. A project memo has been prepared and delivered to the Board members for review prior to the meeting.
- 2.1.3 *Architecture:* Negotiations with the architect are on hold.
- 2.1.4 *Construction:* Pre-construction services are on hold.

- 2.1.5 *Demolition/Disposition:* Staff is preparing a Demolition/Disposition application to HUD. This process coincides with TCRA's request to begin relocation notices and meetings with residents as part of their threshold requirements for funding approval. Staff will present a resolution to the board during the July 27, 2011 Board meeting request authorization to submit the Inventory Reduction Application to HUD.
- 2.1.6 *Community Meetings:* Staff held a Hillside Terrace Community meeting on July 6, 2011. Approximately 40 residents participated and staff received positive feedback to the project.
- 2.1.7 *Relocation:* Staff has submitted a draft Relocation Plan for the executive director to review. Once a final draft is ready it will be submitted to HUD for review. The Plan follows the requirements of the Uniform Relocation Act and 104(d) to ensure that the residents are fairly treated during this time of transition. All residents in good standing as of June 1, 2011 will receive a transfer to another public housing unit or a Section 8 voucher with assistance in locating a new unit to rent with the voucher. This assistance may include such things as transportation to view units, interpretation services and credit repair. In addition, staff will meet with each resident to determine correct unit size and special needs of each household as well as calculate a Replacement Housing Payment for each household. Residence in good standing will have first preference to return to the redevelopment site.

3. CAPITAL FUNDS

3.1 Capital Fund Construction:

3.1.1

CDK Construction Services was awarded the contract for Ludwig and Fawcett re-siding and window replacement, and attic insulation upgrades at North K and North G. Construction work at Fawcett began June 20th and is ongoing. Demo of the siding is 70% complete. The windows are on order and scheduled for delivery mid-July. Ludwig is schedule for construction begin later in July. THA Staff have budgeted approximately \$1.2M in capital funds for these projects.

3.1.2 Creation of bid documents for the Scattered Sites will begin late in July.

3.1.3. The pre-bid meeting for the 902 L Street Parking lot Improvements was held July 6th and bids are due July 20th. Work is anticipated to begin the

first week of August.

3.1.4. The water damage repairs at Bergerson Terrace are complete and the THA facilities staff is scheduling the flooring for installation. The ADA accessible ramp at Hillside Terrace project has been completed.

3.1.5. RED staff are working together with landscape architects to design low maintenance landscape improvements at AMPs 1, 2 and 3. THA Staff have budgeted approximately \$100,000.00 in capital funds for these projects.

3.2 ARRA Construction

Final Closeout: The grant has been fully expended and final close out for audit is in progress

Grants

3.2.1 NSP 1: The only NSP 1 house THA needs to sell at this point is 6636 S Lawrence. Staff is searching for new properties. We have our eye on one at 1669 S. 45th Street. We are currently scheduled to close in mid-August.

4. OTHER PROJECTS

THA Administrative Office Space – The conceptual design is complete and the design team is starting the Design Development phase of the project. The project is scheduled to be out to bid in early fall 2011. The new space will meet the goals for the project which are: security – improve security for the 1st floor customer service staff and eliminate secured access requirement for the 2nd floor, efficient, sustainable, professional, provides privacy for clients, is hospitable to children, collaborative and is phase-able. The design process has been collaborative with staff having input and having several meetings with the designers to go over details to produce the final conceptual plan. The entrance to the building will have an information wall for clients to pick up various pieces of literature. There will be computer stations for web access to allow clients access to the waiting list etc. The redesigned space allows staff to meet with clients in private spaces without bringing them into THA's private office space. There will be two new meeting rooms on the first floor for hearings and other meetings requiring more privacy. The elevator will have secured access allowing staff to move about without a pass key between floors and once within the secured area. Work stations will be smaller, as staff will no longer meet with clients in their work space. This will add extra work stations and allow for future growth. The reception area will have room for all the clerks allowing for coverage during peak times. Staff will have a small break area. The IT training room will now be fully enclosed. The finishes will reflect a neighborhood/home atmosphere, with vibrant colors and recycled products. A small nook will be provided for the Reach Out and Read program – allowing children a spot to

read books. The work will be phased and staff will be housed throughout the building during construction. Construction is anticipated to take 4 months. Attached is a drawing of the conceptual plan.

5. PROJECTS IN THE PIPELINE

- 5.1** *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 30,000sf 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.
- 5.2** *ORB Architects/Hillsdale Heights Partnership.* Staff has been approached by ORB Architects to enter into a joint venture partnership turnkey project where ORB would design, develop housing, to THA's specifications and needs, at Hillsdale Heights.
- 5.3** *Stewart Court:* On June 9, 2011 staff was invited by the Housing Trust Fund (HTF) to submit a Stage 2 application. Staff is now working with representatives of other departments to design a workout process, refinance strategy, and a capital needs/replacement reserves strategy that will convert this THA asset into a property that is financially and physically sustainable. The current budget for the project is \$1,751,543. THA is requesting \$482,000 from HTF. This proposal will require THA to loan the project \$1,269,543. We will discuss this proposal with the Board's development committee this week and then with the Board.
- 5.4** *Multifamily Investment opportunities:* Staff is tracking current multifamily listings and acquisition opportunities in the Tacoma area that meet the following investment goals: (1) minimal renovations and capital needs; (2) rapid resale potential; (3) reliable cash flows; (4) reliable short term return on investment.

Properties that meet these goals included HUD-assisted housing, housing located near other THA properties (offering management efficiencies), market rate housing in strong market areas of the City (such as downtown and the Tacoma Mall area), and housing offered at prices ranging from \$33,000/unit to \$94,000/unit.

This exercise will assist THA in determining an optimum real estate investment strategy.

In order to assist THA find properties to purchase, staff issued an RFP to procure a roster of real estate brokers. Of the seven proposals submitted, THA selected two brokers with an expertise in multifamily rental property.

THA's ability to purchase new properties will depend on the outcome of our negotiations with Citibank. We presently have set aside \$2.5 million of our reserves to cover our Citibank losses. If our negotiations are successful, we hope to free up some of those reserves for a purchase.

6. M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING

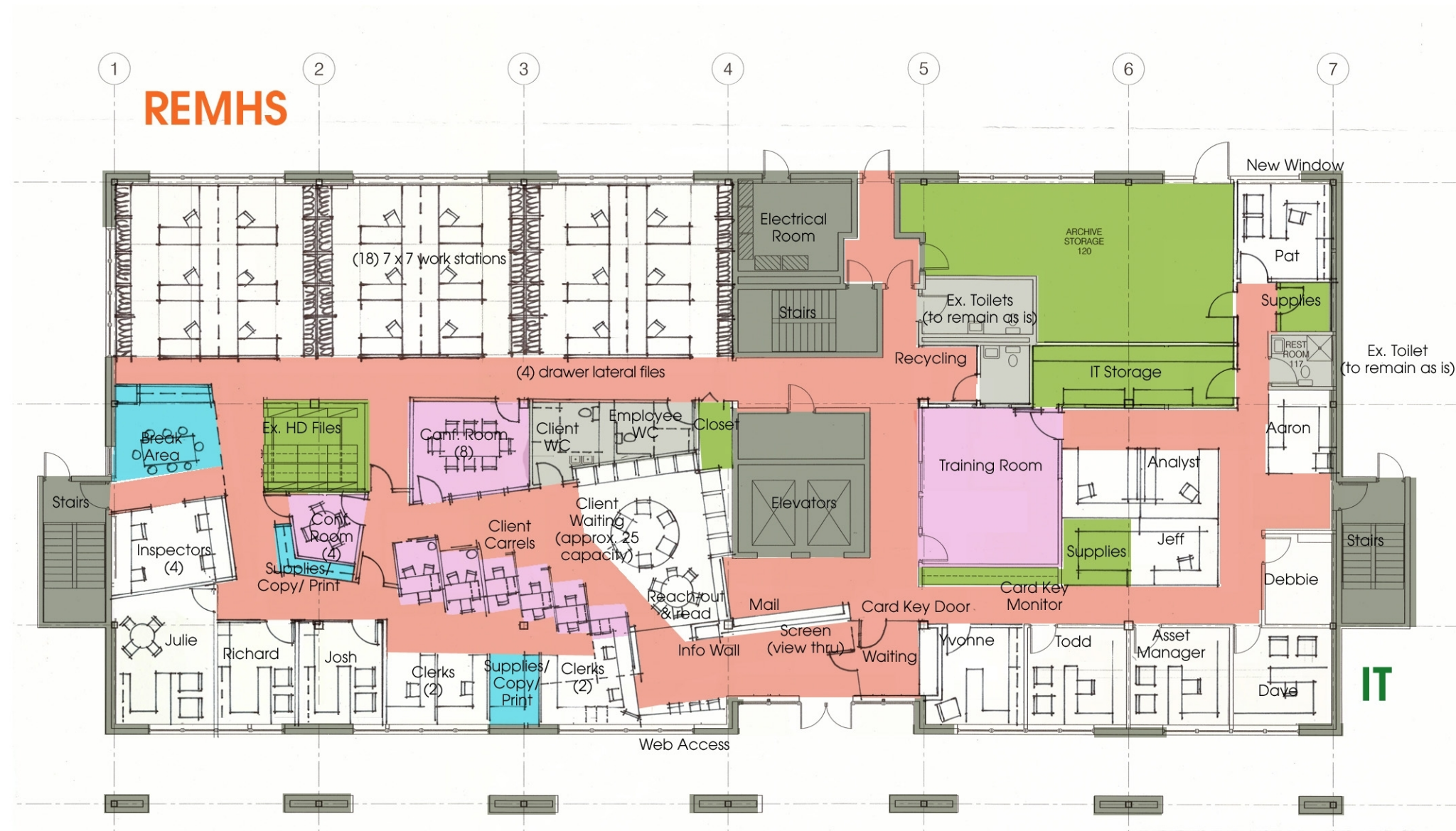
6.1 No new updates.

7. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the obligated and expenditures as of July 6, 2011.

<u>Grant</u>	<u>Total Grant</u>	<u>Obligated</u>	<u>% Obligated</u>	<u>Expended</u>	<u>% Expend ed</u>	<u>Obligation Start Date</u>	<u>Obligation End Date</u>	<u>Disbursement End Date</u>
2008 CFP (P)	\$1,849,412	\$1,849,412	100%	\$1,773,972	96%	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	\$2,141,381	89%	\$619,474	26%	9/15/09	9/14/11	9/14/13
2009 CFP (1 st R)	\$703,863	\$703,863	100%	\$703,863	100%	9/15/09	9/14/11	9/14/13
2009 CFP (2 nd R)	\$54,932	\$54,932	100%	\$54,932	100%	9/15/09	9/14/11	9/14/13
2009 CFP (3 rd R)	\$2,724	\$2,724	100%	\$2,724	100%	4/12/10	4/12/12	4/12/14
2010 CFP	\$2,345,627	\$637,501	27%	\$210,814	8%	7/15/10	7/15/12	7/15/14
2010 CFP (1 st R)	\$1,216,978	\$196,759	16%	\$196,759	16%	7/15/10	7/15/12	7/15/14
2010 CFP (2 nd R)	\$219,721	\$0	0%	0	0	7/15/10	7/15/12	7/15/14
CFRG*	\$4,096,616	\$4,096,616	100%	\$4,096,616	100%	3/18/09	3/17/10	3/17/12

*ARRA Capital Fund Recovery Grant



Revised First Floor Plan
39 headcount

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

DATE: July 27, 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. 2011 GOALS

Thirteen major funding sources support the Community Services department's staff and activities. Most of these sources identify performance measures and goals. This report groups the various funding sources' annual goals by service area. It summarizes progress toward annual goals during the month of June and for the calendar year 2011.

1.1 Employment

Activities	Month	YTD	Annual Goal	% of Goal
Clients referred for employment services	17	89	120	74%
Clients participated in employment services	17	75	90	83%
Clients enrolled in employment readiness soft skills workshops	6	23	60	38%
Clients completed employment readiness soft skills workshops	6	15	50	30%
Enrolled in job readiness training	1	4	6	67%
Job placement	5	18	30	60%
Entered Apprenticeship	0	0	2	0%
Earned income increased	5	18	30	30%

The employment team has continued its effort to build meaningful relationships with local employers and community based organizations. We have developed strong partnerships through our affiliation with the Puget Sound Diversity Task Force and Local Planning Area.

We are proud to announce five residents accepted employment this month in positions as: bank teller: auto detailer: C.N.A: busser: and home healthcare aide.

In June we placed one participant in Clover Park Technical College's Pre - Apprentices Program. Through this program our participant will gain over \$2000 in certifications that increase employment opportunities.

1.2 Education

Bates continues to offer GED classes at the FIC. Standard class size is 18. During the month of June, 16 participants attended GED classes, three participants completed a GED test, and two participants attained a GED.

Activities	Month	YTD	Annual Goal	% of Goal
Participants attending Bates GED classes	16	40	75	53%
Completes one or more GED tests	3	3	10	30%
Attains GED	2	3	6	50%

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	109	122	161	76%
Graduates	1	4	8	50%
Removed/Voluntarily Withdrawn	2	9	n/a	n/a
New Contracts Signed	1	18	58	31%
Escrow Balance	\$258,303.51			

1.4 Life Skills and Parenting Classes

THA's Education Program Manager arranged for a counselor from Lister elementary to offer parenting classes at the FIC. The classes are conducted in English and Spanish. They were offered once a week through the end of the school year.

The six week class with Exodus Housing ended with 7 out of 8 participants successfully completing the program. THA entered into a contract with Bates Technical College for parenting classes for our FIT families. The first class will be held on July 13, 2011.

Activities	Month	YTD	Annual Goal	% of Goal
Life Skills Enrollment	8	8	20	40%
Life Skills Completion	7	7	15	47%
Parenting Enrollment	0	0	25	0%
Parenting Completion	0	0	20	0%

1.5 Asset Building

The department provides pre-purchase counseling, 1st time homebuyer seminars, post-purchase counseling, financial literacy workshops, credit counseling, and individual development accounts to help THA clients build assets and prepare to become successful homeowners, business owners or change careers and further their education.

During the month of June, South Sound Outreach began to provide credit counseling services on-site at the FIC. Also in June, 14 participants completed a six-week series of financial literacy classes.

Activities	Month	YTD	Annual Goal	% of Goal
Financial Literacy Enrollment	22	84	120	70%
Financial Literacy Completion	14	41	95	43%
Credit Counseling Enrollment	4	12	15	80%
Credit Counseling Completion	0	3	8	38%
Homeownership Counseling	6	23	20	115%
Individual Development Account Participants	7	44	50	88%
Qualified Withdrawals	0	3	10	30%
Home Purchase	1	3	10	30%
Other Asset Purchases	0	2	5	40%

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.

Activities	Month	YTD	Annual Goal	% of Goal
Computer Lab Participation	323	1078	200	539%
VITA Tax Returns for THA clients	26	42	75	56%
EITC Received (PH only)	1	9	85	11%

THA AmeriCorps have used the community rooms and computer labs at Bergerson, Dixon and Hillside as a focal point for planning activities at these communities. For example:

- Drafted a plan with residents for a community garden at Hillside Terrace;
- Improved the resources for children at the labs by having free books available, providing educational toys and games for younger children; and
- Upgraded the labs with four computers donated by Tacoma Public Schools.
- Held two community meetings at Bergerson Terrace at which the residents helped to guide the design of the mural to be painted on the play area wall by City of Tacoma muralists. The painting will begin in late July and will take one to two months to complete.
- Recruited, oriented and trained resident volunteers to help staff the labs.

1.7 Youth Activities

THA's contract with Girl Scouts of Western Washington to provide a youth mentoring program for Hillside Terrace, Bergerson Terrace and Salishan ended on 6/26/2011. There were 122 troop members, 61 of which were THA residents. This marks the end of a long successful contractual relationship with the Girl Scouts of Western Washington. In June Girl Scouts committed continue to their programing at Bergerson Terrace and Salishan for another three years with possibility of extension beyond the three years.

Activities	Month	YTD	Annual Goal	% of Goal
Youth tutoring	30	30	35	86%
80% or better on computer skills post-test	21	21	25	84%
GPA improved .5 or more	7	7	15	47%
Life skills/financial literacy completed	20	20	65	31%
80% or better on life skills/financial literacy post-test	21	21	55	38%
Youth mentoring	61	61	45	136%
Youth mentoring ongoing more than six months	35	35	40	88%

1.8 Senior and Disabled Services

The Senior and Disabled Services Program Specialist serves the 360 residents of THA's seven senior apartment buildings. He completed 193 client contacts (117 unduplicated) in the month of June.

In June, he referred residents to the following services:

- Assurance Wireless – Federal Gov't free cell phone program
- MDC – Federal Gov't utilities grant program
- Northwest Furniture Bank
- Aging and Disability Resource Center
- Home Maid Services

The Specialist arranged for nutritional food programs for senior apartment residents. BASH, a home delivery food bank, delivered food baskets to 225 senior apartment residents. 90 senior residents received Farmers Market vouchers worth \$40 each.

Every Monday, Elderly/Disabled Services visits each building for 45 minutes to an hour. This regularly scheduled time gives residents an opportunity to get services without making an appointment. Every Monday the bulletin boards are updated and information literature is distributed.

Activities	Month	YTD	Annual Goal	% of Goal
Unduplicated client contacts	117	230	260	88%
Referrals	6	25	50	50%
Unduplicated situation/wellness counseling	32	69	140	49%
Assistance with correspondence for Entitlement Programs	8	27	40	68%

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	19		3		5	
	Month	YTD	Month	YTD	Month	YTD
Entrances	4	12	0	1	0	0
Graduations	1	4	0	0	0	0
Exits	0	0	0	0	0	0
Terminations	0	0	0	0	0	0

2. MCCARVER INITIATIVE

The McCarver Special Housing Program began accepting applications in May. By the end of June we had over 50 applications and began reviewing them.

Pierce County awarded THA \$70,041 in 2163 funding for one of the two McCarver case worker positions. We plan to submit an application for funding for the second case worker position as soon as Pierce County announces the application process for Systems Innovation/Building Changes funding. We posted the case worker position and plan to interview in July. The case workers will have office space at McCarver and will support up to 25 families each.

3. SUMMER ACTIVITIES

Food Connection began offering free lunch programs for THA residents on June 20. The summer lunches are proving to be very popular. At Bergerson Terrace and Hillside Terrace 20-30 children come in each day for a healthy lunch and a snack later. Many stay to read or use the computers in the community labs. At Courtyard Park in Salishan 40-50 children participate in Brown Bags and Books, a summer food program with learning activities led by community volunteers and the Salishan Association. Tacoma Public Library offers their summer reading program on Thursdays. Boys and Girls Club is scheduled to begin arts and crafts activities on Tuesdays in July.

On July 24, REACH, THA, and Tacoma 360 will sponsor a free Get Smart BBQ at the THA Family Investment Center in Salishan. This event will provide youth ages 16-24 educational support services, career assessment, and support for work or college planning. College and career planners from REACH, Goodwill, and TCC will be on hand to work with the participants.

HUMAN RESOURCES



TACOMA HOUSING AUTHORITY

DATE: July 27, 2011

TO: THA Board of Commissioners

FROM: Barbara Tanbara
Human Resources Director

RE: Human Resources Board Report

1. LABOR RELATIONS

We began our bargaining for our Pierce County, Washington Building & Construction Trades Council collective bargaining agreement this month. We have received the Trades Council's proposals and they have received ours. We worked long and hard with our managers and April to come up with important changes we want in this upcoming collective bargaining agreement. We are now negotiating with the Trades Council to come to an agreement. We will provide the Board with an overview of the issues in executive session.

2. EMPLOYEE RELATIONS

2.1. All-Staff Retreat

We held our All-Staff Retreat last month. Based on the surveys, it was one of our better All-Staff retreats with lots of positive comments and lots of suggestions for an even better experience next time. Cheney Stadium made us feel welcome and is a terrific spot for a meeting. We have a wonderful group of dedicated employees and we can never thank them enough.

2.2. Employee Summer Event

Our Employee Summer Event is coming on Friday, August 12 from 11 am – 3:30 pm at Fort Steilacoom Park. This is one of the events put on for our employees by our hard working Employee Appreciation Committee. They spend a lot of time and planning to make the events special. This is a family event with lots of delicious food and many other fun things to do for the entire family. We hope you might consider stopping in.

2.3. Employee Opinion Survey for 2011

We are in the process of arranging for our next Employee Opinion Survey which will come out in September. It is the same vendor and same survey as last year so that we can compare our progress and hopefully find some improvements. We will have results to share with you in my November HR Board report.

2.4. Executive Coaching

In a July 2011 International Association of Business Communicators Research Foundation survey, it was found that an individual's immediate supervisor and the amount of employee communication in an organization are the top two factors that affect employee engagement and workplace morale. But we really don't need a survey to tell us about the importance of good communication and leadership. That is one of the reasons why we have been investing in the development of our directors and managers. For our current project, we hired an executive coach to work with Ken and Duane in Finance and Todd and Dave in Administration. We were very happy with the results of our first leadership development project last year and this is our second project. We hope to find the money to give all of our supervisors the training and development they need to be successful leaders.

2.5. Grievances and Complaints

For CYTD 2011, we have no City of Tacoma Human Rights/EEOC complaints and no lawsuits. We settled our one OPEIU grievance regarding our Site Assistants.

2.6. THA Employee Newsletter

Our next Employee Newsletter will be published in August.

3. PERFORMANCE MANAGEMENT

We finished work on THA's new Maintenance performance evaluations and with the help of our employees, managers and the union, rolled them out during the month of May. We are using the document to ensure that our performance expectations are clear and understood by all. We have already found ways that we can tweak the document and make it more meaningful next May when we conduct the evaluations again.

4. STAFFING

4.1. THA Recruitment/Turnover Report

Attached is our 2011 six-month Recruitment and Turnover Report. THA continues to trend lower in turnover and we are focused on how to keep it below 10% for 2011. Thus far we are trending at 7.3% turnover for the year.

4.2. New Administration Department

Todd Carven has been promoted to the position of director of our new Department of Administration. The department includes many important functions - asset management, risk management, procurement, compliance, our Information Technology division, and systems documentation (e.g. desk manuals, etc.). Ken previously oversaw these functions and made some very good progress. A separate Department of Administration will elevate the importance of these responsibilities and facilitate more progress.

This change also benefits the agency since it allows Ken to focus more of his time on the important financial services and financial planning we need. Ken is an important part of

all the planning we do in this agency and his department's work is becoming increasingly complex. To assist Todd, we plan to engage an asset management consultant to help design our asset management function and to hire an asset manager to run it. These had been previously planned and will go forward.

4.3. New Maintenance Position

One of our Commissioners asked about whether adding more maintenance personnel might improve our unit turns and that a cost analysis was certainly warranted. It turns out that April and Pat had been considering this for a while. Once the union negotiations are completed, we are going to look at adding another maintenance employee to our team. The combination of reducing overtime and improving unit turn time appears to justify the additional expense.

4.4. Recruitment

- Dana Duncan was hired as a THA Case Worker to replace Josh Crites, who was promoted.
- Catherine Ocheltree, an Accounting Specialist, was promoted to our Senior Accountant position. She replaced Cathy Heymann, who was promoted.
- We have posted for another Accounting Specialist to replace Catherine.
- We are recruiting for a Technical Business Analyst to fill an opening in IT that occurred when Jennifer Minogue left the agency in June.
- We are working to fill two new Case Worker positions for our McCarver project. We have both internal and external applicants.
- We are adding a new Lease & Occupancy Specialist position in Rental Assistance to support the new 157 New Life conversion vouchers we received.

<p align="center">THA Recruitment-Turnover Report 2011</p> <p align="center">*data reflects regular employees only</p>		
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*data reflects regular employees only

	Jan	Feb	March	April	May	June	July	Aug	Sept.	Oct.	Nov.	Dec	YTD	Annualized
Total # Employees	110	109	109	110	111	111							110	110
Voluntary Separation	1	0	0	1	0	2							4	
Involuntary Separation	0	0	0	0	0	0							0	
Retirement	0	0	0	0	0	0							0	
Lay-Off's	0	0	0	0	0	0							0	
Total Separations	1	0	0	1	0	2	0	0	0	0	0	0	4	8
Turnover Rate w/out Lay-off's	0.9%	0.0%	0.0%	0.9%	0.0%	1.8%							3.6%	7.3%
2010 Turnover Rate	0.9%	0.9%	0.9%	0.9%	0.0%	0.0%	0.9%	1.8%	1.8%	2.7%	0.9%	0.9%	12.7%	
2009 Turnover Rate	0.9%	1.8%	4.4%	0.0%	0.9%	0.9%	2.6%	1.8%	0.0%	1.8%	0.0%	0.0%	15.0%	
Hires/Promotions													YTD	
New or Different Positions	1	0	1	0	1	0							3	
Replacement due to Separation	0	1	0	0	1	0							2	
Replacement due to Promotion/ Transfer	0	1	0	0	0	2							3	
Sunset Positions	0	0	0	0	0	0							0	
Total	1	2	1	0	2	2	0	0	0	0	0	0	8	

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27(1)

DATE: July 27, 2011
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Architectural & Engineering (A&E) Services for THA Administrative Offices
Space Study and Design – Contract Amendment

Background

On March 23, 2011 the Board of Commissioners authorized the Executive Director to award a contract to Buffalo Design for Architectural and Engineering Services for THA's Administrative spaces. The 902 South L Street office was the first focus of this contract. The Board of commissioners authorized the Executive Director to negotiate a not the exceed amount of \$95,000 for the 902 South L Street offices. This work includes a complete study of the building, a conceptual design master plan and for design development through construction administration for the Housing Choice Voucher area first. The work included reviewing existing conditions, interviewing staff, preparing concept and final design for interior office spaces, preparing bid documents, assistance with bidding and construction administration.

Buffalo Design has completed the existing conditions study, interviewed staff, and has produced several design concepts for the building. Staff and the Architect have determined the final conceptual design and the A&E team is currently working on Design Documents. The final conceptual design was unknown at the time of the March resolution. The Not to Exceed fee was an estimate based on pricing from the 2001 renovations with an estimated escalation amount. The final design concept for the building is now for the entire first floor and incorporates more design features and changes than the 2001 renovation. These features include revamping the HVAC duct system, reconfiguring the lobby, several offices and the addition of meeting space.

The current contract for the work through Conceptual Design is \$59,995 leaving \$35,045 for Design Development through Construction Administration. The fee for these services is \$84,944. Staff has issued a modification for the Design Development portion of the work in the amount of \$31,684. This resolution is requesting authorization to increase the contract amount by \$53,260 to \$144,903 to cover the remaining A&E work.

Recommendation

Approve Resolution 2011-7-27 (1) authorizing the Executive Director to increase the contract amount for the Architectural and Engineering Services for the THA Administrative Offices Space Study and Design project in an amount not-to-exceed \$53,260 with Buffalo Design.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27 (1)

ARCHITECTURAL & ENGINEERING (A&E) SERVICES FOR THA ADMINISTRATIVE OFFICES SPACE STUDY AND DESIGN – CONTRACT AMENDMENT

WHEREAS, On March 23, 2011, The Board of Commissions (BOC) of Tacoma Housing Authority (THA) authorized the Executive Director to award a contract with Buffalo Design for Architectural and Engineering Services for THA's Administrative spaces;

WHEREAS, The first focus of work is the 902 S L Street building;

WHEREAS, The BOC authorized a Not to Exceed amount of \$95,000 for work that included a complete study of the building, a conceptual design master plan and for design development through construction administration for the Housing Choice Voucher area;

WHEREAS, Based on the final conceptual plans the total amount for the design and engineering is \$144,903;

WHEREAS,

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

Approve Resolution 2011-7-27 (1) authorizing the Executive Director to increase the contract amount by \$53,260 for a total amount not to exceed of \$144,903 to cover the additional A&E work

Approved: July 27, 2011

Dr. Arthur Banks, Chairman

RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27 (2)

DATE: July 27, 2011

TO: Board of Commissioners

FROM: Michael Mirra, Executive Director

RE: Commitment of Tacoma Housing Authority funds for Stewart Court Apartments

Background

On January 23, 2011 THA submitted a Stage 1 Application to the Washington state Housing Trust Fund (HTF) 2011 Funding Round for the Stewart Court Apartments. The Application passed the first phase of HTF review, and on June 9, 2011 THA received an invitation to submit a Stage 2 Application.

The commitment of additional capital financing to the project (from both the HTF and THA) and changes proposed to the rental income structure of the property are designed to accomplish three critical goals:

- (1) to finance high priority exterior renovations;
- (2) to increase cash flow from property operations; and,
- (3) to enable the property to pay down bond debt that THA incurred when it purchased the property in 1995.

In addition to the proposed new capital financing that THA seeks in order to finance exterior renovations, Staff propose adding 18 units of Project-based subsidies to Stewart Court which will significantly increase the operational health and cash flow of the property.

The high priority exterior renovations identified in THA's application to the HTF includes: removing and replacement of all exterior siding; painting of siding; repairing the asphalt parking lot; repairing rock retaining walls; adding a bathroom to the office space at the property; and other site improvements.

With this resolution, staff seeks the Board's authorization to commit up to \$1,269,600.00 of THA funds for the project. These funds will be transferred as a loan to the project to be repaid at 3% annual interest to THA, and a 30 year term, with annual debt service payments due to THA of \$41,371. THA's loan to the project is needed in order to cover the costs of the exterior renovations (including soft costs), and to leverage the Housing Trust Fund contribution to the project.

Recommendation

Approve Resolution 2011-7-27 (2) authorizing and directing the Executive Director or his designee to commit THA funds for rehabilitation work at the Stewart Court Apartment complex.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27(2) SUBMISSION OF FUNDING APPLICATION FOR STEWART COURT APARTMENTS

Whereas, The Housing Authority of the city of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low income persons residing within the City of Tacoma, Washington;

Whereas, RCW 35.82.070(2) provides that a housing authority may “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof...”;

Whereas, The Authority submitted a Stage 1 application for funding for the Stewart Court Apartment complex to the Housing Trust Fund for the 2011 Funding Round;

Whereas, The Authority’s Stage 1 application was successful and the Authority received an invitation to submit a Stage 2 application;

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

The Executive Director or his designee is authorized to commit Tacoma Housing Authority funds up to \$1,269,600.00 to the project for the rehabilitation work at the Stewart Court Apartment complex.

Adopted: July 27, 2011

Dr. Arthur C. Banks, Chairman

RESOLUTION #3



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27 (3)

DATE: July 27, 2011

TO: Board of Commissioners

FROM: Michael Mirra, Executive Director

RE: Disposition Application for 1800/2500 Hillside Terrace

Background

As a part of the redevelopment of the 1800 and 2500 blocks of Hillside Terrace, THA will be demolishing the 104 units of housing that currently exist on these two blocks and in their place constructing 140 units on the 2500 block. For the immediate future the 1800 block will remain vacant. In order to do this, THA must submit an Inventory Removal Application to the Special Application Center (SAC) for disposition approval.

The dispositions proposed will consist of a) the long term lease of land and improvements to the 2500 Yakima LLLP for Phase I of the redevelopment; b) the long term lease of land and improvements to the 2500 Court G LLLP for Phase II of the redevelopment. The disposition of land and improvements for these improvements will result in the development of 140 units of affordable tax credit rental units.

Upon passage of this resolution, THA is prepared to submit the Inventory Removal Application to the SAC. SAC approval is expected in approximately 90 days.

Staff expects that HUD will complete its review of THA's application to dispose of these blocks of Hillside Terrace by the end of the year. Acceptance by HUD of THA's application does not commit THA to the actual demolition of the properties. Should all funding commitments needed to begin redevelopment activities not be committed by the end of the year, THA has the option of postponing demolition until all project financing commitments are in place. HUD's approval of THA's disposition application would be active for six years.

Recommendation

Approve Resolution 2011-7-27 (S) authorizing and directing the Executive Director or his designee to complete and submit the Inventory Removal Application for 1800/2500 Hillside Terrace.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27(3) DISPOSITION APPLICATION FOR 1800/2500 HILLSIDE TERRACE

Whereas, The Housing Authority of the city of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low income persons residing within the City of Tacoma, Washington;

Whereas, The redevelopment of 1800/2500 Hillside Terrace will result in the demolition of all existing public housing units, and the redevelopment of a mixed income community, including new rental units, new infrastructure and new community facilities;

Whereas, Ownership of the rental units will be conveyed via a long-term lease from the Tacoma Housing Authority to the tax credit ownership entities;

Whereas, The redevelopment of 1800/2500 Hillside Terrace and the disposition of land will result in more affordable rental units to benefit low and very low income residents of Tacoma;

Whereas, There is a continuing need for affordable housing within the city of Tacoma as identified in the City’s consolidated plan; and

Whereas, The disposition is consistent with the 2011 Annual Plan

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

The Executive Director or his designee is authorized and directed to complete and submit the Inventory Removal Application for 1800/2500 Hillside Terrace.

Adopted: July 27, 2011

Dr. Arthur C. Banks, Chairman

RESOLUTION #4



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27(4)

DATE: July 27, 2011
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: 2500 Yakima/Phase I Hillside Terrace

Background

THA has developed a new financing and phasing plan to redevelop the 1800 and 2500 blocks of Hillside Terrace. In total there are currently 104 units of housing on these two blocks. Staff proposes to demolish the existing housing and in its place develop 140 units of new affordable tax credit rental housing. This will be done in two separate phases. This resolution is related to the development of the Phase I project. This is being done at this time in order for THA to secure the partnership name for Phase I which is required for the Inventory Removal Application (previously known as Demolition/Disposition) that THA will submit upon approval from the Board (Resolution 2011-7-27(3)).

Phase I is a 70-unit tax credit project. The units will be made affordable to households at 30%, 40% and 50% of area median income, respectively. The unit breakdown is proposed to be the following: 26 1-bedroom units; 30 2-bedroom units; and, 14 3-bedroom units.

The current concept is a mix of several low-rise buildings and one mid-rise building. The mid-rise building will have approximately 55 +/- units. There will be approximately 15-20 low-rise townhouse style units.

THA expects to lease the land and improvements to a Limited Liability Limited Partnership (LLLP) for approximately 99 years.

The financing structure for this phase is expected to include, but not limited to, the following sources of funding: tax credit equity, Housing Trust Fund dollars, City of Tacoma/TCRA funding, private debt and THA.

Board Resolution

The subject Resolution seeks Board approval to authorize the Executive Director or assigned designee to:

1. Form a Limited Liability Limited Partnership

2. To prepare, execute and submit to the Washington State Housing Finance Commission any agreements and other documents necessary to secure the proper approval of THA's use of low income housing tax credits for the project;
3. To execute, deliver and/or file, on behalf of the Authority in its own behalf and in its capacity as the LLLP's managing partner, as applicable, any other affidavits, certificates, letters, government forms, documents, agreements and instruments that the Executive Director determines to be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein and/or in connection with the application for low income housing tax credits or other financing for the project; and
4. To expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Recommendation

Approve Resolution 2011-7-27(4) authorizing the Executive Director or assigned designee to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27(4)

HILLSIDE TERRACE PHASE I AUTHORIZING RESOLUTION

(2500 Yakima)

A RESOLUTION of the Housing Authority of the City of Tacoma authorizing (i) the formation of a limited liability limited partnership of which the Authority will be the sole general partner in connection with the acquisition, construction and operation of an affordable multifamily rental housing project located at 2500 Yakima Avenue in the City of Tacoma, Washington; (ii) the submission of applications for funding and credit enhancement for such housing project; and (iii) the disposition by sale or lease of all or portions of the project site to the partnership; and providing for other matters properly related thereto.

Whereas, the Housing Authority of the City of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the “City”).

Whereas, the Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); and (v) “make . . . loans for the . . . acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing persons of low income.”

Whereas, the phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

Whereas, the Authority expects to develop an affordable multifamily rental housing project consisting of approximately 70 dwelling units, to be located at 2500 Yakima Avenue in the City (the “Project”). The total financing for the project will require the use of various funding sources, which may include low-income housing tax credits, the issuance of tax-exempt bonds, loans from public and private lenders, and/or grants. Certain of those sources will require creation of a partnership or limited liability company to maximize the benefits and minimize the risks to the Authority.

Whereas, the Board finds and determines that both the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City.

Whereas, based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Authority's Board of Commissioners (the "Board") has deemed it necessary to proceed with the transactions described in this resolution.

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

1. The Authority is authorized to: participate in the formation of, and become the sole general partner in, a Washington limited liability limited partnership (the "Partnership"), which Partnership shall have an initial limited partnership agreement (the "Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership") substantially in the forms on file with the Authority's Executive Director (the "Executive Director"), with such changes as the Executive Director may deem necessary or advisable (and not inconsistent with the terms of this resolution). The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith.
2. The Executive Director and his designee (each, an "Authorized Officer" and, together, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, and cause the Authority to perform its duties under, the Partnership Agreement, the Certificate of Limited Partnership, all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) approve any changes to the Partnership Agreement and the Certificate of Limited Partnership, including any material changes, that any Authorized Officer may deem necessary or advisable (and not inconsistent with the terms of this resolution); (iii) determine the name of the Partnership (it being understood that the words "2500 Yakima" should appear in the name to the greatest extent feasible); and (iv) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited partnership, partnership agreement, general partner, limited partner, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, and certificate of formation, respectively.
3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private

sector financing, an allocation of private activity bond volume cap from the Washington State Department of Commerce (if it is determined that tax-exempt bonds should be issued to finance the Project), Washington State Housing Trust Fund grant(s) and/or loans(s), and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue “9%” or “4%” tax credits), prepare, execute and enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation, and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation is initially made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) prepare all appropriate resolutions for Board review and approval; (viii) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (ix) negotiate contracts relating to the use, management and naming of Project buildings; (x) take all necessary and appropriate actions to dispose of the Project by sale or lease to the Partnership (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xi) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority for the Project (but only if the Authority’s Executive Director determines such credit enhancement to be cost effective); (xii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiii) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority’s Executive Director determines such ratings to be desirable); (xiv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Project; and (xv) otherwise execute the Authority’s rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

4. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions

contemplated herein, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.

5. The Authority is authorized to expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend up to \$1,021,416 million to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% *per annum*).
6. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.
7. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissions of the Housing Authority of the City of Tacoma at an open public meeting this 27th day of July, 2011.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

July 27, 2011

Dr. Arthur C. Banks, Chairman

CERTIFICATE

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

1. That the attached Resolution No. 2011-7-27(4) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 27th day of July, 2011, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of July, 2011.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

Executive Director of the Authority

RESOLUTION #5



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27 (5)

DATE: July 27, 2011
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: 2500 Court G/Phase II Hillside Terrace

Background

THA has developed a new financing and phasing plan in order to redevelop the 1800 and 2500 blocks of Hillside Terrace. In total there are currently 104 units of housing on these two blocks. Staff proposes to demolish the existing housing and in its place develop 140 units of new affordable tax credit rental housing. This will be done in two separate phases. This resolution is related to the development of the Phase II. This is being done at this time in order for THA to secure the partnership name for Phase II which is required for the Inventory Removal Application (previously known as Demolition/Disposition) THA will submit upon approval from the Board (Resolution 2011-7-27(3)).

Phase II is a 70-unit tax credit project. The units will be made affordable to households at 30%, 40% and 50% of area median income, respectively. The unit breakdown is proposed to be the following: 26 1-bedroom units; 30 2-bedroom units; and, 14 3-bedroom units.

The current concept is a mix of several low-rise buildings and one mid-rise building. The mid-rise building will have approximately 50 +/- units. There will be approximately 20+/- low-rise townhouse style units.

THA expects to lease the land and improvements to a limited liability limited partnership (LLLP) for approximately 99 years.

The financing structure for this phase is expected to include, but not limited to, the following sources of funding: tax credit equity, City of Tacoma/TCRA funding, private debt and 2060 funds from Pierce County.

Board Resolution

The subject Resolution seeks Board approval to authorize the Executive Director or assigned designee to:

1. Form a limited liability limited partnership

2. To prepare, execute and submit to the Washington State Housing Finance Commission any agreements and other documents necessary to secure the proper approval of THA's use of low income housing tax credits for the project;
3. To execute, deliver and/or file, on behalf of the Authority in its own behalf and in its capacity as the LLLP's managing partner, as applicable, any other affidavits, certificates, letters, government forms, documents, agreements and instruments that the Executive Director determines to be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein and/or in connection with the application for low income housing tax credits or other financing for the project; and
4. To expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Recommendation

Approve Resolution 2011-7-27(5) authorizing the Executive Director or assigned designee to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



TACOMA HOUSING AUTHORITY

RESOLUTION NO 2011-7-27(5)

Hillside Terrace Phase II Authorizing Resolution

2500 Court G

A RESOLUTION of the Housing Authority of the City of Tacoma authorizing (i) the formation of a limited liability limited partnership of which the Authority will be the sole general partner in connection with the acquisition, construction and operation of an affordable multifamily rental housing project located at 2500 Court G in the City of Tacoma, Washington; (ii) the submission of applications for funding and credit enhancement for such housing project; and (iii) the disposition by sale or lease of all or portions of the project site to the partnership; and providing for other matters properly related thereto.

Whereas, the Housing Authority of the City of Tacoma (the “Authority”) seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the “City”).

Whereas, the Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); and (v) “make . . . loans for the . . . acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing persons of low income.”

Whereas, the phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

Whereas, the Authority expects to develop an affordable multifamily rental housing project consisting of approximately 70 dwelling units, to be located at 2500 Court G in the City (the “Project”). The total financing for the project will require the use of various funding sources, which may include low-income housing tax credits, the issuance of tax-exempt bonds, loans from public and private lenders, and/or grants. Certain of those sources will require creation of a partnership or limited liability company to maximize the benefits and minimize the risks to the Authority.

Whereas, the Board finds and determines that both the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City. .

Whereas, based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Authority's Board of Commissioners (the "Board") has deemed it necessary to proceed with the transactions described in this resolution.

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

1. The Authority is authorized to: participate in the formation of, and become the sole general partner in, a Washington limited liability limited partnership (the "Partnership"), which Partnership shall have an initial limited partnership agreement (the "Partnership Agreement") and a certificate of limited partnership (the "Certificate of Limited Partnership") substantially in the forms on file with the Authority's Executive Director (the "Executive Director"), with such changes as the Executive Director may deem necessary or advisable (and not inconsistent with the terms of this resolution). The Board intends that the Partnership will develop the Project and receive low income housing tax credits in connection therewith.
2. The Executive Director and his designee (each, an "Authorized Officer" and, together, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, and cause the Authority to perform its duties under, the Partnership Agreement, the Certificate of Limited Partnership, all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) approve any changes to the Partnership Agreement and the Certificate of Limited Partnership, including any material changes, that any Authorized Officer may deem necessary or advisable (and not inconsistent with the terms of this resolution); (iii) determine the name of the Partnership (it being understood that the words "2500 Court G" should appear in the name to the greatest extent feasible); and (iv) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in his discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited partnership, partnership agreement, general partner, limited partner, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, and certificate of formation, respectively.
3. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the Partnership's general partner) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, an allocation of private activity bond volume cap from the Washington State Department of Commerce (if it is determined that tax-exempt bonds should be issued to finance the Project), Washington State Housing Trust Fund grant(s) and/or

loans(s), and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for the Project (depending on whether the Authorized Officers determine to pursue “9%” or “4%” tax credits), prepare, execute and enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation, and cause such allocation (or any portion thereof) to be assigned to the Partnership if the allocation is initially made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) prepare all appropriate resolutions for Board review and approval; (viii) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (ix) negotiate contracts relating to the use, management and naming of Project buildings; (x) take all necessary and appropriate actions to dispose of the Project by sale or lease to the Partnership (including entering into any option to lease, or lease, necessary to provide the Partnership with control of the Project site); (xi) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority for the Project (but only if the Authority’s Executive Director determines such credit enhancement to be cost effective); (xii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiii) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority’s Executive Director determines such ratings to be desirable); (xiv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority for the Project; and (xv) otherwise execute the Authority’s rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

4. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, a development services agreement between the Partnership and the Authority (and/or others) providing for the development

of the Project, contracts with architects, engineers and other consultants, and construction contracts.

5. The Authority is authorized to expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend up to \$500,000 million to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% *per annum*).
6. Any action required by this resolution to be taken by the Executive Director of the Authority may, in his absence, be taken by the duly authorized acting Executive Director of the Authority.
7. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
8. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissions of the Housing Authority of the City of Tacoma at an open public meeting this 27th day of July, 2011.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

July 27, 2011

Dr. Arthur C. Banks, Chairman

CERTIFICATE

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

1. That the attached Resolution No2011-7-27(5) (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a meeting of the Authority held on the 27th day of July, 2011, and duly recorded in the minute books of the Authority.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of July, 2011.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

Executive Director of the Authority

EXECUTIVE DIRECTOR REPORT



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

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

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

1. STRATEGIC PLANNING

In my March report to the Board, along with attachments, I reviewed our project for the strategic planning we will do this year. You may remember that our project includes an effort to canvas the views of community members. Part of this effort includes an on-line Survey Monkey. The survey does not close until August 16th, after which I will compile and distribute the survey results for the Board. I write now to confirm my recent email to the Board that commissioners can go on-line and check the results as they come in. Just follow the link in the email and use the password I provided there.

As of today, 83 people have responded including elected officials, governmental staff, funders, investors, community members, social service partners, practitioners, and staff. The responses are interesting, challenging and reaffirming.

Shortly we are sending a letter or newsletter to every tenant, voucher landlord, voucher holder and person on our waiting list. We are including a request that they participate in the survey. We hope this will elicit still more responses.

2. WSQA APPLICATION

THA has submitted its application for an organizational assessment from the Washington State Quality Awards (WSQA). I attach a copy.

The legislature created WSQA. WSQA's web site states its purpose:

Established in 1994 by Senate Bill 6220, WSQA is dedicated to making Washington State a better place to live, learn and work by helping organizations achieve superior results through the use of the Criteria for Performance

Excellence. The WSQA is patterned after the Baldrige National Quality Award and utilizes this model as the primary standard for performance evaluation and improvement. The WSQA is one of approximately 36 state programs in the nation.

The Washington State Quality Award is awarded to organizations that have implemented and achieved exceptional quality performance. These organizations are seen as models for organizations throughout Washington and the nation who seek outstanding results.

The WSQA is a non-profit, 501c3 organization that operates with 2 full time equivalent employees and over 200 volunteers. Our volunteers represent all sectors across the state of Washington and make up the WSQA Board of Directors, examiners, mentors, and panel of judges. This core group of volunteers makes it possible for WSQA to be a successful program.

Core services of WSQA include consulting, workshops, symposiums and conferences, online survey tools, presentations and the award process.

Each year the program office receives applications for the WSQA from organizations who seek feedback and recognition for the efforts they have made in achieving performance excellence. Each individual application is subjected to a thorough and intensive evaluation and scoring process by the Board of Examiners. This process leads to the decision of the organization receiving a site visit, which then results in the decision for award recognition. [www.wsqa.net, April 1, 2010]

WSQA offers two assessments, a full assessment and a “lite” assessment. We ed for the “lite” one. We did this for two reasons. **First**, our funding sources are starting either to require that we do this or to award extra points in their ranking of competitive funding applications if the applicant has applied for a WSQA assessment. This is true, for example, of the state’s Housing Trust fund and the Washington State Housing Finance Commission. THA appears to be the first PHA in the state to apply. **Second**, and more importantly, we applied to improve our organizational functioning.

While suggestions for improvement will come directly from the assessment, the effort to draft the application was instructive. We identified ways to get better at our work. We also found occasions to feel good about our present practices. Doing this during our strategic planning was also timely.

We should get the WSQA assessment sometime during the Fall.

3. CONGRESSIONAL BUDGET NEWS

Congressional work on the FFY 2012 budget has largely stalled pending the debate over the federal debt ceiling. If you have been reading the news about that debate then you know the sorry state of the discussion. I enclose some articles that may be of interest.

It is clear that we will face some notable cuts in 2012. THA is participating with the Seattle Housing Authority and the King County Housing Authority in discussions with Senator Patty Murray's office and Representative Norm Dicks' office on budget language that will improve the ability of MTW agencies to weather whatever the cuts may be. Those discussions are going well.



TACOMA HOUSING AUTHORITY

WSQA LITE APPLICATION (June 28, 2011)

ORGANIZATIONAL PROFILE

P.1 ORGANIZATIONAL DESCRIPTION

THA is a social justice agency with a technical mission.

P.1a(1) THA's Product Offerings THA provides three types of services or products:

(1) *Rental Housing*: THA owns housing it rents to needy families. It serves 1,400 households in this way. It is Tacoma's largest landlord. THA has a real estate development capacity to build housing for this purpose. THA also manages most of its portfolio. In this work, THA uses public and private funds. It is the local conduit for federal funds for public housing. THA also uses state and local public funds. In addition, THA uses an increasing array of private sources. The rents it charges are a main source of operating monies. (2) *Rental Assistance*: THA provides rental assistance to another 3,600 households to help them rent housing on the private market. The federal government is the main source of this money. (3) *Supportive Services*: THA provides supportive services to households that receive THA's housing assistance. It does this for two reasons. **First**, these services help clients succeed as tenants. **Second**, THA provides services to help work able households prosper. The financing for this work comes from public and private sources.

P.1a(2) THA's Organizational Purpose, Culture and Core Competencies THA's statements of vision, mission and strategic objectives state its organizational purposes.

THA's Vision

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

THA's Mission

THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them become self sufficient, that strengthen communities and that use its public and private resources efficiently and effectively.

Strategic Objectives

Housing and Real Estate Development: THA will efficiently develop housing and other properties that are affordable, high quality, suitable to a range of needs and uses, sustainable and attractive.

Building Communities: THA, by what it builds and how it builds, will create and strengthen communities and help them be safe, vibrant, prosperous, attractive and just.

Property Management: THA will manage its properties so they are safe and enjoyable places to live, efficient to operate, good neighbors, and attractive assets to their neighborhoods.

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.

Financially Sustainable Operations: THA seeks to be more self-sustaining. It seeks to become less dependent on program income, especially program income from the federal government.

Environmental Responsibility: THA will develop and manage its properties and operations to improve the local and global environment. By its example and its expertise, THA will help others do the same.

Advocacy/Public Education: THA will advocate for the value of its work and for the interests of the people it serves. It will be a resource for high quality advice, data and information on housing, community development, and related topics.

Administration: THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments

THA's statement of values describes the organizational culture, either as it is or as THA works to make it.

THA's Values

Service

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

Integrity

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

Stewardship

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

Communication

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

Diversity of Staff

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

Collegial Support and Respect

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

Excellence

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

THA has the following core competencies: (1) *Customer service*: THA treats its clients well. This is notable because they have demanding needs. They include households facing challenges of poverty and dysfunction. They include disabled persons with special needs. Many speak a language other than English. (2) *Housing linked with supportive services*: THA links its housing with supportive services. THA believes that such linkages make both the housing and the services more effective for households that need both. For this reason, THA is good at partnerships with other organizations that provide services. (3) *Social justice orientation*: THA regards its work as part of a comprehensive striving for social justice. It understands this to mean that every person has an irreducible core value equal to others without regard to race, class, disability or other attribute often used to discount people, that this value entitles him or her to respect and regard, and that each person has a reciprocal responsibility to the community. This understanding shows in THA's program design and management, its advocacy and in its staff's commitment to this work. (4) *Ambitious and innovative programs*: THA is ambitious and innovative. This is evident in its sophisticated financing. It shows in the range and innovation of its housing and service programs. This also accounts for the array of diverse partners that THA enjoys. THA is not a large public housing authority but it does things "beyond its size."

P.1(a)(3) THA's Workforce Profile THA's has one of the most diverse workforces in the region. This is important because THA's client population is also diverse. THA's unionization is an important factor in two ways. First, THA regards its good union relations as an important asset. The unions help ensure adequate staff communication, motivation and collective effort. Second, Tacoma is a heavily unionized community. THA's good union relations are an important advantage in the community relationships it needs. The education level of THA staff is lower than it might otherwise be because THA tries to hire from among its client population. These hires may not be as skilled but they bring other values and experiences that are very important.

Leadership and Avg Age	Cabinet 7% Age-53	Management 16% Age-47	Non-Mgmt; Non-union 10% Age-51	OPEIU 48% Age-44	Trades 20% Age-51
Gender	Females 62.3%			Males 37.7%	
Tenure(yrs)	<1; 14%	1-10; 68%			11-20; 13% 21+; 5%
Education*	< High School; 0%	High School; 26%	Some Post-Secondary; 48%	AA Degree; 4%	BA/BS & Above; 22%
Shift	Day; 100%			Evening; 0%	Night; 0%

FTE	Full-time; 99.6%			Part-time; .4%	Per diem; 0%	
Ethnicity	Caucasian; 59.6%	Afr. Amer;18.4%	Asian-Pac Islander;8.8%	Hispanic;7.9%	Other;5.3%	
*Note: The education percentages refer only to those line staff and some lower level management positions for which we use education records as part of our new hire salary analysis. These cover about half of our employees.						

The 2010 survey of staff reported the following top five motivating factors: Management Effectiveness, Communications, Development & Recognition, Management Skills, and People Skills. THA's key benefits are: excellent comprehensive benefits package for health, vision, dental, short and long-term disability, life insurance and retirement. Benefits include domestic partners when the carrier allows. For medical coverage, employees may pay a pre-tax contribution each month, (maximum \$254/month) dependent on the plan and their level of coverage. THA pays the balance. THA pays 100% of the premium for all other benefit plans. THA also offers employees generous paid holidays, personal days, and vacation and sick leave. Employees participate in the Public Employees Retirement System. THA has flexible, family-friendly scheduling options available to employees in many positions.

P.1(a)(4): THA's Major Facilities, Technologies, and Equipment? The following constitute THA's major facilities, technologies and equipment: (1) THA's portfolio of properties, both housing and non-housing, is its largest asset. It is worth millions of dollars; (2) THA also uses an elaborate array of technologies, largely specialized data bases. These include commercially purchased systems and ones that THA has designed in-house.

P.1(a)(5) THA's Regulatory Environment THA is heavily regulated. Its funders, public and private, regulate as a condition of funding. THA is also a public agency. This triggers a wide range of regulation common to all public agencies. Here is a list of the notable examples.

Function	Source of Regulation	Type of Regulation
Real Estate Development	U.S. Housing and Urban Development Dept. (HUD)	Detailed rules govern the uses and schedule of uses of HUD and state monies to build housing, including procurement of contractors, wages they pay, type and purpose of housing.
	State of Washington	
	Land use and zoning; building codes	All construction must comply with City of Tacoma codes governing land use, zoning and building standards.
	Private lenders and investors	Private sources of financing impose requirements governing what THA builds, on what schedule and for what purpose.
	Washington State Housing Finance Commission (WSHFC)	WSHFC allocates federal low-income housing tax credits. THA relies on these credits to raise capital dollars for building. WSHFC is responsible for ensuring THA's compliance with the federal rules governing this program.
Real Estate Management	HUD	HUD has very detailed rules governing the management and tenancies of housing funded with its money.
	WSHFC	Housing built with tax credits imposes its own rules for the management of tax credit housing.
	State of Washington	State law governs residential tenancies in great detail.
	United States, State of Washington, City of Tacoma	All levels of government impose civil rights obligations on housers. These include the duty to reasonably accommodate persons who are disabled.
Housing and Supportive Services	HUD; State of Washington; City of Tacoma; Private foundations	All sources of financing for THA's housing and service programs regulate the uses of this money in great detail.
Employment	United States State of Washington	Federal and state governments extensively regulate THA's employment practices. <i>E.g.</i> civil rights laws; health and safety standards, Family Medical Leave Act, collective bargaining and union relations, pensions,
Finances	HUD Washington State Auditor	HUD and the State oversee THA's finances
Miscellaneous	State of Washington	State law governs public housing authorities' powers. As a public agency THA must also comply with the Public Records Act and the Open Public Meetings Act.

The regulation governing THA's work typically entails extensive record keeping and periodic detailed audits.

P.1(b)(1) THA's Organizational Structure A five person Board governs THA. The City's Mayor appoints each Commissioner to staggered five year terms. The Board chooses its Chair and Vice Chair for one year terms. They constitute the Board's Executive Committee. The Board also appoints a Finance Committee and a Real Estate Development Committee. The Board hires and directs an executive director. THA staff form five departments. The department directors and an executive administrator report to the executive director and constitute his or her cabinet. The cabinet constitutes THA's senior management. THA has several important standing committees: Policy Committee; Asset Management Committee; Safety Committee; Employee Recognition Committee. *See attached organization chart.*

P.1(b)(2) Key Customer and Stakeholders and their Expectations

Customers		
THA tenants	Safe, well maintained, affordable and appealing housing	High quality customer service
Rental assistance recipients	Timely payment of THA’s share of the rent; fair enforcement of reasonable rules made clear	
Recipients of supportive services	Supportive services addressing a range of needs in an effective and responsive manner	
Applicants for assistance	An orderly and accessible way to apply for housing; efficient management of waiting lists under fair and clear rules	
Salishan home purchasers and home owners	THA will use its influence and authority, as Salishan property manager, and as a key voice in the Salishan Association to keep Salishan safe, well maintained and appealing.	
Stakeholders		
City of Tacoma	High quality and efficient development and management of real estate, and superior design and administration of programs; collaboration with their development goals; advice and data on housing related policy.	
Neighborhoods and their councils		
State Legislature		

P.1(b)(3) Example of Key Partners and Roles

Voucher landlords	Voucher landlords voluntarily participate in THA's rental assistance programs by agreeing to rent to client families, to accept THA's share of the rent and to comply with program rules. THA's rental assistance programs cannot succeed without them. THA's duty is to make timely and accurate payment of THA's share of the rent and make its administration easy for landlords to engage and to communicate effectively. THA has convened a Landlord Advisory Group to allow for this. THA consults this group about all notable issues.
Funders and investors	THA has a wide variety of funders and investors. Each of these relationships is formal and structured by the terms of the funding. Communication with each is essential for the success of the relationship and the prospect of future funding. THA keeps in close communication with each, both formally and informally.
Contractors	THA does not use its own staff for construction. Instead, it procures contractors for the purpose. These contractors expect THA's procurement to be fair, open and accessible. Once chosen, THA and its contractors expect an ethical, efficient and enjoyable business relationship
Regulatory authorities	Federal and state agencies regularly oversee and audit THA's activities. This oversight imposes a structured method and schedule of communication. THA needs an open and constructive relationship with each. THA seeks to use such oversight as learning opportunities to get stronger.

P.2 ORGANIZATIONAL SITUATION

P.2(a)(1) Competitive Position THA faces varying competition. Its core business serves a large population of very low income households who have limited housing options. Neither THA nor the other organizations serving this population will ever be short of such customers. THA does compete for customer households as it offers housing for households at higher income ranges served by other housers, including for-profit ones. While a large portion of THA's funding comes from HUD without competition, THA must compete for important funding for building and managing programs. Some HUD competitions are national among up to 3,200 public housing authorities. Some competitions are state wide with other 38 housing authorities in Washington State and dozens of other nonprofit housers.

E.g. Low income housing tax credits; housing trust fund grants. THA must also compete nationally for private financing from lenders and investors.

P.2(a)(2) Principal Factors These factors determine THA's competitiveness. (1) The quality and efficiency of THA's property management determine its ability to attract and keep customers and find financing. (2) THA has a strong reputation for an expansive view of its mission and innovative ways to pursue it. This appeals to a range of funding sources. (3) THA is also very good at partnerships. This also appeals to funders. It also extends THA's reach and capacity.

P.2(a)(3) Data THA can get comparative and competitive industry data from the following sources: (1) HUD; (2) industry literature; (3) its customers; (4) the competition for resources. THA also generates its own data. *e.g.* Employee Opinion Survey that are normed to national standards.

P.2(b) Strategic Context

	Strategic Challenges	Strategic Advantages
Business	(SC1) HUD funding will likely decline; (SC2) private funding will reflect the weakness of the economy and the real estate market.	(SA1) strong THA reputation for good management and innovation; (SA2) Moving to Work (MTW)* financial and programmatic flexibility
Operations	(SC3) Incomplete strategic planning providing performance measures; (SC4) inadequate protocol to set work priorities; (SC5) incomplete or no desk manuals.	(SA3) Solid strategic direction from a committed and engaged Board; (SA4) well informed view of what we need to do to strengthen operations; (SA5) strengthening systems to choose, track and perform work; (SA6) strong community partnerships
Human Resources	(SC6) Need to improve skill set among maintenance staff; (SC7) need for improved leadership and supervisory skills for managers; (SC8) need to improve ways to allow staff to develop professionally.	(SA7) Passionate and talented staff deeply engaged in THA's mission; (SA8) 90% staff retention; well designed performance management system;
	*Moving to Work (MTW) is a select status that HUD confers on only 30 of the nation's 3,200 public housing authorities. Getting this status is hotly competitive. It is also valuable. It confers important financial and programmatic flexibility on a housing authority's use of HUD money.	

P.2(c) Performance Improvement System THA uses the following tools to improve: (1) Its Asset Management Committee, with increasingly effectiveness, oversees the performance of THA's Real Estate Management Department in its management of THA's property portfolio. Another department staffs this Committee to ensure its independent judgment. It uses data that it collects from the portfolio. It regularly reviews this data with property managers. (2) Staff report monthly to the Board of Commissioners on an array of performance metrics, both financial and programmatic. THA has an alert and informed Board that presses staff for information and explanations as appropriate. (3) An array of outside auditors regularly inspects and monitors THA's operations and reports its assessments to THA. *E.g.* HUD, State Auditors, funders, investors. THA refers each report to the pertinent staff as learning opportunities; (4) Customer complaints go to the pertinent staff and managers for resolution and consideration of whether improved processes or performance are in order; (5) THA has a strong staff performance evaluation system that includes the selection of annual job objectives for the person being evaluated. Each subsequent evaluation reviews the performance on the chosen objectives; (6) THA has an on-line project data base of its own design that helps staff choose projects that conform to THA's strategic choices, sets performance measures for each project, tracks progress and records results to compare with the performance measures; these projects are often the source of job objectives for performance evaluation purposes; (7) THA has internal and external adjudicatory systems that oversee its decisions. These provide occasions for staff to consider their decision or performance. *E.g.* outside grievance hearing officer; Reasonable Accommodation Review Committee; arbitration of union grievances; civil rights enforcement agencies; court review of evictions.

CATEGORY 1: LEADERSHIP

- (a) **How do Senior Leaders set organizational Vision and Values? How do Senior Leaders deploy your organization's vision and values through your leadership system, to the workforce, key suppliers and partners and to customers and other stakeholders, as appropriate?**

THA's Board adopts the agency's statements of vision and values. It does so after staff drafts the statements that the Board then reviews, modifies and adopts. Although THA means these statements to be stable, its annual planning cycle has staff and Board review and refresh them. All other strategic directives and work are downstream from these statements. Every staff person encounters these statements, as well as the mission statement and the eight strategic directives, when they first arrive. The executive director meets with every new staff person shortly after he or she arrives at THA. (They also meet when a staff person transfers from one position to another.) They meet for an hour or so to review these directives. This helps the staff person understand them and to appreciate where he or she fits. They also discuss what it is like to be joining THA. This is a good time to assess THA's culture since a new person sees things that others no longer notice. This discussion also allows the executive director and the new person to begin a direct relationship that includes the executive director's invitation to visit any time. THA senior leaders arranged for vision and values statements to be posted in all offices and common areas, on its web site, intranet, desk manuals, and as the last two pages of every staff newsletter. Senior leaders distribute these statements to a wide array of stakeholders and use them in public announcements and descriptions of its projects. Staff also refer to them at the beginning of relationships with important vendors or contractors.

- (b) **How do Senior Leaders communicate with and engage the entire workforce? How do Senior Leaders encourage frank, two-way communication throughout the organization?**

The best spur to communication is a culture that encourages it. Senior leaders try to promote such a culture in various ways. Communication appears on THA's statement of values. It is also one of ten job expectations on which all staff are evaluated. Figure 1 lists the key communication mechanisms. The arrows indicate the direction of communication. Most communication means are two-way.

Figure 1. Communication Mechanisms

Method of Communication	Purpose/topics	
Weekly		
Department/division staff meetings	Operations	↕
Cabinet meetings [agenda and notes posted on share drive for all staff; staff invited to cabinet meetings in advance of board meetings and other meetings to cover selected topics]	operations prepare for board meetings	
Executive director meets weekly with his direct reports.	operations; open and future projects; general check-in	
Monthly		
Department directors meet with their direct reports	Operations	↕
Board Finance Committee meets with executive director and finance director	Finances	
Board Meeting The Board receives written and oral reports from department directors and the executive director; time for public comment	Operations; review of performance measures; finances	
Quarterly		

Method of Communication	Purpose/topics	
Department Skip Meetings Executive Director meets with each department in a two part meeting. The first part has everyone and the executive director does most of the talking, offering news and answering questions. In the second part, the department director and managers excuse themselves. This leaves the executive director and line staff to discuss any topic staff wishes. This is the executive director's listening time. The executive director holds a skip meeting with managers every 6 months.	These meetings allow the executive director to discuss news or developments and answer questions. More importantly, they allow him and staff to assess department morale and culture and, in particular, whether department communication is adequate	↕
Staff Newsletter features new staff, articles from each department, and an article from the executive director, and THA's strategic directives.	To share news	↓
Annually		
All Staff Retreat	Review strategic directives; learn; teach; spend time together; eat	↕
All Staff Summer Picnic and Winter Holiday Luncheon	Spend time together; eat	
Ongoing		
One on One Orientation meeting between executive director and each newly hired or newly transferred staff.	Review strategic directives; exchange views and vision for THA; discuss THA culture	↕
THA's Web Site; Intranet; Share Drives; On-Line Project Data Base.	Share and post information	
Annual Performance Reviews	Discuss staff performance; set job objectives for the next year	↕

(c) Describe how your organization addresses its responsibilities to the public and ensures ethical behavior. How does your organization fulfill its responsibilities to the public and ensure the ethical behavior of all members?

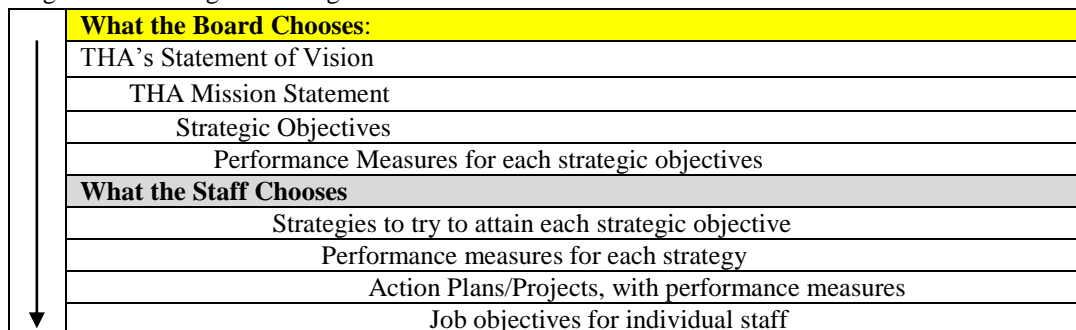
As a public agency THA is accountable to the public. "Service", "integrity" and "stewardship" appear on the short list of THA's statement of values. To emphasize their importance, the executive director discusses them with every new staff person. THA's success requires an engaged and supportive array of community stakeholders. The executive director works to keep them informed and participating. He meets regularly with city, county and community leaders. In addition, THA staff participate on neighborhood councils and community initiatives. THA also relies on community partners to do its work. E.g, social service providers, Tacoma School District, DSHS. THA assures ethical behavior through many methods. "Ethics" is one of ten job expectations evaluated with each annual performance review. THA offers staff a "hotline" to anonymously report misdeeds. Finally, THA submits to annual audits by a large number of outside authorities, including the State Auditor's Office, HUD, and numerous funders and investors, public and private. Senior leaders review audit reports with the pertinent staff and the Board.

CATEGORY 2: STRATEGIC PLANNING

(a) How does your organization perform its strategic planning? What are the key process steps and who are the key participants? What are your key strategic objectives?

THA understands its strategic planning as a cascade of elements, each informing those “downstream” to it. Figure 2.1 shows the elements and their relation to each other.

Figure 2.1. Strategic Planning Process



THA's Annual Planning Cycle directs the staff and Board to review the strategic directives annually. The effort to devise and review these directives includes: (i) a survey of community partners, using on-line survey tools as well as in-person interviews; (ii) research of pertinent facts about THA's business and its environment; (iii) consultation with experts and practitioners. Staff at all levels participate extensively, especially in the selection of performance measures since they will be responsible for the work that will get it done. The effort will coincide with the annual budget process so money decisions can reflect strategic choices. THA has chosen eight key strategic objectives. *See* Figure 2.2.

Figure 2.2.: THA Key Strategic Objectives

Housing and Real Estate Development
THA will efficiently develop housing and other properties that are affordable, high quality, suitable to a range of needs and uses, sustainable and attractive.
Building Communities
THA, by what it builds and how it builds, will create and strengthen communities and help them be safe, vibrant, prosperous, attractive and just.
Property Management
THA will manage its properties so they are safe and enjoyable places to live, efficient to operate, good neighbors, and attractive assets to their neighborhoods.
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.
Financially Sustainable Operations
THA seeks to be more self-sustaining. It seeks to become less dependent on program income, especially program income from the federal government.
Environmental Responsibility
THA will develop and manage its properties and operations to improve the local and global environment. By its example and its expertise, THA will help others do the same.
Advocacy/Public Education
THA will advocate for the value of its work and for the interests of the people it serves. It will be a resource for high quality advice, data and information on housing, community development, and related topics.
Administration
THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments.

THA is presently in the middle of a second cycle of review of these strategic objectives. This is a chance to review better ways to do it. For example, we are using a community survey and consultation

to broaden the views that will inform our choices. THA will also be choosing the performance measures for each objective.

(b) How do your strategic objectives address your strategic challenges and strategic advantages?

Figure 2.3 shows selected strategic objectives and for each a sample of the pertinent strategic challenges and advantages, the strategies for each, performance measures for each strategies and action plans/projects.

(c) How do you deploy action plans throughout the organization to achieve your key strategic objectives?

THA's staff choose action plans/projects for each strategic objective's strategies. Staff record these choices in an on-line project data base THA designed that serves several deployment purposes. In entering a project, it asks the staff person to identify the strategic objective and strategies the project would serve. If the project does not serve a present strategy the data base asks the staff person to consider if the project is worth doing. The data base has the staff person define the project, set forth its performance measures, make assignments, and set a due date. It also asks the staff person to designate a priority for the project. All this helps to place the strategic directives of the agency front and center when staff decide on what to spend time.

The project data base can then generate reports on projects by any number of parameters, *e.g.*, by strategic objective, strategy, staff, due dates. These reports can produce useful agenda for periodic staff meetings. Individual projects are also a useful source of job objectives for performance evaluations.

Figure 2.3: Sample Strategic Objectives and Samples of Related Information

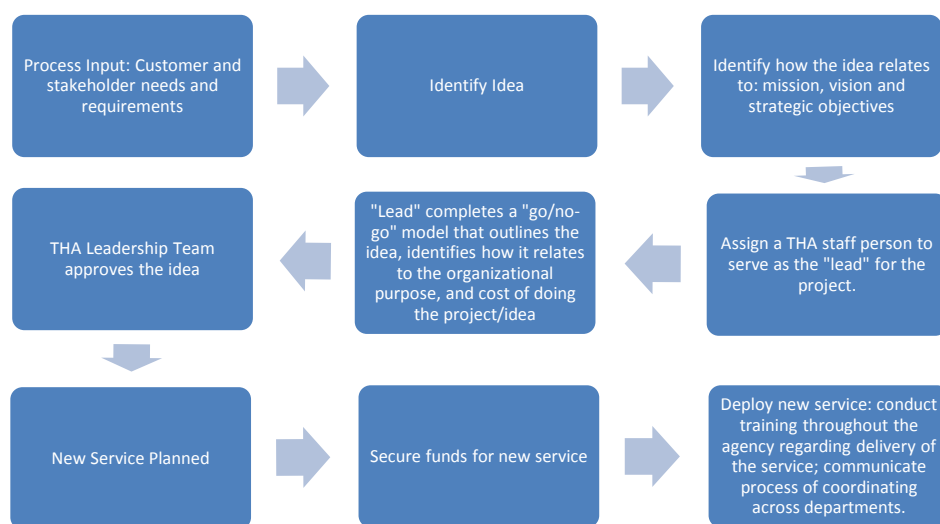
Strategic Objective Pertinent Strategic Challenges/Advantages	Strategies	Performance Measures	Action Plans/Projects
Housing and Real Estate Development SC1; SC2; SA1; SA2; SA6; SA7; SA8	Increase THA's portfolio of apartments; Build Mixed-Income, Mixed Tenure Developments; Renovate or dispose of THA's properties in need of repair	Increase THA's portfolio to 1,300 units; Between 25% and 30% of THA's rental portfolio serves households above 50% AMI; At least 25% of THA's rental portfolio is part of a development that includes at least 25% of homeownership units; Redevelop Old Hillside Terrace; Sell or renovate the 34 public housing scattered site units.	Salishan Redevelopment; Hillside Heights; [Purchase Possibilities] Hillside Terrace HOPE VI application; Choice Neighborhood application; Scattered Site Public Housing Units Disposition; Design Asset Management Function
Building Communities SC1; SC2; SA1; SA2; SA3; SA7; SA8.	Choose development projects in neighborhoods that need investment and that would encourage investment by others.	[not yet chosen]	Salishan Redevelopment Hillside Terrace Hillside Heights MLK Corridor Redevelopment
Property Management SC1; SC3; SC4; SC5; SC6; SC7; SA1; SA2; SA4; SA5; SA7; SA8.	Improve efficiency and effectiveness of program administration;	THA's PHAS score and status as standard or high performer; THA's SEMAP score and status as standard or high performer; Completion of transition to site based management in compliance with HUD rules and [third party] standards; All staff will understand their new roles; Complaints and comments from THA's customers.	Admissions and Continued Occupancy Plan (ACOP) Revisions; Moving to Work Implementation
Assistance SC1; SC2; SC3; SC4; SC5; SC7; SC8; SA1; SA2; SA3; SA4; SA5; SA6; SA7; SA8.	Increase services to special needs populations; self-sufficiency programs;	Increase number of special needs persons or households served; increase in educational achievement among children of assisted families; increase in earned income of assisted families; increase in savings or other assets of assisted families.	Independent Youth Housing Program for Foster Care Graduates; Family Unification Program Vouchers; Volunteer Income Tax Assistance Site Implementation; Homeownership Programs
Financial Sustainability SC1; SC2; SA1; SA2; SA7; SA8	Develop property that produces a net income; THA will sell services or products that it has developed;	net income	Design of Asset Management Function; Hillside Heights; Project Data Base; Reasonable Accommodation Data Base; Selling Property Management Services
Administration	Review and Clarify Policies and Procedures;	Policies and procedures that: cover all significant aspects of the agency's operations, reflect the considered judgment of staff or the Board as appropriate; are easy to read, understand and use, are easily accessible to all staff and the public in both digital and paper form; staff feel they adequately participated in drafting of policies and procedures that affect them and their work.	Desk Manual/Forms Project;

CATEGORY 3: CUSTOMER AND MARKET FOCUS

(a) How do you identify and innovate product offerings to meet the requirements and exceed the expectations of your customer groups and market segments?

THA conducts regular outreach to its stakeholders and customers, largely through its Community Services Department. This allows the agency to better understand the issues in the community. That knowledge allows THA to better serve our customers and form meaningful relationships. Every other year, the THA Community Services Department surveys a representative sample of its customers to assess their need for services. It uses the results of this survey to plan its product offerings. Senior leaders present THA's annual product offerings through a written annual plan it then presents at public hearings. The Board of Commissioners uses the comments received through the public hearings to adjust the plan. Figure 3.1 below demonstrates THA's process for identification and of each of the new products it offers.

Figure 3.1. New Products Identification and Innovation Process



This is a new process for the organization. THA senior leaders will review the process annually to identify what is working well and what can be improved with the process.

(b) How do you determine your key mechanisms to support use of your products to enable customers to seek information and conduct their business with you? What are your means of customer support, groups and market segments?

Each department within THA determines the mechanisms to use for customer access by: (1) identifying new communication mechanisms; (2) use customer feedback to determine if customers have access to the communication mechanism; (3) obtain approval for the use of the new communication mechanism through the THA leadership team; (4) deploy the new mechanism. The current communication mechanisms for THA appear in Figure 3.2.

Figure 3.2 Communication Mechanisms

Mechanism	Seek information about THA	Conduct business with THA
Electronic		
Website	X	
Quarterly Newsletter	X	
Salishan Blog	X	
Face-to-Face/Email/Telephone with:		

Mechanism	Seek information about THA	Conduct business with THA
THA Main Office	X	X
Case Manager	X	X
Program Manager	X	X
Department Director	X	X
Executive Director	X	X
On-site security		X

The communication mechanisms listed above are reviewed at least annually by each department.

(c) How do you determine customer satisfaction, dissatisfaction and loyalty?

THA uses several methods to determine customer satisfaction, dissatisfaction and loyalty. Staff accesses each situation and looks for the best method to gather the information needed. The process can happen at the cabinet level or at a department level. Figure 3.3 lists these methods, their frequency, the department conducting the methods, and how the department uses the information.

Figure 3.3 Customer Satisfaction and Dissatisfaction Methods

Listening and Learning (L&L) Methods	Department Responsible	Frequency of L&L Method	Use of Data from L&L Method
Needs Assessment	Community Services	Every other year	Plan services for the future; identify trends
Public hearings for agency plan	Real Estate Management	Annual	Plan services for the year
“Mystery Shoppers”	Real Estate Management	Annual	Identify staff training needs to improve customer service
Formal grievance process	Real Estate Management	As needed	Identify where processes and services can be improved
Project evaluations	All	As needed	Plan services and programs for the future
See “seek information” column in previous table	Real Estate Management	Ongoing	Resolve and/or investigate customer questions and concerns
Focus groups	All	As needed	Plan services and communication mechanisms

CATEGORY 4: MEASUREMENT, ANALYSIS AND KNOWLEDGE MANAGEMENT

THA relies on its ability to provide staff with the information they need to manage their daily activities and properties.

(a)1 How do you select, collect, align, and integrate data and information for tracking daily operations and for tracking overall organizational performance?

The operational managers in the agency select data and information based on what they need to successfully run, assess, and report the performance of their respective area. The managers relay their data needs to THA's Information Technology Division, whose staff filter the requests, design reporting tools, and make the information available to all staff through an integrated and live reporting system. Figure 4.1 shows a quick snapshot of the main uses of data and information.

Figure 4.1: Data selection criteria, elements, methods, and uses

Selection Criteria	Data Elements	Collection Method	Use
Data is selected to meet requirements of law, statute, and funding sources. Senior leaders analyze these requirements and receive notifications from various stakeholders concerning requirements and guidance.	In most instances, reporting requirements are laid out by the funders or State/Federal regulation with specific reporting deadlines.	Financial reporting systems, client forms, mainframe reports, interagency file sharing.	Reports are submitted as required. Many times the entities receiving the reports provide feedback. Agency staff use as a tool to measure how they meet mandated and industry requirements.
Data selected for strategic reasons. Through THA's SP process, senior leaders determine the strategic direction of the agency and define the data needed to measure success or failure.	Information that allows the agency to determine how they are doing against strategic objectives, agency goals, and industry standards.	Based on data selected, agency uses either canned reports from its ERP system, reports designed by its IT staff, surveys, and sharing information with other agencies.	This information assists the agency's board and senior leaders to assess how the agency is performing in the areas of strategic planning, and measure success in areas determined to be important.
Data selected to support THA's daily operations. Operational managers determine benchmarks for success in their respective areas and select data accordingly.	This information allows THA to determine how it is performing daily functions. Such reports would be financials by department and project, occupancy, staff and client satisfaction.	Based on data selected, agency uses either canned reports from its ERP system, reports designed by IT staff, surveys, and sharing information with other agencies.	This information assists the agency management and staff assess how they are performing the daily tasks and tell what areas need to be addressed and what areas are working well.

Figure 4.2 lists tools the agency uses for tracking daily operations and organizational performance.

Figure 4.2: Data Tracking Tools

Tool	Use
VisualHOMES ERP	ERP system which collects and manages data on clients, properties, financials and provides information for regulatory and business data reporting.
Tracking-at-a-Glance	This software collects and manages information about the people and how we serve though people through our community services department.
SharePoint	Intranet software facilitates agency communications, collaboration and document management.
ADP Payroll and Human Resource Software	Allows for data collection of employee time, benefit and demographic information.
Subject Matter Experts (in-house system)	Database and application used to collect and store information regarding THA's in-house employee expertise
Reasonable Accommodation (in-house system)	Reasonable Accommodation database and application used to collect and provide information for civil rights compliance
Project Database (in-house system)	Software application used to manage agency projects and align THA's projects with its strategic objectives and performance measures
Agency Share Drives	THA's Share Drives are setup so that all employees can share and access valuable information related to the operation of the agency, including monthly Board Reports, policies and procedures, and agency forms.
Other Methods of Data Collection	a) Employee Satisfaction Surveys b) Stakeholder Information Sharing

(a)2 What are your key organizational performance measures, including key short-term and longer-term financial measures?

Figure 4.3 lists the key metrics THA uses to assess its performance. These metrics appear in regular reports to senior leaders and staff, and monthly reports to Board.

Figure 4.3: Key Metrics.

Metric	Figure Reference	Type of Measure
HCV Voucher Utilization	7.1.2	Organizational Perform. Measure
Average Days to Lease THA Units	7.5.1	Organizational Perform. Measure
Work Order Response Time	7.5.2	Organizational Perform. Measure
PIC reporting rates	7.6.1 and 7.6.2	Organizational Perform. Measure
SEMAP / PHAS scores	7.6.3 and 7.6.4	Organizational Perform. Measure
Cost Per Unit Per Month	7.3.5	Short-Term Financial Measure
Audit Findings	7.6.5	Short-Term Financial Measure
Cash Position at Year End	7.3.7	Long-Term Financial Measure
Operating Income	7.3.8	Short-Term Financial Measure

(b). How do you review organizational performance and capabilities.

Managers review department performance weekly. They focus on key metrics listed in Figure 3.4, in addition to other data. Senior leaders also review organizational performance as part of weekly cabinet meetings. Further, the Board reviews operational performance monthly.

(c) How do you make needed data and information available? How do you make them accessible to your workforce supplier, partners , collaborators and customers as appropriate.

Senior leaders believe it is part of the agency's responsibility to ensure its information is transparent and available to staff, as well as its clients and partners. IT staff work directly with managers and senior leaders to accomplish this by defining who needs access to the information and in what manner. Staff pull information from THA's ERP system using ReportViewer, which is an application accessible by most staff in the agency used to display reports. The information is then collected and shared with others using some of the methods listed below in Figure 4.4.

Figure 4.4: Availability of THA Information

Data and Information Availability Means	Type of Data	Frequency
Share Point	Staff functions, activities, and demographics	Ongoing
Department meetings	Review of performance measures, updates, cross departmental information	Weekly, monthly, quarterly
Board Meetings	Departmental reports and metrics of key operating factors to assist board assess agency performance	Monthly
THA Website	Details of agency, job openings, contractor information	Ongoing
Property Inspections	Status of Living conditions of properties	Annual
Financial Information	Cash; Reserves; Income Expense against budget	Monthly
Reports to Regulators/Funders	Information required by entities	As dictated
Staff Performance Review	Evaluates employee performance and set goals	Annually
Project Data Base	On-line data base showing projects and project detail	Ongoing
Share Drives	On-line library of documents and information	Ongoing

(d) How do you manage organizational knowledge to accomplish the collection and transfer of workforce knowledge.

The agency has a mix of long and shorter term staff. Loss of institutional knowledge is a challenge. Senior leaders have created several systems to collect and transfer knowledge. The agency has on-line tools to store and share information: project database, share drive, SharePoint, blogs to share information. The IT Division publishes list of staff subject matter experts. Each Department is developing manuals for important functions. The Departments contribute to quarterly internal newsletters. The Community Services and REMHS Departments create client newsletters to inform staff and clients. THA has regular departmental meetings, cross departmental meetings, retreats, open board meetings, employee appreciation events, and agency functions.

CATEGORY 5: WORKFORCE FOCUS

(a) How do you determine the key factors that affect workforce engagement and workforce satisfaction? How do you assess workforce engagement and workforce satisfaction?

THA uses several methods to determine and assess the key factors that affects employee engagement and satisfaction.

Method One –A review of the employee satisfaction conducted by HR department in 2009 indicated the need for a more formal employee satisfaction survey tool. THA began using a formal Employee Opinion Survey (EOS) for all THA employees in 2010. The second survey will occur Sept 2011 and annually thereafter. A third party vendor, Washington Employers, designed and conducted the EOS. The survey results are normed against other organizations – nationally, in the northwest and in the nonprofit sector. From the survey results (see *Figure 7.4-1*), the survey vendor identifies the top “key drivers” of employee satisfaction and engagement as those survey questions which are most highly correlated with employee satisfaction and engagement. THA top five “key drivers” have been identified as Factor 1- Mgmt Effectiveness, Factor 2 – Communications, Factor 3 - Development & Recognition, Factor 4 – Management Skills, and Factor 5- People Skills.

Method Two – In addition to the formal survey, THA’s executive director has quarterly meetings with department and division staff. He meets with staff and managers, shares the latest in agency news and then asks the managers to excuse themselves from the meeting. This leaves line staff to feel more open to voice issues. This is the executive director’s listening time. For the 110 employees, the executive director conducts seven different meetings of this sort each quarter. For mid-level managers, the executive director holds semi-annual meetings like the ones above, but this time he meets with all mid-level managers who have that opportunity to their views. The executive director then sends out a report of the input he has received to HR, the responsible manager and the responsible Director. Working together, we work to address problems and/or implement/ continue best practices. HR continually is working with other public agencies and organizations which can show us best practices which could work for us.

Method Three – Further, the HR department conducts exit interviews for employees. HR shares the interview results with the pertinent manager and the executive director. HR also aggregates information, look for trends, and reports results to senior leaders. The HR department and department director/division manager create action plans to address long-term, important issues.

Method Four – THA has an agency-wide Benefit Committee. The Committee includes union and non-union, management and line staff representatives from all departments. Since our benefit package is both a big draw for applicants and an important satisfier for employees, any changes we want or intend are thoroughly vetted through the Benefit Committee, the Cabinet and our unions.

Method Five – THA values its relationships with the two unions representing its staff. It regards the unions as partners in both communication with staff and governance.

HR reviews the results of all methods in partnership with the Cabinet and agency supervisors. We develop plans which prioritize initiatives needed to respond to what we have learned. HR confers with each director to ensure that HR’s annual action plans are meeting the needs of our staff and the departments. *Figure 7.4-2*, Employee Turnover and Date Source #3 show

two positive trends in the agency which reflect our success. Turnover has reduced 35% in two years, from 20% in 2008 to 13% in 2010. In addition, **Figure 7.4-3** shows a positive trend for employee complaints and grievances. In 2008 we had only two, in 2010, we had none.

(b) How does your workforce development and learning system address your core competencies, strategic challenges, and the accomplishment of your action plans?”

Our workforce development and learning system is centralized and de-centralized. In cooperation with the HR department, and based on the department action plans/goals, the directors work with their own managers and employees to identify needed skills and to set annual training priorities for the department. Training goals are written into employees’ annual Job Objectives as part of the annual performance evaluation process. HR manages some competencies for all staff such as training on diversity, harassment and ADA/disabilities. Whenever performance issues arise, HR and the supervising manager consult on training opportunities for the employee. We also look to see if there are other employees in a similar situation who we can have trained at the same time.

New supervisors go through our regular THA employee orientation and also attend specialized manager training to give them the tools to succeed as supervisor.

(c). How do you assess your workforce capability and capacity needs, including skills, competencies, and staffing levels?

THA assesses workforce capability through the following process. All agency positions have job descriptions which include the knowledge, skills and abilities (KSA’s) for each position. The HR department tracks our employees’ performance evaluation ratings to identify whether there are weaknesses in any particular area that needs addressing. Senior leaders designed THA’s performance evaluation system to evaluate the employees’ performance compared to THA employee competencies - Planning/Organizing, Job Knowledge And Technical Skill, Dependability, Communication, Teamwork, Interpersonal Relationships, Adaptability/Flexibility, Initiative/Problem Solving, Leadership/Ethical Behavior, Work Ethic, Supervisory Ability (where applicable). The supervisor conducts the employee’s performance evaluation at the end of a new employees’ four month probation and then annually on their hire or promotion date. HR tracks the results and looks for individual and system weaknesses. If there is a weakness, HR works with the directors and managers to identify training /development needed to improve. **Figure 7.4-4** shows improvement of employees who failed to pass their probation. After peaking in 2009, this has dropped to zero in 2010 and YTD 2011 has no one failing to pass probation.

In addition, when the position becomes open, HR, the hiring manager and director re-evaluate the KSA’s to ensure they are up-to-date and revised as necessary. To ensure THA hires the right people, during the interview process, THA uses behavior-based interview questions to look for the needs KSA’s, competencies and cultural fit. THA also uses some pre-testing, again based on the competencies and KSA’s needed for the position.

Cabinet members annually examine workforce capacity for the organization during the budget process. The HR Director works with each Cabinet member and their department team to evaluate whether any changes are needed in the number, positions or capabilities of the department staff. If weaknesses are identified, we work together to decide whether there are more people needed or whether there is some training/development which will get the department staffed properly. Any training/development is then worked into the department’s training plan and training budget.

CATEGORY 6: PROCESS MANAGEMENT

(a) How do your work systems and key processes relate to and capitalize on your core competencies?

THA core competencies are: customer service, linking housing with supportive services, a focus on social justice, and the ambitious and innovative approach the agency takes to the creation and operation of its programs. Figure 6.1 lists the systems and processes supporting this work. Each relates to the agency's core competencies and one or more strategic objectives.

(b) What are your organization's key work processes? How do these processes contribute to delivering customer value, organizational success, and sustainability?

Figure 6.1 also shows THA's key work processes. This figure illustrates how each process contributes to delivering customer value, organizational success and thus sustainability. The major work systems in the agency are (1) Housing, (2) Services, (3) Real Estate Development, and the (4) Agency Support Systems. The Housing work system is the cornerstone of the agency; not only because it consumes the majority of the agency resources, but because it speaks most to THA's mission. Through its housing programs, THA serves clients with a variety of needs. THA has program processes to match clients with services appropriate to their needs. (*i.e.* veterans, elderly, disabled, chronically unemployed, etc.). At THA, organizational success means that clients succeed first as tenants and then as parents, students and wage earners. Success counts as a work able family or individual bettering their circumstances and moving off program.

(c) How do you determine key work process requirements, incorporating input from customers, suppliers, partners and collaborators as appropriate? What are the key requirements for these processes?

Most of THA's key processes stem from policy or regulation governing its work. Staff view webinars, attend seminars, review policies, and keep up-to date on federal state, and local regulations as well as funder requirements in order to ensure compliance. When regulations or requirements change, THA's policies may need to change as well. Senior managers elicit input from customers and collaborators. They use several layers of review including internal staff review, review with consultants and/or advocates, a public comment phase, and final Board review.

(d) What are your key performance measures or indicators and in-process measures used for the control and improvement of your work processes? How do you implement and manage your work processes to ensure that they meet design requirements? How is workforce, customer, supplier, partner, and collaborator input used in managing these processes as appropriate?

Figure 6.1 details the metrics and in-process measures the agency uses. Many relate to quality control and process improvement. Senior leaders and managers in the agency select the metrics and benchmarks it uses to measure its performance by consulting directives or advice from the Department of Housing and Urban Development (HUD), other regulators or funders, the THA Landlord Advisory Council, local advocates, industry standards, and THA's strategic objectives. THA's selection process invites input from stakeholders. As a Moving to Work (MTW) agency, HUD's rules nicely complement THA's focus on metrics. HUD requires THA to choose metrics for all MTW activity, report results to HUD, and update the MTW plan annually. Each THA department is responsible for its processes. This includes documenting, implementing, and modifying processes. Cross-departmental processes are managed by the department with the largest degree of oversight. THA staff hold process-mapping sessions to map out all of the various processes in the agency and all staff directly involved with the process are required to give input. Input from customers, suppliers, partners, and collaborators is considered during these sessions, though THA does not have a formal process for incorporating this input.

Figure 6.1 Work and Key Processes

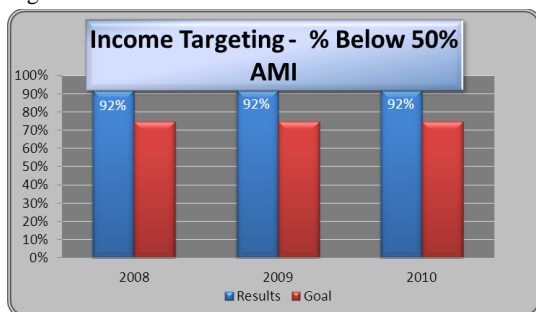
Work Processes	Key Customer / Stakeholder Requirements	Key Internal Requirements	Metrics	Figure Reference
Housing Work System:				
Application and Admission	Communication Efficiency Fairness	Efficiency Accuracy Fairness Communication	Income Targeting - % Below 50% AMI	7.1.1
			HCV Voucher Utilization	7.1.2
			Average Days to Lease Units	7.5.1
Screening	Fairness Accuracy	Fairness Accuracy Timeliness	Income Targeting - % Below 50% AMI	7.1.1
			HCV Voucher Utilization	7.1.2
			Average Days to Lease THA Units	7.5.1
Inspection	Accuracy Safety Timeliness	Accuracy Safety Timeliness	Units Reinspected for Quality Control	7.1.3
			Work Orders Generated from Inspections	7.1.4
Tenant / Client Management	Responsiveness Accuracy Fairness Client Education	Timeliness Accuracy Competency	Work Order Response Time	7.5.2
			Reasonable Accommodations	7.1.5
Services Work System:				
Supply Services to Meet Needs	Effectiveness Responsiveness Fairness	Competency Partnerships Cost-effectiveness	Homeless Families Housed	7.1.6
			GED Classes Attended by Clients	7.1.7
			FSS Program Graduates	7.1.8
			Like Skills / Parenting Classes Completed	7.1.9
Real Estate Development Work System:				
Rehabilitation	Responsiveness Fairness Competency	Mission-oriented Cost-effectiveness Communication Accountability	Project Rehabilitation Expenditures	7.3.1
			Rehab Funding by Source	7.3.2
New Development	Responsiveness Fairness Competency	Cost-effectiveness Mission-oriented Communication Accountability	New Construction Expenditures	7.3.3
			New Construction Funding	7.3.4
Support Work Systems:				
Compliance	Competency Accountability Responsiveness Accuracy	Competency Accountability Responsiveness Accuracy	PIC reporting rates (PH & S8)	7.6.1 and 7.6.2
			SEMAP Scores / PHAS scores	7.6.3 and 7.6.4
Asset and Risk Management	Competency Accountability Responsiveness Accuracy	Competency Accountability Responsiveness Accuracy	Cost Per Unit Per Month	7.3.6
			Insurance Claims per Insured Unit	7.5.3
Information Technology	Accuracy Responsiveness Competency	Accuracy Competency	Annual IT Costs	7.3.7
Finance	Timeliness Responsiveness Accountability	Responsiveness Accountability Competency Accuracy	Audit Findings	7.6.5
			Cash Position at Year End	7.3.8
			Operating Income	7.3.9
			Unrestricted Reserve Balances	7.3.10
Purchasing / Procurement	Timeliness Responsiveness Accuracy	Timeliness Responsiveness Accuracy	Average Days to Process Purchase Request	7.5.4
			Purchases Processed in Purchasing System	7.5.5

CATEGORY 7: ORGANIZATIONAL RESULTS

7.1 Product Outcomes

Income Targeting

Figure: 7.1.1

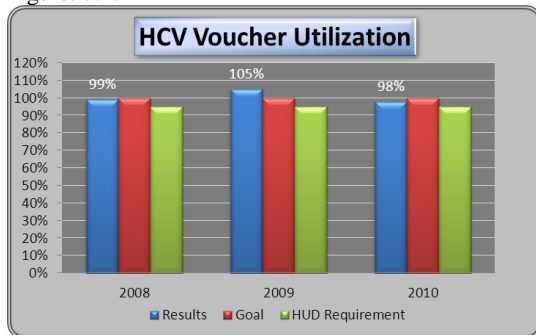


Data Explanation: This shows the percentage of tenants overall (both THA's Section 8 and Public Housing programs) whose incomes are at or below 50% of the Area Median Income (AMI). HUD requires that at least 75% of the clients are at or below 50% AMI.

Data Owner: Real Estate Management and Housing Services Dept. (REMHS)

HCV Voucher Utilization

Figure: 7.1.2

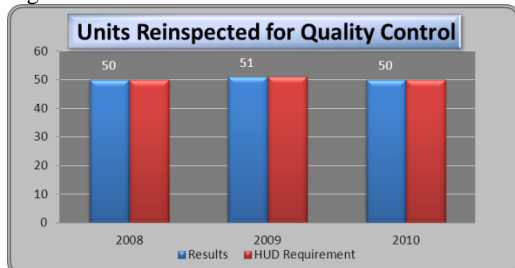


Data Explanation: This shows the ratio of vouchers HUD has allocated THA to the number of vouchers utilized by THA.

Data Owner: REMHS

Units Reinspected for Quality Control

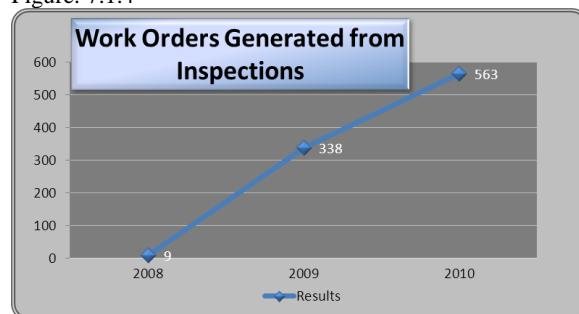
Figure: 7.1.3



Data Explanation: HUD requires THA to re-inspect a number of its Section 8 units for quality control purposes as part of its SEMAP compliance requirements. This data shows the number of units required to be reinspected by HUD and the number THA reinspected. **Data Owner:** REMHS

Work Orders Generated from Inspections

Figure: 7.1.4

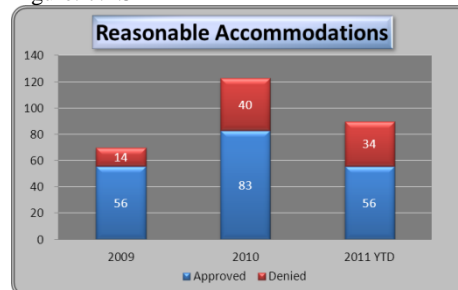


Data Explanation: This figure represents the number of work orders generated as a result of an inspection of THA's owned or managed units.

Data Owner: REMHS

Reasonable Accommodations

Figure: 7.1.5

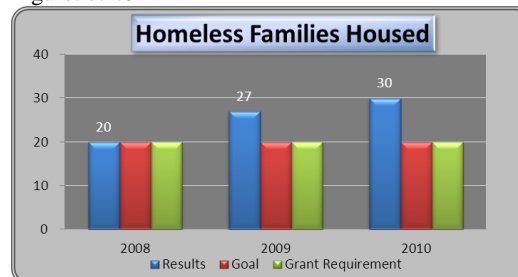


Data Explanation: THA has an in-depth reasonable accommodation (RA) process through which clients with certain needs relating to a disability may be accommodated. The figure above represents the ratio of RA's approved to the number of RA's denied.

Data Owner: Civil Rights Compliance Coordinator

Homeless Families Housed

Figure: 7.1.6



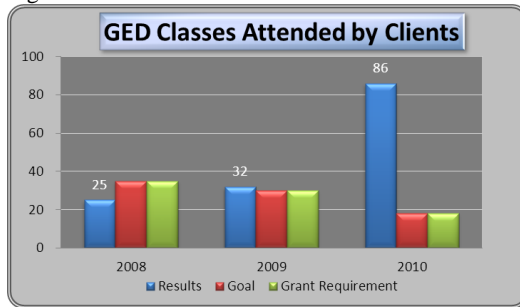
Data Explanation: THA has made a commitment to house and serve homeless families in Tacoma. This chart shows the grant requirements and the families served by THA.

Data Owner: Community Services Dept.

7.1 Product Outcomes cont.

GED Classes Attended by Clients

Figure: 7.1.7

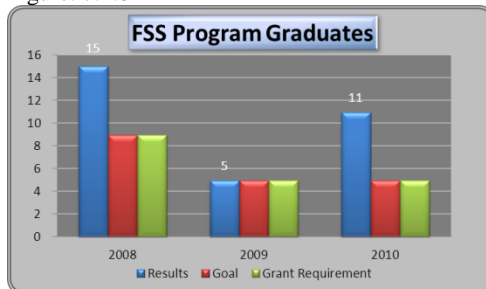


Data Explanation: This shows the number of THA families that have been able to attend GED classes over the last three years.

Data Owner: Community Services Dept.

FSS Program Graduates

Figure: 7.1.8

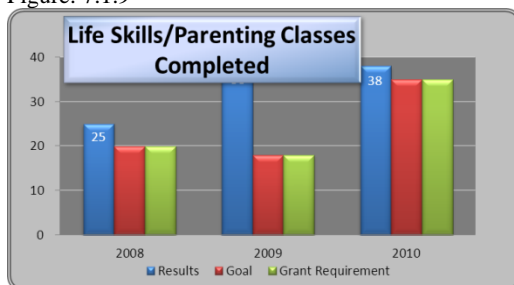


Data Explanation: The Family Self Sufficiency program (FSS) is a five year program that helps families work on becoming economically self-sufficient. This shows the number of families that have graduated from the program over the last three years.

Data Owner: Community Services Dept.

Life Skills/Parenting Classes Completed

Figure: 7.1.9



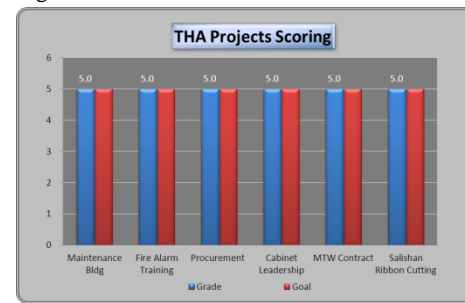
Data Explanation: THA offers life skill courses to its families to help stabilize their home life. The chart shows the number of families who have completed the programs in the last three years.

Data Owner: Community Services Dept.

7.2 Customer-Focused Outcomes

THA Project Scoring

Figure: 7.2.1



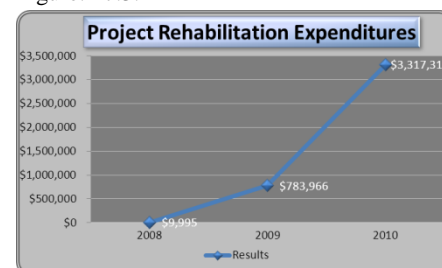
Data Explanation: This data represents THA projects completed and scored. The scores range from 1 to 5. The grades are derived by those who are assigned the project using three evaluation criteria: (1) Timing - was each of the performance measurements created for the project completed according to the schedule created for them in the project database? (2) Budget - was the project completed within the project budget? and (3) Completion of Performance Measurements - did the project meet each of the performance measures identified in the project database? The project's assigning person does the scoring for each of these criteria. The average of these scores becomes the grade for the project.

Data Owner: Real Estate Development Dept.

7.3 Financial and Market Outcomes

Project Rehabilitation Expenditures

Figure: 7.3.1

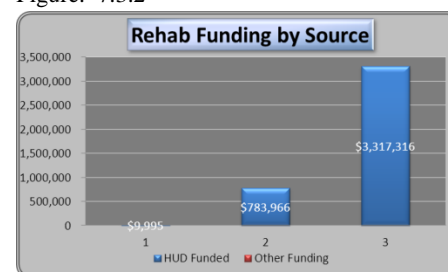


Data Explanation: This represents the total amount the THA spent on rehabilitation of its projects for each of the respective years.

Data Owner: Real Estate Development Dept.

Rehabilitation Funding by Source

Figure: 7.3.2

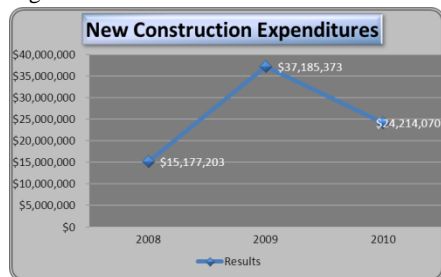


Data Explanation: This represents the funding sources (HUD and Non-HUD or Other) utilized to pay for the rehabilitation expenditures.

Data Owner: Real Estate Development Dept.

New Construction Expenditures

Figure: 7.3.3

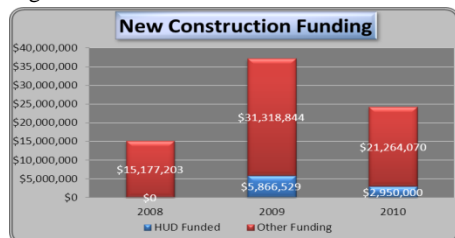


Data Explanation: This represents the total amount THA spent on new construction projects for each respective year.

Data Owner: Real Estate Development Dept.

New Construction Funding

Figure: 7.3.4

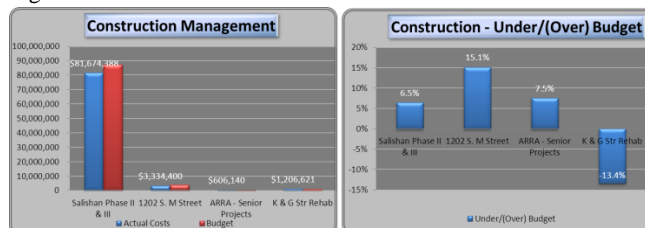


Data Explanation: This represents the funding sources (HUD and Non-HUD or Other) utilized to pay for the new construction expenditures.

Data Owner: Real Estate Development Dept.

Construction Management

Figure: 7.3.5

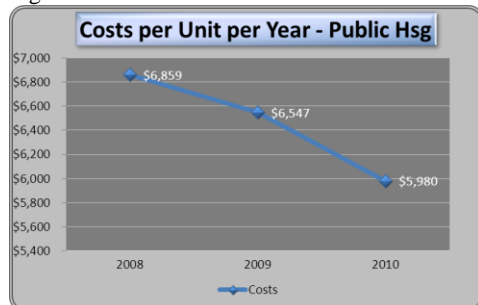


Data Explanation: This represents the comparison of actual costs to budgeted costs for major projects completed in the last three years.

Data Owner: Real Estate Development Dept.

Costs per Unit Per Year – Public Housing

Figure: 7.3.6



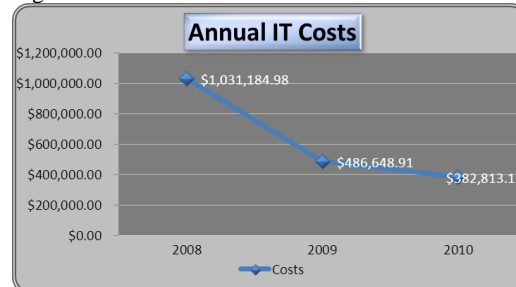
Data Explanation: This figure represents how much the average annual costs per unit to operate THA's Public Housing properties. This figure is useful in comparing THA's properties to industry

standards, other housing authorities, or to compare each property within the portfolio.

Data Owner: Finance

Annual IT Costs

Figure: 7.3.7

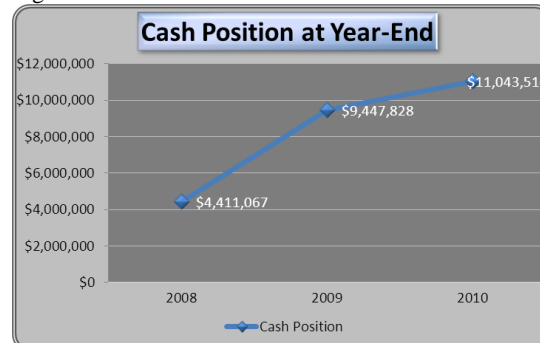


Data Explanation: This figure represents the total amount spent on THA's Information Technology Division, including infrastructure, hardware, software, training, and salaries.

Data Owner: IT

Cash Position at Year-End

Figure: 7.3.8

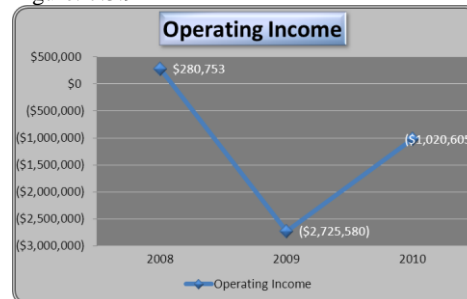


Data Explanation: Note that the cash position may be misleading in this chart as unrestricted investments are not included and it makes it look like THA received a lot of cash, when actually the agency just divested out of investments due to the low return on investments.

Data Owner: Finance Dept.

Operating Income

Figure: 7.3.9

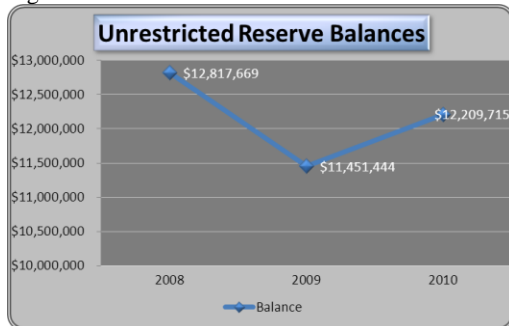


Data Explanation: Operating Income is the sum of Operating Revenues and Operating Expenses. It excludes interest earnings and expenses, capital grants and contributions, and gains and losses no dispositions of capital assets, therefore reflecting a more accurate measure of the change of financial position of the Housing Authority due to operational decisions.

Data Owner: Finance Dept.

Unrestricted Reserve Balances

Figure: 7.3.10



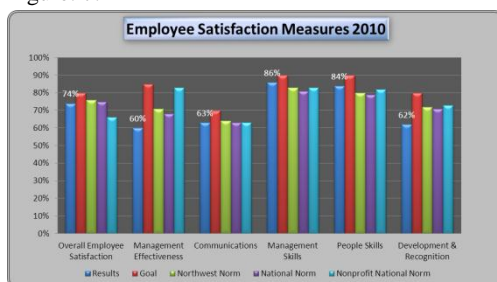
Data Explanation: The Unrestricted Reserve Balances reflects the total available resource that is not subject to external restrictions, other than HUD. Note that this chart excludes any restricted cash or restricted investments because these would be misleading, particularly since a large part in 2008 and 2009 was unspent bond proceeds, which are not available for use in operations.

Data Owner: Finance Dept.

7.4 Workforce-Focused Outcomes

Employee Satisfaction Measures 2010

Figure: 7.4-1



Data Explanation: The overall score on the Employee Satisfaction Survey and the other five Factors are those measurements that we have chosen to focus on, based on information from our vendor and our own employees. Our overall focus has been called "Accountability and Culture of Respect" for the purposes of asking our departments to improve on their performance. All data is for 2010 as no data exists for prior years.

Data Owner: HR Dept.

Employee Turnover

Figure: 7.4-2

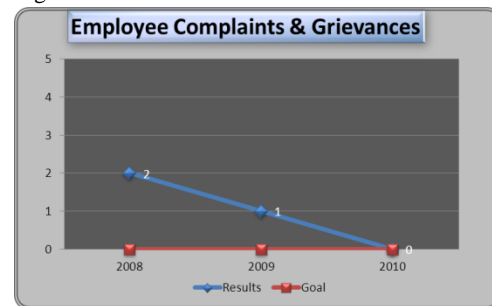


Data Explanation: Our turnover has improved in the last two years. One reason for the previous high turnover was reorganizing our agency and setting new work standards. Due to those changes, a number of employees left.

Data Owner: HR Dept.

Employee Complaints & Grievances

Figure: 7.4-3

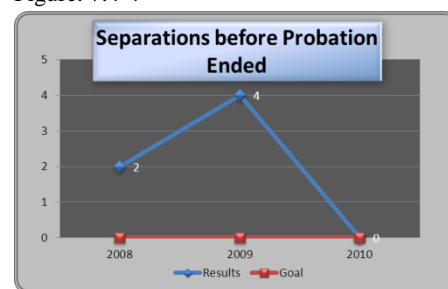


Data Explanation: Formal complaints are defined as those complaints, union or non-represented, which are filed through THA's formal complaint or grievance processes, through an attorney or agency such as the Human Rights Commission or EEOC. THA takes great pride in our ability to address employee concerns fairly and promptly before the concerns rise to the level of a formal complaint. We also use both unions Labor-Management Committees as needed to address issues.

Data Owner: HR Dept.

Separations before Probation Ended

Figure: 7.4-4



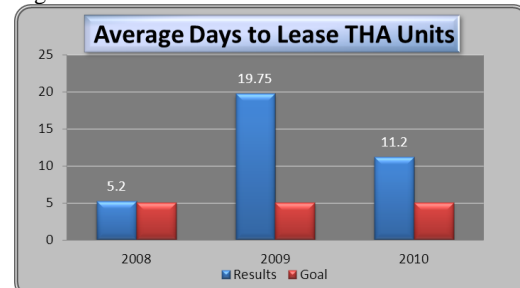
Data Explanation: Tracking the number of employees who fail to pass probation helps us recognize when our recruitment and interviewing processes are not adequate to screen for the right skills and competencies for positions. When an employee leaves, for any reason, prior to completing their 120 day probation, we conduct an exit interview and HR meets with the hiring manager to review the hiring process and look for improvements. Plans are then put in place either within the department and/or agency to improve any weaknesses.

Data Owner: HR Dept.

7.5 Process Effectiveness Outcomes

Average Days to Lease THA Units

Figure: 7.5.1

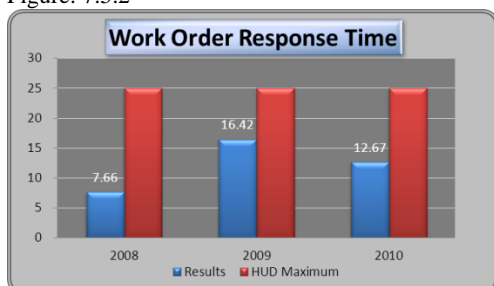


Data Explanation: This is the number of days from the time maintenance is done working in a unit and it is leased up. Called "Leasing Days", this shows how efficient the leasing activity is.

Data Owner: REMHS

Work Order Response Time

Figure: 7.5.2

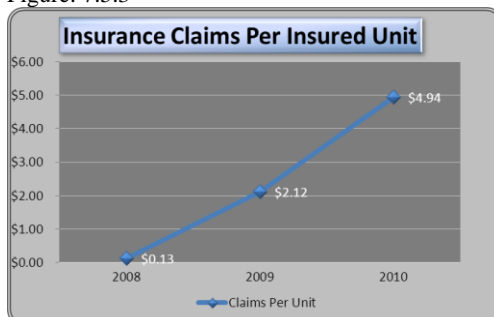


Data Explanation: This figure represents the average amount of time it takes THA's maintenance staff to complete a non-emergency work order. Note that all emergency work orders are completed within 24 hours.

Data Owner: REMHS

Insurance Claims per Insured Unit

Figure: 7.5.3

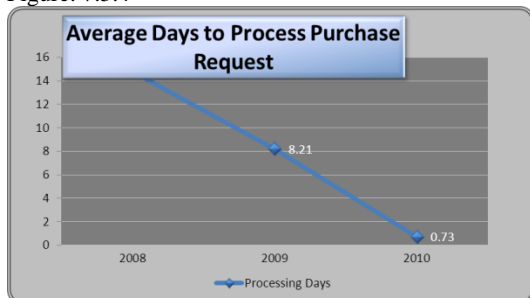


Data Explanation: This figure represents the total value of all insurance claims (losses) divided by the number of housing units insured. Note that fewer units were insured in 2008 and 2009 than in 2010.

Data Owner: Asset Management/Compliance

Average Days to Process Purchase Request

Figure: 7.5.4

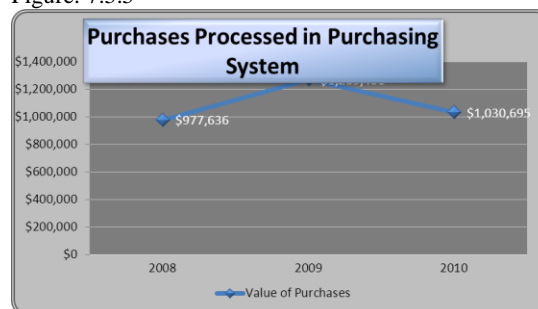


Data Explanation: This shows the average amount of time it takes from the time a purchase request is entered and approved in the agency's system to the time a purchase order is created and the order placed with the vendor.

Data Owner: Finance Dept.

Purchases Processed in Purchasing System

Figure: 7.5.5



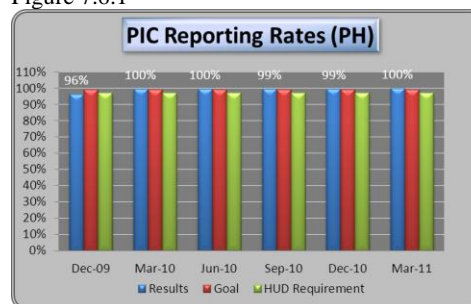
Data Explanation: This figure represents the total amount purchased through THA's purchasing system.

Data Owner: Finance Department

7.6 Leadership Outcomes

PIC Reporting Rates (PH)

Figure 7.6.1

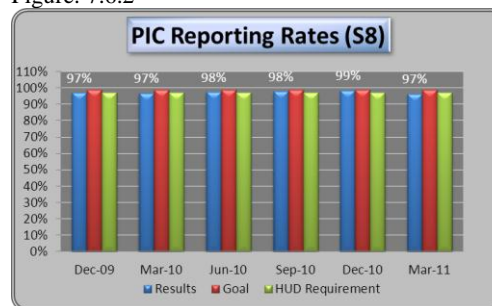


Data Explanation: Each year, THA is required to submit electronic data to HUD for all of the households it assists. This figure represents the percentage of households assisted through the Public Housing program by THA for which the housing authority submitted the required data.

Data Owner: Asset Management/Compliance

PIC Reporting Rates (S8)

Figure: 7.6.2

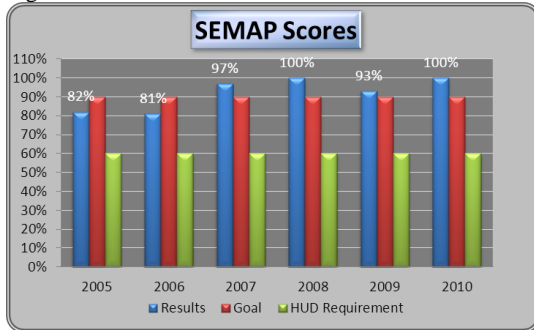


Data Explanation: Each year, THA is required to submit electronic data to HUD for all of the households it assists. This figure represents the percentage of households assisted through the Section 8 program by THA for which the housing authority submitted the required data.

Data Owner: Asset Management/Compliance

SEMAP Scores

Figure: 7.6.3

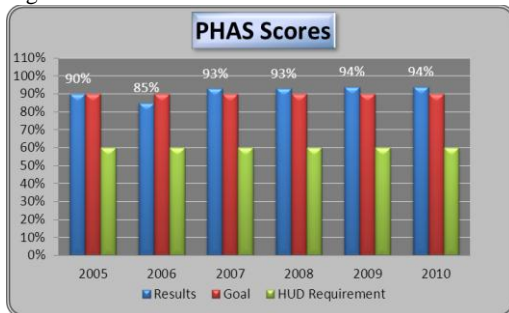


Data Explanation: SEMAP is the assessment system that HUD uses to measure a Housing Authority's operation of the Section 8 program. HUD requires housing authorities to be at 60% to remain in good standing; THA's target is 90% since a PHA needs 90% or greater to be considered a "high performer".

Data Owner: REMHS

PHAS Scores

Figure: 7.6.4

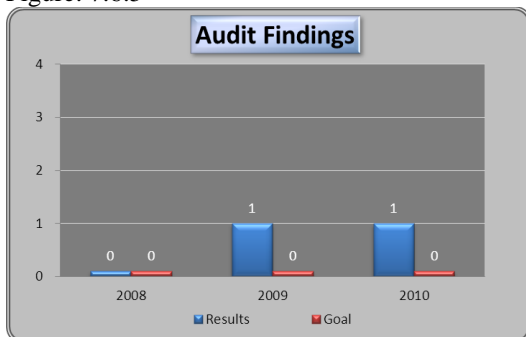


Data Explanation: PHAS stands for the Public Housing Assessment System and is HUD's system for measuring a Housing Authority's operation for the Public Housing program. HUD requires housing authorities to be at 60% to remain in good standing; THA's target is 90% since a PHA needs 90% or greater to be considered a "high performer". In 2008 and 2010 no actual scoring was completed and HUD kept the score of the prior year in place.

Data Owner: Various

Audit Findings

Figure: 7.6.5



Data Explanation: This figure represents the total number of findings reported by the State Auditor's office for the annual audit of the Housing Authority.

Data Owner: Finance Dept.

GLOSSARY

ACOP	Admission and Continued Occupancy Plan
Cabinet	The directors of the 6 departments, the executive administrator and the executive director.
ERP	Enterprise Resource Planning System
HUD	United States Department of Housing and Urban Development
KSA	Knowledge, skills and abilities required of every job position
MTW	Moving to Work status; a HUD designation of selected public housing authorities that confers financial and regulatory flexibility.
PHA	Public Housing Authority
PHAS	Public Housing Assessment System
PIC	Public and Indian Housing Center; a HUD data reporting system
REAC	Real Estate Assessment Center; a HUD data reporting system
REMHS	THA Department of Real Estate Management and Housing Services
SEMAP	Section Eight Management Assessment Program; a HUD data reporting system
THA	Tacoma Housing Authority



Revised April 20, 2011

CHAIRMAN RYAN GETS NEARLY TWO-THIRDS OF HIS HUGE BUDGET CUTS FROM PROGRAMS FOR LOWER-INCOME AMERICANS

by Robert Greenstein

House Budget Committee Chairman Paul Ryan's budget plan would get nearly two-thirds of its \$4.5 trillion in budget cuts over 10 years from programs that serve people of limited means, which violates basic principles of fairness and stands a core principle of President Obama's fiscal commission on its head.

The plan of Erskine Bowles and Alan Simpson, who co-chaired President Obama's National Commission on Fiscal Responsibility and Reform, established, as a basic principle, that deficit reduction should not increase poverty or inequality or hurt the disadvantaged. The Ryan plan, which the chairman unveiled in a news conference, speech, and *Wall Street Journal* op-ed, charts a different course, turning its biggest cannons on these people.

This finding emerges from a Center on Budget and Policy Priorities analysis of the Ryan plan. Table S-4 of the plan, as Chairman Ryan unveiled it on April 5, showed that the plan contains net program cuts of \$4.3 trillion over ten years.¹ The table showed a \$5.8 trillion cut in outlays from the Congressional Budget Office baseline — but \$446 billion of that was interest savings and another \$1.04 trillion was simply an assumption that the Iraq and Afghanistan wars will phase down on the Obama Administration's timetable. Actual program cuts produced net savings of \$4.3 trillion.

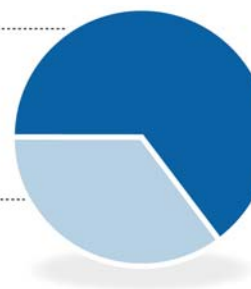
The following week, when the budget plan went to the House floor, Chairman Ryan

Figure 1

Nearly Two-Thirds of Proposed Cuts in Ryan Plan Come from Low-Income Programs

Low-income programs
(e.g. Medicaid, Pell Grants,
food stamps, low-income housing)
\$2.9 trillion

Other program cuts
\$1.6 trillion



Source: "The Path to Prosperity" FY2012 Budget Resolution

¹ House Committee on the Budget, "The Path to Prosperity: Restoring America's Promise," April 2011, budget.gop.gov.

added \$197 billion in cuts in order to offset an overestimate of interest savings.² This brings the total program cuts in the plan to \$4.5 trillion.

Cuts in low-income programs appear likely to account for at least \$2.9 trillion — or nearly two-thirds — of this total amount. The \$2.9 trillion includes the following three categories of cuts:

- **\$2.17 trillion in reductions from Medicaid and related health care.** The plan shows Medicaid cuts of \$771 billion, plus savings of \$1.4 trillion from repealing the health reform law's Medicaid expansion and its subsidies to help low- and moderate-income people purchase health insurance.
- **\$350 billion in cuts in mandatory programs serving low-income Americans (other than Medicaid).** Chairman Ryan's budget documents show that he is proposing \$719 billion in cuts in mandatory programs other than Medicare, Medicaid, and Social Security, but do not specify how much will be cut from various programs (although they imply that cuts in the Food Stamp Program will be large). In this analysis, we make the conservative assumption that savings from low-income mandatory programs (other than Medicaid) would be proportionate to their share of spending in this category. Thus, we derive the \$350 billion figure from the fact that about half of mandatory spending other than for Medicare, Medicaid, and Social Security goes for programs for low- and moderate-income individuals and families. This likely substantially understates the cuts that the plan would make in low-income programs. The Ryan documents show that \$380 billion in cuts would come from mandatory programs in the income security portion of the budget (function 600), and the overwhelming bulk of the mandatory spending in that category goes for low-income programs. The documents also show \$126 billion in mandatory cuts in the education, training, employment, and social services portion of the budget (function 500), which, based on the discussion in those documents, would likely come mainly from cuts in the mandatory portion of the Pell Grant program for low-income students.
- **\$400 billion in cuts in low-income discretionary programs.** The Ryan budget documents released on April 5 showed the plan containing \$1.6 trillion in cuts in non-security discretionary programs, but again did not provide details about the size of cuts to specific programs. (The documents did identify some major low-income program areas, including Pell Grants and low-income housing, as prime targets for cuts.) Here, too, we make the conservative assumption that low-income programs in this category would bear a proportionate share of the cuts. Thus, we derive the \$400 billion figure from the fact that about a quarter of non-security discretionary spending goes for programs for low- and moderate-income individuals and families. (Rep. Ryan added \$193 billion in cuts in non-security discretionary programs before the budget resolution went to the House floor, but Ryan said these additional cuts would come from freezing federal employees' pay and reducing the federal workforce, so we do not include them when estimating reductions in programs for low- and moderate-income households.)

² Kathy Ruffing, "House Budget Committee: Mistakes Were Made," *OfftheCharts* blog, April 13, 2011, <http://www.offthechartsblog.org/house-budget-committee-mistakes-were-made>; House Committee on the Budget, Revised Summary Tables, updated April 11, 2011, <http://budget.house.gov/UploadedFiles/SummaryTables.pdf>.

Our numerical assumptions are conservative in another way, as well. When faced with the choice of which specific programs to cut, policymakers are unlikely to cut much from a number of *non*-low-income programs in these budget categories that are popular, such as veterans' disability compensation and the FBI. That means that other programs — including low-income programs — would have to be cut by more than their proportionate share.

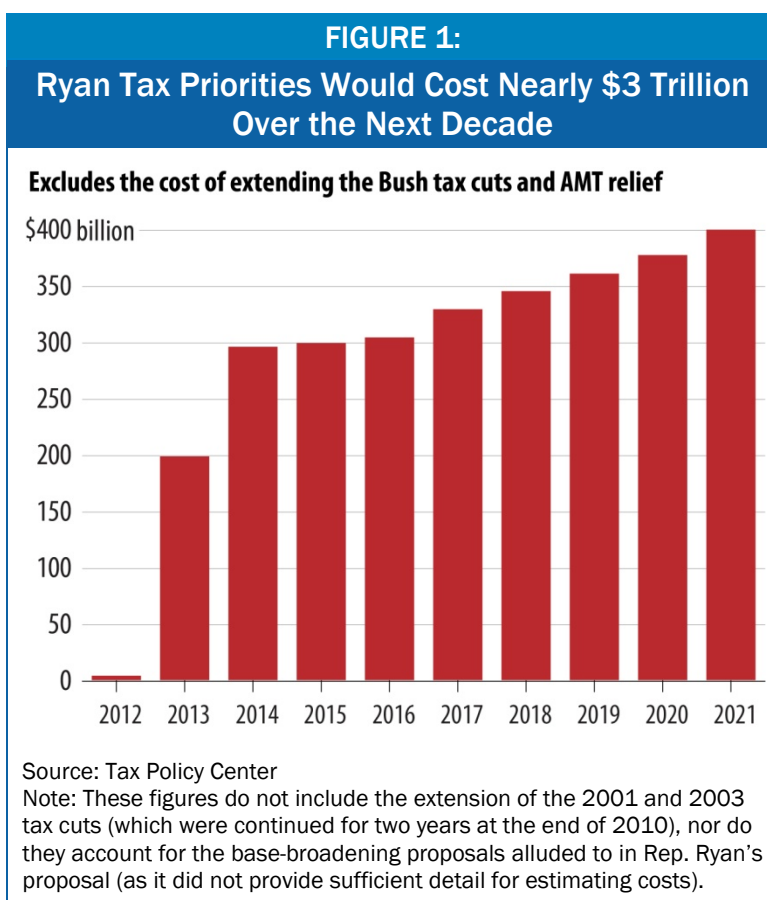
Updated May 26, 2011

UNDER HOUSE BUDGET, “TAX REFORM” PLACES TOP PRIORITY ON HIGH-INCOME TAX CUTS AND IGNORES DEFICIT REDUCTION

by Chuck Marr and Gillian Brunet

The tax proposals in the budget that the House approved on April 15 place a top priority on cutting taxes for high-income people, while doing nothing to reduce budget deficits, themselves.¹ In addition to making the Bush tax cuts permanent and continuing to provide relief from the Alternative Minimum Tax (AMT) at a cost of nearly \$4 trillion over ten years, the House budget advances a series of additional tax cuts that would primarily benefit high-income households at a cost of nearly \$3 trillion over that period, most of which is assumed to be offset by reductions in tax expenditures that are left unspecified.²

The House budget would permanently lock in *all* of the Bush tax cuts, which flow disproportionately to high-income



¹ For more detail, see James R. Horney, “Ryan Budget Plan Produces Far Less Real Deficit Cutting than Reported,” April 8, 2011, <http://www.cbpp.org/files/4-8-11bud.pdf>.

² The House budget calls for \$4.2 trillion in net tax cuts. The format of a budget resolution means that the plan specifies revenue and spending targets but does not need to identify which specific policies are to be offset. However, based on the specified revenue targets and the way Rep. Ryan has presented the plan, it appears that the House budget envisions a revenue loss of \$3.8 trillion to continue pre-Obama tax policies (i.e. to make all of the Bush tax cuts permanent and provide continued AMT relief) plus \$400 billion from repealing the Medicare payroll surtax on high-income households enacted in health care reform. The remaining \$2.5 trillion in tax cuts (from lowering the top individual and corporate rates to 25 percent and completely repealing the AMT) would be offset with reductions in tax expenditures.

people. It also would make permanent the relief from the AMT that now is regularly extended every year or two. The Congressional Budget Office estimates that extending these tax cuts would cost \$3.8 trillion over the coming decade, the vast majority of which would be attributable to the Bush tax cuts.³ The House budget essentially would finance these tax cuts with extremely large *budget* cuts, including cuts in a number of key programs for people with low or moderate incomes.⁴

The House budget also calls for tax reform. But its few specific proposals in this area — reducing the top individual and corporate rates to 25 percent and eliminating the AMT altogether⁵ — along with its proposal to rescind the health reform law’s Medicare payroll tax increase on high-income people — follow a familiar pattern and have two common characteristics: they are very costly and would disproportionately or exclusively benefit people with high incomes.

Table 1: Tax-Cut Priorities in House Budget Would Cost Nearly \$3 Trillion Over Next Ten Years — Not Including Cost of Extending Current Tax Cuts	
Provision	Cost Over 2012-2021
Reduce top corporate tax rate to 25 percent	\$900 billion
Repeal individual AMT*	\$500 billion
Reduce top income tax rate to 25 percent**	\$1,100 billion
Repeal Hospital Insurance (Medicare) surtaxes on income over \$250,000 (\$200,000 for single filers)***	\$400 billion
Total	\$2.9 trillion
* This is the cost of repealing the AMT, over and above the cost of making current AMT relief permanent.	
** For its estimate, TPC assumes that the current 25 percent bracket is combined with all of the brackets above it, creating one much larger 25 percent bracket.	
*** This includes a 3.8 percent surtax on investment income, and a 0.9 percent tax on wages, that exceed \$250,000 (\$200,000 for single filers). Both provisions were enacted as part of health reform.	
Note: The House budget proposes to offset approximately \$2.5 trillion of these tax cuts with unspecified reductions in tax expenditures, bringing the net cost of all of its tax proposals (including the extension of the Bush tax cuts and AMT patch) to about \$4.2 trillion.	

The Urban Institute-Brookings Institution Tax Policy Center (TPC) estimates that the Ryan budget’s specific tax proposals (other than the proposal to make the Bush-era tax cuts and AMT relief permanent) would cost \$2.9 trillion over the next ten years (see Table 1). This cost would be *on top of* the \$3.8 trillion cost of making the Bush tax cuts permanent. Roberton Williams of TPC has noted that, “[v]irtually all of the tax savings from [these additional proposals] would go to households making upwards of \$200,000 — the 5 percent of tax units who currently face marginal rates over 25 percent.”⁶

³ Some \$650 billion of this amount represents the cost of extending AMT relief, based on how the AMT would operate in the absence of the Bush tax cuts. The other \$3.15 trillion is the cost of extending the Bush tax cuts, plus the additional cost of AMT relief that stems from the Bush tax cuts themselves (which cause the AMT to swell to a much greater degree, and to affect many more households, than it otherwise would).

⁴ See Robert Greenstein, “Chairman Ryan Gets Nearly Two-Thirds of His Huge Budget Cuts From Programs for Lower-Income Americans,” Revised April 20, 2011, <http://www.cbpp.org/files/4-5-11bud2.pdf>.

⁵ The House Republican budget reduces the top income tax rate to 25 percent, which clearly implies the AMT would be repealed. The AMT has a top rate of 28 percent; hence, the AMT would need to be eliminated (or dramatically scaled back) under the House budget. Otherwise, nearly every high-income household in the country would end up paying the AMT—a highly implausible result—and be subject to a 28 percent rather than a 25 percent top rate. Accordingly, the Tax Policy Center interprets the House budget’s revenue provision as including repeal of the AMT.

⁶ Roberton Williams, “How Would the House Budget Resolution Affect Tax Progressivity?,” *Tax Vox*, Urban-Brookings Tax Policy Center, April 18, 2011, <http://taxvox.taxpolicycenter.org/2011/04/18/how-would-the-house-budget-resolution-affect-tax-progressivity/>.

The House budget plan assumes that \$2.5 trillion of this \$2.9 trillion in additional tax cuts (presumably the tax cuts other than the measure to repeal the increases in the Medicare payroll tax for high-income households) would be paid for by broadening the tax base through changes in tax expenditures. But the base-broadening measures are left entirely unspecified.

In addition, as TPC's Williams has explained, even if the House were to follow through on the commitment to offset \$2.5 trillion of these costs, the net result would be "very likely to make the tax code much more regressive than it is today."⁷ Measures to lower the top rates to 25 percent, abolish the AMT, and repeal the health reform law's payroll tax increase on people with incomes over \$250,000 are tilted heavily toward the most affluent households. It is difficult to imagine a politically plausible series of tax expenditure reforms that would not only raise enough money to offset most of these new costs but also would raise so much of that money from high-income households that the overall result wouldn't be regressive.⁸ For example, eliminating one of the largest tax expenditures, the exclusion of employer-provided health care from taxable income, would reduce after-tax incomes by about 2 percent, on average, for households in the middle fifth of the income distribution but by one-quarter of 1 percent for households in the top 1 percent of the income distribution. The combination of reducing the top rate to 25 percent and shrinking tax expenditures would likely benefit people at the top of the income scale at other Americans' expense.

Moreover, from a fiscal policy standpoint, using the savings from curbing inefficient tax subsidies to finance even bigger upper-income tax cuts, rather than to do more to address the nation's fiscal problems, would represent misguided priorities.

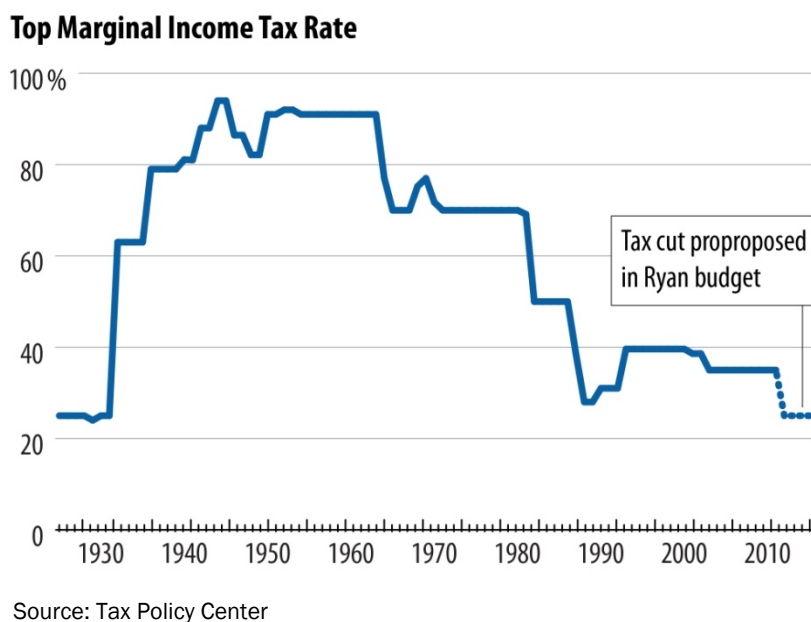
Reducing the Top Rate to 25 Percent

The costliest of the new tax cuts in the House budget would shrink the top individual tax rate to 25 percent, its lowest level since before the New Deal (see Figure 2). TPC estimates that eliminating the tax brackets above 25 percent would cost \$1.1 trillion over ten years. (This would be in addition to the \$700 billion cost of extending the Bush tax cuts for those in the top brackets.)

Reducing the top income tax rate to 25 percent would primarily benefit households with the highest incomes. For

FIGURE 2:

Ryan Would Reduce Top Marginal Tax Rate to Lowest Level in 80 Years



⁷ *Ibid.*

⁸ The most effective way to reduce tax expenditures in a way that mitigates the regressivity of the budget's tax cut priorities would be to bring tax rates on capital gains and dividends closer to tax rates on ordinary income, but Rep. Ryan has rejected that approach. See House Committee on the Budget, "The Path to Prosperity: Restoring America's Promise," April 2011, <http://budget.house.gov/UploadedFiles/PathToProsperityFY2012.pdf>.

example, a family with two children and an income of \$1 million (of which we assumed \$850,000 comes from earnings) would receive an annual tax cut of \$51,000 from lowering the top rate to 25 percent, which would be in addition to the \$64,000 the family would get from extending all of the Bush tax cuts. And family with an income of \$10 million (and \$8.5 million in earnings) would receive a tax cut of \$730,000 a year from the reduction in the top rate.

In contrast, *95 percent* of Americans would receive *no benefit at all* from lowering the top rate to 25 percent, because they would already be in the 25 percent tax bracket or a lower bracket (assuming that the Bush tax cuts were extended, as the House budget envisions).⁹

Other Tax-Cut Priorities in the House Budget

The House budget also would cut the corporate tax rate to 25 percent at a cost of more than \$900 billion over the next decade. The budget does not indicate what corporate or other tax expenditures might be narrowed or eliminated to offset this cost. Corporate tax revenues have already declined markedly in recent decades as a share of the economy.¹⁰

Finally, TPC has estimated that repealing the Medicare payroll tax changes in the health reform law would cost nearly \$400 billion over ten years. All of the benefit from repealing these measures would flow to high-income people. People who make over \$1 million a year would receive an average annual tax reduction of \$46,000 just from this repeal provision.

High-End Tax Cuts Take Precedence Over Deficit Reduction

The proposal in the House budget plan to devote every dollar of revenue raised by curbing tax expenditures to finance other tax cuts — principally the lowering of the top rate to 25 percent — suggests that the plan's framers regard additional tax cuts for high-income individuals as a higher national priority than stronger deficit reduction. Their proposal also ignores the fact that incomes have skyrocketed at the top of the income scale even as the real income of the typical American household has *fallen* over the last decade.

In the face of both the nation's serious long-term fiscal problems and the trend toward greater income inequality, these proposals would be highly regressive *and* raise substantially less revenue. That is hardly the direction in which national policy ought to move.

⁹ Tax Policy Center, "Number of Tax Units in Each Statutory Marginal Tax Rate, by Filing Status, Under Current Law, Current Policy, and Administration's Proposal, 2011," September 27, 2010, <http://www.taxpolicycenter.org/numbers/Content/PDF/T10-0239.pdf>.

¹⁰ See Chuck Marr and Brian Highsmith, "Six Tests for Corporate Tax Reform," February 28, 2011, <http://www.cbpp.org/files/2-28-11tax.pdf>.

June 23, 2011

UNBALANCED APPROACH TO DEFICIT REDUCTION COULD CRIPPLE HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

By Douglas Rice and Barbara Sard

Overview

Housing and community development programs could face crippling cuts over time if Congress and the Obama Administration agree to a deficit reduction plan that relies primarily or entirely on spending reductions rather than on a balanced mix that includes a significant revenue contribution.

Congress already made significant funding cuts in low-income housing and related programs in the final appropriations law for fiscal year 2011, which reduced total funding for housing assistance by \$800 million below the nominal 2010 level and cut funding for community development by nearly \$1 billion.¹ Further reductions in funding for these programs will almost certainly be made in fiscal year 2012. Key questions about how large these additional cuts will be, and the extent to which they will deepen in later years, will likely be answered by any broad agreement on deficit reduction that policymakers reach in coming weeks.

The consequences of an unbalanced approach to deficit reduction are made clear by the House-passed budget resolution for fiscal year 2012, which proposes to cut federal spending by more than \$4 trillion over the next decade while extending and expanding tax cuts that disproportionately benefit high-income households.

Under the House plan, which the House Appropriations Committee is using to draft appropriations bills for fiscal year 2012, housing and community development programs would be cut sharply next year. We estimate that total HUD funding would be cut by \$5.7 billion (14 percent) if the Transportation-HUD (T-HUD) Subcommittee distributed the overall level of cuts it has been directed to make proportionally among the affected agencies and programs. At \$35.4 billion, HUD's total funding level for 2012 would be the lowest since 2006 in nominal dollars and the

¹ "Housing assistance" is the budget category made up of the discretionary low-income housing programs administered by HUD and the USDA, including the Housing Choice Voucher program, the Section 8 Project-Based Rental Assistance program, public housing, HOME, homeless assistance grants, the supportive housing programs for the elderly and people with disabilities, and the rural rental assistance programs. "Community development" includes the Community Development Block Grant and a number of smaller programs.

lowest since 2001 in inflation-adjusted dollars.² Among other things, the funding cut would eliminate funding for Housing Choice vouchers for roughly 250,000 low-income families.

Moreover, the House resolution would require additional cuts in later years. Compared to the inflation-adjusted 2011 level, total funding for federal housing assistance would be reduced by \$75 billion over the next ten years and by 18 percent in 2021. Community development programs would lose approximately \$14 billion over the next decade, and funding in 2021 would fall to 28 percent below the 2011 level, adjusted for inflation.³

Other deficit-reduction proposals before Congress may appear innocuous in comparison to the House budget because no specific programs are explicitly targeted, but they could force spending cuts of a similar, or even more severe, magnitude. They include various proposals to impose a global spending cap, such as one introduced by Senator Corker that would impose stringent multiyear limits on federal spending enforced by automatic, across-the-board spending cuts, and an even more severe global spending cap included in the constitutional balanced budget amendment the House Judiciary Committee approved on June 15. (The Judiciary Committee's constitutional amendment would also require two-thirds supermajorities in the House and Senate to pass any revenue increases.) Such proposals share the core flaw of the House budget resolution: they fail to take a balanced approach to deficit reduction and, as a result, would almost inevitably force draconian deep cuts in a wide range of programs that benefit low- and middle-income families.

Real Risk Exists That Congress Will Soon Adopt Unbalanced Deficit-Reduction Plan

There is a broad consensus among economists that the large imbalance between federal revenues and spending projected for coming decades will cause serious economic problems.⁴ The President's Fiscal Commission and a majority of policy experts agree that the most effective and responsible way to reduce long-term deficits would be through a balanced approach that relies both on additional revenues and on savings from entitlement programs and the defense and non-defense areas of the discretionary budget. The bipartisan deficit-reduction agreement enacted in 1990 and the deficit-reduction package enacted in 1993 used a balanced approach. In addition to the President's Fiscal Commission, President Obama, the bipartisan "Gang of Six" in the Senate, and

² To implement the overall funding levels in the House-passed budget resolution, the House Appropriations Committee has approved a fiscal year 2012 allocation for the Transportation-HUD bill of \$47.7 billion. To estimate the potential funding for HUD, we assumed that its share of total funding in the bill would be proportional to its share in the T-HUD appropriations act for fiscal year 2011. The Committee could choose to provide more (or less) funding for HUD in the 2012 bill, but could do so only by making proportional reductions (or increases) for other agencies covered by the bill.

³ The House resolution includes ten-year projections of budget authority for each major category in the discretionary budget, including the category of "Income Security," two-thirds of which is made up of low-income housing programs, and "Community and Regional Development," a major subcategory of which is community development programs, mostly CDBG. In estimating potential reductions to housing assistance and community development programs, we assumed that the share of funding in each category devoted to housing assistance and community development programs would remain constant over the ten-year period. We then compared the funding levels derived from the House budget resolution to the actual 2011 funding levels, adjusted by the same inflators used in the CBO baseline.

⁴ On the causes of the fiscal imbalance, see Kathy Ruffing and James R. Horney, "Economic Downturn and Bush Policies Continue to Drive Large Projected Deficits," Center on Budget and Policy Priorities, May 10, 2011, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3490>.

others have proposed or have been developing deficit-reduction plans that put revenues, domestic programs, and defense all on the table.⁵

Congress must raise the federal debt limit by early August to avoid a government default of its obligations and resulting turmoil in financial markets, and many lawmakers are opposed to any increase in the debt limit unless it is accompanied by sharp spending cuts. There is serious risk that Congress will agree, as a condition of raising the debt limit, to a deficit-reduction plan that lacks balance and relies primarily or entirely on spending cuts. Deficit-reduction plans that rely primarily on spending reductions are likely to entail deep cuts in federal assistance to low-income families and communities.

Unbalanced Deficit-Reduction Plans Could Lead to Severe Cuts in Housing and Community Development Programs

The House budget resolution provides a guide to the magnitude of this threat. That resolution, which sets out a spending and tax blueprint for the next decade, proposes to cut federal spending by \$4.3 trillion over the next decade, while making all of the tax cuts enacted in 2001 and 2003 permanent and adding new tax cuts on top of those. The House plan gets roughly two-thirds of its spending cuts from programs for low- and moderate-income people, including Medicaid, Pell Grants, SNAP (food stamps), and rental assistance programs.⁶

The House budget resolution would likely result in sharp cuts to housing and community development programs in fiscal year 2012, and deeper cuts in later years. To meet the total funding level allowed by the House budget resolution, the House Appropriations Committee has agreed to provide \$47.7 billion for the Transportation-HUD funding bill for fiscal year 2012, a reduction of \$7.7 billion, or 14 percent, from the nominal funding level in 2011 (which itself represents a cut below the 2010 level). It will be up to the T-HUD Appropriations Subcommittee to decide how to distribute this reduction among the agencies and programs that the bill covers.

The left part of Table 1 shows what would happen if the funding reductions were allocated proportionally among those programs.⁷ Total HUD funding would be \$5.7 billion (14 percent) below the nominal 2011 level. The cuts to individual programs would be harsh:

⁵ On the President's Fiscal Commission, see James R. Horney, Paul N. Van de Water, and Robert Greenstein, "Bowles-Simpson Plan Commendably Puts Everything on the Table But Has Major Deficiencies Because It Lacks an Appropriate Balance Between Program Cuts and Revenue Increases," Center on Budget and Policy Priorities, November 16, 2010, <http://www.cbpp.org/cms/?fa=view&id=3325>. On a balanced approach to deficit reduction, see Robert Greenstein, "A Framework for Deficit Reduction: Principles and Cautions," Center on Budget and Policy Priorities, March 24, 2011, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3435>.

⁶ Robert Greenstein, "Chairman Ryan Gets Nearly Two-Thirds of His Huge Budget Cuts From Programs for Lower-Income Americans," Center on Budget and Policy Priorities, April 20, 2011, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3451>.

⁷ In distributing funding reductions to HUD programs, we made an exception for housing credit programs. For these programs, which collect receipts and reduce the amount of new budget authority required by HUD, we set funding levels equal to those in the President's budget request for fiscal year 2012. Because the President's budget anticipates that the size of the budgetary offset provided by the credit programs will be greater in 2012 than it was in 2011, our assumption effectively reduced the funding cuts attributed to other programs, making our estimates of those cuts more conservative.

- **Housing Choice Vouchers:** Funding for the renewal of housing vouchers would be cut by \$1.5 billion. As a result, housing vouchers used by approximately 250,000 low-income families this year would receive no renewal funding in 2012.⁸ Nearly half of the households using housing vouchers include people who are elderly or have disabilities. More than 40 percent are families with children.
- **Section 8 Project-Based Rental Assistance (PBRA):** Rental assistance contracts for approximately 135,000 low-income families would not be renewed due to shortfalls in renewal funding.⁹ Roughly two-thirds of households receiving assistance under Section 8 PBRA include people who are elderly or have disabilities.
- **Public Housing:** Funding for public housing operations would be cut by more than \$400 million.¹⁰ Funding for capital repairs, which was already cut by \$460 million in 2011, would be reduced by an additional \$180 million in 2012. These funding cuts would prevent many state and local housing agencies from making some major repairs or renovations — such as fixing leaky roofs or replacing broken heating systems — needed to prevent the deterioration of living conditions for low-income residents and to avert more costly damage. Over the long term, inadequate funding for public housing would accelerate the loss of affordable housing due to deterioration.

Funding for homeless assistance, housing for the elderly, and the housing and community development block grants would also be cut by substantial amounts.

To its credit, when Congress reduced funding for HUD programs for fiscal year 2011, it largely protected low-income families receiving rental assistance from being displaced by providing adequate renewal funding for Housing Choice vouchers, Section 8 PBRA, the public housing operating fund, and homeless assistance grants. Such an approach would require still deeper cuts in other HUD programs, particularly capital grant and block grant programs. If the House subcommittee were to pursue this approach again for fiscal year 2012, cuts to other housing and community development programs would be more than 40 percent, according to our estimates.¹¹ (See the right side of Table 1.)

⁸ To a modest extent, state and local housing agencies could prevent the termination of rental assistance to families due to shortfalls by drawing down reserve funding balances. But such measures would be effective only temporarily. There are other steps that agencies can take to cut costs in the event of renewal funding shortfalls, but most of them are also harmful to low-income tenants (e.g., reducing rent subsidy levels and thereby increasing housing costs for tenants).

⁹ This estimate assumes that the President's budget request for Section 8 PBRA renewals is necessary and sufficient to fully renew contracts in 2012.

¹⁰ The President's budget proposes to reduce funding for public housing operations by \$655 million in fiscal year 2012, while requiring housing agencies to draw down reserves of unspent funds from prior years to cover their operating costs, and to increase funding for capital repairs by \$365 million. On a net basis, the President's budget thus reduces funding for the two major public housing programs by \$290 million. As shown in left side of Table 1, the cuts to public housing would be twice as deep under the House plan if the cuts were distributed proportionally across programs and would total \$601 million.

¹¹ To calculate this figure, we assumed that the House T-HUD bill would meet the President's request for Housing Choice Voucher renewals, Section 8 PBRA renewals, and public housing operating and capital funds. For homeless

Table 1

**Potential Cuts in Housing and Community Development Programs
Under House T-HUD Allocation for FY 2012 (in millions)**

	If Cuts to T-HUD Bill Are Made Proportionally Among Programs			If Renewal of HUD Rental Assistance Is Protected from Cuts		
	FY 2011	Estimated Funding under T-HUD for FY 2012	Estimated Cut in FY 2012	FY 2011	Estimated Funding under T-HUD for FY 2012	Estimated Cut in FY 2012
Housing Choice Voucher renewals	\$16,669	\$15,162	-\$1,507	----	----	----
Section 8 PBRA renewals	\$8,932	\$8,124	-\$808	----	----	----
Public Operating Fund	\$4,617	\$4,200	-\$417	----	----	----
Public Housing Capital Fund	\$2,040	\$1,856	-\$184	----	----	----
Homeless Assistance	\$1,901	\$1,729	-\$172	----	----	----
Section 202 Elderly Housing	\$399	\$363	-\$36	\$399	\$231	-\$168
HOME	\$1,607	\$1,462	-\$145	\$1,607	\$930	-\$677
Native American Housing	\$649	\$590	-\$59	\$649	\$376	-\$273
CDBG	\$3,336	\$3,034	-\$302	\$3,336	\$1,932	-\$1,404

Source: Center on Budget and Policy Priorities analysis of House T-HUD allocation.

For many programs, these cuts would come on top of the substantial cuts made in fiscal year 2011. Moreover, the reductions in funding would deepen in later years under the House budget resolution. By 2021, annual funding for housing assistance programs would be 18 percent below the 2011 level, adjusted for inflation, while annual funding for community development would be down 28 percent. Under such a spending plan, communities would lose a total of roughly \$75 billion in housing assistance and \$14 billion in community development grants over the next ten years.

Other deficit-reduction plans that rely primarily or entirely on spending cuts also would have severe effects. For instance, the Corker spending cap proposal, which would cap total federal spending at 20.6 percent of GDP, would force \$3.6 trillion in spending cuts over the next decade. The impact on discretionary programs likely would be great, particularly if Congress felt pressure to lessen the magnitude of any cuts in popular programs such as veterans programs, Medicare, and the

assistance grants, we assumed that the bill would increase funding by \$99 million above the 2011 level, which is HUD's estimate of the increased cost of grants renewals, according to HUD budget documents.

like by making larger cuts in other areas.¹² The balanced budget amendment that the House Judiciary Committee approved June 15 would require cuts even more extreme than those called for under the House budget resolution.¹³

Conclusion

A key issue in the deficit-reduction debate is whether increased revenues will be a meaningful part of the solution, or whether Congress will choose to reduce the deficit primarily or entirely by cutting programs. For housing and community development programs, the level of any cap on appropriations for either non-security or non-defense discretionary programs also is critical. Decisions on these issues will determine to a significant extent the amount of federal resources available to housing and community development programs in 2012 and future years.

¹² Edwin Park, Kathy Ruffing, and Paul N. Van de Water, "Proposed Cap on Federal Spending Would Force Deep Cuts in Medicare, Medicaid, and Social Security," Center on Budget and Policy Priorities, April 15, 2011, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3471>.

¹³ Robert Greenstein, James R. Horney, and Kelsey Merrick, "Balanced Budget Amendment Would Require More Extreme Cuts Than Ryan Plan," Center on Budget and Policy Priorities, June 8, 2011, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3508>.

UPDATED:

July 8, 2011

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White House and Congressional Leaders Urged to Reduce Deficit without Increasing Poverty

Previous Deficit Reduction Packages Protected Programs for Low-Income Americans

Washington, D.C. — At a critical juncture in the deficit reduction talks, the leaders of prominent national religious, civil rights, charitable, economic research, and low-income advocacy organizations are calling on Executive and Congressional leadership to honor the precedent set by previous deficit reduction negotiations that have reduced the deficit without increasing poverty

In a letter to policymakers involved in deficit reduction talks, these groups noted the precedent of bipartisan budgets that reduce both poverty and the deficit, stating:

"...all deficit reduction packages enacted in the 1990s reduced poverty and helped the disadvantaged even as they shrank deficits. In addition, every automatic budget cut mechanism of the past quarter-century has exempted core low-income assistance programs from any automatic across-the-board cuts triggered when budget targets or fiscal restraint rules were missed or violated. The 1985 and 1987 Gramm-Rudman-Hollings laws, the 1990 Budget Enforcement Act, the 1993 deficit reduction package, the 1997 Balanced Budget Act, and the 2010 pay-as-you-go law all exempted core low-income programs from automatic cuts."

The full text of the letter and a list of signatories is below this release.

The following are statements from several of the letter's signatories.

Deepak Bhargava, Executive Director, Center for Community Change

"Our families are struggling to make ends meet and our communities are suffering from record levels of unemployment and increasing poverty. It's time to get the country back on track and that means focusing on job creation and supporting our families. Protecting the programs that serve families in need is a vital component of any budget negotiations. It's time to move beyond the partisan gridlock and to the real solution, good jobs for unemployed and underemployed workers and adequate support for families in need."

Melissa Boteach, Manager, Half in Ten

"How our nation approaches the necessary task of reducing its deficits will reflect our priorities as a nation. History shows that deficit-reduction need not be accomplished in ways that increase poverty, and in fact can make the necessary investments to expand opportunity for all. Efforts to address our nation's debt should protect the most vulnerable and safeguard programs that promote shared prosperity"

Nancy Duff Campbell, Co-President, National Women's Law Center

"Unless programs for low-income people are protected in the budget negotiations, women and their families will bear the brunt of deficit reduction. Women are more likely than men to be poor because they still face discrimination on the job and take on more of the responsibility for

unpaid caregiving. So women disproportionately rely on Medicaid, SNAP (Food Stamps) and other safety net programs to meet their own and their children's basic needs – and on programs like child care assistance and Pell grants for a chance to get ahead and give their children a better life. Maintaining supports for low-income women and their families isn't just fair – it's a smart investment in our common future."

Marian Wright Edelman, President, Children's Defense Fund

"Children are the poorest age group in America and hunger, homelessness and poverty have risen dramatically for them in the last two years. Two-thirds of the 15.5 million poor children live in families in which at least one person is working. We must protect children, their families and other vulnerable people while finding ways to reduce the deficit that reflect moral sense, common sense and economic sense. We urge the President and Congress to reject all cuts that would increase poverty and inequality to ensure children and other vulnerable people are better off tomorrow than they are today. We all need to stand together for what's morally right; the future and soul of our country is at stake."

Vicki Escarra, President and CEO, Feeding America

"With more of our nation's men, women and children facing hunger today than ever before, it would be unconscionable for the Congress and the Administration to cut the first line of defense against hunger in America. Feeding America food banks are already overburdened as we struggle to keep pace with historic levels of need for emergency food assistance and private charity cannot fill the gap if nutrition assistance programs are cut. We must recognize the reality that federal nutrition programs are the difference between having enough to eat and not for one in four Americans, and we must find solutions to our nation's economic challenges that do not send millions more people into the grips of hunger and poverty."

Ambassador Tony P. Hall, Executive Director, Alliance to End Hunger, United States Congressman, Retired

"America faces tough choices about its long term fiscal health. We owe it to future generations to cut the deficit, which threatens future prosperity for all, and especially the poor," said Ambassador Tony Hall, a former Member of Congress and Executive Director for the Alliance to End Hunger. "But how you cut a budget or reduce a deficit is also a moral issue. Poor and hungry people didn't get us into the current mess and hurting them isn't the right way out of it. It's not only morally wrong, it ignores the bigger problem."

Robert Greenstein, President, Center on Budget and Policy Priorities

"President Obama and Congress should enact a plan sooner rather than later to put the nation on a sustainable fiscal course, and the recent history of deficit reduction makes clear they can reduce deficits without increasing poverty and hardship — as policymakers did in 1990, 1993, and 1997. That's particularly important now, with inequality in the United States at its highest in over 80 years and poverty considerably higher here than in most other wealthy nations. In designing deficit reduction plans, policymakers should follow a core principle of the Bowles-Simpson Commission – to design them in ways that protect low-income people and do not increase poverty."

Wade Henderson, President and CEO, The Leadership Conference on Civil and Human Rights

"With millions of low-income Americans struggling to gain economic stability – including millions of women, minorities, and people with disabilities – reducing the deficit in ways that increased

poverty or added to their hardships would be contrary to our national values. Our leaders would be wise to follow the precedent of previous administrations and Congresses and refuse to cut any programs that strengthen economic security for low-income families.”

Alan Houseman, President and Executive Director, CLASP

“The current debate over the nation’s deficit is incomplete,” said Alan W. Houseman, executive director of the CLASP, the Center for Law and Social Policy. “We have to make tough choices about how the nation spends and raises money to keep the government functioning, but we also must consider deeper questions such as what kind of nation we want to be now and in the future. As lawmakers on both sides of the aisle have said, deficit reduction should protect the truly needy. Lawmakers must do more than pay lip service to this principle. They must commit to it, and they must ensure that the decisions they make don’t increase poverty and inequality.”

John Podesta, President and CEO, Center for American Progress

“Long-term deficit-reduction is a critical goal, which can, indeed must, be accomplished in a way that strengthens the middle-class and ensures adequate protections for the most vulnerable.”

Ron Pollack, Executive Director, Families USA

"Responsible federal budgets protect people who can't bear added economic burdens. We urge our nation's leaders at both ends of Pennsylvania Avenue to adhere to this time-honored principle."

Hilary O. Shelton, Director, NAACP Washington Bureau & Senior Vice President for Advocacy and Policy

“A nation’s budget is, in its aggregate, a statement about the values and priorities of its people,” said Hilary O. Shelton, the Director of the NAACP Washington Bureau and the Senior Vice President for Advocacy and Policy. “The NAACP fully believes that it is incumbent upon the federal government to meet the unique needs of the most vulnerable Americans among us and that they are allowed to engage in their Constitutional right to the pursuit of life, liberty and happiness. We therefore strongly encourage everyone involved in the budget negotiations to do all they can to ensure that essential services are not cut and that no American goes hungry, is undereducated, underemployed or homeless or suffers from a preventable illness. Not on our watch.”

James Weill, President, Food Research and Action Center

“One in five Americans reported they were unable to afford enough food for themselves or their families in 2010. Given the economic struggles that Americans continue to face, our nation’s leaders must refuse to even consider reckless cuts that harm the most vulnerable. Any proposal to cut or otherwise restructure valuable safety net programs would roll back a generation of progress in this nation against very deep hunger and poverty, and would destroy a bipartisan compact that for two generations has developed and sustained a strong and effective safety net.”

Deborah Weinstein, Executive Director, Coalition on Human Needs

“Forcing millions of low-income people to pay for deficit reduction by going without health care, food, and jobs is un-American and jeopardizes our economic future.”

The full text of the letter is below.

///

President Barack Obama
Vice President Joe Biden
Speaker of the House John Boehner
House Minority Leader Nancy Pelosi
Senate Majority Leader Harry Reid
Senate Minority Leader Mitch McConnell

Dear Mr. President; Mr. Vice President; Speaker Boehner; Minority Leader Pelosi; Majority Leader Reid; Minority Leader McConnell:

We write to urge you to follow a key bedrock principle included in prior bipartisan deficit reduction efforts and espoused by the National Commission on Fiscal Responsibility and Reform chaired by Erskine Bowles and Alan Simpson: *protect programs for low-income families and individuals* and make sure that deficit reduction is achieved in a way that *does not increase poverty*.

Any agreement on deficit reduction should neither cut low-income assistance programs directly nor subject these programs to cuts under automatic enforcement mechanisms. Cuts to programs that help low-income people meet their basic needs or provide them with opportunity to obtain decent education and employment would inevitably increase poverty and hardship.

The major bipartisan deficit reduction packages of recent decades have adhered to the principle we espouse here. In fact, all deficit reduction packages enacted in the 1990s *reduced* poverty and helped the disadvantaged even as they shrank deficits. In addition, every automatic budget cut mechanism of the past quarter-century has exempted core low-income assistance programs from any automatic across-the-board cuts triggered when budget targets or fiscal restraint rules were missed or violated. The 1985 and 1987 Gramm-Rudman-Hollings laws, the 1990 Budget Enforcement Act, the 1993 deficit reduction package, the 1997 Balanced Budget Act, and the 2010 pay-as-you-go law all exempted core low-income programs from automatic cuts.

The United States already has higher levels of poverty and inequality than most other Western nations. We agree that we must address future deficits and put our nation on a sustainable fiscal course. But that need not — and should not — entail increasing poverty and hardship or inequality, as various past deficit reduction packages demonstrate. Indeed, the 1990, 1993, and 1997 deficit reduction packages, which improved the Earned Income Tax Credit, strengthened the SNAP program or created the Children's Health Insurance Program, show that reducing poverty and expanding effective low-income assistance programs is fully consistent with deficit reduction.

In recent weeks, an unprecedented coalition of Evangelical, Roman Catholic, mainline Protestant, African-American, and Latino Christian leaders have joined together to advance this principle of protecting people with low incomes in the current budget debate. They have issued a joint statement calling on policymakers to draw a "Circle of Protection" around programs that meet the basic needs of low-income people, both at home and abroad. We applaud this effort and add our voices to it. We call for Congress and the White House to commit to the principle of protecting low-income people in deficit reduction.

Sincerely,

Diana Aviv, President and CEO, Independent Sector
Ian Bautista, President, United Neighborhood Centers of America
David Beckmann, President, Bread for the World
Deepak Bhargava, Executive Director, Center for Community Change
Melissa Boteach, Manager, Half in Ten
Nancy Duff Campbell, Co-President, National Women's Law Center
Sheila Crowley, President and CEO, National Low Income Housing Coalition
Marian Wright Edelman, President, Children's Defense Fund
Vicki Escarra, President and CEO, Feeding America
Brian Gallagher, President and CEO, United Way Worldwide
Peter Goldberg, CEO, Alliance for Children and Families
Robert Greenstein, President, Center on Budget and Policy Priorities
Ambassador Tony P. Hall, Executive Director, Alliance to End Hunger, United States Congressman, Retired
Wade Henderson, President and CEO, The Leadership Conference on Civil and Human Rights
Alan Houseman, President and Executive Director, CLASP
Irv Katz, President & CEO, National Human Services Assembly
Gloria Lau, CEO, YWCA
Janet Murguía, President and CEO, National Council of La Raza
Christine Owens, Executive Director, National Employment Law Project
John Podesta, President and CEO, Center for American Progress
Ron Pollack, Executive Director, Families USA
Hilary O. Shelton, Director, NAACP Washington Bureau & Senior Vice President for Advocacy and Policy
Bill Shore, Executive Director, Share Our Strength
Jim Wallis, President and CEO, Sojourners
James Weill, President, Food Research and Action Center
Deborah Weinstein, Executive Director, Coalition on Human Needs
Rev. Heyward Wiggins, Co-Chair PICO National Network Steering Committee