



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

December 19, 2012



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

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

Regular Meeting BOARD OF COMMISSIONERS

WEDNESDAY, December 19, 2012

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular meeting on **Wednesday, December 19, 2012 at 4:00 PM**

The meeting will be held at:

**K Street Apartments
Community Room
911 North K Street
Tacoma, WA**

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, December 14, 2012, 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	emailed to 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
REGULAR MEETING
BOARD OF COMMISSIONERS
December 19, 2012, 4:00 PM
K Street Apartments, 911 North K Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
 - 3.1 Minutes of November 28, 2012 Regular Meeting
 - 3.2 Minutes of November 30, 2012 Special Meeting
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
 - 7.1 Finance
 - 7.2 Real Estate Management and Housing Services
 - 7.3 Real Estate Development
 - 7.4 Community Services
- 8. NEW BUSINESS**
 - 8.1 Resolution 2012-12-19 (1), FY 2013 Budget
 - 8.2 Resolution 2012-12-19 (2), Auth. to Negotiate Mod 1 to Absher Agreement for Hillside Terrace Phase I
 - 8.3 Resolution 2012-12-19 (3), 2013 Variable Pay Policy
 - 8.4 Resolution 2012-12-19 (4), Write Offs
 - 8.5 Resolution 2012-12-19 (5), PBV Awards
 - 8.6 Resolution 2012-12-19 (6), Emergency Mitigation Services
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION**
 - 10.1 Potential Real Estate transaction
- 11. ADJOURNMENT**

MEETING MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, November 28, 2012

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:00 PM on Wednesday, November 28, 2012

1. CALL TO ORDER

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

2. ROLL CALL

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

PRESENT	ABSENT
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Commissioners

Janis Flauding, Chair
Greg Mowat, Vice Chair
Arthur C. Banks, Commissioner
Stanley Rumbaugh, Commissioner

Staff

Michael Mirra, Executive Director
Christine Wilson, Executive Administrator
Ken Shalik, Finance and Administration Director
April Davis, REMHS Director
Barbara Tanbara, Human Resources Director
Mary Syslo, Manager, Community Services
Walter Zisette, RED Director
Todd Craven, Administration Director
Nancy Vignec, Community Services Director

Chair Flauding declared there was a quorum present @ 4:12 PM and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Flauding asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 24, 2012.
Commissioner Mowat moved to adopt the minutes. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 0

Motion approved.

4. GUEST COMMENT

Leroy Green, resident of the Wright Street Apartments addressed the board. He stated there have been problems with break-ins at Wright Street over a two year period. The door to his unit was tampered with; hence, THA installed alarms on his door. More recently the entire building was re-keyed and this has rectified the problems. He recently married and added his new wife and her two children to his lease. As a result, they need a bigger unit than his present one bedroom apartment. He has been on the waitlist for some time. Mr. Green also reported safety concerns in his unit. It is on the fourth floor. His young children have pushed the screens out of the windows and he fears they may climb out. He also stated there is nowhere for kids to go; there are no play areas. He spoke with THA maintenance staff who told him there are two-bedroom units that are available. Chair Flauding directed Mr. Green's concerns to Director Black and asked her to address them. Director Black stated that indeed we have a wait list. She explained that some other people on the list have a higher priority to a unit, including those who need a new unit for reasons related to disability, families we are relocating out of Hillside Terrace, or families who have been on the wait list longer than Mr. Green. The transfer policy states a resident could wait up to twenty-four months on the waitlist. She also noted that a unit may be vacant for many reasons. Just because it is vacant does not mean it is available to Mr. Green. She will direct her leasing staff to contact Mr. Green and provide him with information about his place on the waitlist. Director Black will also instruct her property manager staff to attend to the safety issue. Chair Flauding requested Mr. Green and his family to continue to be patient with our transfer waitlist. Commissioner Rumbaugh noted that vacancies are hard to come by because THA's occupancy is almost at 100% and some buildings are going to be demolished.

Hope Rehn addressed the board and stated that SAFE has nearly completed its new draft of the SAFE by-laws. Steve Parsons of Northwest Justice Project is helping. She anticipates the new by-laws will be in place by the first of the year. SAFE has planned a trip to Leavenworth for its members.

Chair Flauding recognized Rose Lincoln Hamilton in the audience. She will shortly be THA's new Commissioner.

ED Mirra introduced Mary McBride, Region X Administrator for HUD. He reviewed Ms. McBride's long acquaintance with THA and its work, starting from her time as Senator Murray's Washington State representative. She has lived with THA through the entire Salishan redevelopment. She has been its strong supporter throughout. He

expressed appreciation for her thoughtful approach in her present position. She acts like a partner as well as a regulator or an auditor. He noted her support for THA's innovative MTW initiatives. He stated that THA appreciates her efforts very much.

Ms. McBride expressed her appreciation for the welcome and for the chance to address the Board. She explained that when the HUD Secretary or the Deputy Secretary wants her to point out examples of best practices, she thinks of THA. She mentioned Secretary Donovan's recent mention of THA as the example for other Housing Authorities. She said that HUD's success directly depends on entities like THA who use their HUD dollars in smart ways. HUD is committed, she said, to create more streamlined systems, such as waivers, so HUD is easier to work with. In the past HUD has viewed its role as a compliance auditor rather than as a working partner to Housing Authorities. She credited THA with showing a lot of courage and appropriate risk to lead the way with innovative programs that will teach others the way. She credited the Board with THA's successes. She knows that such work starts with the Board and the vision and mission it gives to the organization.

Ms. McBride asked the Board for any messages from THA she can take back to Secretary Donovan. Commissioner Rumbaugh noted the importance of housing programs to support mentally ill persons. He reviewed the benefits that stable housing would have on accessibility and effectiveness of treatment and on reduced need for public services like police and the justice and jail systems. Commissioner Mowat invited Ms. McBride to come to a special session of THA's Board. That would be a chance to discuss these ideas and others in greater detail. He mentioned the possible need for an expanded dialogue regarding resident councils and how to energize them. He mentioned the work done by the National Coalition of Dialogue and Deliberation. Ms. McBride said that she would enjoy returning to visit with the Board again. Chair Flauding asked Executive Director Mirra to schedule this special session with Ms. McBride. Executive Director Mirra asked Mary to convey to the Secretary and his team THA's anxious interest in the pending rebenchmarking issue. He also would encourage them to feel very good about the MTW programs and to speak up with confidence for its expansion.

5. COMMITTEE REPORTS

Real Estate Development Committee – Commissioner Rumbaugh provided his report. He traveled to Washington, D.C. for the CLPHA conference this month. He joined ED Mirra and met with congressional staff. They also spoke with HUD officials about HUD's rebenchmarking of THA's MTW funding.

Finance Committee – Vice Chair Mowat reported that the agency's financials are in good order. Staff is doing a great job. A financial matter from the Washington State Auditor will come forward in executive session when it is ready.

Citizen Oversight Committee - Commissioner Mowat stated Commissioner Banks will chair this committee from now on. He reported that Absher construction continues their

progress on Hillside Terrace. Commissioner Mowat also stated the City of Tacoma has hired a new HUD coordinator who shows promising work ahead for this program.

6. ADMINISTRATIVE REPORTS

Executive Director

ED Mirra referred the Board to his report and welcomed questions. He spoke of his trip to Washington, DC and the national MTW discussion hosted by CLPHA. The high points of the discussion included the Congressional deliberation on whether to expand the MTW program to more Housing Authorities, to limiting it or its programmatic and financial flexibility. He mentioned this coming Friday's BOC Special Session on the FY 2013 budget. He distributed budget documents showing staff's proposed FY 2013 budget. Reviewing that proposal is the purpose of the Special Session. He briefly reviewed the proposal

Finance

Director Shalik directed the board to the finance report. We are ahead of schedule on surplus. He continued with his review of the agency financials. Commissioner Rumbaugh asked about the lack of spending of due diligence dollars during 2012 and whether this means that those funds will be moved to reserves. Director Shalik stated yes.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$4,313,629 for the month of October, 2012. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	0

Motion Approved

Real Estate Management and Housing Services

Director Black directed the Board to her report. She thanked the board members who could attend today's ribbon cutting for the renovation of the first floor of our administration building. She introduced Nadine Silvestre, Property Manager for the seven Senior/Disabled properties, and Michelle Narducci, Site Assistant for these properties. She updated the Board on units contaminated with methamphetamine: 20 units so far have tested positive. A new protocol for the mitigation of meth will be put in place for vacated units. Staff will be trained on the new protocol to protect their safety and that of THA residents. THA remains committed to acquiring a baseline of affected units by testing the entire portfolio. This will take a year or more to complete. The

protocol will include staff testing units with a meth test kit. If the results come back with a positive reading, THA's contractor under the supervision of the Tacoma Pierce County Health Department will then come in and conduct a more thorough test. We are taking direction on all these issues from the Health Department. Director Black added that the Old Hillside Terrace relocation is going very well. Her staff anticipates all residents to be moved out of Old Hillside by the end of the year.

Real Estate Development

Director Zisette directed the Board to his report. He has several updates in addition to his Board report. The new Hillside Terrace construction costs reported at the last board meeting increased by \$4.7 million as the actual construction bids have come into our general contractor. We have solved the problem by "value engineering", transferring costs for later phases to the budgets for those phases, and drawing down on more funding from THA's "replacement housing factor" reserve with HUD. The Washington State Housing Trust Fund (HTF) announced funding for LASA. It also awarded Stewart Court \$189,000. The total cost of that project is \$1.7M. The Brown Star Grill is an emerging project. He has been meeting with Historic Tacoma and city staff, including the city's new economic development director. He will continue to evaluate the feasibility of the project while preserving its façade for historic purposes. Commissioner Mowat asked about the historic designation. Director Zisette stated that Historic Tacoma views the exterior of the building as historic. Commissioner Mowat would like to see the document that has been prepared by Historic Tacoma.

Community Services

Program Manager Mary Syslo presented the Community Services report on behalf of Director Vignec. She spent a few minutes acquainting the Board with her duties as a program manager in the Community Services Department. She reported that the new Lister Elementary Principal is very engaged in Salishan Community and directed the Board's attention to the Winter Community Celebration for the families and residents of Salishan that will be held at Lister in December. Ms. Syslo invited the Commissioners to attend. Chair Flauding stated she is very pleased to see Lister Elementary joining THA in the community. The new principal is working to engage the school with the THA/Salishan community.

7. OLD BUSINESS

None.

8. NEW BUSINESS

8.1 RESOLUTION 2012-11-28(1), AMENDING THA POLICY G-05 PERTAINING TO THE EXERCISE AND DELEGATION OF THE EXECUTIVE DIRECTOR'S AUTHORITY

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

WHEREAS, this policy needs some updating in the manner set forth in the attached redlined version. This change updates the title of the Director of Finance.

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

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

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

AYES: 4
NAYS: None
Abstain: None
Absent: 0

Motion Approved: November 28, 2012

Janis Flauding, Chair

8.2 RESOLUTION 2012-11-28(2), ARCHITECTURAL AND ENGINEERING SERVICES FOR GRAVELLY LAKE DRIVE – CONTRACT AMENDMENT

WHEREAS, on July 9, 2012 The Board of Commissions (BOC) of Tacoma Housing Authority (THA) authorized the Executive Director to award a contract to Rice Fergus Miller for Architectural and Engineering (A&E) services for the Gravelly Lake Drive project with LASA;

WHEREAS, THA and Rice Fergus Miller agreed to an initial contract for about \$325,000. The parties anticipated adding further work to the contract once they identified the scope of that additional work. Also, additional work later appeared to be necessary as a result of City of Lakewood design requirements.

WHEREAS, the scope for this additional work has been defined and its cost requires an increase to the contract of \$189,499, for a new total of \$514,499;

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

Approve Resolution 2012-11-28() authorizing Executive Director or his designee to increase the contract amount for the Architectural and Engineering Services for the Gravelly Lake Drive project by \$189,499 for a total amount not-to-exceed of \$514,499 with Rice Fergus Miller.

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

Upon roll call, the vote was as follows:

AYES: 4
NAYS: None
Abstain: None
Absent: 0

Motion Approved: November 28, 2012

Janis Flauding, Chair

9. COMMENTS FROM COMMISSIONERS

None.

10. EXECUTIVE SESSION

The commissioners adjourned the regular meeting at 5:44 PM and moved into executive session to discuss a potential real estate transaction for 45 minutes. The commissioners came back into the regular board meeting at 6:26 PM. Appropriate announcements were made to the area outside the meeting room. The Board then directed ED Mirra to go forward and seek the best transaction possible for the Salishan lots. ED Mirra and THA staff will come back to the Board with that proposed transaction for the Board's review.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 6:29 PM.

APPROVED AS CORRECT

Adopted: December 19, 2012

Janis Flauding, Chair



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION FRIDAY, November 30, 2012

The Commissioners of the Housing Authority of the City of Tacoma met in Study Session at 902 South L Street, Tacoma, WA at 12:00 PM on Friday, November 30, 2012.

1. CALL TO ORDER

Chair Flauding called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:05 PM.

2. ROLL CALL

Upon roll call, those present and absent were as follows

PRESENT		ABSENT
Commissioners		
Janis Flauding, Chair		
Greg Mowat, Vice Chair (arrived at 12:09 PM)		
Arthur C. Banks arrived at 12:16 PM)		
		Stanley Rumbaugh, Commissioner
Staff		
Michael Mirra, Executive Director		
Christine Wilson, Executive Administrator		
Ken Shalik, Finance Director		
Barbara Tanbara, Human Resources Director		
Walter Zisette, RED Director		
April Black, REMHS Director		
Todd Craven, Administration Director		
Mary Syslo, Manager, Community Services		Nancy Vignec, Community Services Director

Chair Flauding declared there was a quorum present at 12:16 PM.

3. NEW BUSINESS

Executive Director noted that the purpose of the special meeting is to review the staff's proposed budget for FY 2013, which he conveyed to the Board in his memorandum. The Board is on schedule to adopt a FY 2013 at its December meeting. He noted that the draft accounts for detailed staff discussions and discussions with Vice Chair Mowat, serving as the Board's finance committee. Mirra reviewed the principles staff used to guide its budget recommendations. He noted that his memo discusses them. He reviewed them briefly:

- THA's strategic directives. Mirra noted that these directives will be even more useful as guides once the Board adopts the performance measures, which he hopes will happen early in 2013.
- Recurring income should pay for recurring expenses.
- THA assumes on the most conservative of the possible congressional budgets. He reviewed how each year Congress is generally late with its enactment of a federal budget. This requires THA to make some guesses. Usually we assume on the most conservative of the plausible versions of the budget then pending before Congress. This year is different because of the possibility of a "sequestration" budget. Such a would reduce THA's federal allocation by 8% (about \$3.3 million). Adopting such a budget would require serious cuts. They would be unduly disruptive if we later learned from an eventual congressional budget deal that they were unnecessary. Accordingly, in September, the Board directed staff to write a budget to the present continuing resolution that would keep THA's federal allocation at its 2012 levels, and to write a "shadow budget" with a hierarchical lists of cuts totaling \$3.3 million. If some version of sequestration occurs we will consult that list to pare our budget down to our allocation. That list is Attachment C to the draft budget.
- We will account for the minimum and optimal reserve levels we have identified.
- It is easier to spend reserves on nonrecurring expenditures than on recurring expenditures.
- It is easier to spend reserves on activities that offer an adequately plausible chance of making us money, saving us money or making us more effective.

Mirra explained that the draft budget satisfies these principles with the exception of non-MTW reserve levels. While overall reserve levels would remain above optimal levels, the non-MTW subset of those reserves under this budget would dip below minimal levels. Staff proposes to do this because much of the expenditure pertains to development activity that in 2014 will produce developer fees that will recoup these losses.

Vice chair Mowat questioned how staff determines whether an expense is MTW or non-MTW. Finance Director Shalik reviewed the accounting and HUD rules that guide that determination.

Executive Director Mirra referred briefly to Attachment C and the cuts it shows. THA will use that list to respond to sequestration, if necessary. He noted that sequestration is scheduled to occur on January 2nd. Some people in the news project that it will happen and only then will Congress make a deal for a budget. In that event, THA will have to determine how long we can wait for such a deal before making cuts on the list. We may face that question in January.

Executive Director Mirra then asked each of the department directors to report on what the draft means for their activities:

Finance: Finance Director Shalik explained that the budget allows THA to shift the purchasing responsibility back to the Finance Department. It allows the department to devote more time to Hillside Terrace and LASA projects and to upgrade tenant accounting systems.

Community Services: Mary Syslo, manager for the Community Services Department, explained that the department's funding comes primarily from grants. New grants from the Gates Foundation and others will allow a new asset building specialist. This and other parts of the budget will aid work on the college bound scholarship program, the children's IDA project, and the changes in the down payment assistance program for homeownership. The budget allows THA to pursue a partnership with Tacoma Community College (TCC) to house homeless TCC enrolled students.

Real Estate Management and Housing Services: Director April Black explained that the budget would allow for the following activities: complete THA's work on its safety/disaster plans, purchase maintenance vehicles, convert three temporary maintenance employees to regular employees, provide a contingency fund for unforeseen needs, implement the Housing Opportunities Program that the board approved as a new MTW activity (and which HUD is reviewing), add PBV contracts with community partners, improve FIC with a re-design, pay to test units for meth contamination pursuant to the portfolio wide plan to do so. On the meth testing, Chair Flauding asked how costs are shared with tenants and our insurers. Director Black explained that tenants will be charged for damage for which they are responsible. Losses are insured.

Real Estate Development: Director Walter Zisette explained that the budget would allow for the following activities: renovation and construction of new units, including Hillside Terrace; the LASA project; possibly Stewart Court's rehabilitation; a capital needs assessment at Dixon Village; resolution of the Citibank loan and Salishan lots; capital campaign for Salishan Campus core; the public housing conversion. Executive Director Mirra noted that the budget does not contain money for two new positions the Development Department proposed. Director Zisette explained his view that THA needs more construction managers. Mirra said that he intends to arrange for a review of THA's

development activities starting in January. That review may allow us to revisit staffing levels in the Development Department. Vice Chair Mowat asked to see THA's present organizational charts. Mirra added that he might also like to see the chart of responsibilities.

Administration: Director Todd Craven explained that the draft budget will allow the following activities: continue improvements in the IT network and stabilize the entire system; reorganize to account for the departure of our Applications Architect, in part by increasing our use of consultants; staff training, upgrade THA's website to make it more interactive and use of a technical writer for business processes. Vice Chair Mowat asked about our procurement activities for HUB contracts.

Human Resources: Director Barbara Tanbara reviewed that the draft budget will allow the following activities: employee retention and engagement efforts, leadership development, employee training, variable pay program to incentivize top performers, employee opinion survey, education training dollars, systems simplification, retention of critical positions in the agency, employee development plans, and performance improvement planning. She also said that we will look at HR policy and processes to determine which ones do not need to come from the Board.

Executive Director Mirra thanked staff for their hard work writing the proposed budget and Director Shalik in particular for leading the effort. He asked the Board to share its views about the proposal. He noted that if the Board wanted to redirect staff then there was work to do before the December Board meeting.

Chair Flauding said that she felt very comfortable with the budget. She noted the challenge of writing a budget every year. She expressed support for the staff's recommendations. Vice Chair Mowat also expressed support for the proposal. He thanked staff for their smooth and thoughtful process. He liked that it was a document that moved THA forward on its mission. Commissioner Banks expressed support as well as appreciation for the staff work. He thanked Director Shalik for the integrity he brings to the process and for making the budget understandable.

Executive Director Mirra repeated our need, if Congress does not pass a budget and if sequestration occurs on January 2nd, to make a judgment then on how long to wait for a budget. Vice Chair Mowat asked that we reconvene then to discuss the matter.

Executive Director Mirra, on behalf of the staff, thanked the Board for its support and guidance.

4. ADJOURNMENT

There being no further business to conduct, Commissioner moved to adjourn, and Commissioner seconded the motion. Meeting adjourned at 2:00 PM.

APPROVED AS CORRECT

Adopted: December 19, 2012

Janis Flauding, Chair

Finance Committee
Commissioner Mowat

Real Estate and Development Committee
Commissioner Rumbaugh

Citizen Oversight Committee
Commissioner Mowat

ADMINISTRATION REPORTS

EXECUTIVE DIRECTOR REPORT



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra
Executive Director

Date: December 12, 2012
Re: Executive Director's Report

This is my monthly report for December 2012. The Departments' reports supplement it.

1. CONGRESSIONAL BUDGET PROSPECTS, SEQUESTRATION AND OTHER IMPONDERABLES

This month, the Board needs to adopt a FY 2013 budget for THA. The Board must do this knowing even less than we usually do about the prospects for congressional action on a national budget for FY 2013. My budget memo of November 28th and the Board's study session recounted the few details we then knew. I have no further news other than what the news relates. I attach some material from the Center on Budget Policies and Priorities about the likely effect on the HUD programs resulting from some proposals circulating in Congress.

2. THA's WORK and the TALENTED PEOPLE WHO DO IT

The past few weeks provided some occasions to reflect about the work THA does and its staff who get it done. One of them was the staff appreciation lunch on December 6th. Greg and Stan were kind enough to attend and let the staff know of the Board's appreciation for staff and their work.

That lunch, which we have done annually, is one of only two occasions yearly when all of staff are together in one spot at the same time. (The annual retreat is the other time.) I like those occasions for many reasons. One is the chance they provide to see all of our staff with one glance. Doing that always impresses me with the reminder of how, considering the work we do, there are not that many of us. THA has about 100 employees. We are not a large housing authority. Yet our activities are wide ranging, sophisticated and innovative. This all happens because of our staff.

In my email this year conveying THA's holiday wishes, I wrote about this staff and their work:

"Giving thanks means reflecting on this work, what it takes to get it done and why it is important. At THA we are about one hundred people. They include our real estate development staff of project managers, tax credit and financial experts, planners, and construction managers who build, buy and rebuild properties. They work so our properties are well built, sustainable and attractive. THA's staff includes maintenance specialists who keep our properties in good shape. They include property managers and

lease and occupancy specialists who manage a long waiting list, screen applicants, verify income and eligibility, turn and lease units, collect rent, enforce the rules and do the hundreds of other things it takes to manage a large and varied portfolio that serves 1,400 households, many of whom come to us from very challenging circumstances. Other staff operate THA's rental assistance programs. In partnership with hundreds of local landlords these programs serve another 4,000 households. THA's community service staff of caseworkers and program managers help seniors or disabled persons live independently. They help families stabilize after coming to us from homelessness or domestic violence. And they help people succeed not just as tenants but as parents, students and wage earners. THA also includes finance staff, accounting specialists, compliance officers, IT wizards, data and policy analysts, procurement specialists, human resources experts, clerks, and, perhaps most poignantly, receptionists who politely and respectfully welcome the waves of increasingly needy people who come seeking help that for the most part we are unable to provide because we are full. These staff do this work in compliance with numerous and exquisitely detailed rules and regulations from governments and funding sources. And they do it in five languages."

My comment at the lunch also bears repeating: THA's staff know the quality of our Board. This work would not be possible without commissioners who hat know this work well, believe in its value and stand behind the staff. We are very grateful for the Board we have.

I hope the holidays are peaceful and meaningful.

November 26, 2012

DEFICIT REDUCTION DEAL WITHOUT SUBSTANTIAL NEW REVENUES WOULD ALMOST CERTAINLY FORCE DEEP CUTS IN HOUSING ASSISTANCE

By Douglas Rice

Any major legislation to reduce federal budget deficits that does not include substantial new revenues would almost certainly require deep cuts in programs that serve low-income families, including housing and community development programs. Such cuts would come on top of the ten-year spending cuts that President Obama and Congress enacted last year — and they could be far deeper than the across-the-board cuts (“sequester”) that are scheduled to take effect in early January unless policymakers overturn them.

In last year’s Budget Control Act (BCA), the President and Congress set binding “caps” on total funding (or “budget authority”) for discretionary programs in each fiscal year from 2012 to 2021.¹ The caps, coming on top of the spending cuts that policymakers enacted in annual appropriations bills beginning in fiscal year 2011, will cut discretionary funding by a total of \$1.5 trillion over ten years, thereby shrinking non-defense discretionary spending to its lowest level on record as a share of Gross Domestic Product (GDP) in data that go back to 1962.² The caps have already forced substantial reductions in housing and community development assistance (see Figure 2 below), and they will likely put intense pressure on the budget of the federal Department of Housing and Urban Development (HUD) over the next decade. If the HUD budget fell in proportion to the BCA caps, that would mean a \$2.5 billion annual funding cut by 2021, which is equivalent to eliminating housing voucher assistance for more than 300,000 low-income families, or to reducing funding for the three large block grants — CDBG, HOME, and the Native American Housing Block Grant — by 55 percent.

Policymakers agree, however, that they must do much more than implement these funding caps to address projected long-term deficits and debt. Consequently, they included in the BCA a mechanism — known as “sequestration” — to compel themselves to agree on further steps to reduce deficits. Sequestration requires more than \$1 trillion in additional spending reductions for

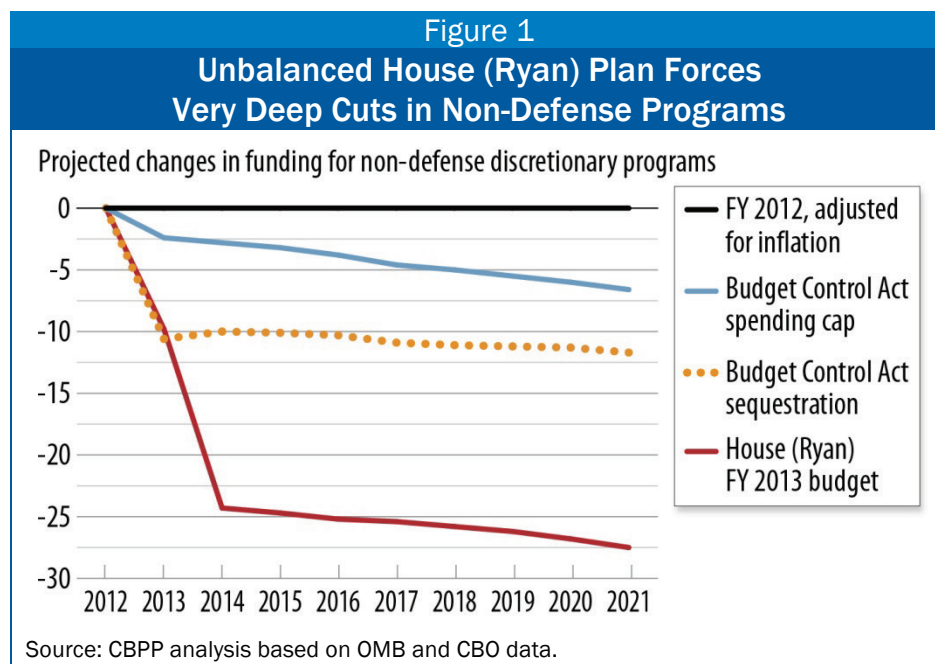
¹ The BCA also sets separate sub-caps for defense and non-defense discretionary programs. This policy is important because it makes it more difficult for policymakers to lessen or avert reductions in defense funding by further cutting funding for non-defense programs.

² Richard Kogan, *Congress Has Cut Discretionary Funding by \$1.5 Trillion Over Ten Years*, Center on Budget and Policy Priorities, September 25, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3840>.

defense and non-defense discretionary programs over the decade, beginning with across-the-board cuts in January 2013. In part because the scheduled cuts are harsh, indiscriminate, and unpopular, the President and Congress will try, in the coming weeks, to hammer out a framework under which to replace these cuts with a more balanced and comprehensive package of spending cuts and tax increases.

To understand what's at stake for housing assistance and community development programs, consider that policymakers broadly agree that, as part of their deficit reduction efforts, they should largely or entirely avoid cuts in Social Security benefits for current retirees and limit or avoid them for current Medicare beneficiaries. Also, many lawmakers oppose cutting defense funding below the BCA caps. If, however, policymakers limit their deficit reduction efforts in this way, then they must achieve the lion's share of their savings from three remaining major areas of the budget: non-defense discretionary spending — which comprises just one-sixth of spending and has already taken sizeable cuts under the BCA caps — low-income entitlement programs such as Medicaid and SNAP (food stamps) and revenues.

If, then, forthcoming deficit reduction does not include significant new revenues, it almost certainly will force very deep cuts in low-income programs (whether entitlements or low-income programs that are funded through non-defense discretionary spending) — and there is no reason to expect housing assistance and community development programs to avoid such cuts. Indeed, these cuts could be much deeper than those required under sequestration.



The House-passed budget of Budget Committee Chairman Paul Ryan illustrates the consequences of a deficit reduction approach that forgoes new revenues. Under the Ryan budget, non-defense discretionary funding would fall by 24 percent in 2014 and 28 percent by 2021, compared to the 2012 level as adjusted for inflation. These cuts are *more than twice as deep* as the cuts required by sequestration, and more than four times as deep as those under the BCA caps (see Figure 1).

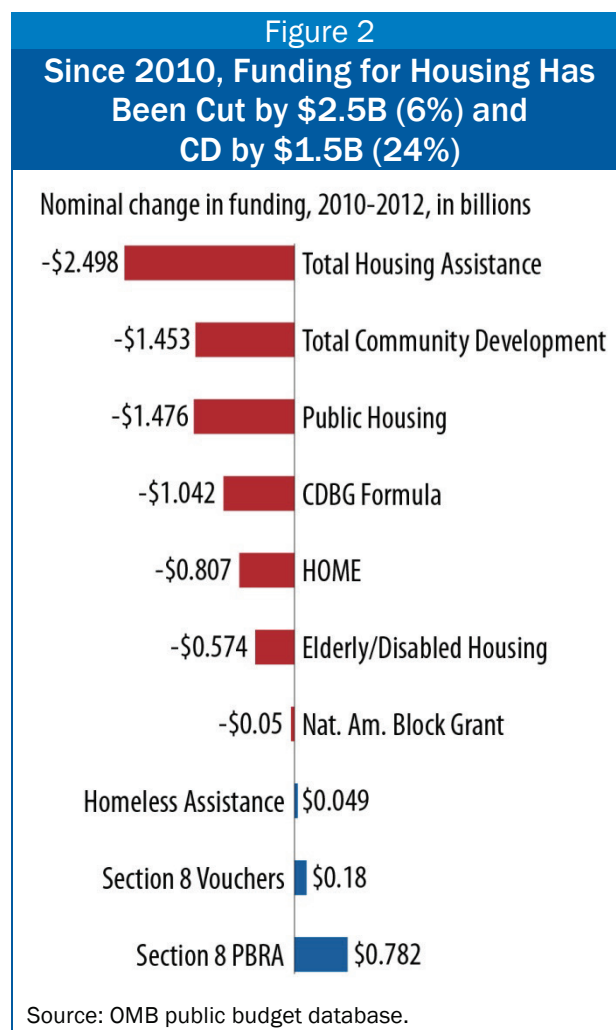
The cuts required by the Ryan budget would prove devastating to low-income families and communities. If all non-defense discretionary programs were cut by the same percentage, as many as 1.2 million households containing low-income seniors, people with disabilities, and families with children would lose federal rental assistance by 2021, and communities would lose more than \$1.3 billion in funds for affordable housing and economic development. (See Tables 1 and 2 of the appendix for state-by-state estimates of the cuts in housing and community development programs under the BCA spending caps, sequestration, and the Ryan budget.)³

Congress Has Already Made Deep Cuts in Housing and Community Development Aid

To address projected budget deficits, the President and Congress in recent years have relied almost entirely on cuts to discretionary programs.⁴ First, they enacted funding legislation for fiscal year 2011 that cut discretionary funding below the 2010 level. Soon thereafter, they enacted the BCA that, as noted above, set ten-year binding “caps” on total budget authority for discretionary programs.

Figure 2 shows the impact to date on housing assistance and community development programs. From 2010 to 2012, funding for housing assistance fell by \$2.5 billion, or 5.9 percent, just in “nominal terms” — i.e., not counting the additional losses due to the effects of inflation — while funds for community development programs fell by \$1.5 billion, or 24 percent.⁵ Policymakers cut funds for public housing and housing and community development block grant programs most sharply.

To its credit, Congress mitigated the immediate effect of these cuts on low-income families in two ways. First, lawmakers targeted a larger share of resources to areas where they are needed to prevent the end of rental assistance to the low-income households that now receive it, such as by renewing Housing Choice vouchers and Section 8



³ All figures are stated in 2012 dollars. The methods and sources used are explained in the appendix.

⁴ “Discretionary” programs are those that Congress funds annually through appropriations, and they include most housing assistance and community development programs.

⁵ “Housing assistance” is a standard federal budget category that includes the Housing Choice Voucher, Section 8 project-based rental assistance, public housing, homeless assistance, HOME, elderly and disabled housing programs, as well as various USDA housing programs. Most of the funding in the “Community Development” category is for CDBG formula grants, but it also includes a number of smaller HUD and USDA programs.

project-based rental assistance (see Figure 2). Second, lawmakers cut the price tag of HUD's fiscal 2012 budget by \$1.8 billion through one-time savings measures in housing assistance programs — including the rescission of more than \$400 million in unused funds and requirements that housing agencies spend down \$1.4 billion in funding reserves in lieu of receiving new funding to cover the cost of operating public housing and renewing housing vouchers for low-income families.

While these measures helped to protect low-income families from immediate harm from budget cuts, policymakers for the most part cannot repeat them in future years. As a result, policymakers would need to allocate significant new funding just to sustain current program service levels. If policymakers do not do so, HUD and housing agencies will have no choice but to substantially reduce the number of low-income families that they assist.

The BCA Caps Will Continue to Put Great Pressure on Housing and Community Development Programs in Future Years

Under the BCA caps, nominal funding for non-defense discretionary programs will rise modestly from fiscal years 2013 through 2021, but by less than CBO's projected rate of inflation. Thus, funding will continue to shrink in real (inflation-adjusted) terms. (See Figure 1.)

A real cut in non-defense discretionary spending will likely put serious pressure on HUD's budget over the coming decade, forcing the President and Congress to make tough decisions from a menu of poor options.⁶ By fiscal year 2021, the caps for non-defense discretionary programs fall 6.6 percent below the enacted 2012 funding level, adjusted for inflation. If HUD's budget fell proportionally, that would mean a \$2.5 billion annual funding cut by 2021, which is equivalent to eliminating housing voucher assistance for more than 300,000 low-income families, or to reducing funding for the three large block grants — CDBG, HOME, and the Native American Housing Block Grant — by 55 percent.

Moreover, these figures probably understate the potential impact on low-income families and communities. First, they assume that the cost of renewing HUD rental assistance for the more than 4.6 million households that now receive it will grow at the expected general rate of inflation. These programs rely largely on private market rental housing, however, where rents and utility costs have grown somewhat more than the general inflation rate over the past two decades. If these trends continue, the number of households losing rental assistance under the funding cuts described above would be greater than these estimates suggest. If one assumes that rental assistance renewal costs will continue to grow at a rate consistent with recent history, for example, the HUD budget shortfall would grow to \$4.5 billion by 2021, which is equivalent to eliminating housing voucher assistance for well over 500,000 low-income families.

⁶ For fiscal years 2014-2021, the President and Congress can set funding priorities under the BCA caps and protect low-income housing and community development from cuts if they choose, by cutting other programs more steeply. However, certain other non-defense discretionary programs such as veterans' health care, bio-medical research, and the FBI are the ones most likely to be shielded, and that will force deeper-than-average reductions in many of the remaining non-defense discretionary programs. The experience from the 2011 and 2012 funding cycles suggests that low-income housing and community development programs can expect to absorb funding cuts that are at least equal in depth to the cuts that non-defense discretionary programs as a whole will have to bear.

Second, no funds would be available to address the roughly \$26 billion backlog in capital repairs required to maintain public housing in good condition. Current funding levels are insufficient to address these needs; indeed, the backlog of capital repair needs will likely grow under current funding levels. If these repairs are not made, public housing residents — most of whom are elderly or disabled — will have to live in deteriorating conditions, and hundreds of thousands of affordable apartments likely will eventually be lost to disrepair. Unless policymakers can devise a strategy to address these needs that relies less on appropriated funds, therefore, a large loss of public housing assistance will likely compound the problems outlined above.

Finally, as noted above, one-time savings measures absorbed \$1.8 billion in funding cuts in HUD's 2012 budget, and policymakers for the most part cannot repeat these savings. If the President and Congress do not provide new funding in future years to offset these one-time funding cuts, then the impact of the BCA caps on low-income families will be much more severe, sharply increasing, for example, the number of families losing rental assistance.⁷

Four Keys to Sustaining Housing and Community Development Aid Under the BCA Spending Caps

HUD's budget thus faces serious challenges under the BCA caps, although the outcome is not written in stone. The pressure on HUD could ease somewhat if rental assistance renewal costs grow at a somewhat lower rate than our analysis assumes. For instance, no cuts in rental assistance or other programs would be required under our analysis if rental assistance costs grow at a rate that's somewhat *below* the projected overall rate of inflation.

In addition, policymakers can, and should, take important steps to avoid deep cuts in assistance for low-income families and communities:

- 1. Prioritize low-income programs in making discretionary funding decisions, including by passing a HUD funding bill for fiscal year 2013 that's modeled on the Senate appropriations bill that covers HUD.** The Senate HUD funding bill, which the Senate Appropriations Committee approved in April, has weaknesses, but it also has many strengths and it improves on the President's budget request. Senate appropriators wrote the bill within a framework that adheres to the BCA caps, prioritizes scarce resources to avert cuts in the number of families receiving rental assistance, provides modest funding increases for other priorities such as assistance for homeless individuals and families, and avoids one-time budget savings or gimmicks that would exacerbate the budget challenge in future years.⁸
- 2. Pass comprehensive rental assistance reform legislation, such as the Affordable Housing and Self-Sufficiency Act (AHSSIA).** This legislation, the most recent version of which was circulated in April by the House Financial Services Committee's Republican leadership, would streamline the major rental assistance programs, cut the costs of operating

⁷ In addition, the analysis ignores the role of FHA mortgage insurance premiums in the HUD budget. FHA programs now dominate the mortgage market, yet their market share is expected to fall sharply in coming years as the private market continues to recover. As a result, HUD's budget may experience declining revenues, forcing the Administration and Congress to provide additional budget authority to sustain program funding levels.

⁸ Douglas Rice, *Senate Funding Bill Improves on President's Budget Request for Rental Assistance*, Center on Budget and Policy Priorities, May 22, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3782>.

these programs, and encourage housing agencies to serve more families within available funds.⁹ The Congressional Budget Office (CBO) estimates that, when fully implemented, AHSSIA would reduce funding needs for HUD rental assistance programs by some \$700 million per year, not counting additional savings associated with reduced administrative burdens for housing authorities and private owners. In light of the likely gap between HUD funding under the BCA caps and rental assistance renewal costs outlined above, savings of this magnitude would help mitigate the impact of funding cuts on low-income families.

- 3. Embrace public housing reforms that enable agencies to access more private capital to meet capital repair needs.** The Obama Administration has proposed to let housing agencies convert public housing properties to “project-based” rental assistance contracts, and Congress approved a limited demonstration of the concept in the 2012 appropriations law. Project-based rental assistance contracts would make it easier for housing agencies to raise private capital to rehabilitate developments and preserve affordable rental housing for the long term. The Administration and Congress should make this option available to more housing agencies by adopting AHSSIA’s expanded demonstration.
- 4. Prevent further cuts in funding for non-defense discretionary programs by adopting a balanced approach to addressing the nation’s remaining fiscal challenges.** See the discussion below.

Sequestration Would Cause Hundreds of Thousands of Low-Income Families to Lose Rental Aid, But Alternatives that Lack Substantial New Revenues Would Force Even Deeper Cuts

Along with setting ten-year caps on discretionary spending, the BCA created a Joint Select Committee on Deficit Reduction (the “supercommittee”) to develop legislation to reduce deficits by another \$1.2 trillion over ten years, and it created a backup mechanism of annual spending cuts, known as “sequestration,” that would take effect if the supercommittee failed to meet its charge. Because the supercommittee failed, sequestration is scheduled to occur starting in January 2013 and to run through 2021.

Sequestration requires cuts in non-defense discretionary funding in each fiscal year from 2013 to 2021 below the BCA spending caps.¹⁰ Figure 1 shows the effects of these cuts, compared to the cuts under the BCA caps. The first round of sequestration cuts, in January 2013, will apply to every non-exempt program, including nearly every discretionary housing and community development program. (In fiscal years 2014 to 2021, the funding cuts will not occur on an across-the-board basis; that is, the Administration and Congress will have the power to distribute the funding cuts however they wish by making the cuts when they write the annual appropriations bills for these years.)

⁹ For information on AHSSIA, see the materials available on our web site at: <http://www.cbpp.org/research/index.cfm?fa=topic&id=143>.

¹⁰ Sequestration also applies to defense and mandatory (“entitlement”) programs. Most low-income entitlement programs, including Medicaid and SNAP (food stamps), are exempted from sequestration, but the vast majority of low-income housing and community development programs are not. The only exception is the veterans’ supportive housing program (HUD-VASH).

The Office of Management and Budget recently released estimates showing that funding for non-defense discretionary programs would fall by 8.2 percent under sequestration in January 2013. Table 1 in the appendix shows the estimated effects of a 2013 sequester on housing and community development programs in each state, which would be harsh. For instance, states would lose Housing Choice vouchers for up to 180,000 low-income families, and funding for the three major block grants would fall by \$375 million — on top of the \$1.9 billion in cuts that policymakers have enacted since 2010. These cuts would grow larger in subsequent years, unless policymakers acted to prevent sequestration from continuing.

Sequestration's harsh and indiscriminate effects have received much attention, and policymakers face great pressure to prevent it from occurring. If policymakers do so, however, they likely will couple this action with an agreement to cut projected deficits by much more than sequestration would achieve.

Without Revenues, Any Plan to Replace Sequestration Will Force as Deep -- Or Deeper -- Cuts Than Sequestration Itself

Policymakers need to achieve about \$2 trillion in additional deficit reduction, on top of that achieved through the BCA caps (for a total of nearly \$4 trillion including the BCA savings) in order to “stabilize” the federal debt over the next decade so it does not continue to grow as a share of the economy and, thus, risk serious financial and economic problems.¹¹ Moreover, as noted above, many policymakers argue that Social Security, Medicare, and defense should contribute little (or nothing) to the effort. If policymakers largely avoid those spending categories, they will need to include very substantial new revenues in their deficit reduction package to prevent very deep cuts to low-income programs, including housing and community development assistance.

The House-passed Ryan budget illustrates the point. It includes no new revenues and would impose a massive \$5.3 trillion in spending cuts that over ten years. These cuts include severe cuts in non-defense discretionary programs, as well as in Medicaid and food stamps.¹²

Under the Ryan budget, funding for non-defense discretionary programs would fall by 24 percent in 2014 and 28 percent by 2021, compared to the 2012 level as adjusted for inflation. These cuts are *more than twice as deep* as the cuts that sequestration would require and more than four times as deep as those the BCA caps require (see Figure 2).

¹¹ Richard Kogan, “\$2 Trillion in Deficit Savings Would Achieve Key Goal: Stabilizing the Debt Over the Next Decade,” Center on Budget and Policy Priorities, November 1, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3856>.

¹² See the following papers from the Center on Budget and Policy Priorities: Kelsey Merrick and Jim Horney, “Chairman Ryan Gets 62 Percent of His Huge Budget Cuts from Programs for Lower-Income Americans,” March 23, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3723>; Edwin Park and Matt Broaddus, “Ryan Medicaid Block Grant Would Cut Medicaid by One-Third by 2022 and More After That,” March 27, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3727>; Dottie Rosenbaum, “Ryan Budget Would Slash SNAP Funding by \$134 Billion Over Ten Years,” April 18, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3717>; and Michael Leachman et al., “Deficit-Reduction Package That Lacks Significant Revenues Would Shift Very Substantial Costs to States and Localities,” August 8, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3816>.

Such cuts would almost certainly prove devastating to low-income families in every state, as Table 2 in the Appendix indicates. We estimate, for example, that if all non-defense discretionary programs were reduced by the same percentage, up to 1.2 million low-income families would lose rental assistance by 2021 under the Ryan plan, and communities would lose \$1.3 billion for affordable housing and community development and \$539 million for homeless assistance. These very deep cuts would come at a time when the number of poor households (particularly families with children) struggling to afford housing and avoid homelessness has been rising markedly. For instance, the latest American Housing Survey reveals that the number of poor renter households paying housing costs of more than 50 percent of their income — a housing cost burden that's associated with increased risks of homelessness — has risen by 14 percent over the past two years.¹³

Conclusion

Bipartisan deficit reduction commissions — including the Bowles-Simpson commission — have supported the principle that deficit reduction should be crafted so the most vulnerable Americans aren't made to bear greater hardships than they already do. An important part of sustaining the safety net for individuals and families is preventing further cuts to housing assistance and community development programs.

The risk of sequestration has received much attention in recent months. But the greater risk to housing assistance, community development, and other low-income programs lies in the decisions that the President and Congress will make about how to replace sequestration with a long-term deficit reduction package. Policymakers can avoid even deeper cuts in housing assistance and community development programs than the Budget Control Act makes likely — and preserve more of this critical part of the safety net — only through a balanced approach that includes significant new revenues.

¹³ American Housing Survey, 2011, Preliminary Table C10-RO.

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,331,181 for the month of November, 2012.

Approved: December 19, 2012

Janis Flauding, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of November, 2012

		Check Numbers				
		From	To	Amount		Totals
A/P Checking Account						
Low Rent Module Checks	Check #'s	2,704	- 2,723	4,644		
Accounts Payable Checks	Check #'s	77,851	- 78,148			
Business Support Center				214,576	Program Support	
Moving To Work Support Center				77,013		
Section 8 Programs				17,911	Section 8 Operations	
SF Non-Assist Housing - 9SF Homes				4,152		
Stewart Court				10,623		
Wedgewood				673	Local Funds	
Salishan 7				13,570		
Tacoma Housing Development Group				1,169		
Hillsdale Heights				2,867		
Salishan Developer Fee				53		
Hillside Terrace 2500 Yakima Relocation				26,145		
Salishan Area 3				4,229		
NSP Grant				2,541		
Development Activity				18,687	Development	
Salishan Area 2B-Dev				3,495		
Hillside Terrace Development				23,799		
Hillside Terrace Community Ctr Development				26,684		
Hillside Terrace 2500 Court G Development				390		
Hillside Terrace 2500 Yakima Development				188,516		
CS Special Fund				53		
Weyerh. Homeless Grant				100		
Community Services General Fund				10,161		
Paul G. Allen Foundation Grant				95		
Gates Ed Grant				4,226	Community Service	
ROSS Svc Coord				404		
WA Families Fund				91		
Pierce Co. 2163 Funds				1,799		
WA Families Fund - Systems Innovation				4,243		
AMP 1 - No K, So M, No G				28,037		
AMP 2 - Fawcett, Wright, 6th Ave				32,456		
AMP 3 - Lawrence, Orchard, Stevens				27,933		
AMP 4 - Hillside Terr - 1800/2500				16,733		
AMP 5 - Salishan Common Areas				440		
AMP 6 - Scattered Sites				167,238		
AMP 7 - HT 1 - Subsidy				6,228		
AMP 8 - HT 2 - Subsidy				1	Public Housing	
AMP 10 - SAL 1 - Subsidy				10,823		
AMP 11 - SAL 2 - Subsidy				8,898		
AMP 12 - SAL 3 - Subsidy				8,091		
AMP 13 - SAL 4 - Subsidy				8,247		
AMP 14 - SAL 5 - Subsidy				9,353		
AMP 15 - SAL 6 - Subsidy				8,580		
Allocation Fund				65,328	Allocations-All Programs	
THA SUBTOTAL				1,061,296		
Hillside Terrace 1 through 1500				2,602		
Salishan I - through Salishan 6				1,253	Tax Credit Projects - billable	
Salishan Association - Operations				8,938		
TAX CREDIT SUBTOTAL (Operations - billable)				12,794		1,074,090
Section 8 Checking Account (HAP Payments)						
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	474,853	- 475,502	978,255		
	ACH	39,376	- 40,267	1,530,559	\$	2,508,814
Payroll & Payroll Fees - ADP					\$	702,796
Other Wire Transfers						
Local Funds Semi-Annual Bond Payment - Heritage				-		
Salishan Seven Debt Service - WCRA				19,108		
Area 3 Revenue Bonds Monthly Interest - Citibank				26,373	\$	45,481
TOTAL DISBURSEMENTS					\$	4,331,181



TACOMA HOUSING AUTHORITY

Date: December 19, 2012

To: THA Board of Commissioners

From: Ken Shalik
Director of Finance

Re: Finance Department Monthly Board Report

1. FINANCIAL STATEMENT COMMENTS

I present the November, 2012 disbursement report for your approval.

The Finance Department is submitting the financial statement for the month of October, 2012. I continue to point out that the Capital information only applies to funds that flow through THA and is not reflective of any development projects separate from the THA portfolio that are underway.

Overall, the financial health of the agency remains in very good shape. At the end of October's reporting period, THA is in very good financial shape with a surplus before capital expenditures (line 68) of \$2,338,086, and a projected actual of \$2,001,090. Currently, the total projected THA anticipated surplus at Year End (line 71), which includes Capital Income and Expenditures, is \$1,399,038.

Below I will address other major anomalies between Budgeted and Actual numbers. They are virtually the same as the previous months, as there has been no significant changes:

- Line 3 – Section 8 HAP reimbursement – Due to cash management at HUD, we will not receive all the funds we are eligible for in 2012. They will remain eligible for draw down in 2013 and future years.
- Line 6 – HUD Grant – Community Services – The grants are tracking lower than expected, but timing issues may bring them closer to budget at Year end.
- Line 7 - HUD Grant Capital Fund Operating Revenue – This category includes Debt Service payments for our Capital Fund Finance Payments for Salishan, which will not be paid until the end of the year. It also includes the Relocation payments for Hillside Terrace, which did not start expending until September, with the majority of the expenses being expended, and thus reimbursed by the end of the year. The projected actual column reflects these expenditures.
- Line 9 – Other Government Grants – This includes \$184,000 in Development for reimbursement of relocation costs for Hillside redevelopment from TCRA. As stated in line 7 above, the majority of these funds should be expended by year end.

- Line 11- Fraud Recovery Income: This is for repayments of unreported income agreements for Section 8 tenants. The Section 8 staff has been more aggressive in this area in setting up the agreements than what was budgeted. This continues to trend higher than budget, even with the revision amount.
- Line 12 – Other Revenue – Developer Fee Income: This is developer fee income for the Hillside Terrace Redevelopment. Due to the challenges that have arisen in construction costs, the closing date has been moved back, and no developer fee income will be received in 2012.
- Lines 15 – 34 – Administrative Expenses: There are a number of areas that have variances at the moment. Changes were made during the mid-year revision process, but some areas reflect differences between budget and actual. We should see some increases in areas such as Staff Training, IT, and Administrative Contract, but do not see any areas of concern. The category remains under budget in total.
- Line 38 – Relocation Services – We are in the process of relocating tenants at Hillside Terrace. By year end, the majority of this category should be expended.
- Line 39 – Tenant Services Other – The overage is based on Individual Development Payouts over the budgeted amount, and also tenant training expenses above what had been budgeted. As these are reimbursed by grant funding, there will be corresponding income to pay for these services.
- Line 61 – HAP Payments: We are currently under budget by approximately \$800K, and estimating to be approximately \$1 million below budget for year end. This is due to both lower HAP averages and leasing %. In October, we were currently below our MTW baseline unit count, but in December, we are leasing at approximately the baseline unit count.
- Lines 69 & 70 – Capital Expenditures. Unless there are contracts in place we are not projecting either revenues or expenditures for capital purposes. These funds are associated with Capital Funds where funding is received from HUD, or funds that flow through the Housing Authority for the Hillside redevelopment project. As we are now in the beginning phases of the Hillside Redevelopment project, expenditures are starting to increase. This category also includes the purchase of the General Partner interest in the New Look Apts, which as to date has not progressed.

THA remains in good financial health overall. With the push back of Developer fee income, the advancing of agency funds for Hillside Terrace redevelopment, the current restrictions on these reserves, and ongoing costs of development, we are dropping below optimal levels for our Non-MTW reserves. We have discussions regarding this, and believe that when we receive the bulk of our developer fees for our LASA and Hillside development projects in 2014, our reserve level will increase again. For the agency overall, we will continue to monitor our financials, our cash reserves, and agency needs. The goal is to ensure we are maximizing utilization of funds in a manner that keeps the agency strong, provides adequate reserves, and meets the needs of our clients and agency.

We continue to work with HUD on reestablishing our MTW baseline amount for Housing Assistance payments. This is the issue where HUD has re-benchmarked the baseline to our

2010 expenditures rather than our eligibility as stated in our MTW agreement, This represents an annual reduction in funding of approximately \$600,000. We are still without resolution on the issue to our satisfaction. The matter was discussed with Sandra Henriquez during the visit to Washington DC in November. We are waiting to hear the decision based on our discussions, and our legal counsel consultation with HUD's GCO.

2. INVESTMENTS

Surplus funds had been invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank currently remain at .40%. The Washington State Local Government Investment Pool currently provides a return rate of .17%.

3. AUDIT

All aspects of the audit for 2012 are complete. There is an issue that we are dealing with in the Accountability portion of the audit, and are in the midst of discussions with the Washington State auditors. We are still awaiting the exit conference.

4. BUDGETS

We have finished crafting the FY2013 budget. There was a board study session to go over the budget on November 30th. The FY2013 budget proposal is being submitted to the Board of Commissioners for approval today.

5. YEAR END

The finance staff is gearing up for the December 31st Fiscal Year end.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

	October, 2012				Thru 12/31/2012		
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS							
1 Tenant Revenue - Dwelling rent	306,549	3,151,643	3,124,018	0.88%	3,781,972	3,748,822	0.88%
2 Tenant Revenue - Other	5,614	66,842	67,399	-0.83%	80,210	80,879	-0.83%
3 HUD grant - Section 8 HAP reimbursemer	2,826,691	28,485,164	28,750,798	-0.92%	34,126,000	34,500,957	-1.09%
4 HUD grant - Section 8 Admin fee earned	226,203	2,311,010	2,245,716	2.91%	2,695,000	2,694,859	0.01%
5 HUD grant - Public Housing subsidy	159,790	1,600,334	1,684,387	-4.99%	1,920,401	2,021,264	-4.99%
6 HUD grant - Community Services	11,526	137,309	160,968	-14.70%	164,771	193,161	-14.70%
7 HUD grant - Capital Fund Operating Reve	19,983	382,777	794,000	-51.79%	893,581	952,800	-6.22%
8 Management Fee Income	250,278	2,516,942	2,610,960	-3.60%	3,070,330	3,133,152	-2.01%
9 Other Government grants	71,509	256,658	308,898	-16.91%	328,735	370,677	-11.32%
10 Investment income	4,303	51,203	44,227	15.77%	61,444	53,072	15.77%
11 Fraud Recovery Income - Sec 8	4,452	92,928	50,000	85.86%	96,514	60,000	60.86%
12 Other Revenue- Developer Fee Income	0	0	441,667	-100.00%	0	530,000	-100.00%
13 Other Revenue	48,979	468,277	463,869	0.95%	561,932	556,643	0.95%
14 TOTAL OPERATING RECEIPTS	3,935,877	39,521,087	40,746,905	-3.01%	47,780,889	48,896,286	-2.28%
OPERATING EXPENDITURES							
Administrative Expenses							
15 Administrative Salaries	308,468	3,164,977	3,287,372	-3.72%	3,902,414	3,944,846	-1.08%
16 Administrative Personnel - Benefits	122,666	1,226,256	1,398,151	-12.29%	1,491,507	1,677,781	-11.10%
17 Audit Fees	1,518	75,156	56,567	32.86%	75,156	67,880	10.72%
18 Management Fees	199,369	1,990,122	2,128,894	-6.52%	2,388,146	2,554,673	-6.52%
19 Rent	23,707	237,070	234,173	1.24%	284,484	281,007	1.24%
20 Advertising	0	1,657	4,638	-64.27%	4,500	5,565	-19.14%
21 Information Technology Expenses	24,028	154,413	200,491	-22.98%	225,296	240,589	-6.36%
22 Office Supplies	4,528	47,210	51,983	-9.18%	56,652	62,380	-9.18%
23 Publications & Memberships	302	37,348	37,721	-0.99%	49,348	45,265	9.02%
24 Telephone	8,313	83,080	79,688	4.26%	99,696	95,625	4.26%
25 Postage	2,822	29,935	37,901	-21.02%	35,922	45,481	-21.02%
26 Leased Equipment & Repairs	3,194	53,337	48,006	11.11%	64,005	57,607	11.11%
27 Office Equipment Expensed	9,904	59,588	58,375	2.08%	71,506	70,050	2.08%
28 Legal	6,296	62,948	80,225	-21.54%	85,538	96,270	-11.15%
29 Local Milage	489	7,551	6,850	10.23%	9,061	8,220	10.23%
30 Staff Training/Out of Town travel	11,709	89,719	134,642	-33.36%	107,663	161,570	-33.36%
31 Administrative Contracts	32,417	189,015	258,975	-27.01%	306,818	310,770	-1.27%
32 Other administrative expenses	9,415	59,713	76,194	-21.63%	71,656	91,433	-21.63%
33 Due diligence - Development projects	5,965	271,606	662,917	-59.03%	450,927	795,500	-43.32%
34 Contingency	0	0	29,167	-100.00%	0	35,000	-100.00%
35 Total Administrative Expenses	775,110	7,840,701	8,872,927	-11.63%	9,780,294	10,647,512	-8.14%

		October, 2012				Thru 12/31/2012		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
36	Tenant Service - Salaries	60,281	661,733	689,100	-3.97%	815,235	826,920	-1.41%
37	Tenant Service Personnel - Benefits	27,272	270,048	309,808	-12.83%	329,058	371,769	-11.49%
38	Relocation Costs	62,290	154,738	337,583	-54.16%	404,300	405,099	-0.20%
39	Tenant Service - Other	7,118	97,005	83,585	16.06%	106,406	100,302	6.09%
40	Total Tenant Services	156,961	1,183,524	1,420,075	-16.66%	1,654,999	1,704,090	-2.88%
	Project Utilities							
41	Water	12,478	111,643	102,908	8.49%	133,972	123,490	8.49%
42	Electricity	4,559	152,148	167,104	-8.95%	182,578	200,525	-8.95%
43	Gas	4,438	44,613	55,483	-19.59%	53,536	66,580	-19.59%
44	Sewer	37,318	324,271	318,558	1.79%	389,125	382,270	1.79%
45	Total Project Utilities	58,793	632,675	644,054	-1.77%	759,210	772,865	-1.77%
	Ordinary Maintenance & Operations							
46	Maintenance Salaries	36,312	464,082	528,756	-12.23%	596,215	634,507	-6.03%
47	Maintenance Personnel - Benefits	13,188	148,313	151,293	-1.97%	177,976	181,552	-1.97%
48	Maintenance Materials	20,358	160,522	174,981	-8.26%	217,626	209,977	3.64%
49	Contract Maintenance	85,702	649,286	655,789	-0.99%	779,143	786,947	-0.99%
50	Total Routine Maintenance	155,560	1,422,203	1,510,819	-5.87%	1,770,961	1,812,983	-2.32%
	General Expenses							
51	Protective Services	12,263	142,275	141,622	0.46%	170,730	169,946	0.46%
52	Insurance	13,564	143,192	169,031	-15.29%	181,830	202,837	-10.36%
53	Other General Expense	76,216	812,840	868,807	-6.44%	915,408	1,042,568	-12.20%
54	Payment in Lieu of Taxes	1,198	11,987	10,127	18.37%	14,384	12,152	18.37%
55	Collection Loss	36,235	84,469	33,100	155.19%	101,363	39,720	155.19%
56	Interest Expense	69,355	749,103	783,969	-4.45%	898,924	940,763	-4.45%
57	Total General Expenses	208,831	1,943,866	2,006,655	-3.13%	2,282,639	2,407,986	-5.21%
58	TOTAL OPERATING EXPENSES	\$ 1,355,255	\$ 13,022,969	\$ 14,454,530		\$ 16,248,103	\$ 17,345,436	
	Nonroutine Expenditures							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	22,628	74,417	-69.59%	27,154	89,300	-69.59%
60	Casualty Losses	18,905	18,905	4,167	353.72%	22,686	5,000	353.72%
61	Sec 8 HAP Payments	2,437,722	24,810,859	25,756,775	-3.67%	29,860,859	30,908,130	-3.39%
62	Total Nonroutine Expenditures	2,456,627	24,852,392	25,835,358	-3.80%	29,910,699	31,002,430	-3.52%
63	TOTAL EXPENDITURES	3,811,882	37,875,361	40,289,888	-5.99%	46,158,801	48,347,866	-4.53%
64	OPERATING SURPLUS/(DEFICIT)	<u>123,995</u>	<u>1,645,726</u>	<u>457,017</u>	<u>260.10%</u>	<u>1,622,088</u>	<u>548,420</u>	<u>195.77%</u>
65	Debt Service Principal Payments	(3,445)	(114,045)	(431,013)	-73.54%	(528,324)	(517,215)	2.15%
66	Surplus/Deficit Before Reserve Appropriations	120,550	1,531,681	26,004	5790.14%	1,093,764	31,205	
67	Reserve Appropriations - Operations	143,669	806,405	861,420	-6.39%	907,326	1,033,704	-12.23%
68	Surplus/Deficit Before Capital Expenditures	<u>264,219</u>	<u>2,338,086</u>	<u>887,424</u>		<u>2,001,090</u>	<u>1,064,909</u>	
69	Revenue - Capital Grants	187,279	1,971,474	2,987,904	-34.02%	2,458,905	3,585,485	-31.42%
70	Capitalized Items/Development Projects	(187,279)	(2,652,507)	(3,963,563)	-33.08%	(3,175,748)	(4,756,276)	-33.23%
71	Reserve Appropriations - Capital	0	114,791	418,993	-72.60%	114,791	502,791	-77.17%
71	THA SURPLUS/(DEFICIT)	<u>264,219</u>	<u>1,771,844</u>	<u>330,757</u>		<u>1,399,038</u>	<u>396,909</u>	

TACOMA HOUSING AUTHORITY			
CASH POSITION - November 2012			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		\$ 2,483,855	0.400%
Section 8 Checking		6,648,261	0.400%
THA Investment Pool		286	0.400%
THA LIPH Security Deposits		113,069	0.400%
THDG - Tacoma Housing Development Group		56,418	0.400%
LF - Stewart Court		50,917	0.400%
LF - Stewart Ct Security Deposit Account		7,323	0.400%
LF - SF 9Homes Alaska		179,678	0.400%
LF - SF 9Homes Alaska Sec Dep Acct		6,693	0.400%
LF - SFH No. Shirley		5,747	0.400%
LF - SFH N Shirley Security Deposit Acct		1,004	0.400%
LF - Wedgewood Homes		42,369	0.400%
Salishan 7		956,375	0.400%
Salishan 7 Security Deposit		27,161	0.400%
Payroll Account		6,724	0.400%
General Fund Money Market		3,525,001	0.400%
WASHINGTON STATE			
Investment Pool		\$ 1,523,100	0.200%
CHASE			
IDA Account		22,168	0.01%
TOTAL THA CASH BALANCE		\$ 15,656,150	
Less:			
MTW:			
MTW Reserves		\$ 7,221,712	
Other Restrictions:			
FSS Escrows		173,989	
VASH, FUP & NED HAP Reserves		388,250	
Mod Rehab Operating Reserves		165,842	
Security Deposit Accounts		136,503	
Salishan Sound Families - 608		182,112	
IDA Accounts - 604,605		22,168	
Paul Allen Foundation - 609		15,394	
Gates Foundation - 622 & 612		207,076	
WA Families Fund - 672 & 711		25,384	
Wedgewood Replacement Reserve		702,707	
THDG - 048		56,418	
<i>Total - Other Restrictions</i>		\$ 2,075,843	
Agency Liabilities:			
Windstar Loan - 042		324,341	
Citibank Loan for Area 3 - Guarantee (Current)		1,479,774	
Additional Set Aside Reserves - Salishan		2,400,000	
<i>Total - Agency Liabilities</i>		\$ 4,204,115	
Development Set Aside for Due Diligence:			
		\$ 87,367	
Total Restrictions		\$ 13,589,036	
THA UNENCUMBERED CASH		\$ 2,067,113.87	
Agency Current Commitments:		Obligated	Balance
Salishan Campus - On hold			
Total Current Commitments outstanding			\$ -
Agency Advances			
Hillside Terrace Redevelopment - HTF and COT Funds		\$ 256,552	
LASA Development		\$ 145,764	
Total Agency Advances		\$ 402,316	

REAL ESTATE MANAGEMENT
AND
HOUSING SERVICES



TACOMA HOUSING AUTHORITY

Date: December 19, 2012

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 Occupancy:

Unit occupancy is reported for the first day of the month. This data is for the month of November 2012.

OCCUPANCY SUMMARY REPORT					
PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MTH OCCUPIED
All Hillside	166	7	89	70	90.0%
Family Properties	206	13	5	188	93.5%
Salishan	628	32	0	596	94.9%
Senior/Disabled	353	2	0	351	99.4%
All Total	1,353	54	94	1,205	95.7%

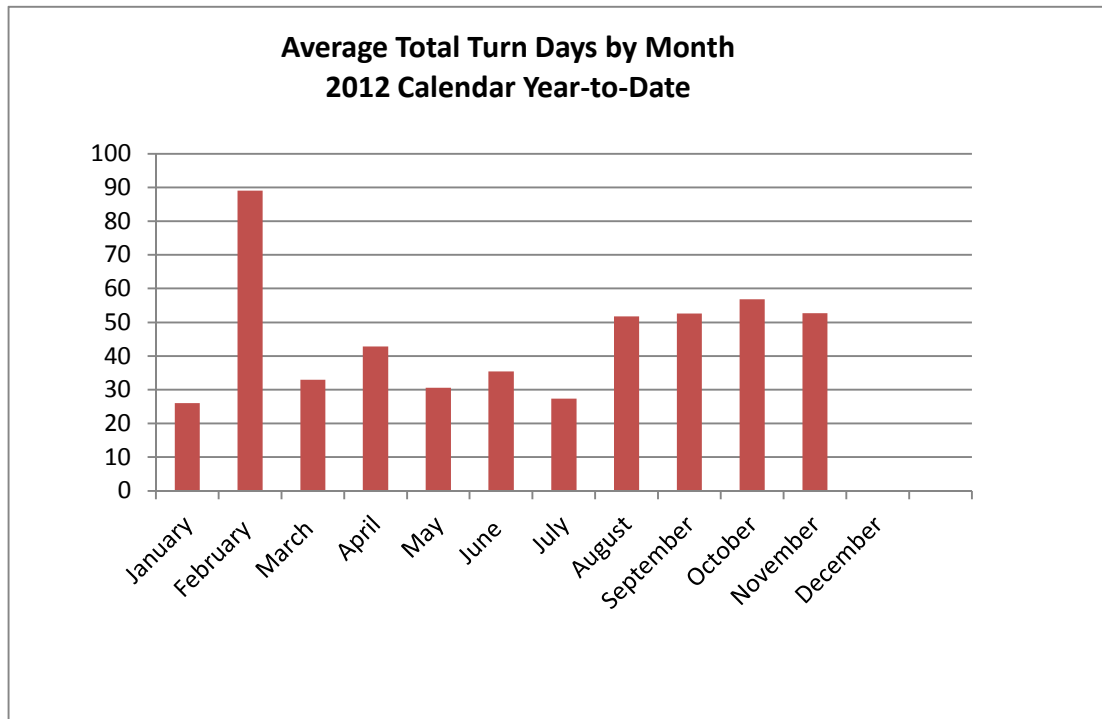
1.2 Vacant Unit Turn:

The following page includes a table with all of the units turned in fiscal year 2012. Three (3) units were turned and rented in the month of November. The average unit turn for the month of November was 52.71 days and 49.63 days FYTD.

As discussed in the October board meeting, we have made a decision to test all of our vacant units for methamphetamine contamination. We are also testing units where we suspect that residents are using or selling methamphetamine.

As of December, 2012, there were currently nineteen (19) units in the portfolio that are being remediated for methamphetamine contamination. To date, two units have been remediated. The average time to remediate a unit has been 64 days. This does not account for the days that will be required of the THA maintenance staff to get the unit rent-ready.

The table below shows the calendar year trend in average unit turn days each month:



Vacant and Turned Units - for 1/1/2012 thru 11/30/2012

	Units Turns	Average Turn Days of Occupied	Units Vacant	Average Vacant Days of Vacant	Units Exempt
All Hillside					
HILLSIDE TERRACE	0	0.0	5	28.8	94
HILLSIDE TERRACE 1500 Block	3	78.7	4	56.0	0
HILLSIDE TERRACE PH 1	2	60.5	1	2.0	0
HILLSIDE TERRACE PH II	1	62.0	3	57.7	0
All Hillside	6	69.8	13	41.8	94
Family Properties					
ALL SCATTERED SITES	3	42.7	3	119.0	5
BERGERSON TERRACE	7	25.1	1	63.0	0
DIXON VILLAGE	5	34.8	0	0.0	0
STEWART COURT APARTMENTS	13	69.8	7	154.4	0
Family Properties	28	49.5	11	136.5	5
Salishan					
SALISHAN I	3	53.0	4	54.5	0
SALISHAN II	10	51.0	3	71.3	0
SALISHAN III	2	49.0	4	57.8	0
SALISHAN IV	13	54.9	10	62.6	0
SALISHAN V	11	61.4	10	47.4	0
SALISHAN VI	12	43.1	6	55.3	0
SALISHAN VII	5	47.0	3	52.3	0
Salishan	56	51.9	40	56.3	0
Senior / Disabled Properties					
6TH AVE	4	26.0	0	0.0	0
E.B. WILSON	12	25.3	0	0.0	0
FAWCETT APARTMENTS	4	20.8	2	41.0	0
LUDWIG APARTMENTS	7	29.6	0	0.0	0
NORTH G ST	3	32.7	1	0.0	0
NORTH K ST	5	33.8	0	0.0	0
WRIGHT AVE	6	26.0	0	0.0	0
Senior / Disabled Properties	41	27.3	3	27.3	0

1.3 Work Orders:

In the month of November all 11 emergency work orders were completed within 24 hours. This month, maintenance staff completed 110 non-emergency work orders and a total of 3,665 for the calendar year. The annual average number of days to complete a non-emergency work order is 13.31. We continue to address the most pressing work orders while maintaining the grounds and our vacant units.

Work Order Summary by Portfolio

Portfolio	Completed Work Orders							
	Emergency				Non-Emergency			
	Month		YTD		Month		YTD	
	#	%	#	%	#	Avg	#	Avg
	Completed	Completed in 24 Hrs	Completed	Completed in 24 hrs (99% HUD Std)	Completed	Completion Days	Completed	Completion Days (25 days HUD Std)
All Hillside								
HILLSIDE TERRACE	0	0.0%	4	100.0%	11	16.27	182	6.66
HILLSIDE TERRACE 1500 Block	0	0.0%	5	100.0%	4	7.25	67	4.82
HILLSIDE TERRACE PH I	0	0.0%	1	100.0%	8	1.13	73	3.42
HILLSIDE TERRACE PH II	1	100.0%	7	85.7%	5	2.40	83	7.98
	1	100.0%	17	100.0%	28	8.18	405	6.04
Family Properties								
ALL SCATTERED SITES	2	100.0%	6	100.0%	4	18.00	114	28.95
BERGERSON TERRACE	3	100.0%	16	100.0%	10	7.80	200	5.77
DIXON VILLAGE	2	100.0%	3	100.0%	7	23.86	114	8.72
STEWART COURT APARTMENTS	1	100.0%	4	100.0%	4	33.25	133	17.21
	8	100.0%	29	100.0%	25	18.00	561	13.79
Salishan								
SALISHAN I	0	0.0%	2	100.0%	5	2.60	277	15.27
SALISHAN II	0	0.0%	8	100.0%	7	10.57	236	17.17
SALISHAN III	0	0.0%	4	100.0%	4	3.00	225	14.20
SALISHAN IV	0	0.0%	13	100.0%	4	0.75	305	17.28
SALISHAN V	1	100.0%	6	100.0%	4	1.00	363	18.67
SALISHAN VI	0	0.0%	4	100.0%	6	4.83	277	22.87
SALISHAN VII	0	0.0%	7	100.0%	4	0.50	166	14.66
	1	100.0%	44	100.0%	34	4.03	1,849	17.46
Senior / Disabled Properties								
6TH AVE	0	0.0%	15	100.0%	4	0.00	160	4.18
E.B. WILSON	1	100.0%	17	100.0%	8	1.75	196	7.38
FAWCETT APARTMENTS	0	0.0%	4	100.0%	2	14.50	93	11.48
LUDWIG APARTMENTS	0	0.0%	5	100.0%	1	0.00	68	3.87
NORTH G ST	0	0.0%	6	100.0%	3	2.00	88	6.03
NORTH K ST	0	0.0%	7	100.0%	0		101	4.40
WRIGHT AVE	0	0.0%	2	100.0%	5	6.40	144	12.99
	1	100.0%	58	100.0%	23	3.52	850	7.40
Agency Totals:	11	100.0%	146	99.3%	110	8.15	3,665	13.31

Open Work Orders for the Month of November 2012					
	Open Emergency WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
All Hillside					
HILLSIDE TERRACE	0	0	20	6	14
HILLSIDE TERRACE 1500 Block	0	0	1	0	1
HILLSIDE TERRACE PH 1	0	0	1	0	1
HILLSIDE TERRACE PH II	0	0	2	1	1
ALL HILLSIDE TOTALS	0	0	24	7	17
Family Properties					
ALL SCATTERED SITES	0	0	27	9	18
BERGERSON TERRACE	0	0	11	8	3
DIXON VILLAGE	0	0	7	5	2
STEWART COURT APARTMENTS	0	0	15	6	9
FAMILY PROPERTIES TOTALS	0	0	60	28	32
Salishan					
SALISHAN I	0	0	43	20	23
SALISHAN II	0	0	49	25	24
SALISHAN III	0	0	39	12	27
SALISHAN IV	0	0	55	3	52
SALISHAN V	0	0	43	20	23
SALISHAN VI	0	0	52	11	41
SALISHAN VII	0	0	31	13	18
SALISHAN TOTALS	0	0	312	104	208
Senior / Disabled Properties					
6TH AVE	0	0	8	4	4
E.B. WILSON	0	0	21	3	18
FAWCETT APARTMENTS	0	0	2	0	2
LUDWIG APARTMENTS	0	0	7	3	4
NORTH G ST	0	0	20	13	7
NORTH K ST	0	0	3	0	3
WRIGHT AVE	0	0	10	6	4
SENIOR PROPERTIES TOTALS	0	0	71	29	42
Agency Totals:	0	0	467	168	299

2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 99% for the month of November 2012. Rental Assistance has been working very hard to reach 100% utilization. A large number of vouchers have been issued and have clients shopping over the last few months. December should show another rise in the number of utilized units. This will be the last group of tradition vouchers. Below is a breakdown of the progress leasing our special programs:

Program Name	Units Allocated	Units Leased	Number of shoppers*
Veterans Administration Supportive Housing (VASH)	130	95	7
Non-Elderly Disabled Vouchers (NED)	100	86 (13 port outs)	12
Family Unification Program (FUP)	50	41	9
McCarver Program	50	45	0
Life Manor	150	150	0

*"Shoppers" are households that have been approved for the program and are searching for housing.

The VA continues to make referrals for the regular VASH program as well as the Project Based units. We are meeting on a regular basis to ensure the referrals continue. We have met with the VA regarding the slow movement of referrals to fill vacant slots. They assure us that the referrals are their top priority and are working hard to fill staffing needs so new clients can have case management.

REAL ESTATE

DEVELOPMENT



TACOMA HOUSING AUTHORITY

DATE: December 19, 2012

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. Phase II Construction

1.1.1 *Area 2A, Community Core Development*

The Working Group - consisting of potential tenants of the Core, residents, and other stakeholders - had its fourth meeting for this phase of the project on June 6. The Working Group was reconvened on December 11 in order to provide updates to team members on the project and discuss steps being made by each member.

The Board approved the general Master Plan Concept at its June meeting.

Feasibility studies related to THA's ability to raise the money necessary to develop the project are now being conducted. THA has procured The Alford Group to assist us in assessing financial feasibility. The first step is a Philanthropic Market Assessment to gauge how the community perceives THA as a philanthropic entity. This will take approximately 16-18 weeks to complete. We will be forming a Committee this fall to help staff in identifying names of community leaders to interview and will review the report from Alford before it goes to the Board.

1.1.2 *Area 3 Lot Sales, Citibank Loan*

Due to low sales activity at Salishan, Quadrant has suspended all sales activity in the community effective July 1. Staff will review quarterly market reports that Quadrant will prepare in order to assess the timing of the potential resumption of sales activity at Salishan.

The remaining Area 3 lots are listed for sale with Coldwell Banker Commercial. Coldwell Banker has assembled a sales package that it is using to attract home builders to the community. To date, THA has received three offers. Staff is negotiating with one of the offering parties now and should have a mutually agreed upon purchase and sales contract to share with

Citibank by the end of December.

1.1.3 *Arlington Rd (Area 4):*

In August 2011, staff issued an RFP for development proposals from Assisted Living Developers for this site. THA did not receive any responses. Staff will conduct an analysis of other feasible real estate development scenarios for this site, and prepare a proposal for moving forward in late 2012.

2. PUBLIC HOUSING PROJECTS

2.1 1800/2500 Hillside Terrace

2.1.1 *Summary of Project Activities.*

THA's architect on this project is in the process of making final revisions to construction drawings resulting from changes to the design scope of work needed in order to reduce project costs.

HUD is reviewing a Rental Term Sheet submitted to it for the project – HUD's review and approval is expected in January.

The Phase I Permanent lender and tax credit investor have completed their due diligence on the project. In addition to their final review of closing documents, the Lender and Investor will need to review construction drawings when they are complete.

All but five households remain at the 1800 and 2500 blocks of Hillside Terrace. The remaining 99 households who once lived at the site have been relocated to housing of their choice with Tenant Protection Vouchers supplied by HUD.

Closing on all sources of Phase I financing is projected for early February. Demolition, site work, and all construction activities will begin immediately thereafter.

2.1.2 *Financing.*

Staff has requested the transfer of \$11,500,000 in Tax Exempt Bond Cap from the Washington State Housing Finance Commission for Phase I. THA will be the issuer of the bonds.

Staff has finalized negotiations and executed the Letters of Intent and Term Sheets with Chase Bank (Lender) and Enterprise Community Investments (Investor).

Closing on all project funding sources for Phase I of the project is scheduled for early February.

2.1.3 *Project Planning.*
None to Report.

2.1.4 *Procurement.*
None

2.1.5 *Architecture.*
GGLO is finalizing the construction documentation. The drawings and specifications will be issued for construction in the beginning of January 2013.

2.1.6 *Construction.*
On November 7, 2013 Absher Construction submitted the Guaranteed Maximum Price that was 10% over budget, and significantly over previous cost estimates. The increase in cost has been attributed to escalations in some materials and the lifting of labor wage freezes.

Working with Absher and the project architect, staff has been able to respond to this cost increase and eliminate the gap between sources and uses caused by the increase through three measures: (1) a value engineering process that resulted in changes to the design of the project that reduced costs without sacrifice to the core goals of the project; (2) made adjustments to tax credit and debt assumptions so that the project – with the higher costs – will be able to generate more tax credit equity and permanent debt, without sacrificing the goals of the project; and (3) adding Replacement Housing Factor funds (HUD funds received by THA on a formula basis and limited in use to the creation of affordable housing that replaces public housing) to the project budget.

2.1.7 *Demolition/Disposition.*
Approved by HUD in June. No new report.

2.1.8 *Community Meetings.*
Staff assembled a construction oversight committee and facilitated the first meeting on August 30, 2012. The meeting was well attended with stakeholders representing community organizations, labor, and city officials. Below is a summary of the outreach goals for the project.

Summary of Absher Construction Company's total Resident Employment, WMBE Utilization, and Apprenticeship goal commitment:

Part 1: Section 3 Employment Plan - 20 Estimated New Hires
Part 2: Section 3 Business Concerns Plan - 10%
Part 3: WMBE Business Utilization Plan - 7% /MBE; 5% /WBE
Part 4: Apprenticeship Utilization Plan - 10%

2.1.9 *Relocation.*

As of mid-December all but 5 households have been relocated. We expect everyone will be moved to a new unit by the end of December. Most of the households have selected the Tenant Protection Voucher.

2.1.10 *Community/Education Center.*

Staff has finalized the Memorandum of Understanding (MOU) with Tacoma Public Schools to provide the Head Start program for Hillside Terrace.

2.1.11 *Project Schedule.*

HILLSIDE Terrace, Phase I - MAJOR PROJECT MILESTONES THROUGH 2012, EARLY 2013

Demolition/Disposition approval received from HUD	June
Begin Tenant Relocation Process	June
Phase I Permit Package Submitted to City for Review	July
Section 3 Construction Over Sight Committee Convenes	September
Execute Construction Contract	December
Construction Bidding Process	October
Phase I Project Area Vacated	December
Close on all Financing	February 2013
1800 & 2500 Blocks Fully Vacated	December
Construction Notice to Proceed	February 2013
Demolition Begins	February 2013
Infrastructure Development Begins	March 2013
Vertical Construction Begins	April 2013

3. CAPITAL FUNDS

3.1 Capital Fund Construction.

3.1.1. *Public Housing Scattered Site Renovations*

THA has categorized the work in order of importance and according to funding availability. Currently, the categories of work are as follows:

ROOF AND GUTTER REPLACEMENTS

Project is closed.

WINDOW AND SIDING REPLACEMENTS

Stetz Construction has substantially completed all work on this project. Final punch has been completed with a couple of minor weather- related items to complete.

ROOF AND GUTTER REPAIRS

D & B Roof & Home Services successfully completed all work and closeout documents are being processed.

EXTERIOR PREP AND PAINTING

Libby Builders has completed four of the twelve scattered sites and two others are underway. Preparation and cleaning has been completed at all of the sites. Weather delays have put the project behind approximately three weeks.

MULTI-SCOPE WORK

These projects include electrical and HVAC upgrades, structural repairs, plumbing repairs, kitchen renovation and flooring replacements. Project Specifications and Scope are in process and bid documents will be ready to advertise in early January.

Note: THA received a High Performer status on its PHAS scores; therefore it will receive a High Performer bonus with its 2012 CFP grant.

4. OTHER PROJECTS

4.1 *Neighborhood Stabilization Program (NSP 1)*

THA's offer to purchase 1914 E 58th Street has been accepted although we have a few things to negotiate with the bank. We hope to close on this house by early to mid-January. We continue to look for houses to purchase.

THA is going to receive an additional \$960,000 from the City of Tacoma to continue the foreclosure work. The City received additional funding through the Attorney General's office. We anticipate entering into the contract with the City in December. We are waiting for the Attorney General's office to respond to questions submitted by the City of Tacoma about the types of houses we can purchase. The program will run for 36 months.

4.2 *LASA Supportive Housing Project*

Staff is working with a non-profit organization based in Lakewood that provides

supportive services to homeless families to develop a 15-unit homeless family housing project on land owned by LASA. We will also be developing a client service center and new office space for LASA. THA will be the developer/owner of this project. LASA will provide case management services and will be the “master tenant” of the project once it is operational.

Project financing is structured as a 9% tax credit transaction. Staff submitted an application for and received an award from Pierce County 2163 funds in the amount of \$458,697. These funds from Pierce County are only available to projects that serve homeless households. A Phase II Housing Trust Fund application was awarded \$2,309,736. We are still awaiting a decision on the City of Lakewood HOME The next and last application is the 9% tax credit application which is due January 10.

Led by the architecture and engineering team, we submitted for a pre-application review to the City of Lakewood. The meeting with the City was held on September 6th. In addition to the THA-LASA team, there were representatives from Planning, Zoning, Engineering, Fire, Water and Sewer Departments of the City of Lakewood. The project was very well received. There were a couple of site work related items we need to follow up on but overall we got everything we requested (i.e.. reduction in number of parking spots needed; rear set back requirements; and a design review designation). The design team meets regularly to develop the site plan and building design. We have started to work on the exterior elevations.

Design development is almost complete. We are going out for an updated cost estimate which we received in early December. Included in the board packet is a request to increase the Architecture and Engineering Contract with Rice Fergus Miller (RFM) to include construction administration and close-out related tasks for both RFM and Parametrx, the engineer. In addition, the scope has been modified due to changes required by the City and state requirements. The overall A&E contract is approximately 12% of construction costs which is line with the state schedule.

Project Schedule

Submit Tax Credit Application	January 2013
Begin relocation activities	January 2013
Submit for Building Permit	January 2013
Issue RFP for Investor/Lender	January 2013
Select Investor/Lender	March 2013
Issue ITB for Contractor	March 2013
Award Contractor Contract	April 2013
Financial closing	June 2013
Construction Start	June 2013
Complete Construction	March 2014

4.3 *Stewart Court*

ORB has completed the Design Development phase of services.

Staff communicated with the HTF staff and based on HTF's policy to limit award to any one entity to no more than \$2.5M staff reduced the request to \$189,455.

The total project cost is \$9,596,380. Funding sources are:

THA MTW loan	\$ 291,987
Conventional loan	\$1,897,984
Housing Trust Fund	\$ 189,455
Low Income Housing Tax Credits 4%	\$2,880,063
Seller financing Note	\$3,520,000
Deferred Developer Fee	<u>\$ 816,891</u>
Total	\$9,596,380

Construction cost is \$ 3,659,519, including all contingencies and is scheduled to begin in June 2013.

Current schedule:

Update residents	October 2012
Apply for LIHTC 4% and bonds	December 2012
Issue RFP for Lender	January 2013
Issue RFP for Investor	January 2013
Lender selection	March 2013
Investor selection	March 2013
Complete Plans and Specs	March 2013
Issue ITB for General Contractor	March 2013
Selection General Contractor	May 2013
Begin Construction	June 2013

5. DEVELOPMENT PIPELINE PROJECTS

5.1 *Intergenerational Housing at Hillsdale Heights*

Staff expects that Many Lights Foundation staff will resume community outreach activity and development activity

Background

The Many Lights Foundation is considering making an offer to purchase some or all of THA's Hillsdale Heights property at S. 60th & McKinley. THA and ManyLights have signed a nonbinding MOU that defines each agency's role in exploring a potential joint venture to develop housing at Hillsdale Heights.

The Many Lights project concept is to develop 48 units of housing that includes a mix of housing affordable to low-income seniors and families caring for foster children. This project concept is based upon successes achieved by several other similar projects where seniors, families, and foster children live in an affordable, supportive and intentional community.

Board members from the Many Lights Foundation have recently indicated to THA that they will have a refined and specific development program for the Hillsdale Heights site completed by the end of the year. This development program will have two important purposes. First, it will help community members to understand the Many Lights development proposal; and, Second, it will help THA to determine how it might formally collaborate with Many Lights and its development team; and it might enable THA to formulate a development concept of its own for the vacant land at Hillsdale Heights not purchased to the Many Lights Foundation.

THA is consulting with its community partners in the McKinley Avenue area about the Many Lights Foundation proposal. THA has made no commitments.

5.2 *City-Owned Browne Star Grill Properties on MLK*

THA's architect is evaluating cost and design implications associated with the preservation of the exterior façade of the Browne Star Grill building on S. MLK Way.

Background

The City owns the four parcels located at the corner of S. 12th & MLK way that include the former Browne Star Grill building. THA has proposed to the City and community groups a project that would put 70 workforce apartments above retail on this site. THA is continuing its consultation with the City, and with leaders of the Hilltop community. THA is also consulting with major employers on the Hilltop and with the unions representing their employees. THA is discussing the interest those employees, employers and union may have in this housing and what collaboration in its development that interest might suggest. THA staff and City staff are now working on the specific terms of a potential transfer of this property to THA. Once staff is able to complete a draft term sheet for this transaction, the City Manager will review it.

Staff has recently begun meeting with Hilltop community representatives about the potential for preserving the exterior of the two older buildings on this site – and the impact that preserving these facades might have on a THA project at this site.

On October 23, Staff met with the Board of a local historic preservation organization, *Historic Tacoma*, concerned with the preservation of the Browne Star

Grill building for its historic significance. Staff agreed to assess the feasibility of preserving the building and to report back to *Historic Tacoma* on THA's findings by the end of the year.

5.3 *Public Housing Conversion*

No new activity this month.

Background

Staff is assessing the opportunity to convert some or all of THA's public housing using HUD's Section 8 Conversion program or HUD's new Rental Assistance Demonstration Program (RAD). With either program, THA would apply to HUD to dispose of certain public housing properties. Once HUD approves a proposed disposition or conversion, HUD would "turn off" the public housing operating subsidy and capital fund allocation for those units. Project-Based Vouchers would replace that funding. The Conversion program would also allow THA to sell the disposed public housing properties into an LLC that would finance long term physical needs at the properties using 4% tax credits and tax exempt bond financing.

Earlier this month, HUD released new guidance on RAD which it began last year. The purpose of RAD is to help housing authorities to address operating losses and deferred maintenance at its public housing properties by leveraging private financial investments into public housing and by project-basing public housing subsidies now received by housing authorities. Staff is evaluating the opportunity included in the new guidance from HUD to apply by September 24 for the limited amount of RAD-style conversions that HUD is authorized to approve.

5.4 *New Look Apartments/Alberta Canada Building Acquisition*

No new activity this month.

Background

This 49-unit mixed-use senior housing tax credit project is at the intersection of MLK and 11th in the Hilltop. Tax credit investors represented by the National Equity Fund (NEF) own 99% of the partnership that owns the property. Martin Luther King Housing Development Association (MLKHDA) owns 1% and is also the General Partner. MLKHDA is interested in selling its 1% ownership to THA.

In August, THA presented a purchase and sale agreement to MLKHDA for the purchase of the GP interest. Staff has learned from the MLKHDA's Executive Director that the Board of the MLKHDA has approved THA's purchase and sale proposal. Despite weekly inquiries, THA staff have yet to receive a formal response to the purchase proposal submitted to the MLKHDA in August.

5.5 *Multifamily Investment Opportunities*

No new activity this month.

Background

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. Other more specific investment criteria, communicated to staff by the Board's Development Committee, include: (1) 20 – 30 units, (2) \$50 - \$60,000 acquisition cost, and (3) suitable for a 3 – 6 year hold.

Properties that meet these goals might include HUD-assisted housing, housing located near other THA properties (offering management efficiencies), and market rate housing in strong market areas of the City (such as downtown and the Tacoma Mall area). This exercise will help THA determine an optimum real estate investment strategy. It should also inform THA's efforts to invest organizational reserve funds dedicated to real estate investments in its 2012 budget.

THA's real estate brokers are examining current listings and communicating with owners of non-listed properties that meet our buying criteria. THA's brokers have told staff that there have only been four multifamily sales in Pierce County so far in 2012, and that owners are more inclined to hold onto their properties in 2012 than they were in 2011.

6. M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING

- 6.1 Hillside Terrace Revitalization Project goals include 20 Section 3 New Hires, 10% Section 3 Businesses, 7% MBE and 5% WBE as well as 10% Apprenticeship Utilization.

7. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of November 6, 2012 for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

Grant	Total Grant	Obligation Start Date	Obligated	% Obligated	Obligation Deadline	Expended	% Expended	Expended Deadline
2008 CFP	\$1,849,412	6/13/08	\$1,849,412	100%	06/12/10	\$1,849,412	100%	06/12/12
2009 CFP	\$2,410,953	9/15/09	\$2,410,953	100%	9/14/11	\$2,409,335	99%	9/14/13
2009 CFP (1 st R)	\$703,863	9/15/09	\$703,863	100%	9/14/11	\$703,863	100%	9/14/13
2009 CFP (2 nd R)	\$54,932	9/15/09	\$54,932	100%	9/14/11	\$54,932	100%	9/14/13
2009 CFP (3 rd R)	\$2,724	4/2/10	\$2,724	100%	4/2/12	\$2,724	100%	4/2/14
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$1,000,749	43%	7/14/14
2010 CFP (1 st R)	\$1,216,978	7/15/10	\$1,216,978	100%	7/14/12	\$808,090	66%	7/14/14
2010 CFP (2 nd R)	\$219,721	7/15/10	\$219,721	100%	7/14/12	\$219,721	100%	7/14/14
2011 CFP	\$1,721,353	8/3/11	\$1,289,856	75%	8/2/13	\$1,353	0%	8/2/15
2011 CFP (1 st R)	\$736,455	8/3/11	\$443,660	60%	8/2/13	\$379,659	52%	8/2/15
2011 CFP (2 nd R)	\$549,895	8/3/11	\$0	0%	8/2/13	\$0	0%	8/2/15
CFCF**	\$1,881,652	8/3/11	\$301,682	16%	8/2/13	\$105,039	6%	8/2/15
2012 CFP	\$1,593,197	3/12/12	\$0	0%	3/11/14	\$0	0%	3/11/16
2012 CFP (1 st R)	\$1,026,290	3/12/12	\$441,922	43%	3/11/14	\$0	0%	3/11/16
2012 CFP (2 nd R)	\$128,701	3/12/12	\$0	0%	3/11/14	\$0	0%	3/11/16

** Capital Fund Community Facilities Grant

COMMUNITY SERVICES



TACOMA HOUSING AUTHORITY

DATE: December 19, 2012

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. 2012 GOALS

Sixteen 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 November and for the calendar year 2012.

1.1 Employment

Activities	Month	YTD	Annual Goal	% of Goal
Clients referred for employment services	8	94	130	72%
Clients who received employment services	27	219	100	219%
Clients enrolled in employment readiness soft skills workshops	1	60	80	75%
Clients completed employment readiness soft skills workshops	1	32	50	64%
Enrolled in job readiness training	2	19	20	95%
Job placement	7	33	35	94%
WorkSource Participants Assisted	11	84	35	240%
Entered Apprenticeship	0	0	3	0%
Earned income increased	11	33	35	94%

1.2 Education

Bates Technical College continued offering GED classes on-site at the Family Investment Center.

Activities	Month	YTD	Annual Goal	% of Goal
Participating in ESL classes	0	16	15	107%
Completes one or more ESL levels	0	1	5	20%
Participants attending GED classes	18	216	75	288%
Completes one or more GED tests	1	17	8	213%
Attains GED	0	9	6	150%

1.3 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. FIT participants are homeless at the time they are admitted into the program and placed in housing at Salishan or Hillside Terrace. In order to be admitted to the program, applicants must agree to participate in FIT case management. Participants are terminated for failure to engage in required FIT program casemanagement or failure to comply with other FIT program requirements. When FIT program participants are terminated, they also forfeit their housing assistance. All three households terminated in 2012 moved out of THA housing at the time they were terminated from FIT.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
Total Current Caseload	13		1		3	
	Month	YTD	Month	YTD	Month	YTD
Entrances	0	5	0	0	0	1
Graduations	1	6	0	1	0	1
Exits	0	0	1	2	0	1
Terminations	0	3	0	0	0	0

1.4 Case Staffing

Case staffing is short-term, intensive intervention with households in danger of failing as tenants. Case staffing focuses on helping the family regain housing stability and avert eviction through compliance with their lease. Property management identifies families for case staffing. It is typically limited to 90 days.

There were no case staffing referrals in November. The press of other more urgent work prevented Property Management from identifying and referring residents for case staffing. The CS program manager contacted the Rental Assistance Manager to coordinate case staffing referrals from THA HCV households. HCV referrals have not yet begun.

No families were terminated from case staffing in November. A total of nine families were terminated in calendar year 2012. When a household is terminated from casemanagement, CS staff notify REMHS staff. REMHS staff determine, on a case-by-case basis, whether the termination from casemanagement will result in loss of housing assistance.

Activities	Month	YTD
Number of households referred for services	0	26
Number of successful completions (eviction averted)	0	8
Number terminated	0	9

1.5 MTW Hardship Exemption Casework

In January 2012 THA began Moving to Work rent calculations and biennial recertification cycles for all MTW households. THA anticipated that some households would be unable to pay their new rent and that up to 120 households would qualify for a hardship exemption. The exemption will allow the household up to six months to increase their income and pay the rent amount determined by MTW. In order for a household to qualify for a hardship, they must agree to participate in case management. A household can be terminated from hardship casemanagement for failure to participate. If a hardship exemption household is terminated from casemanagement, CS staff notify the appropriate REMHS staff. REMHS staff then terminate the exemption and the household is required to pay the full rent amount determined by MTW. To date, no households have been terminated from hardship exemption casemanagement.

In November, we continued to experience some problems with the hardship exemption referral process and with the process for tracking successful completions or terminations.

Activities	Month	YTD
Number of households referred for services	0	20
Number of successful completions	0	1
Number terminated	0	0

1.6 McCarver Special Housing Program

THA's McCarver Elementary School Housing Program seeks to stabilize McCarver Elementary, a low-income school in Tacoma's Hilltop neighborhood. Starting in fall 2011, THA provided rental assistance for up to 50 McCarver families. Rental subsidies for participating families will decrease to zero over the five year McCarver project period. By the end of 2012, all families will pay 20% of their rent and THA will subsidize 80%. Participating families receive intensive case management services and assistance to help the parents improve their education and employment prospects.

All McCarver Program parents participated in monthly parenting classes with a trainer from the Puget Sound Educational Service District. The classes helped the parents improve communication skills, discipline, and building positive connections with the school.

Activities	Month	YTD	Annual Goal	% of Goal
Families participating	49	49	50	98%
Families able to pay 20% of their rent	35	35	50	70%
Adults enrolled in education program	1	38	30	127%
Adults complete education program	0	6	20	30%
Average school attendance rate	93%	93%	90%	103%
Reduction in referrals for discipline	n/a	n/a	25%	n/a
Increase in scores on district reading test (K-5)	*	29%	20%	145%
Increase in scores on district math test (K-5)	*	n/a	20%	n/a
Average increase in state reading test (Gr. 3-5)	*	24%	15%	160%
Increase in average state math test (Gr. 3-5)	*	18%	15%	120%

* These scores are reported annually.

Activities	Baseline 2010-2011	2011-2012
Turnover rate at McCarver Elementary	107%	96.6%
Turnover among Program students	n/a	4.5%
Turnover among other McCarver students	n/a	114.2%

Some data we will track over the five years of this program are not yet available.

- The school district is compiling the data on referrals for discipline.
- We do not yet have the 2012 district math assessment scores.

1.7 Preparing for Success

Preparing for Success is funded by a three-year grant from The Paul G. Allen Family Foundation. Case management focuses on helping clients overcome barriers to employment readiness.

Activities	Month	YTD	Annual Goal	% of Goal
First year cohort enrolled (2011)	25	25	25	100%
First year cohort completed (fall 2012)	2	8	15	53%
Second year cohort 2012 referrals	2	17	40	43%
Second year cohort 2012 enrolled	0	26	25	104%

1.8 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	102	140	153	92%
Graduates	1	15	0	
Removed/Voluntarily Withdrawn	0	23	n/a	
New Contracts Signed	3	31	0	
Escrow Balance	\$194,629.09			

1.9 Life Skills and Parenting Classes

THA contracts with Bates Technical College to provide Life Skills classes and parenting support for Families in Transition participants. The next Life Skills session begins January 9. The fall parenting class ended in November. The next one will be in April 2013.

Activities	Month	YTD	Annual Goal	% of Goal
Life Skills Enrollment	0	10	25	40%
Life Skills Completion	0	8	15	53%
Parenting Enrollment	0	21	25	84%
Parenting Completion	4	12	20	60%

1.10 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 to change careers and further their education.

Activities	Month	YTD	Annual Goal	% of Goal
Financial Literacy Enrollment	0	71	90	79%
Financial Literacy Completion	0	38	72	53%
Credit Counseling Enrollment	0	0	20	0%
Credit Counseling Completion	0	0	10	0%
Homeownership Counseling	0	86	79	109%
Individual Development Account Participants	12	19	18	106%
Qualified Withdrawals	3	9	18	50%
Home Purchase	0	1	8	13%
Other Asset Purchases	3	9	10	90%
VITA Tax Returns for THA clients	0	35	90	39%
EITC Received (PH only)	0	15	95	16%
Tax Returns for all clients served at VITA Site	0	171	170	101%

1.11 Computer Labs

THA has computer labs at Bergerson Terrace, Dixon Village, and Hillside Terrace. The AmeriCorps members assigned to the computer labs are 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 (cumulative visits)	38	1412	1200	118%

The AmeriCorps volunteers at Hillside Terrace and Bergerson Terrace held Harvest Parties at their locations in mid-November. Over 30 residents attended at each site.

1.12 Youth Activities

Our summer youth programming ended in August. We will begin reporting youth tutoring activities and youth leadership mentoring activities in the report for December 2012 activities.

Activities	Month	YTD	Annual Goal	% of Goal
Youth tutoring	0	20	10	200%
Summer youth programming	0	60	40	150%
Youth leadership mentoring	0	6	45	13%

1.13 Senior and Disabled Services

In November, the Specialist had 135 client contacts (94 unduplicated). There were 13 unduplicated home visits. 14 residents received 1:1 situational and wellness counseling.

Activities	Month	YTD	Annual Goal	% of Goal
Unduplicated client contacts	94	289	260	111%
Referrals	5	43	50	86%
Unduplicated situation/wellness counseling	14	103	140	74%
Assistance with correspondence for Entitlement Programs	1	13	40	33%

In November, the Specialist referred tenants to the following services:

- Home Maid Services
- WorkSource
- United Health Care
- Orchard Hills Apartments (subsidized housing)
- MDC Utility Assistance

The BASH food bank delivered groceries to 200 tenants. Each BASH client received a special Thanksgiving basket. 37 residents, 50 years old and over, received a free Thanksgiving meal at the Lobster Shop restaurant. THA provided transportation.

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.

2. COORDINATION WITH LISTER ELEMENTARY SCHOOL

2.1 Partnership to help Lister children and families

On November 14, Lister Elementary School principal, assistant principal, counselor and dean of students, along with the pastor of First Creek Church, visited the Family Investment Center at Salishan. Purpose of the visit was to learn more about THA property management and community services in order to better serve Lister students and their families. The visitors toured the FIC and met property management staff. CS staff explained the ways that THA's supportive services help participants succeed as tenants, parents, students and wage earners. We identified several partnership opportunities:

- Lister staff can refer parents to FIC activities including computer lab, employment programs, financial literacy, Volunteer Income Tax Assistance, GED classes and homeownership preparation.
- Lister staff can contact CS program managers re Salishan families that are struggling as tenants.
- THA can help distribute information about Lister family activities, open school nights and community events.
- Lister parents and students can advise THA as we develop plans for the Salishan children's matched savings accounts.

2.2 Winter holiday event at Lister

Coordinated Care (a newly formed Medicare coordination agency) hosted a winter holiday celebration at Lister elementary school on December 11. THA, Salishan Association and Comprehensive Health Education Foundation (CHEF) co-sponsored this event. Coordinated Care initially inquired about holding the event at the FIC, but we encouraged them to contact Lister since the Lister facility includes a large multipurpose room and stage and would be a more suitable setting for the event. Coordinated Care invited all Salishan families (renters and homeowners). The event was publicized through direct mail to Salishan households, school newsletter, Salishan Association website, Salishan readerboard and Lister website. Approximately 250 children attended.

NEW BUSINESS

RESOLUTION #1



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (1)

Date: December 19, 2012

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Fiscal Year 2013 Agency Budget

BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2013. Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

My November 28th memo to the Board, and the Board's November 29th discussion, covered the principles that guided staff in drafting this proposal, as well as budget details. The attached proposal is unchanged from that discussion, with two exceptions. It includes a \$45,000 additional line item for a possible contract with UWT to evaluate THA programs, and a reclassification of the Cold Fusion programmer from contract cost to salaries, as we are hiring through a temp agency.

I am pleased to present this budget proposal to the Board. It reflects discussions occurring throughout the year by both Board members and staff. The budget, as proposed, leaves THA in good shape to continue its core programs, and to serve the residents in a manner that fulfills our mission. It also provides potential to have money available to make both the agency and our community stronger.

Congressional sequestration remains the abiding uncertainty that we may face in January, depending on what Congress does. This resolution provides a road map if that happens.

SUMMARY

The budget and related decisions that flow from it accomplish the following:

- In the area of staffing, we are budgeting to continue, or transition certain sunset positions that are currently on staff in 2012 to assist us in either operational or support needs that have been identified as important for the agency. There are 3 new positions, two in Community Services for Asset Building, and one in maintenance to allow the agency to increase its internal capacity to respond quickly to work orders and unit turns. There is an elimination of one position in IT that we will contract out as needed for services required.
- The budget continues significant investments in THA's operational capacity in areas such as document management, increasing our Portfolio maintenance, business process improvement, needed rehab of the Family Investment Center to make the building more efficient, and continued rehab of our administrative building.
- The budget allows for THA to house Section 8 tenants at 100% of ACC units based on our rent reform activities. It also allows us to serve special populations through our partners with project basing vouchers and funding of rapid rehousing programs of the county.
- The budget provides funding for additional Community Service support of our tenants, especially in the area of Asset building. It does this in part with funding from the Gates Foundation.
- The budget allows funds to assist in the completion of the 2500 Yakima redevelopment for the first phase of 70 units, and funding for the infrastructure work needed for all phases.
- The budget invests in THA's financial future, and promoting redevelopment of additional affordable housing in the community by providing due diligence funds for existing and future opportunities.
- The budget leaves MTW reserves at approximately current levels. The Non-MTW reserves are reduced below both optimal and minimum level with the knowledge that developer fees will be forthcoming in 2014 to boost the reserve level back up, and in the hope that other opportunities will arise that will further increase reserve levels.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather the continuing budget challenges. As we remain in an unsettled environment for predicting future HUD funding, this approach should continue to serve the agency well.

PRINCIPLES GUIDING THE BUDGET CHOICES

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

- **THA's strategic directives**
THA's statement of vision, mission and values, and our strategic objectives remain our primary principles that guide our work, including budget choices. Each department considered the priority of programs and projects serving each strategic objective when proposing its own budget. The budget proposal allows us to proceed with our most important initiatives.
- **Assumption about Congressional appropriations**
Congress is supposed to adopt a federal budget by October 1st. That schedule would be convenient because it would allow us to know our federal allocation in time to adopt our own budget by January 1st. Unfortunately, Congress is usually late. This forces us to assume what the final federal budget will be. We have always assumed on the most conversation of the plausible versions of the federal budget then pending in Congress.

This year is no exception. Congress is late. For now we are operating under a "continuing resolution" that keeps us at FY 2012 levels. Unlike other years, however, we have the possibility of "sequestration" to consider. We estimate that this cut THA's federal allocation by approximately 8% (\$3.3 million). In September, the Board gave direction to staff to budget at the FY 2012 levels. This is wise. A \$3.3 million cut would be severe. It would be particularly disruptive to make those cuts only to find out from a later Congressional budget that they were unnecessary. The Board also directed staff to prepare a hierarchal list of cuts totaling \$3.3 million in case some version of sequestration occurs and that Congress does not later reach a budget deal. The list is Attachment C to the budget.

- **Recurring income and expenses**
We seek a budget where our recurring income pays for our recurring expenses. Our proposed budget will show an aggregate surplus of recurring income over recurring expenses in the amount of \$392,000. Please note, however, that the non-MTW portion of the budget shows a deficit of \$583,000. The majority of the deficit pertains to development expenses we think are reasonable to incur because of the prospect it gives us to earn development fees that will recoup the loss.
- **Reserves and reserve spending**
We continue to identify minimum and optimal levels of reserves overall and for each type of reserve. This budget would keep up above optimal levels for overall reserves. It would dip us below minimum levels for non-MTW reserves.

We do so pursuant to the principles that govern our use of reserves. It is easier to spend reserves on nonrecurring rather than recurring expenses. The best use of

reserves is to fund activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. Most of the spending of non-MTW reserves is on development projects that we expect will earn us a developer fee in 2014 that will recoup the amounts we spend.

NOTABLE BUDGET ASSUMPTIONS

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

- **Budgeting at continuing resolution amount**
As I reviewed above, we budget at continuing resolution levels for HUD funding, which is the 2012 level of HUD funding, which includes the offset reduction funding for Public Housing in 2012.
- **Sequestration**
We estimate that sequestration, if it occurs, will cut THA by \$3.3 million. Attachment C to the budget is a priority list of items that we would use to guide our cuts. We can go as deep into that list as necessary to account for whatever cuts flow from either sequestration or a final Congressional budget, if there is one.
- **Housing occupancy rates**
The rental income for our LIPH and Local fund (Wedgewood, Stewart Court, Alaska 9 Homes, and North Shirley) properties is based on the September, 2012 rent roll and assumes an average of 97% occupancy.
- **HAP savings**
With our changes in occupancy standards, minimum rents and the elimination of utility reimbursement checks to our tenants, and instituting the Housing Opportunities Program (HOP) assistance, the budget estimates a savings of approximately \$4,000,000 since instituting the changes in 2011, and \$1,500,000 from 2012 to 2013. We are using \$600,000 of the HAP savings to provide funds to providers to assist in the housing of special population.
- **Wages and salaries**
For 2013, we are budgeting for a 3.0% increase for OPEIU and non-represented staff, along with an extra 2.0% for Variable pay based on performance. Our trades personnel is being budgeted for a 2.35% increase. Scheduled increases are budgeted for July 1.
- **Employee benefits**
We calculated the costs of employee benefits on the following assumptions:

Health Care benefits
Laborers trust for our maintenance staff has a 5% increase effective July 1st. In 2013, we are combining our OPEIU and non-represented staff into one provider

with a base plan and buy-up plan. By making this change, there is only a 2% budgeted increase over the 2012 budget. This increase is effective January 1st.

Dental

No increase budgeted for 2013.

Retirement

Washington State employer portion of retirement plan remains budgeted at the 7.25% level. There is no budgeted increase from 2012.

Unemployment Insurance

THA pays out all unemployment claims and remains self-insured for 2013. We accrue 1.55% of salaries and pay claims out of the accrual. This amount has been sufficient the past couple of years.

Benefits, on average, remain approximately 42% of salary dollars. This has stabilized from 2012 due to the change in benefit plans.

- **Hillside Terrace and LASA**

The budget anticipates progress on both Hillside Terrace and LASA. There is anticipated developer fee of \$240,800 for Hillside Terrace and \$57,200 for LASA in 2013, with another \$1.6 million anticipated to be received in 2014.

SOME BUDGET DETAIL

- **HUD Public Housing Operating Fund:**

Even though we are budgeting at 2012 levels, HUD is frontloading PH Operating Subsidy and paying at a higher level (90%). We are therefore budgeting Operating Subsidy at the 90% level. To cut us back to 2012 levels overall, we are decreased our HAP income to 98.5%.

- **Interest on the Citibank loan for Area 3 Infrastructure**

\$1.45 million of the original \$3.3 million dollar THA guarantee remains. Payment of interest on the loan reduces the guarantee. Even though THA will be aggressively working with Citibank to negotiate a settlement of the loan, we are budgeting the \$300,000 on the guarantee to pay for 2013 interest payments.

- **Meth Testing**

The budget provides \$169,000 funding for meth testing pursuant to our overall plan for such testing, along with deductible payments of \$47,000 for remediation of contaminated units.

- **Special Program Initiatives**

The budget provides \$750,000 budgeted for special program initiatives that the Board will recognize from past discussions:

- DSHS-PHA child welfare collaboration

- Rapid rehousing for homeless families
 - Housing for unaccompanied youth
 - TCC homeless students program
 - Scholars incentive programs
- **Software Programming**
The budget provides \$100,000 for a consultant/temporary employee to replace our Applications Architect position that we eliminated.
 - **Community Service grants**
THA received funds up front in previous years for specific grants facilitated by Community Services. The budget plans to spend \$65,000 of this money.
 - **Hillside Terrace Redevelopment**
This budget continues the redevelopment of the Hillside Terrace project. By the end of 2012, all tenants will be moved out of the project. We will have executed the partnership agreements. In early January, we will start the demolition and rebuilding of the first phase of 70 units, along with the infrastructure work. THA is committing \$3.4 million of traditional CFP and RHF funds to the project, \$1.675 million grant funds for the Community Facility, and \$4.3 million of state and local funding to the project in 2013.
 - **Renovation of the Family Investment Center**
In 2012, THA budgeted \$107,000 for renovation of the Family Investment Center. We never spent that money. Further discussions on how to make that overcrowded building more efficient for Salishan Property Management staff and Community Services staff and the many public uses resulted in a new plan. The 2013 budget includes \$300,000 for the renovation of the FIC. This includes the carryover of the \$107,000 from 2012. The budget uses reserves and not 2013 operation funding.
 - **Continued renovation of 902 South L**
In 2012, we finished the initial phase of the renovation of the THA administration building. This phase included a complete renovation of the lobby and the Rental Assistance area, along with a partial renovation of the administration area to include an IT training room. This budget would continue the renovation of the building to address ongoing HVAC issues, and increase efficiency of space on the second floor. The budget would provide \$350,000 for this purpose. It would come from reserves and not operations.
 - **Replacement of Aging Maintenance Vehicle Fleet**
THA has an aging maintenance vehicle fleet with many vehicles over 20 years old, and only a few under 10. There are significant repair issues with many of them, and it is time to start updating our fleet. This budget would spend \$120,000 to buy several new vehicles.

- **Reserve Appropriations/Operating Transfers**

In the budget, we specify certain areas where we will either make transfers from certain areas, or pull from reserves rather than operations for expenditures. For the FY-2013 we made the following choices:

- Transfer \$377,500 from Capital Fund dollars to cover shortfalls in PH ACC units.
- Fund the continued remodel of 902 South L in the amount of \$350K from reserves.
- Fund the FIC renovation in the amount of \$300K from reserves.
- Fund the purchase of \$120K of replacement of maintenance vehicles from reserves.
- Wedgewood is being budgeted with \$200K of improvements from its own replacement reserves.
- The purchase of the general partnership in New Look Apts. is still being anticipated. This would be funded out of reserves.

- **Use of MTW flexibility**

Due to our MTW flexibilities, we are combining our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. We will use this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs to carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.

- **Reserves**

The budget will leave us with the following reserves as indicated in Attachment A:

○ MTW Reserves	\$ 6,480,100
○ Business Activities (Non-MTW) reserves	\$ 962,800
○ Bond Financed Property reserves	\$ 500,000
○ Citibank Guarantee	\$ 1,150,000
○ Salishan Lot set aside	<u>\$ 2,400,000</u>
	\$11,492,900

Recommendation

I recommend that the Board adopt Resolution 2012-12-19 (1) to formally approve THA's Fiscal Year 2013 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19(1)

FISCAL YEAR 2013 ANNUAL BUDGET

Whereas, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2013; and

Whereas, The U.S. Department of Housing and Urban Development (HUD) requires the Authority’s Board to approve it’s annual Site-based budgets;

Whereas, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2013 annual budget,

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2013 Agency wide budget. The HUD required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board of Commissioners hereby authorizes the Executive Director to implement and execute said budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 501,934
Human Resources	397,247
Finance	995,517
Administration	1,249,483
Community Services	2,539,762
Development	2,191,817
REM&HS Overhead	1,568,333
Rental Assistance	34,791,273
Property Management	<u>5,667,883</u>
Subtotal	49,723,249
<u>Additional Cash Outflows</u>	
Capital Expenditures	15,113,100
Debt Service	<u>539,844</u>
Subtotal	15,652,944
TOTAL APPROVED BUDGET	<u>\$65,376,193</u>

Approved: December 19, 2012

Janis Flauding, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: THA FY-2013 BUDGET
November 30, 2012

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

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

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Projected Reserves 01/01/13	-	Minimum	Optimal	Amount to Reserve	=	Amount of reserves available to use in FY013
MTW Reserves	\$6,850,000		\$2,843,000	\$4,597,000	\$4,597,000		\$2,253,000
Business Activities (Non-MTW) reserves	\$1,800,000		\$1,500,000	\$2,000,000	\$950,000		\$850,000
Bond Financed Property Reserves	\$700,000		\$350,000	\$500,000	\$500,000		\$200,000
Citibank Guarantee	\$1,450,000		\$1,150,000	\$1,150,000	\$1,150,000		\$300,000
Salishan Lot set aside	\$2,400,000		\$2,400,000	\$2,400,000	\$2,400,000		
Totals	\$13,200,000		\$8,243,000	\$10,647,000	\$9,597,000		\$3,603,000

MTW Reserves

Section 8 HAP - Entry to MTW Program
Section 8 Administrative Expenses
PH AMP 1 - 6 Expenses

Annual Amount	Minimum		Optimal	
	Period	Amount	Period	Amount
\$29,035,000	1/2 month	\$ 1,210,000	1 month	\$ 2,420,000
\$3,141,000	3 months	\$ 785,000	4 months	\$ 1,047,000
\$3,390,000	3 months	\$ 848,000	4 months	\$ 1,130,000
	Total	\$ 2,843,000	Total	\$ 4,597,000

2. **RECURRING OPERATIONAL EXPENSES AND INCOMES FY-2013**

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$42,826,000		\$41,851,000		\$975,000
Non-MTW	\$6,236,000		\$6,819,000		(\$583,000)
Total	\$49,062,000		\$48,670,000		\$392,000

3. **NON-RECURRING INCOME: FY-2013**

Sources of Non-Recurring Income		MTW	Non-MTW	
Operational²				
a.	Hillside Terrace Operating Subsidy - Projected at approximately \$270K for 2013. Will reduce by 33% annually.	\$90,000		
b.	Capital Funds Program (CFP) funds moved to MTW for PH ACC unit shortfall	\$377,500		
c.	Developer Fee Income			
1.	Hillside Terrace Redevelopment (2500 Yakima)		\$240,800	
2.	LASA		\$57,200	
d.	NSP and Foreclosure Housing Program		\$103,300	
<i>Operations Subtotal</i>		\$467,500	\$401,300	\$868,800
Capital³				
a.	Hillside Terrace Community Facility Grant		\$1,675,200	
b.	2500 Yakima Redevelopment	\$3,400,000	\$4,300,000	
c.	CFP funds for PH capital work	\$1,020,000		
e.	LASA		\$3,018,400	
f.	Stewart Court Capital Improvements	\$135,000	\$189,500	
<i>Capital Subtotal</i>				
Total		\$4,555,000	\$9,183,100	\$13,738,100

4. BUDGET IMPACT - RESERVES - FY-2013

	MTW	Non-MTW	Bond Financed Properties	Citibank Guarantee	THA Additionl Reserve-Salishan Lots	Total
Projected Reserves - 01/01/13	\$ 6,850,000	\$ 1,800,000	\$ 700,000	\$ 1,450,000	\$ 2,400,000	\$ 13,200,000
Recurring Surplus/(Shortfall) ¹	\$975,000	(\$583,000)				
Non-Recurring Income/(Expense)						Amount
a. Non Recurring Income - Operational ²	\$467,500	\$401,300				\$
b. Non Recurring Income - Capital ³	\$4,555,000	\$9,183,100				\$
c. Operations & Support Department Expenses - Operational ⁴	(\$512,400)	(\$95,200)				\$
d. Operations & Support Departments Expenses- Capital ⁵	(\$800,000)	\$0	(\$200,000)			\$
e. Development Department - Operational ⁶	(\$125,000)	(\$560,300)				\$
f. Development Department - Capital ⁷	(\$4,930,000)	(\$9,183,100)				\$
g. Citibank Interest for Salishan Lots				(\$300,000)		\$
						\$
Projected Reserves - 12/31/13	\$ 6,480,100	\$ 962,800	\$ 500,000	\$ 1,150,000	\$ 2,400,000	\$ 11,492,900

5. FY-2013 END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves	Projected Reserves 12/31/13	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal
MTW Reserves	\$6,480,100	\$2,843,000	\$4,597,000	\$1,883,100
Business Activities (Non-MTW) reserves	\$962,800	\$1,500,000	\$2,000,000	(\$1,037,200)
Bond Financed Property Reserves	\$ 500,000	\$350,000	\$500,000	\$0
Citibank Guarantee	\$1,150,000	\$1,150,000	\$1,150,000	\$0
Salishan Lot set aside	\$2,400,000	\$2,400,000	\$2,400,000	\$0
Totals	\$11,492,900	\$8,243,000	\$10,647,000	\$845,900

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$4,597,000	\$1,883,100
\$950,000	\$12,800
\$500,000	\$0
\$1,150,000	\$0
\$2,400,000	\$0
\$9,597,000	

Back-up Detail

6. Notable Recurring Operational/Support Department Costs

6.1 Position Changes - FY-2013

Position Changes	Amount of Savings				Comments
	Staff Positions			\$	
	Increase/ Decrease				
Currently Occupied					
a. Senior Office Assistant - Executive	1			\$0	Transition from Sunset to Regular position - No \$ budget change.
b. Help Desk/Network Administrator	0			\$9,000	Upgrade of Position.
c. Help Desk Technician	1			\$56,200	Budget 2013 as sunset. Hope to transition to regular position in 2014, as current position transitions to Network administrator.
d. Property Management Assistant	1			\$65,500	One over complement with Hillside Demo. Keep for continuity until Hillside comes online. In meantime, assists with transition to new lease and Non Smoking policy.
e. Maintenance Specialist - Landscaping	2			\$0	Currently Temp crew. Benefits costly when temp, and would have to pay unemployment. Will assist in preventive maintenance during winter months.
New Positions					
f. Maintenance Specialist	1			\$55,000	Increase complement to more adequately assist in unit upkeep.
g. Specialist - Asset Building	1			\$60,000	Funded by Gates Foundation grant. For new Scholars program.
h. Specialist - Asset Building	1			\$60,000	To assist in implementing and running adult asset building programs.
i. Technical Writer - half year Sunset				\$39,500	Assist in business process improvement plan.
Eliminated Positions					
j. Applications Architect	(1)			(\$126,600)	Will initially contract desired work out through temp agency. This position had transitioned from IT Manager in 2012.
Totals				\$305,700	

6.2 Operations & Support Department - Operational (Non-Salary)

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
Fully Realized HAP savings from Occupancy Changes/Minimum rents instituted 2012	(\$850,000)					
a. 2013 HAP savings - Increasing Minimum rents from \$25 to \$75	(\$150,000)					
c. Special Program Assistance Payments						
d. 1. Child Welfare Vouches	\$150,000					
e. 2. Rapid Rehousing for Homeless Families	\$150,000					
f. 3. Unaccompanied Youth Vouchers	\$150,000					
g. 4. TCC Homeless Students	\$150,000					
h. THA match for Scholars Incentive Program funded by Gates Foundation	\$150,000					
i. FSS payopoints - Replaces HAP FSS escrow amounts	\$30,000					
j. Contamination Testing PH Units - Annually	\$126,000	\$43,000				
k. Cold Fusion Development - Replaces IT Manager Posititon	\$100,000					
l. Contingency	\$69,000	\$31,000				
Totals	\$75,000	\$74,000				

7. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes
Operations & Support Departments
7.1 Operations & Support Department Non-Recurring - Operational⁴

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Leadership Team Development	\$41,500	\$8,500				
b. Wellness - Biometric Testing	\$10,000	\$2,000				
c. Website Development	\$12,500	\$2,500				
d. Marketing Reasonable Accomodations and Project Data Base software		\$30,000				
e. Business Process Improvement Project	\$32,800	\$6,700				
f. Sharepoint Consulting	\$23,200	\$4,800				
g. Homeowners Downpayment Assistance (Renegotiated Annually)	\$200,000					
h. Credit Counseling Contract for Tenants	\$15,000					
i. EOC Contract - Community Services	\$10,000					
j. Evaluation of MTW program	\$45,000					
k. Extraordinary Maintenance for Properties (Reviewed Annually)	\$91,000	\$25,000				
l. Casualty Loss deductible for Contaminated units (will analyze end of 2013)	\$31,400	\$15,700				
<i>Operational Subtotal⁴</i>	\$512,400	\$95,200				

7.2 Operations & Support Departments - Capital⁵

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. 902 South L - Continue renovation	\$350,000					
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012)	\$300,000					
c. Maintenance Vehicle Replacement with outfitting	\$120,000					
d. Document Management System	\$30,000					
e. Wedgewood Capital Repairs (Bond Financed Property)		\$200,000				
<i>Capital Subtotal⁵</i>	<i>\$800,000</i>	<i>\$200,000</i>				

Development Department Activity
7.3 Development Department Nonrecurring - Operational⁶

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Due Diligence - Development Opportunities						
1. Brown Star Grill		\$75,000				
2. Winthrop		\$95,000				
3. Public Housing Conversion	\$125,000					
4. Due Diligence Contgency		\$100,000				
5. Salishan Core Planning		\$70,000				
6. Choice Neighborhoods Application		\$30,000				
b. Salishan/Hillsdale Heights Lot Holding Expenses		\$120,000				
c. Legal and Consulting Services for Citibank Loan negotiation		\$47,000				
d. NSP and Foreclosure Housing Program - Direct Expenses		\$23,300				
<i>Development Activity - Operational - Subtotal⁶</i>	<i>\$125,000</i>	<i>\$560,300</i>				

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
7.4 Development Department - Capital⁷						
a. Dixon Village Renovations (CFP)	\$1,000,000					
b. Scattered Site (AMP 6) Upgrades (CFP)	\$20,000					
c. Stewart Court Renovations - Intent to complete as Tax Credit property	\$135,000	\$189,500				
d. Hillside Terrace Redevelopment - All phases						
1. Hillside Terrace Community Facilities Grant		\$1,675,200				
3. CFP RHF (Replacement Housing Factor) expenditures	\$2,300,000					
4. MTW funds to be reimbursed by Capital Funds	\$1,100,000					
5. City of Tacoma Bond Funds		\$1,400,000				
6. Housing Trust Factor Funds (HTF)		\$1,900,000				
7. TCRA		\$1,000,000				
e. LASA		\$3,018,400				
f. Purchase of New Look Apts. - (Carryover from 2012)	\$375,000					
<i>Development Activity - Capital - Subtotal⁷</i>	\$4,930,000	\$9,183,100				

8. Reserve Appropriations Requested

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
8.1 Operations						
a. Community Services expenses received Prior Year grants		\$65,200				
b. For PH subsidy to comply with HUD offset requirement						
c. Citibank Loan paid out of Guarantee		\$300,000				
<i>Operations Subtotal</i>	\$0	\$365,200				

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
8.2 Capital						
a. 902 South L - Continue renovation	\$350,000					
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012)	\$300,000					
c. Maintenance Vehicle Replacement with outfitting	\$120,000					
d. Wedgewood Capital Repairs (Bond Financed Property)		\$200,000				
e. Purchase of New Look Apts. - (Carryover from 2012)	\$375,000					
<i>Capital Subtotal</i>	\$1,145,000	\$200,000				

9. A LOOK AHEAD TO FY-2014 (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

9.1	Recurring FY014 Income	Recurring FY014 Expense	Amount
	Fully realized HAP savings from increasing minimum rents from \$25 to \$75 in a. 2013		\$250,000
	b. Congressional FY-2014 Budget Appropriations		??????
9.2	Non-Recurring FY014 Income	Non-Recurring FY014 Expense	Amount
	a. Developer Fee - 2500 Yakima Redevelopment		\$1,284,000
	b. Developer Fee - LASA		\$305,000
	c. Developer Fee - Hillside Redevelopment - Phase 2		??????

10. Emerging Needs and Opportunities

	MTW -CFP	Non-MTW
a. Purchase of Land at 11th and MLK		\$1,000,000
b. THA Contribution to Purchase of Market Rate Acquisition		\$400,000
c. Funds for transition of IT platform from Yardi/VisualHOMES	\$500,000	
<i>Total - Emerging Development Projects</i>	\$500,000	\$1,400,000

**FY 2013 Tacoma Housing Authority Budget
Agency Total by Departmental Areas**

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
INCOME										
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,530,777	\$3,530,777
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,025	\$17,025
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,868,890	\$0	\$34,868,890
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$138,846	\$0	\$0	\$2,650,784	\$0	\$2,789,629
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,319,224	\$2,319,224
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$140,984	\$0	\$0	\$0	\$0	\$140,984
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$1,351,548	\$0	\$0	\$0	\$1,351,548
8 Management Fee Income	\$191,412	\$83,819	\$490,413	\$498,934	\$133,021	\$0	\$1,988,308	\$115,221	\$0	\$3,501,128
9 Other Government grants	\$0	\$0	\$0	\$0	\$123,123	\$108,309	\$0	\$0	\$0	\$231,432
10 Investment income	\$0	\$0	\$48,000	\$0	\$0	\$0	\$0	\$0	\$2,950	\$50,950
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$0	\$60,000
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$298,000	\$0	\$0	\$0	\$298,000
13 Other Revenue	\$0	\$0	\$42,980	\$0	\$685,151	\$0	\$0	\$10,000	\$32,795	\$770,926

TOTAL OPERATING RECEIPTS	\$191,412	\$83,819	\$581,393	\$498,934	\$1,221,125	\$1,757,857	\$1,988,308	\$37,704,895	\$5,902,771	\$49,930,513
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OPERATING EXPENDITURES**Administrative**

14 Administrative Salaries	\$284,928	\$164,988	\$639,036	\$608,996	\$0	\$524,147	\$608,367	\$1,034,359	\$412,564	\$4,277,385
15 Administrative Personnel - Benefits	\$88,494	\$57,424	\$271,279	\$202,085	\$0	\$174,122	\$229,184	\$534,306	\$189,092	\$1,745,985
16 Audit Fees	\$0	\$0	\$22,550	\$0	\$0	\$4,628	\$0	\$22,180	\$21,584	\$70,942
17 Management Fees	\$0	\$0	\$0	\$0	\$274,536	\$274,044	\$187,456	\$1,257,369	\$693,317	\$2,686,722
18 Rent	\$0	\$0	\$0	\$0	\$0	\$38,101	\$33,100	\$175,471	\$35,627	\$282,299
19 Advertising	\$0	\$0	\$0	\$15,000	\$0	\$1,000	\$1,000	\$0	\$1,650	\$18,650
20 Information Technology Expenses	\$1,000	\$1,000	\$0	\$215,364	\$49,462	\$0	\$0	\$1,000	\$8,401	\$276,227
21 Office Supplies	\$1,500	\$600	\$5,500	\$5,000	\$37,052	\$3,500	\$2,000	\$15,000	\$10,885	\$81,037
22 Publications & Memberships	\$33,065	\$5,080	\$1,020	\$4,000	\$7,600	\$1,000	\$1,500	\$1,000	\$0	\$54,265
23 Telephone	\$4,800	\$1,200	\$0	\$36,280	\$7,100	\$6,000	\$11,950	\$10,550	\$39,709	\$117,589
24 Postage	\$600	\$125	\$2,500	\$150	\$4,500	\$700	\$3,500	\$22,000	\$5,860	\$39,935
25 Leased Equipment & Repairs	\$250	\$0	\$0	\$35,416	\$5,000	\$0	\$180	\$0	\$9,239	\$50,085
26 Office Equipment Expensed	\$0	\$0	\$2,000	\$30,800	\$14,600	\$5,000	\$18,000	\$1,000	\$7,784	\$79,184
27 Legal	\$3,000	\$13,500	\$0	\$1,000	\$0	\$32,000	\$5,000	\$7,000	\$31,095	\$92,595
28 Local Mileage	\$600	\$100	\$250	\$1,500	\$3,800	\$1,000	\$4,500	\$500	\$3,133	\$15,383
29 Staff Training/ Out of Town Travel	\$22,500	\$37,400	\$17,500	\$28,295	\$17,500	\$16,750	\$30,400	\$19,200	\$12,071	\$201,616
30 Administrative Contracts	\$10,000	\$81,300	\$27,600	\$36,000	\$95,000	\$25,000	\$90,000	\$15,000	\$6,010	\$385,910
31 Other Administrative Expenses	\$15,500	\$13,650	\$2,000	\$1,900	\$0	\$4,000	\$44,130	\$4,500	\$8,590	\$94,270
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$15,000	\$0	\$495,000	\$0	\$0	\$0	\$510,000
33 Contingency	\$25,000	\$0	\$0	\$10,000	\$0	\$1,000	\$50,000	\$5,000	\$8,950	\$99,950
Total Administrative Expenses	\$491,237	\$376,367	\$991,235	\$1,246,786	\$516,150	\$1,606,992	\$1,320,267	\$3,125,435	\$1,505,561	\$11,180,029

Tenant Services

34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$952,339	\$0	\$0	\$0	\$0	\$952,339
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$396,603	\$0	\$0	\$0	\$0	\$396,603
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,410	\$19,410
37 Tenant Service - other	\$8,000	\$0	\$0	\$0	\$487,225	\$0	\$1,200	\$1,000	\$10,800	\$508,225
Total Tenant Services	\$8,000	\$0	\$0	\$0	\$1,836,167	\$0	\$1,200	\$1,000	\$30,210	\$1,876,577

FY 2013 Tacoma Housing Authority Budget
Agency Total by Departmental Areas

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
Utilities										
38 Water	\$0	\$0	\$0	\$0	\$0	\$7,000	\$4,275	\$0	\$105,035	\$116,310
39 Electric	\$0	\$0	\$0	\$0	\$0	\$5,000	\$37,250	\$0	\$161,800	\$204,050
40 Gas	\$0	\$0	\$0	\$0	\$0	\$2,000	\$4,460	\$0	\$59,010	\$65,470
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$38,600	\$10,275	\$0	\$297,750	\$346,625
Total Project Utilities	\$0	\$0	\$0	\$0	\$0	\$52,600	\$56,260	\$0	\$623,595	\$732,455
Ordinary Maintenance & Operations										
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$556,649	\$601,649
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$14,198	\$0	\$169,625	\$183,822
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$3,200	\$12,250	\$4,000	\$184,750	\$204,200
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$84,000	\$80,750	\$2,000	\$686,252	\$853,002
Total Routine Maintenance	\$0	\$0	\$0	\$0	\$0	\$87,200	\$152,198	\$6,000	\$1,597,276	\$1,842,673
General Expenses										
46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$1,000	\$21,500	\$0	\$120,900	\$143,400
47 Insurance	\$2,697	\$880	\$4,282	\$2,697	\$7,445	\$6,657	\$15,908	\$26,336	\$101,656	\$168,558
48 Other General Expense	\$0	\$20,000	\$0	\$0	\$0	\$7,500	\$1,000	\$90,492	\$978,288	\$1,097,280
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,461	\$14,461
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,268	\$43,268
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$424,868	\$0	\$0	\$489,618	\$914,486
Total General Expenses	\$2,697	\$20,880	\$4,282	\$2,697	\$7,445	\$440,025	\$38,408	\$116,828	\$1,748,191	\$2,381,453
TOTAL OPERATING EXPENSES	\$501,934	\$397,247	\$995,517	\$1,249,483	\$2,359,762	\$2,186,817	\$1,568,333	\$3,249,263	\$5,504,833	\$18,013,187
Nonroutine Expenses and Capital Expenditures										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$116,000	\$121,000
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,050	\$47,050
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,542,010	\$0	\$31,542,010
Total Nonroutine Expenditures	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$31,542,010	\$163,050	\$31,710,060
TOTAL EXPENSES	\$501,934	\$397,247	\$995,517	\$1,249,483	\$2,359,762	\$2,191,817	\$1,568,333	\$34,791,273	\$5,667,883	\$49,723,249
OPERATING SURPLUS/(DEFICIT)	(\$310,522)	(\$313,428)	(\$414,124)	(\$750,549)	(\$1,138,637)	(\$433,960)	\$419,975	\$2,913,622	\$234,888	\$207,263
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	(\$327,740)	\$0	\$0	(\$212,104)	(\$539,844)
Surplus/Deficit Before Reserve Appropriations	(\$310,522)	(\$313,428)	(\$414,124)	(\$750,549)	(\$1,138,637)	(\$761,700)	\$419,975	\$2,913,622	\$22,784	(\$332,581)
56 Reserve Appropriations - Operations/Transfers	\$0	\$0	\$0	\$0	\$65,263	(\$77,484)	\$0	\$0	\$377,484	\$365,263
Surplus/Deficit Before Capital Expenditures	(\$310,522)	(\$313,428)	(\$414,124)	(\$750,549)	(\$1,073,374)	(\$839,184)	\$419,975	\$2,913,622	\$400,268	\$32,682
57 Capitalized Items/Development Projects	\$0	\$0	\$0	(\$30,000)	\$0	(\$14,463,100)	(\$420,000)	\$0	(\$200,000)	(\$15,113,100)
58 Revenue - Capital Grants	\$0	\$0	\$0	\$0	\$0	\$13,738,100	\$0	\$0	\$0	\$13,738,100
59 Reserve Appropriations - Capital	\$0	\$0	\$0	\$0	\$0	\$725,000	\$420,000	\$0	\$200,000	\$1,345,000
THA BUDGET SURPLUS/(DEFICIT)	(\$310,522)	(\$313,428)	(\$414,124)	(\$780,549)	(\$1,073,373)	(\$839,184)	\$419,975	\$2,913,622	\$400,267	\$2,683

2013 Tacoma Housing Authority Portfolio Budget

12/13/12

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate Homes	Portfolio Total
	K, M & G St. Apts. Elderly Disabled 160 Units	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled) 152 Units	Lawrence, Bergerson Terrace, Dixon Village 144 Units	Hillside Terrace (1800 & 2500 Blocks) Demo'd 04 Units demo'd	Single Family Homes 34 Units			90 Units	118 Units	
INCOME										
1 Revenue - Dwelling rent	\$421,356	\$397,524	\$450,900	\$0	\$1,920	\$0	\$1,271,700	\$1,156,597	\$1,102,480	\$3,530,777
2 Tenant Revenue - Other	\$4,000	\$3,800	\$3,600	\$0	\$850	\$0	\$12,250	\$2,250	\$2,525	\$17,025
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 HUD grant - Public Housing subsidy	\$375,352	\$331,775	\$341,924	\$268,895	\$101,992	\$899,286	\$2,319,224	\$0	\$0	\$2,319,224
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$1,450	\$2,950
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Other Revenue	\$10,500	\$8,500	\$3,545	\$0	\$750	\$0	\$23,295	\$500	\$9,000	\$32,795
TOTAL OPERATING RECEIPTS	\$811,208	\$741,599	\$799,969	\$268,895	\$105,512	\$899,286	\$3,626,469	\$1,160,847	\$1,115,455	\$5,902,771
OPERATING EXPENDITURES										
Administrative										
14 Administrative Salaries	\$93,965	\$89,836	\$91,794	\$0	\$22,064	\$0	\$297,659	\$54,750	\$60,155	\$412,564
15 Administrative Personnel - Benefits	\$44,285	\$46,176	\$41,895	\$0	\$9,836	\$0	\$142,193	\$25,397	\$21,501	\$189,092
16 Audit Fees	\$3,126	\$2,969	\$2,814	\$2,032	\$665	\$6,395	\$18,001	\$890	\$2,693	\$21,584
17 Management Fees	\$185,568	\$176,290	\$146,679	\$0	\$32,722	\$0	\$541,258	\$86,616	\$65,443	\$693,317
18 Rent	\$8,797	\$8,357	\$7,917	\$0	\$1,869	\$0	\$26,940	\$4,948	\$3,739	\$35,627
19 Advertising	\$300	\$150	\$450	\$0	\$150	\$0	\$1,050	\$150	\$450	\$1,650
20 Information Technology Expenses	\$1,795	\$1,705	\$2,440	\$0	\$653	\$0	\$6,593	\$500	\$1,308	\$8,401
21 Office Supplies	\$1,813	\$1,722	\$1,939	\$0	\$487	\$0	\$5,961	\$1,200	\$3,724	\$10,885
22 Publications & Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Telephone	\$15,499	\$14,727	\$8,121	\$0	\$0	\$0	\$38,347	\$1,000	\$363	\$39,709
24 Postage	\$1,677	\$1,593	\$1,410	\$0	\$323	\$0	\$5,003	\$210	\$647	\$5,860
25 Leased Equipment & Repairs	\$2,781	\$2,781	\$2,007	\$0	\$356	\$0	\$7,925	\$600	\$713	\$9,239
26 Office Equipment Expensed	\$1,926	\$1,830	\$2,068	\$0	\$520	\$0	\$6,344	\$400	\$1,040	\$7,784
27 Legal	\$3,400	\$3,300	\$4,700	\$0	\$1,500	\$0	\$12,900	\$8,680	\$9,515	\$31,095
28 Local Mileage	\$782	\$743	\$908	\$0	\$233	\$0	\$2,666	\$0	\$467	\$3,133
29 Staff Training/ Out of Town Travel	\$3,127	\$2,971	\$2,301	\$0	\$495	\$0	\$8,894	\$2,186	\$991	\$12,071
30 Administrative Contracts	\$1,450	\$1,455	\$850	\$0	\$155	\$0	\$3,910	\$1,700	\$400	\$6,010
31 Other Administrative Expenses	\$1,450	\$1,300	\$2,000	\$0	\$500	\$0	\$5,250	\$790	\$2,550	\$8,590
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Contingency	\$2,000	\$1,500	\$1,500	\$0	\$1,000	\$0	\$6,000	\$1,200	\$1,750	\$8,950
Total Administrative Expenses	\$373,741	\$359,405	\$321,793	\$2,032	\$73,530	\$6,395	\$1,136,896	\$191,217	\$177,449	\$1,505,561
Tenant Services										
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Relocation Costs	\$4,800	\$4,560	\$4,320	\$0	\$1,020	\$0	\$14,700	\$2,700	\$2,010	\$19,410
37 Tenant Service - other	\$3,200	\$3,040	\$2,880	\$0	\$680	\$0	\$9,800	\$1,000	\$0	\$10,800
Total Tenant Services	\$8,000	\$7,600	\$7,200	\$0	\$1,700	\$0	\$24,500	\$3,700	\$2,010	\$30,210

FY13 Budget - Supporting Schedule for Housing Development Capital Expenditures
January 1, 2013 through December 31, 2013

Project	Funding Source	Total	Loans	HUD CFCF Grant	MTW/CFP	MTW RHF	State \$ Local Grants	Reserves & Program Income	HTF
Hillside Terrace Redevelopment - All phases									
	THA - MTW (CFP)	1,100,000			1,100,000				
	THA - CFP RHF	2,300,000				2,300,000			
	CFFP Grant	1,675,200		1,675,200					
	City of Tacoma Bond	1,400,000					1,400,000		
	HTF	1,900,000							1,900,000
	TCRA	1,000,000					1,000,000		
	TOTAL	9,375,200	-	1,675,200	1,100,000	2,300,000	2,400,000	-	1,900,000
LASA									
	HOME Funds	250,000					250,000		
	2163 Funds	458,700					458,700		
	HTF	2,309,700							2,309,700
	TOTAL	3,018,400	-	-	-	-	708,700	-	2,309,700
Dixon Village Rehab									
	Capital Funds	1,000,000		-	1,000,000				
	TOTAL	1,000,000	-	-	1,000,000	-	-	-	-
Scattered Sites (complete work started in 2012)									
	Capital Funds	20,000		-	20,000				
	TOTAL	20,000	-	-	20,000	-	-	-	-
Wedgewood Renovations									
	Bond Financed Property Reserves							200,000	
	TOTAL	200,000	-	-	-	-	-	200,000	-
THA Admin Bldg Continued Renovations									
	THA Program Funds	350,000						350,000	
	TOTAL	350,000	-	-	-	-	-	350,000	-
THA Family Investment Renovations									
	THA Program Funds	300,000						300,000	
	TOTAL	300,000	-	-	-	-	-	300,000	-
Stewart Court									
	HTF	189,500							189,500
	THA - MTW Funds	135,000			135,000				
	TOTAL	324,500	-	-	135,000	-	-	-	189,500
New Look Apts. - Purchase of General Partnership									
	THA - MTW Funds	375,000			375,000				
	TOTAL	375,000	-	-	375,000	-	-	-	-
Market Rate Acquisition									
	THA Reserves (loan to project)								
	Bank Loan								
	TOTAL	-	-	-	-	-	-	-	-
Grand Total Capital Expenditures:									
		14,963,100	-	1,675,200	2,630,000	2,300,000	3,108,700	850,000	4,399,200

Sequestration Reinstatement Priority

12/13/12

Sequestration Amount	Priority	Reinstatement Priority	Department	Impact
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MTW Surplus - 2013 Budget	\$775,389				
2012 Voucher Funding not disbursed 2012 - Available 2013	\$600,000				
Raises effective 07/01 - OPEIU & Non Rep	56,605	H	1	Agency	Critical for Employee Retention
Raises effective 07/01 - Maintenance	5,241	H	1	Agency	Critical for Employee Retention
HOP (Housing Opportunity Program) delayed issuance	\$250,000	H	2	RA	With HAP savings to date, would like to serve as many clients as possible. Will serve 25% w/o sequestration, and place 25% reinstatement at H/M/L
Technical Writer (Sunset)	\$39,458	H	3	Admin	Would delay Business Process documentation
Quality Assurance Specialist	\$35,000	H	4	Admin	Would assist in internal file audits
Rapid Rehousing - Special Program HAP	\$150,000	H	5	Rental Assistance	Contract ready to be executed
Extraordinary Maintenance line item	\$37,656	H	6	Property Management	
Senior Office Assistant	\$49,952	H	7	Executive	Position currently sunset. Would allow for both needed Executive and HR support.
Contingency	\$25,000	H	8	REM&HS Overhead	
Leadership Team Development - Cabinet & Mid managers	\$50,000	H	9	Human Resources	Would assist in improving management skills and cohesiveness.
Asset Building Specialist	28,203	H	10	Community Services	MTW portion - IDA initiative
HOP delayed issuance	250,000	M	11	Rental Assistance	With HAP savings to date, would like to serve as many clients as possible. Will serve 25% w/o sequestration, and place 25% reinstatement at H/M/L
Salary Repositions	\$30,000	M	12	Executive	Funds available for reclassification
EOC Contract	10,000	M	13	Community Services	
Credit Counseling Contract	15,000	M	14	Community Services	
Education Assistance	\$5,000	M	15	Human Resources	Budgeted for 8 reimbursements, reduced to 6
TCC Homeless Students	\$150,000	M	16	Rental Assistance	
Scholars Incentive Payouts	\$62,500	M	17	Community Services	Move 50% to low - Escrows do not begin until October
Procurement Training	\$1,500	M	18	Administration	
Sharepoint Conference	\$3,000	M	19	Administration	
Homeownership Downpayment Assistance Program	\$200,000	M	20	Community Services	

HOP delayed issuance	250,000	L	21	Rental Assistance	With HAP savings to date, would like to serve as many clients as possible. Will serve 25% w/o sequestration, and place 25% reinstatement at H/M/L
Wellness	\$12,000	L	22	Human Resources	Setting agency baseline may help Medical renewal rates
Staff training	\$5,000	L	23	Finance	
PH Conversion Due Diligence	125,000	L	21	Development	
Employee Engagement survey	\$3,500	L	24	Human Resources	
Limited English Proficiency	\$6,000	L	25	Executive	
Scholars Incentive Payouts	\$62,500	L	26	Community Services	
Sequestration Total	3,293,504				

PHA Board Resolution
Approving Operating Budget

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

OMB No. 2577-0026
(exp.12/31/2012)

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

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

PHA Name: *****PHA Code:

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

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

DATE

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

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

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

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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RESOLUTION #2



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (2)

Date: December 19, 2012

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Authorization to Negotiate Modification (1) to the Absher Agreement for Hillside Terrace Phase I Construction

Background

On February 24, 2010 the THA Board of Commissioners (BOC) approved Resolution 2010-2-24(6) authorizing the Executive Director to negotiate and enter into a Construction Management/General Contractor (CM/GC) contract with Absher Construction, Inc. for the redevelopment of the 1800 and 2500 blocks of Hillside Terrace. In addition, the above resolution authorized staff to enter into a pre-construction services contract in the amount of \$75,000 with any future modifications for construction activities to be submitted at a future date.

On September 17, 2012 Absher began soliciting competitive bids for 43 bid packages for the 2500 Hillside Terrace Phase I project. The bid packages included all components of the design for 70 affordable housing units and a Community Center. The general work includes: demolition of existing public housing units in the Phase I, II & III footprint areas of the 1800 and 2500 Hillside Terrace Apartments, preparation of the Phase I site area for construction, the development of infrastructure, and the vertical construction of the 70 housing units and community facility.

At this time, staff is requesting approval for the first modification to the CM/GC Contract for the above demolition, site/infrastructure development, and vertical construction in the amount of \$17,390,507, including applicable sales tax.

Recommendation

Approve Resolution 2012-12-19(2) authorizing the Executive Director to negotiate and execute the first modification to the CM/GC Contract for 2500 Hillside Terrace Phase I with Absher Construction, Inc. in the amount not-to-exceed \$17,390,507.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (2)

AUTHORIZATION TO NEGOTIATE MODIFICATION (1) TO THE ABSHER AGREEMENT FOR HILLSIDE TERRACE PHASE I CONSTRUCTION

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

Whereas, Resolution 2010-2-24(6) authorized the Executive Director to negotiate and execute a contract for the Construction Manager/General Contractor (CM/GC) for Hillside Terrace redevelopment with Absher Construction, Inc.;

Whereas, the resolution authorized the Executive Director to award the contract in phases through modifications to the Pre-Construction Services Agreement;

Whereas, the CM/GC, Absher Construction, Inc., executed a competitive solicitation of 43 bid packages for Phase I, II & III footprint area demolition work, Phase I site work, infrastructure development, and the vertical construction of 70 affordable housing units and a Community Center;

Whereas, the competitive bid process culminated in a Maximum Allowable Construction Cost (MACC) of \$17,390,507 including applicable sale tax, and

Whereas, the project will be funded through a mix of financing strategy including, THA MTW/Capital Program funds and Replacement Housing Factor (RHF) funds, Tax Exempt Bonds, Tax Credit Equity, and City and State affordable housing funds;

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

1. The Executive Director is authorized to negotiate and execute Modification (1) with Absher Construction, Inc. for 2500 Hillside Terrace Phase I construction for the not-to-exceed amount of \$17,390,507 including applicable sales tax.

Approved: December 19, 2012

Janis Flauding, Chair

RESOLUTION #3



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19(3)

DATE: December 9, 2012
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Adoption of 2013 Variable Pay Policy

Background

When we negotiated our new contract with OPEIU, we added an MOU for creating a performance based pay program for 2013. It reads:

“The parties agree to confer during 2012 over the terms of a new compensation structure and performance-based pay plan potentially based on information from the performance reviews.”

We convened a Variable Pay Committee to design this plan. It included representatives from OPEIU, management and line staff. Its work is completed and is the basis for the policy I now ask the Board to approve. It also reflects the contributions from our finance department, our Cabinet, and our legal counsel.

The policy will allow supervisors and department directors to recognize top OPEIU and non-represented performers through either a merit increase and/or a lump sum award. Departments will each have their own budget for these purposes and are responsible to recommend to the Compensation Committee any awards or increases they want to give in 2013.

THA hopes to establish a merit program for the Trades Council personnel and will work with the union towards that goal.

Recommendation

Approve Resolution 2012-12-19(3) authorizing THA to implement its new variable pay program in substantially the form set forth in the attached draft.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (3)

ADOPTION OF 2013 VARIABLE PAY POLICY

Whereas, The Authority seeks a way to provide incentives for excellent job performance in order to reinforce the type of culture, climate and behaviors that THA needs to be effective;

Whereas, The attached draft Variable Pay policy sets forth the basis on which incentives may be paid;

Whereas, THA and OPEIU have agreed on the terms of this variable pay policy. The parties recognize that this policy covers mandatory subjects of bargaining and thus the content or application of this policy to OPEIU represented employees may be re-opened for bargaining as permitted by applicable law.

Whereas, THA intends to implement the 2013 Variable Pay program with close oversight and analysis of its effectiveness;

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that: The Board adopts the Variable Pay policy in substantially the form set forth in the attached draft, allowing for changes to format and procedures, and other changes pursuant to THA Policy G-01 on the Adoption, Amendment and Promulgation of Policies.

Approved: December 19, 2012

Janis Flauding, Chair



TACOMA HOUSING AUTHORITY

Policy No.	HR-20.35
Policy	Variable Pay
Date	December 9, 2012

1. Purpose

It is the policy of the Agency to maintain a Total Rewards plan designed to pay salaries that provide incentives for excellent job performance. Recognizing the critical role that pay plays in a performance-oriented culture, Tacoma Housing Authority identified the necessity of developing pay programs to support and reinforce the Agency's culture, climate, and behaviors needed for the organization to be effective. The purpose of the Variable Pay plan is to provide a strategic tool to assist the Agency in achieving its goals of providing responsive, innovative housing services in the most efficient and cost effective manner.

The plan has been designed to reward OPEIU and non-represented Agency employees for exceptional performance of assigned responsibilities and outcomes, and exceptional performance in the completion of special projects. THA and OPEIU have bargained over the terms of this policy and have agreed on the content of this policy.

2. Sources for Policy

- ▶ OPEIU Collective Bargaining Agreement
- ▶ Washington State Minimum Wage Act, Chap. 49.46 RCW
- ▶ Fair Labor Standards Act of 1938, 29 U.S.C. § 201 *et seq*

3. Scope of Policy

This policy applies to all employees represented by THA Office and Professional Employees International Union, Local 23 and non-represented employees

4. Who is Responsible for Implementing Policy

Who	Responsibilities
<i>Office of Human Resources</i>	<ul style="list-style-type: none"> • Provide guidelines regarding reward program • Monitor compliance with this policy • Serve as consultants to supervisors and directors in implementing program • Oversee the use of reward programs
<i>Supervisors/Directors</i>	<ul style="list-style-type: none"> • Recommend employees for a variable pay award • Ensure consistent implementation of reward programs within their department in a manner that is consistent with the written guidelines • Help staff understand this policy.
<i>THA Compensation Committee</i>	<ul style="list-style-type: none"> • Final approval or denial of variable pay award request • Ensure consistent application of this policy
<i>All OPEIU and non-represented staff</i>	<ul style="list-style-type: none"> • Responsible for being acquainted with this policy

5. Definitions		
	Merit Increase for Annual Evaluation (MIAE)	A salary increase award of up to two and one-half (2.5%) percent of the annual base salary for any eligible employee whose annual performance evaluation performance has been documented at a level that the Director determines to be excellent work and worthy of recognition
	Special Recognition Award (SRA)	One-time cash or non-cash award for significant outstanding performance

6. Forms Associated with this Policy		

7. Policy

7.1 Variable Pay Guidelines

In order to recognize and promote excellence, two methods of providing variable pay awards will be available. Eligible employees may be nominated for and awarded a Merit Increase for Annual Evaluation (MIAE) based on their performance evaluation score and/or a Special Recognition Award (SRA) based on extraordinary effort and/or results.

The Variable Pay accomplishes several important Agency objectives:

- (a) It makes excellent performance financially worthwhile to the staff. This creates a climate in which excellent performers are encouraged to sustain their performance;
- (b) It communicates to satisfactory performers the importance of improved performance. This creates a climate in which employees understand that superior performance is financially worthwhile and provides encouragement for them to improve their performance where possible to earn financial rewards;
- (c) It provides a pay system that encourages excellence and not mediocrity;
- (d) It communicates to less than satisfactory performers that their performance must improve or they will be encouraged to find employment where their abilities more closely match the performance expectations of the organization.

7.2 Variable Pay Options

7.2.1 Basic Eligibility Criteria

To be eligible for either an MIAE or SRA, an employee must meet all the following criteria at the time of the nomination:

- must have successfully passed Probation and been employed a minimum of one year as a full-time OPEIU or non-represented employee; and
- must be a regular status employee. Sunset and temporary employees are not eligible; and
- must have received at least a “3” Meets Expectations rating on his/her last performance evaluation; and
- must not have received a Disciplinary notice in the past twelve months.

7.2.2 *Merit Increase for Annual Evaluation (MIAE)*

(a) Nomination

The Executive Director or a Department Director may recommend a salary increase award of up to two and one-half (2.5%) percent of the annual base salary for any eligible employee within their department whose performance on their annual performance evaluation has been documented on the THA performance evaluation form at a level that the Director determines to be excellent work.

MIAE's must be proposed on the basis of the completed annual performance evaluation form and must be submitted either simultaneously with, or no later than sixty calendar days following, submittal of the annual performance evaluation that has been discussed with the employee.

(b) Eligibility Date Change

The date for MIAE eligibility for an employee will change only if the employee is promoted or otherwise assigned to another position and is required to serve a probationary period; or the employee receives an off-cycle adjustment as authorized by the Compensation Committee.

(c) MIAE Limits

The amount of any increase is variable based on the employee's position in their pay grade and level of performance. Generally, the higher in the pay grade an employee is, the smaller the percentage of increase for a specific level of performance. Additionally, since each pay grade has a maximum base salary, an employee who is at the top of the pay grade will only be eligible for a lump sum award paid in lieu of a future increase.

The MIAE will be paid as an increase in the base salary rate up to the maximum rate for the position, except as provided herein. That portion of an MIAE that would exceed the maximum rate for the

position will be awarded as a one-time lump sum payment paid in lieu of a future increase.

Merit Increase Evaluation Awards must be funded from the department's Variable Pay budget.

In no event will an employee receive more than one MIAE in a calendar year.

7.2.3 *Special Recognition Award (SRA)*

(a) Nomination

The Executive Director or the Department Director may recommend a lump sum Special Recognition Award. The recommendation can be up to one (1%) percent of the annual base salary for any eligible employee within their department for extraordinary effort and/or results from an assigned project or following a period of excess work demands within a department.

This SRA will not be incorporated into an employee's base pay for the purposes of computing overtime/compensatory time accruals unless required by FLSA, but will remain a separate, one-time recognition of contribution or innovative ideas put to practice in the organization. An employee may be recommended for such an award for:

- A project or work product that is specific and identifiable with both start and end dates.
- A project or work product assignment that may be interdepartmental, with an assigned "total award" which is shared equally by all members of the task group.
- A demonstrated level of creativity, skill, or conscientiousness that is beyond that normally expected for the position.
- Individual contribution or leadership without which the project or program results would not have been achieved, and which are beyond what is normally expected for the position.
- Innovation or conscientiousness that may have resulted in substantial savings or reduced costs or significantly improved service to an internal or external customer.

The Department Director may request Special Recognition Awards for staff within their department, either individually or as a group, in a manner that outlines the circumstances and the performance that merits the award.

Eligibility for this SRA program is part of the Total Rewards plan for each eligible employee during the applicable period of service. An employee who receives an SRA has thereby satisfied this portion of the Total Rewards plan by the employee's extraordinary work or effort during that period.

The following are not reasons to give a Special Recognition Award:

- Labor market issues
- Longevity
- An employee in an acting status

An SRA under this section shall be provided as a one-time lump sum amount to be added to the employee's paycheck at the next possible payroll cycle following approval of the award.

Lump sum SRA's may be given any time during the year.

(b) SRA Limits

Special Recognition Awards must be funded from the department's performance awards budget.

In no event will an employee receive more than two SRA's in a calendar year.

7.2.4 Compensation Committee

The Compensation Committee will approve or deny all Merit Increases for Annual Evaluations and Special Recognition Awards proposed by department directors. The decision to approve or deny is final. In addition to the performance criteria within this section, the Compensation Committee's decision to approve or deny will consider:

- 1) The department's ability to fund the award within the department's established budget;
- 2) The total number and cost of performance based salary awards given or contemplated by the department during the year;
- 3) Equity between departments;
- 4) Fairness to employees; and
- 5) The overall fiscal status of the Agency.

7.2.5 HR and Executive Director Oversight

The HR Director or the Executive Director may overturn or modify a decision of the Compensation Committee.

7.3 No Right to MIAE or SRA.

There is no right to either an MIAE or a SRA. The awarding or withholding of either is within the discretion of THA. An award also does not guarantee continued employment, further awards or other consideration.

While THA intends the plan will become an integral part of its Total Rewards plan for OPEIU and non-represented employees, the Agency reserves the right to terminate, suspend, or amend the plan, in whole or in part, from time to time as conditions warrant.

8. Administration

8.1 Administration

The plan will be administered by the Compensation Committee under the supervision of the HR Director. The plan is designed to be flexible in response to changing competitive environments and the Agency's financial status.

8.2 Fiscal Impact

The Variable Pay plan's net cost to the non-represented payroll will be evaluated and established annually as part of the budget process. The Variable Pay plan's net cost of the OPEIU payroll is negotiated through the collective bargaining process. The percentage amount established is based on projected base salaries for the calendar year.

8.3 Leave and Lay-Off Considerations

An employee returning from a leave of absence without pay will have their eligibility date extended by the same length of time (to the nearest whole month) that the employee was on leave without pay. An employee reinstated to the same position or a position in the same grade following layoff from employment will have their eligibility period extended by the same length of time (to the nearest whole month) as the duration of their layoff, to a twelve month maximum. An employee who has an involuntary downward job movement will have their eligibility date change to the effective date of the new job.

8.4 Collective Bargaining

THA and OPEIU have agreed on the terms of this variable pay policy. The parties recognize that this policy covers mandatory subjects of bargaining and thus the content or application of this policy to OPEIU represented employees may be re-open for bargaining as permitted by applicable law.

RESOLUTION #4



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (4)

DATE: December 19, 2012
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Approval of tenant account receivable write offs

Background

THA has established a process of writing off tenant accounts receivable that are bad debts. THA incurs this bad debt when a program participant leaves the public housing or Housing Choice Voucher program owing a balance. The balance may result from excessive damage to a public housing unit, unpaid rent, tenant fraud/unreported income or abandonment of an assisted unit. There are also instances where a property owner receives overpayment of rental assistance payments and does not repay THA for the excess.

Until we write off tenant accounts receivable balances as a bad debt, these balances stay on the active tenant ledger in our accounting system and General Ledger (GL). The receivable balance also remains as part of our tenant receivables that are reported to HUD in our year-end financials. Once we write off the debt, we remove it from THA's receivable balance and we assign the debt to the collection agency for collection purposes. THA receives 50% of any proceeds that the collection agency may recover.

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

We will not assign some accounts included in this resolution sent to collections because the tenants have passed away, the debt is too old or the accounts have very low balances. Those accounts are listed separately in the attached resolution.

Recommendation

Approve Resolution 2012-12-19 (4) authorizing THA to write off tenant accounts totaling \$90,159.97.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (4)

APPROVAL OF TENANT ACCOUNT RECEIVABLE WRITE OFFS

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

WHEREAS, Tacoma Housing Authority (THA) provided housing assistance payments to property owners in excess to the amount the owner is entitled to receive and the owner has not repaid this amount to THA.

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

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

1. Approve Resolution 2012-12-19 (4) authorizing THA staff to “write off” the following accounts and send these debts to an external collection agency action:

Debt to be Written off and sent to Collections		
Project	Client #	Balance
M St. Apts.	000195	\$241.96
	140868	\$822.58
	Subtotal	\$1,064.54
G St. Apts.	144217	\$1,470.10
Fawcett Apts.	00000508	\$38.37
Wright St. Apts.	146508	\$199.33
6th Ave Apts.	132391	\$75.20
Hillside Terrace Apts.	143550	\$1,469.65
	144265	\$153.45
	143077	\$75.42
	142604	\$26.87
	134565	\$4,945.65
	Subtotal	\$6,671.04
Scattered Sites	131318	\$959.47
	127854	\$95.61
	143390	\$2,804.81
	116868	\$220.14
	115412	\$1,929.87

Subtotal		\$6,009.90
<hr/>		
Alaska Homes	XX001209	\$542.13
Stewart Court Apts.	XX000197	\$2,091.52
	XX000242	\$1,119.31
	XX000918	\$2,380.08
	XX000998	\$2,207.15
	XX000883	\$2,591.94
	XX000240	\$975.50
	XX001212	\$1,456.45
	XX000861	\$3,861.64
	XX000702	\$292.09
	xx001053	\$193.00
	XX000266	\$3,501.31
	XX000984	\$2,585.80
	XX000684	\$337.28
Subtotal		\$23,593.07
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Salishan 7	XX001011	\$4,364.30
Section 8	714917	\$952.00
	121095	\$182.00
	716048	\$5,156.00
	712677	\$717.00
	210681	\$2,160.00
	715086	\$8,064.00
	140840	\$3,280.00
	716825	\$906.00
	715146	\$1,652.00
	716145	\$2,250.00
	716874	\$1,450.00
	714835	\$1,019.00
	110450	\$502.00
	716190	\$758.00
	715190	\$2,717.00
Subtotal		\$31,765.00
<hr/>		
Agency Recievables	vwoodard	\$350.00
	danderson	\$350.00
	pccdr	\$1,000.00
Subtotal		\$1,700.00
Debts sent to Collection		\$77,492.98

2. Approve Resolution 2012-12-19 (4) authorizing THA staff to “write off” the following accounts and take no further action:

Write off debt and take no further action		
Old Salishan	127588	\$414.82
	125999	\$361.88
	127807	\$223.01
	131937	\$418.51
	135893	\$1,755.05
	130099	\$476.97
	131080	\$1.88
	144516	\$1,403.61
	127551	\$261.97
	129903	\$1.68
	142548	\$109.91
	139932	\$297.98
	102683	\$2,101.72
	118066	\$385.26
	135140	\$1,563.54
	138594	\$275.29
	107614	\$1,552.75
		<i>\$11,605.83</i>
6th Ave Apts.	136851	\$125.13
	115807	\$90.00
		<i>\$215.13</i>
M St. Apts.	130848	\$183.04
	140887	\$461.01
		<i>\$644.05</i>
Wright St. Apts.	138768	\$93.59
	112989	\$108.39
		<i>\$201.98</i>
<i>Debts not sent to collections</i>		<i>\$12,666.99</i>

Approved: December 19, 2012

Janis Flauding, Chair

RESOLUTION #5



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (5)

DATE: December 19, 2012
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Project Based Voucher Contract Approval

Background

On August 6, 2012, THA issued a Request for Proposals for up to 110 project-based vouchers. THA has also set aside 46 of these vouchers for THA's own Hillside Terrace Phase 1 project. Under THA's Moving to Work authority, we may award this property project based vouchers without going through a competitive process.

THA received four responses for the remaining 64 vouchers. Proposals were scored based on:

- Owner experience
- Extent to which services for special populations are provided onsite
- Extent to which the project further THA's goal of de-concentrating poverty and expanding housing and economic opportunities
- Overall project viability
- Percentage of assisted units in the property—the lower the percentage the higher the score
- Additional points were awarded for projects serving households below 30% AMI, working households and serving special needs populations.

There was an opportunity for respondents to score up to 460 points (115 per reviewer).

Below is a list of the respondents and their respective scores awarded by a review committee of THA staff. The committee recommends awarding the top two requests for a total of 58 vouchers:

Respondent	Project Name	Brief Project Description	Request	Score
Mercy Housing	New Tacoma 2	A new 40 unit development for senior residents with case management and resident services provided on-site.	8 vouchers	359

Respondent	Project Name	Brief Project Description	Request	Score
Catholic Community Services (CCS)	Nativity House	A newly developed day and night shelter for homeless adults, kitchen facilities to serve meals three times per day, and 50 units of permanent supportive housing. CCS is requesting PBVs for the 50 units of permanent supportive housing.	50 vouchers	245
MDC	Randall Townsend	A 35 unit acquisition/rehab project to provide permanent supportive housing with 24 hour support services on-site.	20 vouchers	226
Korean Women's Association	Olympus Hotel	A 49 unit existing building that serves low-income households in downtown Tacoma. KWA is requesting vouchers to cover existing operating deficits.	11 vouchers	202

The top two projects were the most viable and most in line with THA's strategic mission, vision and values.

The committee is recommending to leave the six (6) unawarded vouchers "on the shelf" until a later time. We hope to use these vouchers in the future to spur market rate development and secure affordable units in properties that would be otherwise unaffordable to THA's customers.

With the approval of this resolution, I will begin negotiating contracts with Mercy Housing and Catholic Community Services. The contract terms will be up to fifteen (15) years. As discussed during the budget process, neither an Agreement to Execute a Housing Assistance Payment (AHAP) nor Housing Assistance Payment (HAP) contract will be executed until the FFY 2013 funding clarifies (especially sequestration) and we have confidence that THA will have adequate funds in the future to honor these contracts. However, we would like to issue tentative award letters to close the RFP process.

This resolution will also allow me to execute an AHAP and HAP contract on behalf of Hillside Terrace Phase I, LLC to place 46 project based vouchers in the redeveloped Hillside Terrace Phase I. The AHAP contract will be executed immediately in order to complete the financial closing for this development.

Recommendation

Approve Resolution 2012-12-19 (5) authorizing the Executive Director to execute Agreement to Execute a Housing Assistance Payment (AHAP) and/or Housing Assistance Payment (HAP) contracts with Mercy Housing, Catholic Community Services and Hillside Terrace Phase I LLC.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (5)

PROJECT BASED VOUCHER CONTRACT APPROVAL

WHEREAS, Tacoma Housing Authority (THA) has held a competitive process for project based vouchers;

WHEREAS, Mercy Housing's New Tacoma 2 was the highest scoring respondent and should receive eight (8) project based vouchers;

WHEREAS, Catholic Community Housing's Nativity Housing was the second highest scoring respondent and should receive fifty (50) project based vouchers;

WHEREAS, Hillside Terrace Phase I was not required to compete for vouchers and will receive 46 project based vouchers;

WHEREAS, the effective date and terms of each contract will be up to the discretion of the Executive Director except no contract term will exceed fifteen (15) years;

WHEREAS, THA will negotiate each contract separately with the requesting organization.

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

Approves Resolution 2012-12-19 (5) authorizing the Executive Director to negotiate and if those negotiations are successful to execute Agreement to Execute a Housing Assistance Payment (AHAP) and/or Housing Assistance Payment (HAP) contracts with Mercy Housing, Catholic Community Services and Hillside Terrace Phase I LLC.

Approved: December 19, 2012

Janis Flauding, Chair

RESOLUTION #6



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (6)

DATE: December 19, 2012
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Emergency Mitigation Services Contract Approval

Background

On November 5, 2012, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) from firms interested in providing Emergency Mitigation Services that included Hazardous Materials (lead based paint, mold and asbestos), Bio-Hazardous Materials cleanup (unattended death and trauma), Drugs (meth) and Smoke Water and Fire cleanup (from fire damage, water leaks and breaks) for all of THA properties. The work consists of these four (4) services. The scope of work for all services is to include testing, abatement and returning unit to "re-occupancy ready status".

The RFP was posted on the WEBS (Washington Electronic Business Solutions) website on November 5, 2012.

The staff developed the scope of work, with consultation with the Tacoma Pierce County Health Department (TPCHD) and the Environmental Health Department. Representatives for both agencies reviewed the scope of work and attended the pre-submittal conference to answer any questions posed by the respondents. Eight (8) firms attended the pre-submittal conference. Two (2) proposals arrived by the November 27, 2012 deadline.

There was an opportunity for respondents to score up to 240 points.

Below is a list of the respondents and their respective scores:

Respondent	Score
Rainbow International, LLC	210
AMEC	159

The review committee recommends awarding the contract to Rainbow International, LLC and their subcontractors. At least one subcontractor is a Woman Owned Business. The funds for this contract will come from insurance claims and the agency budget.

Recommendation

Approve Resolution 2012-12-19-(6) authorizing the Executive Director to award a Contract for the Emergency Mitigation Services for all THA properties in an amount not-to-exceed \$250,000.00 to Rainbow International, LLC.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (6)

EMERGENCY MITIGATION SERVICES

WHEREAS, On November 5, 2012, Tacoma Housing Authority (THA) Staff issued a Request for Proposals (RFP) from firms interested in providing emergency mitigation services (hazardous materials, bio hazardous materials, drug cleanup and rebuild and fire, smoke and water cleanup for all THA properties;

WHEREAS, The RFP was posted on WEBS (Washington Electronic Business Solutions) websites on November 5, 2012;

WHEREAS, Two (2) firms' submitted proposals by the deadline, November 27, 2012;

WHEREAS, oral interviews were conducted as a final part of the procurement process and to determine contract award; and

WHEREAS, Rainbow International, LLC was the highest scoring responsive bidder.

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

1. Approve Resolution 2012-12-12 (6) Allowing the Executive Director to negotiate and if those negotiations are successful to award a contract to Rainbow International, LLC in the amount not-to-exceed \$250,000.00 for Emergency Mitigation Services.

Approved: December 19, 2012

Janis Flauding, Chair