



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**June 27, 2012**



# TACOMA HOUSING AUTHORITY

Michael Mirra  
Executive Director

## BOARD OF COMMISSIONERS

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

## Regular Meeting BOARD OF COMMISSIONERS

**WEDNESDAY, June 27, 2012**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular meeting on **Wednesday, June 27, 2012 at 4:00 PM**

The meeting will be held at:

**6<sup>th</sup> Avenue Apts.  
2306 – 6<sup>th</sup> Avenue  
Tacoma, WA 98403**

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.

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I, Christine Wilson, certify that on or before Friday, June 22, 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*

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Christine Wilson  
Executive Administrator



# TACOMA HOUSING AUTHORITY

**AGENDA  
REGULAR MEETING  
BOARD OF COMMISSIONERS  
JUNE 25, 2012, 4:00 PM  
2302 – 6<sup>TH</sup> AVENUE**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
  - 3.1 Minutes of May 23, 2012 Regular 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 2012-6-27 (1), THA's 2012 Moving to Work Plan
  - 8.2 2012-6-27 (2), will not be presented this month
  - 8.3 2012-6-27 (3), Hillside Terrace Phase I Lender & Tax Credit Investor Selection
  - 8.4 2012-6-27 (4), Fiscal HAP Projections for the Agency
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION**

Update on the THA proposals given to OPEIU for our contract negotiations
- 11. ADJOURNMENT**

# MEETING MINUTES



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, May 23, 2012

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 5420 South Stevens, WA on Wednesday May 23, 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 4:06 PM.

### 2. ROLL CALL

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

Present	Absent
Janis Flauding, Chair	
Arthur C. Banks, Commissioner (via phone at 4:25 PM)	Greg Mowat, Vice Chair
Stanley Rumbaugh, Commissioner	Ken Miller, Commissioner
<b>Staff</b>	
Michael Mirra, Executive Director	Ken Shalik, Finance Director
Christine Wilson, Executive Administrator	
April Black, REMHS Director	
Barbara Tanbara, Human Resources Director	
Nancy Vignec, Community Services Director	
Walter Zisette, RED Director	
Duane Strom, Finance Manager	

Chair Flauding declared there was a quorum present @ 4:07 PM.

Chair Flauding announced to the board that THA's Executive Director Michael Mirra was named the Pacific Northwest Regional Council of NAHRO 2012 Advocate of the Year. Congratulations to Michael.

### 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, April 25, 2012. Commissioner Rumbaugh moved to adopt the minutes, Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

**4. GUEST COMMENTS**

None

**5. COMMITTEE REPORTS**

Real Estate Development Committee – Commissioner Rumbaugh reported the RED Committee meetings continue their review and discussions of several opportunities for acquisition of properties in Tacoma.

Finance Committee –No report

**6. ADMINISTRATIVE REPORTS**

**Executive Director**

ED Mirra referred the board to his report and welcomed questions. He added that he recently met with the new City of Tacoma City Manager T.C. Broadnax. The meeting went well.

**Finance**

On behalf of Director Shalik, Finance Manager Duane Strom directed the board to his report. The current financials show an unexpected increase HAP funding from HUD. This is good news.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$3,696,568 for the month of April, 2012. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

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

## **Motion Approved**

### **Real Estate Management and Housing Services**

Director Black directed the board to her report. She discussed her departments re-organization. Discussion ensued related to the Go To Team's primary focus on unit turns. She also reported a temporary landscaping crew has been hired to attend to the landscaping needs at all of our THA properties. Commissioner Rumbaugh inquired if the extra revenue received from the rental properties if we would turn them more quickly would offset the costs of hiring additional maintenance staff that would allow for faster turns. Director Black indicated that she would look at this question and will come back to the board with her staffing cost v. new hire analysis.

### **Real Estate Development**

Director Zisette directed the board to his report. Director Zisette reported on three projects not included in his board report. Staff is working with a non-profit organization based in Lakewood (LASA) that provides supportive services to homeless families to develop a 15-unit homeless family housing project. He reported that this work will earn THA a developer fee that he estimated at \$600,000. It will require THA to contribute about \$100,000 for pre-development costs. The project would reimburse THA for this expense.

Stewart Court is the second project. Staff is working with a consultant to assess Stewart Court's capital needs. This work will develop a Preservation Plan for the property.

The third project is the possible purchase of a 50 unit tax credit property located in Hilltop. Staff is reviewing this project to determine if this is a good fit for THA.

Commissioner Rumbaugh asked about the schedule for the demolition of Old Hillside Terrace. Director Zisette stated that demolition should start in late summer or early fall.

### **Community Services**

Director Vignec directed the board to her report. The Greater Tacoma Community Foundation award THA a \$12,500 "Vibrant Communities Grant" grant. This grant will allow THA to provide clients with a comprehensive continuum of self-sufficiency support, including one-on-one support.

## **7. OLD BUSINESS**

None.

## 8. NEW BUSINESS

### 8.1 RESOLUTION 2012-5-23 (1), WINDOW AND SIDING REPLACEMENT

**WHEREAS,** The Housing Authority of the City of Tacoma (the “Authority”) solicited bids for Window and Siding Replacements;

**WHEREAS,** the timely advertisements for bids were placed in the following publications, websites and dates;

The ITB was published in the Tacoma Small Business Incubator and WEBS government projects website on April 18, 2012; Bid documents were provided to 12 plan centers and the Blue Book website also on April 20, 2012.

**WHEREAS,** (48) companies received the bid package;

**WHEREAS,** Bids were received in the following amounts;

CONTRACTOR NAME	BID AMOUNT	UNIT PRICE #1	UNIT PRICE #2	UNIT PRICE #3	RESPONSIVE BID
Stetz Construction	\$244,323.00	\$6.00/sf	\$65.00/lf	\$210.00/ea	YES
Integrity Construction	NR	NR	NR	NR	NO

**WHEREAS,** Staff determined that the lowest responsive and responsible bidder is; Stetz Construction and

**WHEREAS,** Total financing for the work is from Capital Funds;

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

1. Stetz Construction’s bid for Contract Number WA: 5–AMP6–CFP–04-12 for Window and Siding Replacement at ten properties is fair and reasonable bid
2. The executive director is authorized to negotiate, and if those negotiations are successful, to execute a contract with Stetz Construction in compliance with all bid documentation requirements in the amount of \$244,323.00 plus a Not-to-Exceed contingency of \$45,000.00.

Upon roll call, the vote was as follows:

AYES: 3



NAYS: None  
Abstain: None  
Absent: 2

**Approved: May 23, 2012**

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Janis Flauding, Chair

**8.2 RESOLUTION 2012-5-23 (2), AMENDMENT TO HVAC CONTRACT WITH HOLIDAY-PARKS**

**WHEREAS,** Tacoma Housing Authority procured for routine HVAC maintenance and repair services in January 2011;

**WHEREAS,** the contract was signed in March 2011 and were for a duration of one year, with an option for three (3) one year extensions;

**WHEREAS,** the current contract with Holday-Parks, Inc. is a Not-to-Exceed \$100,000;

**WHEREAS,** the accumulative budget from the routine maintenance and additional repairs are near or have exceeding the \$100,000 limit authorized by the Executive Director;

**WHEREAS,** current and future routine HVAC maintenance and repairs services are and will be required by the Housing Authority;

**WHEREAS,** the original contract did not include properties with furnace or boiler repair; and

**WHEREAS,** the Holday-Parks, Inc. contract must be amended to add furnace and boiler routine maintenance and repairs and to increase the contract by \$150,000.

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

1. The Executive Director be authorized and directed to amend Holday-Parks' contract to add the additional Scope of Work and increase the Contract \$150,000.00, making the total Contract amount \$250,000.00.

Upon roll call, the vote was as follows:

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

**Approved:** May 23, 2012

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

**9. COMMENTS FROM COMMISSIONERS**

**10. EXECUTIVE SESSION**

None

**11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 5:30 PM.

**APPROVED AS CORRECT**

**Adopted:** June 27, 2012

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

Finance Committee  
*Commissioner Mowat*

Real Estate and Development Committee  
*Commissioner's Miller and Rumbaugh*

# ADMINISTRATION REPORTS

# EXECUTIVE DIRECTOR REPORT



# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

Date: June 20, 2012  
To: THA Board of Commissioners  
From: Michael Mirra, Executive Director  
Re: Executive Director's Report:

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

## **1. SOME NEWS FROM WASHINGTON, D.C.**

April and I spent most of last week in Washington D.C. attending the quarterly meeting of the Council of Large Public Housing Authorities (CLPHA). I also visited with congressional staff and one of our nonprofit prospective partners. It was a good visit.

### **1.1. Congressional Funding Proposals**

Congress is presently writing the federal budget for FFY 2013. This made the budget one of the main topics of the CLPHA conference. The President and the appropriations committees of the Senate and House have all issued a version of a HUD budget. I attach a chart comparing these proposals with CLPHA's recommendation and with the funding levels from 2011 and 2012.

You will note that the proposals from the President, the House and the Senate are not that far apart in the funding they would provide for the mainline programs of public housing and the voucher program. We must also note that the public housing budget under any of the proposal would still be well below 100% of what it takes to run the portfolio. At least even the lowest of these proposals is not as dire as some earlier proposals from some congressional leaders.

Clearly, this budget has a long way to go to passage. Note the following uncertainties:

- All programs, civil and military, still face deep automatic cuts resulting from last year's budget deal. If Congress does not amend that deal then those cuts will take effect in 2013.
- Congress must also raise the debt limit again this year. That may provoke some additional budget adjustments as it did last year.

- People who study these matters seem sure that Congress will not pass a budget before the November election and probably not until the new Congress convenes in January 2013. That means two things. **First**, the new budget will very much depend on the election results. **Second**, without a budget by October 1<sup>st</sup> Congress will have to pass a continuing resolution (CR) to keep the government open. A “clean” CR, without any specifics, carries over the funding levels from the prior year. That would be a serious problem. Last year’s public housing appropriation included a \$750 million cut. The purpose of that cut was to sweep reserves. HUD and Congress assured us last year that this was a one-time sweep. Yet a “clean” CR would repeat it for 2013. Similarly, last year’s appropriation for voucher administration fees was a serious cut. We would not wish a CR to repeat that in 2013.

#### **1.2. Proposal to “Sweep” MTW Reserves**

You may recall our previous discussion of a HUD proposal this year to sweep the reserves of MTW agencies. That was the main topic of our meetings in DC with Congressional staff. This proposal was coming at us as a provision in the 2013 budget and as a provision in a separate bill to reform the voucher program. We learned that the budget committees removed the provision from both the House and Senate versions of the budget. We also learned some encouraging news about the provision in the voucher reform bill. I will share details at the board meeting.

#### **1.3. Meetings with Congressional Staff**

I also visited with Senator Murray’s staff newly assigned to housing issues. Her long time housing staff person, Travis Lumpkin, has left her office. We will miss him. I had the pleasure of meeting Shawn Bills and Lauren Overman of her office who will take over Travis’s housing responsibilities.

#### **1.4. Matched Savings Account For Salishan Children Project**

You may remember our plans for a matched savings account program for the children of Salishan. We are seeking funds to allow us to engage expert services to design, raise funds and evaluate such a project. The likely partner to provide this expertise is the Corporation for Enterprise Development (CFED). CFED is a premier source of expertise and data on such programs. It also is very well connected with sources of possible funding.

While I was in D.C., I met with CFED’s executive director and staff, and in separate discussions I met with the executive directors of the Seattle Housing Authority (SHA) and the King County Housing Authority (KCHA). SHA and KCHA would like to join THA in planning such programs. This collaboration would allow us to split some of the planning expenses. It will also allow us to join forces in fund raising. CFED also

reported that it has found a funder willing to fund much of the planning expenses if the three PHAs collaborated. All this was very encouraging. We will be exploring the details of this collaboration over the next few months.

## **2. LIVELY TIMES AT THA**

THA staff are very busy. That is not unusual. In general, they always work hard with a focus and a mission that is inspiring. The following is a sample of some of their notable work these days:

- reorganization of the property management teams
- working through an unusually number of vacancies arising from voucher turnover, a spate of evictions and a flurry of transfers
- building the asset management function
- collective bargaining
- employee benefits planning
- annual audit
- preparing for the board's mid-term budget review
- Hillside Terrace redevelopment
- remodeling of the L Street building
- Salishan campus core planning
- renegotiating the Salishan Citibank loan
- THA's Education Project
- rebuilding our community services client data base
- ongoing administration of nearly 4,000 vouchers

In addition to this baseline work, staff are also very busy planning on changing how THA does its work and provides its services. The board has approved many of these changes and proposals for other approvals are heading its way. Here is a list of some of the notable work of this sort:

- strategic planning and choice of performance measures
- redirecting voucher money into rapid rehousing and other programs serving homeless families, homeless youth and persons with special needs
- changing the voucher program to one with rent tiers and time limits
- proposal to ban smoking in THA's portfolio
- LASA redevelopment, which is THA's first development business for a customer
- MLK corridor planning

This work makes THA a lively and innovate housing authority. I so admire the staff whose efforts make this possible.



### **3. WASHINGTON STATE QUALITY AWARD PROGRAM**

In 2010, THA applied to receive a “lite” assessment from the Washington state Quality Award Program. This is Washington State’s version of the Malcolm Baldrige Criteria for Performance Excellence. We did this for two reasons. We thought this exercise would be a good companion to the strategic planning we are undertaking. We also earned an extra point in our application for tax credits for Hillside Terrace.

Staff worked hard to get the most from this experience. We had the benefit of guidance and advice from a talented consultant.

I sent the board a copy of our application. We have now received WSQA’s assessment. I enclose a copy. In general, we did well for a first time applicant. The identification of our strengths should be familiar to us. The recommendations for improvement are also familiar. I am reassured that much of the work is already underway.

### **4. MISCELLANEOUS**

#### **4.1. Letter from McCarver Parent**

I attach a nice letter we received from a parent participating in our McCarver Elementary School Program. We have her permission to share it in this way.

#### **4.2. Deputy HUD Secretary to Visit THA**

We learned that Maurice Jones, the Deputy Secretary of HUD, will visit THA on July 23<sup>rd</sup>. He is coming with other HUD officials from D.C. and Seattle. He wants to hear about THA’s Education Project and the McCarver Elementary School initiative in particular. He also wants to see New Salishan. The Mayor, people from the Gates Foundation, the school district and Building Changes will help us host him.



**Strengthening Neighborhoods.  
Improving Lives.**

June 5, 2012

**Council of Large Public Housing Authorities**  
455 Massachusetts Avenue, NW Suite 425  
Washington, D.C. 20001-2621  
Executive Director: Susan Zakerman  
phone: 202.638.1300 | fax: 202.638.2364  
web: www.clpha.org

### Comparative Funding Chart for FY 2013

	FY2011 Final	FY 2012 Final	FY 2013 CLPHA Request	FY 2013 HUD Request	FY 2013 S. 2322 - Draft (4-19-12)	FY 2013 HR XXXX - Draft (6-5-12)
<b>Operating Fund</b>	\$4.626 billion	\$3.962 billion	\$5.056 billion	\$4.524 billion	\$4.591 billion	\$4.524 billion
<b>Capital Fund</b> [Emergency Capital Needs] [Resident Opportunity and Supportive Services] [Jobs Plus]	\$2.044 billion [\$20 million] [\$50 million] [n/a]	\$1.875 billion [\$20 million] [\$50 million] [n/a]	\$5.021 billion [as needed] [\$55 million] [n/a]	\$2.070 billion [\$20 million] [\$0] [\$50 million] <sup>4</sup>	\$1.985 billion [\$20 million] [\$50 million] [\$15 million]	\$1.985 billion [\$20 million] [\$50 million] [\$0]
<b>Housing Choice Voucher Renewals</b>	\$16.7 billion	\$17.242 billion	\$18.06 billion	\$17.238 billion	\$17.495 billion	\$17.238 billion
<b>HCV Administrative Fees</b>	\$1.45 billion	\$1.35 billion	\$1.807 billion	\$1.575 billion	\$1.575 billion	\$1.575 billion
<b>VASH Vouchers</b>	\$50 million	\$75 million	\$75 million	\$75 million	\$75 million	\$75 million
<b>Section 8 Family Self Sufficiency Program</b>	\$60 million	\$60 million	\$60 million	\$0	\$60 million	\$60 million
<b>Consolidated Family Self Sufficiency Program for Sections 8 &amp; 9</b>	n/a	n/a	n/a	\$60 million <sup>5</sup>	\$0	\$0
<b>Tenant Protection Vouchers</b>	\$110 million	\$75 million	Fully Fund	\$75 million	\$80 million	\$75 million
<b>HOPE VI</b>	\$100 million [\$65 million] <sup>1</sup>	\$0	\$300 million	\$0	\$0	\$0
<b>Choice Neighborhoods Initiative</b>	\$0	\$120 million [\$80 million] <sup>2</sup>	\$0	\$150 million	\$120 million [\$80 million] <sup>2</sup>	\$0
<b>Rental Assistance Demonstration</b>	\$0	\$0 <sup>3</sup>	\$40 million	\$0	\$0	\$0

<sup>1</sup> Funds the Choice Neighborhoods Initiative from the HOPE VI allocation.

<sup>2</sup> Not less than this amount shall be awarded to public housing authorities.

<sup>3</sup> A Rental Assistance Demonstration Program was authorized with no funds appropriated.

<sup>4</sup> A new Jobs Plus initiative is proposed in FY13.

<sup>5</sup> A new consolidated FSS program for public housing and Section 8 is proposed in FY13, with no new funding for ROSS or the Section 8 FSS programs.



# **2012**

# **Washington State Quality Award**

## **Tacoma Housing Authority Lite (Assessment) Feedback Report**

This document provides a Lite (Assessment) Feedback Report for the Tacoma Housing Authority. Used in conjunction with the Criteria for Performance Excellence and Scoring Guidelines, this feedback report is the conclusion of the application process.

April 28, 2011

Michael Mirra  
Executive Director  
Tacoma Housing Authority

Dear Mr. Mirra:

Congratulations for taking the Washington State Quality Award challenge! We commend you for utilizing the Baldrige Criteria for Performance Excellence to help your organization improve and mature. Your completed application and use of the Baldrige Criteria demonstrate your organization's commitment to performance excellence.

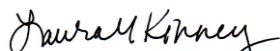
This feedback report was prepared for your organization by members of the Washington State Quality Award Board of Examiners in response to your application for the Washington State Quality Award. It presents an outline of the scoring for your organization and describes areas identified as strengths and opportunities for improvement. The report contains the Examiners' assessments about your organization and is not intended to prescribe a specific course of action. Please refer to "Preparing to Read Your Feedback Report" and "Considerations for Reviewing Small Organizations" for further details about how to use the information contained in your feedback report.

We are eager to ensure that the comments in the report are clear to you so that you can incorporate the feedback into your planning process to continue to improve your organization. Hopelink's Executive Briefing is currently scheduled for March 8<sup>th</sup> at 10:00 a.m. WSQA will be represented by the Examination Process Mentor, Richard Allen, and a member of the Panel of Judges, Grace Henley. Examiners have also been invited to attend the meeting. The briefing will be your opportunity to ask questions and to understand the examination process.

The feedback report is not your only source for ideas about organizational improvement. Current and previous Award recipients can be potential resources on your continuing journey to performance excellence. An Award recipients' contact list may be found at [www.baldrige.nist.gov/Contacts\\_Profiles.htm](http://www.baldrige.nist.gov/Contacts_Profiles.htm) or at [www.wsqa.net](http://www.wsqa.net).

Thank you for your participation in the Washington State Quality Award process. Best wishes for continued success with your performance excellence journey.

Sincerely,



Chair, Panel of Process and Examiner Development  
Washington State Quality Award

Enclosures

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# Preparing to Read Your Lite (Assessment) Feedback Report

*Your feedback report contains Washington State Quality Award Examiners' assessments that are based on their understanding of your organization. They have provided comments on your organization's strengths and opportunities for improvement relative to the Baldrige Criteria. The feedback is non-prescriptive. It will tell you where Examiners think you have strengths to celebrate and where they think improvement opportunities exist. The feedback will not say specifically how you should address these opportunities. The specifics will depend on what you decide is most important to your organization. Applicant organizations read and use feedback comments in different ways. We've gathered some tips and practices from prior applicants for you to consider.*

- Prepare to benefit from the feedback process. You applied to get the feedback. Read it, take time to digest it, and read it again.
- Remember that you should not view your score on a normal scoring curve. The majority of organizations overall scores for a Full application are in the 0-300 point range (0-30%). Industry leaders score in the 400-600 point range (40-60%) and role model organizations are in the 700-1000 point range (70-100%). A two-year study of average national applicant scores ranged from 19-49% at the item level. Remember also that you are responding to the Lite (Assessment) Criteria, thus the potential point range is limited to the 500-650 (50-65%) range.
- Please keep in mind that high performing organizations often spend several years within the same band. When reviewing a second feedback report we encourage you not to become discouraged if you have not increased scoring bands, but rather to focus on both your new strengths and opportunities.
- Especially note comments in **boldface type**. These comments indicate particularly important observations - those the Examiner Team felt had substantial impact on your organization's performance practices, capabilities, or results (either a strength or opportunity for improvement) and, therefore, had more influence on the team's scoring of that particular item.
- You know your organization better than the Examiners know it. There might be relevant information that was not communicated to them or that they did not fully understand. Therefore, not all of their comments may be equally accurate.
- Although we strive for "perfection," we do not achieve it in every comment. If Examiners have misread your application or misunderstood your organization on a particular point, don't discount the whole feedback report. Consider the other comments and focus on the most important ones.
- Celebrate your strengths and build on them to achieve world-class performance and a competitive advantage. You've worked hard and should congratulate yourselves.
- Use your strengths comments to understand what the Examiners observed you do well and build upon them. Continue to evaluate and improve the things you do well. Sharing those things you do well with the rest of your organization can speed organizational learning.
- Prioritize your opportunities for improvement. You can't do everything all at once. Think about what's most important for your organization at this time and decide which things to work on first.
- You may decide to address all, some, or none of the opportunities in a particular Item. It depends on how important you think that Item or comment is to your organization.
- Use the feedback as input to your strategic planning process. Focus on the strengths and opportunities for improvement that have an impact on your strategic goals and objectives.

# Considerations for Reviewing Small Organizations

All applicants are reviewed in the context of their individual key factors. In the case of small organizations, size is a significant factor. While an organization's size does not affect the applicability of the Baldrige Criteria, it does need to be factored into the assessment of an applicant's responses in its Washington State Quality Award application. Therefore, Examiners with large-organization frames of reference should be careful not to apply operational and procedural requirements as they review small organization applications.

Some guidelines are given below for understanding the context for reviewing a small organization:

- Small organization applicants are defined as those with 500 or fewer employees. Also noteworthy is the significant difference in resource availability between a 450-person organization and a 50-person organization.
- Social responsibility and community involvement must be viewed in the context of the applicant's size. A large organization might have impacts on a national or international basis; a small organization will frequently focus its involvement on a local community.
- The issues of fiscal and managerial accountability, ethical behavior, and legal compliance are as pertinent to a small organization as they are to a large one, and the responses of management to these issues are equally important. A small organization, however, will necessarily address these issues in the context of its size, ownership (many are privately held or family-owned), and responsibilities. Good governance practices are still an imperative.
- While large organizations frequently have complex computer/information systems for data management, a small organization (depending upon how small) may perform data and information management with a combination of personal computer- or work station-based data management systems and manual methods.
- Due to limited workforce and funding resources, benchmarking and competitive comparison information in a small organization environment may be based largely on literature/trade association information and comparisons with best practices in the local geographic area.
- In the context a small organization, systems for workforce involvement and process management may rely more on informal verbal communication than on formal written communication and documentation. However, all applicants have the same requirements to demonstrate that their processes are repeatable, can produce the desired results, and are deployed fully and systematically throughout the organization.
- The ability of a small organization to leverage key suppliers, particularly large suppliers, has to be viewed in the context of workforce availability and the volume of business that it does with the supplier.
- The ability of a small organization to obtain customer and market knowledge through independent third-party surveys, commissioned studies, extensive interviews, or focus group techniques is limited by its resources. The important consideration for Examiners is to assess whether the applicant, given its resources, is using appropriate mechanisms to gather and use information to improve its customer and market focus and satisfaction.
- The expectation that large organizations will segment their results data with regard to various customer and workforce segments may require modification in small organizations, depending on the complexity of these groups and the level of resources needed to gather and analyze the data.



## Introduction

By submitting a Washington State Quality Award Lite (Assessment) application, you have differentiated yourself from most State of Washington organizations. We are eager to make your efforts achieve the maximum benefit possible. This feedback report was written for your consideration in accelerating your journey toward performance excellence.

The Board of Examiners has evaluated your application for the Washington State Quality Award Lite (Assessment). Strict confidentiality is observed at all times and in every aspect of the application review and feedback.

This feedback report contains a detailed listing of strengths and opportunities for improvement, and scoring information. Background information on the examination process is also provided.

We encourage you to use the feedback as input to your strategic planning process. As a Washington State Quality Award Lite (Assessment) applicant, you are already a winner in the journey toward performance improvement!



## Details of Strengths and Opportunities for Improvement

### Category 1 – Leadership

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

#### STRENGTHS

- THA sets its vision and values during the annual planning cycle and deploys the results to staff through a variety of communication approaches, including posters in the common area, newsletters, and desk manuals. In addition, each new staff meets with the Executive Director (ED) to review directives. This approach supports employee motivation factors of management effectiveness and communication.
- THA's senior leaders use a systematic two-way communication processes to communicate with the entire workforce. Methods include staff and cabinet meetings, department director meetings, ED meetings with direct reports, Board meetings, Finance Committee meetings and Department Skip meetings. This is consistent with and reinforces the workforce motivation factor of communication.
- THA integrates ethics and values with its performance appraisal and employee orientation processes. For example, ethics are one of the ten job expectations that are evaluated annually for all staff and the Executive Director meets with every new employee to review the organization's values. This is aligned with its value of integrity and employee motivation factor of communication.

#### OPPORTUNITIES FOR IMPROVEMENT

- THA develops its strategic directives following its update of vision and values. However, it is unclear how it systematically integrates its vision and values with its strategic directives. Without a systematic approach, THA may miss opportunities to further its mission or waste resources on efforts that do not further the vision or are inconsistent with its values.
- Systematic approaches to improve its leadership processes are not evident. For example, cycles of learning are not described for the MVV revision and review process, nor for the communication and engagement processes. This could impact THA's ability to ensure consistency with its values and maintain progress toward its vision.
- How ethical behavior is ensured on the part of vendors and contractors is not evident and how THA responds to ethical performance problems is not described. In addition, it's unclear how THA continuously reviews and improves approaches for ensuring ethical behavior. This could compromise its strategic advantages of strong community partnerships and reputation for good management.

## Category 2 – Strategic Planning

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- Eight strategic objectives are devised and reviewed annually using three inputs that include a survey of community partners, facts about business and environment, and consultation with experts and practitioners. The effort is integrated with the annual budget process so that funding reflects strategic choices. A cycle of learning has occurred to include a survey and consultation.
- THA uses an online database that forces alignment of a project or action plans to a strategy. This helps ensure THA is focusing its resources on activities that will further its mission and vision.

### OPPORTUNITIES FOR IMPROVEMENT

- THA shows a clear cascade of activities and responsibilities for strategic planning in Figure 2.1. However, it is unclear what systematic process steps are taken to ensure these activities occur. For example, how THA chooses performance measures is not described. Without systematic approaches, THA may have difficulty determining how the performance measures are chosen for each objective.
- A database supports project development based on strategic objectives. However, beyond staff members choosing action plans and placing them in a database, a systematic approach for deploying action plans is not evident, such as steps that are taken after the action plans are entered. The creation of an approach to deploy action plans may help THA achieve key strategic objectives
- It is unclear if THA's strategic challenges are fully addressed by its strategic planning process. While Figure 2.3 aligns challenges to the strategies, it is not evident how some of those strategies actually address the matched challenge. For example, SC8 challenge is concerned with the need to improve staff professional development. However, it is aligned to a strategy to "Increase services to special needs population." The lack of clear alignment of challenges with objectives could hinder THA's ability to achieve its vision and manage to its mission.
- While a cycle of improvement was mentioned for the creation of strategic objectives, a systematic approach to improvement and learning was not described. Nor was it clear how the improvement approaches in the organization profile are applied to its strategic planning approaches. Creation of a systematic approach to learning may help the THA create a more effective and efficient approach to strategic planning.

## Category 3 – Customer and Market Focus

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- Every other year, customers are surveyed to assess need for services. The feasibility and implementation for new products is determined through a nine-step process (Fig. 3.1) which includes how the idea relates to the mission, vision, strategic objectives, securing funding and deployment of the new service. This aligns with many of THA's strategic objectives such as Building Communities and Assistance.
- There is a four-step process outlined for determining and implementing customer access support mechanisms. In addition, communication mechanisms are listed in Figure 3.2. This supports THA's core competency of customer service.
- Methods listed in Figure 3.3 for determining customer satisfaction and dissatisfaction include needs assessment, public hearings, mystery shoppers, grievance process, project evaluations, focus groups, and information seeking mechanisms. This supports THA's values of service, communication and excellence.

### OPPORTUNITIES FOR IMPROVEMENT

- Figures 3.2 and 3.3 list the key listening and learning mechanisms, along with methods for customers to seek information, conduct business, and receive support. However, neither indicates how these methods are fully deployed to all customers as identified in the organizational profile. This is inconsistent with THA's customer service core competency and could result in missed opportunities to meet objectives related to Assistance, Housing and Real Estate, and Property Management.
- There is limited evidence of systematic learning approaches in several key areas. For example, the product innovation approach is in the early stages and has not experienced cycles of improvement. Communication mechanisms are reviewed annually, but how those are improved systematically is not described, nor are any improvements mentioned. In addition, no improvement approach is mentioned for customer satisfaction determination approaches. Innovation and customer service are core competencies, so improving these processes may enable THA to strengthen and capitalize on core competencies,
- Although Figure 3.3 lists a variety of listening and learning methods for satisfaction and dissatisfaction and how the data may be used, there is no systematic approach presented for the determination of customer loyalty. With the need to compete for higher income customer households, determining customer loyalty may help to improve THA's competitive position.

## Category 4 – Measurement, Analysis and Knowledge Management

Your score in this Criteria Item for State 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- In Figure 4.1, THA documents data selection criteria, data elements, collection method and use. In addition Figure 4.2 lists the data tracking tools that include ERP, Sharepoint, ADP and the Project Database. This supports its strategic advantage of good management.
- Figure 4.3 shows the key metrics for organizational performance, and specifically, work order response times for capability. This data are reviewed weekly by managers and Sr. Leaders and monthly by the Board. This approach is consistent with THA's strategic objective of excellent administration.

### OPPORTUNITIES FOR IMPROVEMENT

- Other than Cash Position at Year End, no long term financial measures are provided, such as portfolio assets valuation. Without a strategic and long term view of finances, THA may struggle to reach its objective of financially sustainable operations and becoming less dependent on program income, especially from the federal government.
- It is unclear if data and information are made fully available to some key stakeholders and customers. For example, Figure 4.4, which outlines data availability, makes no mention of how some stakeholders (such as voucher landlords, funders and investors, and Neighborhoods) gain access to key sources of information. This could compromise THA's core competency of customer service and its strategic advantages of strong community partnerships and reputation for good management.
- While THA deploys a collection of activities to retain organizational knowledge, it is unclear how those efforts are systematic and ensure the information collected is representative of THA's knowledge and that it is available when needed to appropriate staff members. A systematic process may help the THA achieve its strategic objective of excellent administration.
- Cycles of improvement or learning are not evident in any of the measurement systems and processes used by THA. Robust and systematic learning processes in this area may help the THA achieve its strategic objective of excellent administration.

## Category 5 – Workforce Focus

Your score in this Criteria Item for State 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- In Figure 4.1, THA documents data selection criteria, data elements, collection method and use. In addition Figure 4.2 lists the data tracking tools that include ERP, Sharepoint, ADP and the Project Database. This supports its strategic advantage of good management.
- Figure 4.3 shows the key metrics for organizational performance, and specifically, work order response times for capability. This data are reviewed weekly by managers and Sr. Leaders and monthly by the Board. This approach is consistent with THA's strategic objective of excellent administration.

### OPPORTUNITIES FOR IMPROVEMENT

- Other than Cash Position at Year End, no long term financial measures are provided, such as portfolio assets valuation. Without a strategic and long term view of finances, THA may struggle to reach its objective of financially sustainable operations and becoming less dependent on program income, especially from the federal government.
- It is unclear if data and information are made fully available to some key stakeholders and customers. For example, Figure 4.4, which outlines data availability, makes no mention of how some stakeholders (such as voucher landlords, funders and investors, and Neighborhoods) gain access to key sources of information. This could compromise THA's core competency of customer service and its strategic advantages of strong community partnerships and reputation for good management.
- While THA deploys a collection of activities to retain organizational knowledge, it is unclear how those efforts are systematic and ensure the information collected is representative of THA's knowledge and that it is available when needed to appropriate staff members. A systematic process may help the THA achieve its strategic objective of excellent administration.
- Cycles of improvement or learning are not evident in any of the measurement systems and processes used by THA. Robust and systematic learning processes in this area may help the THA achieve its strategic objective of excellent administration.

## Category 6 – Operations Focus

Your score in this Criteria Item for State 2, Consensus Review, is in Band 2. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- Key work processes and key customer/stakeholder and internal requirements are presented in Figure 6.1, along with associated metrics. Key work process requirements are derived from policy or regulations governing the work of the THA. Customer requirements are established through surveying customers every other year. This is supportive of THA's regulatory environment and its role as a public agency.
- Figure 6.1 lists the key performance measures and links them to key processes. Measures are updated annually. Processes are documented by each department, using process-mapping sessions which include input from all staff. Cross-departmental processes are managed by the department with the most oversight. This is consistent with THA's reputation for strong management.

### OPPORTUNITIES FOR IMPROVEMENT

- Figure 6.1 lists work systems and processes, customer and stakeholder requirements and internal requirements. However, it is unclear if THA systematically integrates or leverages its core competencies to successfully manage and support these processes and systems. This could impact THA's ability to address its strategic challenges and make progress toward its vision.
- The staff map processes, but it's not explained how processes are designed and how input from customers, suppliers, partners, and collaborators is systematically included. In addition, the key performance measures shown in Figure 6.1 do not appear to address many of the key customer or internal requirements. For example, Application and Admissions does not have a measure for communication which is a key requirement. This is also evident in safety and timeliness for Inspection; mission-oriented, and communication for Rehabilitation and New Development. Not addressing these may make it difficult for the THA to ensure that the requirement is met and exceeded given the THA is participating in a more competitive market.
- It is unclear if there's a systematic approach to determining key work processes. THA lists several actions taken, but how those actions translate into a repeatable and well ordered approach that uses data and information is unclear. Nor is there any information presented to explain how key work processes contribute to organizational success and sustainability.

## Category 7 - Organizational Results

### 7.1 Product Outcomes

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

#### STRENGTHS

- THA shows sustained positive trends in most areas related to its Rental Housing and Rental Assistance programs. Figure 7.1.1 Income Targeting below 50% AMI exceeds goals for three straight years and Voucher utilization (Fig. 7.1.2) exceeds or meets both goals and requirements for three years. This is consistent with THA's Strategic Objectives of building communities and providing high quality housing.
- THA shows improving trends related to Supportive Service from 2008 through 2010. For example, GED Classes (Fig. 7.1.7) and Life Skills/Parenting (Fig. 7.1.9) both surpass goals and requirements with the latter exceeding goals all three years. This supports THA's mission to help people become self sufficient.

#### OPPORTUNITIES FOR IMPROVEMENT

- Some measures show unfavorable trends or unclear integration with product offerings. For example, Figure 7.1.5 Reasonable Accommodations shows a ratio of denied to approved, but it is unclear how the ratio demonstrates positive or negative performance. In addition, Figure 7.1.4 Work Orders Generated shows a negative trend from Inspection, with work orders increasing from 0 to 563 from 2008 through 2010. This could hinder THA's progress on its Strategic Objectives of property management and building communities.
- There are no comparisons presented for Figures 7.1.1 and 7.1.4 and only HUD or Grant requirements are presented as comparisons on the remaining figures in item 7.1. The use of comparative data beyond regulatory or program requirements could enable THA to gauge its competitive position as compared to for-profit housing, higher income housing, and for competitive program funding.
- Although customer and stakeholder groups are listed in P.1(b)(2), the product data presented are not segmented by any of these groups. Segmenting data by appropriate customer and stakeholder groups may allow the THA to target improvement opportunities and learn from high performing areas.

## 7.2 Customer-Focused Outcomes

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 2. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- THA shows favorable results in a few areas related to Customer Focused Outcomes. Figure 7.1.6 Homeless Families Housed shows sustained levels that exceed goals and expectations for three years. In addition, Units Reinspected for Quality Control (Fig. 7.1.3) show sustained levels that meet HUD requirements from 2008 to 2010. This supports customer requirements of safe, well maintained housing.

### OPPORTUNITIES FOR IMPROVEMENT

- Results are missing for most customer/stakeholder requirements listed in Figure 6.1 (communication, efficiency, fairness, accuracy, safety, client education, competency, timeliness). In addition, there are few results for customer and stakeholder requirements described in P.1(b)(2). This could hinder THA's ability to further its mission.
- THA is missing several measures of importance related to Customer feedback mechanisms such as Mystery Shopper, focus groups, public hearings and grievances. Without measures in these areas, THA risks its core competency of customer services and it may miss opportunities to further its mission and vision.
- Results are missing for most customer/stakeholder requirements listed in Figure 6.1 (communication, efficiency, fairness, accuracy, safety, client education, competency, timeliness). In addition, there are few results for customer and stakeholder requirements described in P.1(b)(2). This could hinder THA's ability to further its mission.



### 7.3 Financial and Market Outcomes

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

#### STRENGTHS

- THA shows positive results in several areas related to financial and market outcomes. For example, Fig. 7.3.6 Costs per Unit and 7.3.7 Annual IT Costs each show three years of decline, with the former down about \$1000 and the latter down nearly \$7 million. In addition Fig. 7.3.8 Cash Position at Year End has grown for three straight years and Unrestricted Reserve Balances rose nearly a \$1 million from 2010 to 2011. This supports THA's strategic objective of financial sustainability and operations.
- Project Rehabilitation Expenditures (Fig. 7.3.1) and Rehabilitation Funding by Source (Fig. 7.3.2) have steadily increased from 2008 through 2010 from \$9,000 to over \$3.3 million. This demonstrates progress toward meeting its strategic objective of housing and real estate development.

#### OPPORTUNITIES FOR IMPROVEMENT

- Some measures show unfavorable results, which could impact THA's financial sustainability and its reputation of good management. For example, Fig. 7.3.5 Construction Management shows four of five construction projects as over budget and Fig. 7.3.9 Operating income, while improved for 2010 is still below 2000 levels with 2009 at nearly \$800,000 and 2010 at about -\$1 million.
- There are no comparisons presented for Figures 7.3.1 through 7.3.10. The use of comparative data could enable the THA to gauge its competitive position for program funding, especially with the strategic challenge that HUD funding will likely decline.
- It is unclear how some measures presented demonstrate financial return, financial viability or budgetary performance. Examples include Figure 7.3.3 New Construction Expenditure and 7.3.4 New Construction Funding. The lack of integrated results in this area could hinder THA's ability to meet its objective of financially sustainable operations.

## 7.4 Workforce-Focused Outcomes

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

### STRENGTHS

- THA shows positive levels and trends in several workforce-focused areas, demonstrating consistency with its strategic advantage of a passionate and talented staff. Fig. 7.4.2 Employee Turnover, while above most comparisons, is steadily declining from 20% to 13% in three years. 7.4.3 Employee Complaints and Grievances is down over three years from 2 to 0 and is meeting goal. Fig. 7.4.4 Separations before Probation Ended is down to 0 in 2010 from a high of 4 in 2009.
- Fig. 7.4.1 Employee Satisfaction shows good levels for Management Skills (86%) and People skills (84%) with both exceeding national norms of just over 80% each. This supports the workforce motivation factors as stated in the organizational profile.

### OPPORTUNITIES FOR IMPROVEMENT

- Some workforce engagement factors are showing unfavorable levels, which could impact THA's ability to meet its strategic challenge of improving leadership and supervisory skills for managers and professional development for staff. For example, Figure 7.4-1 Employee Satisfaction shows overall satisfaction, management effectiveness, and development and recognition as all below goal and comparable norms.
- There are no results presented for workforce capability or training effectiveness. This could hinder THA's ability to track progress in improving the skill level of staff members in customer service and maintenance, along with the need for improved management leadership and supervisory skills.
- There are no comparisons presented for Figures 7.4.3 and 7.4.4. The use of comparative data could enable the THA to gauge its workforce management, and the ability to compete for program funding, especially with the strategic challenge of improved leadership and supervisory skills for management.

## **7.5 Process Effectiveness Outcomes**

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 2. (Please refer to Appendix – Scoring Guidelines).

### **STRENGTHS**

- Fig 7.2.1 Project Scoring is at 5.0 out of a 5.0 scale for the six projects presented. Fig. 7.5.4 Average Days to Process Purchase Request is down from about 16 days to less than a day in three years. While inconsistent, Work Order Response 7.5.2 is well below goal for three straight years. This demonstrates progress to meeting strategic challenges related to operations.

### **OPPORTUNITIES FOR IMPROVEMENT**

- Some measures show inconsistent or poor trends, which could impact THA's ability to maintain its strong reputation for management and innovation. Average Days to Lease Fig. 7.5.1 shows mixed trends and is up overall from 5.2 days to 11.2 days in three years and has missed goal for two years. Fig. 7.5.3 Insurance Claims per Insured Unit has increased steadily from .13 claims per unit in 2009 to 4.94 in 2010.
- There is no segmentation presented by product or customer and stakeholder groups. Segmenting data by appropriate product and customer/ stakeholder groups may allow the THA to target improvement opportunities and learn from high performing areas.
- There are no comparisons presented for Figure 7.5.1, and 7.5.3 through 7.5.5. The use of comparative data could enable the THA to gauge its process management.
- THA provides no measures related to innovation. This could impact its ability to maintain and feasibly improve its strong reputation for management and innovation.

## **7.6 Leadership Outcomes**

Your score in this Criteria Item for Stage 2, Consensus Review, is in Band 3. (Please refer to Appendix – Scoring Guidelines).

### **STRENGTHS**

- THA shows positive and high sustained levels for all measures provided. Fig. 7.6.1 and 7.6.2 PIC Reporting Rate for PH and S8 show sustained high levels that consistently meet goals and HUD requirements. Fig 7.6.3 SEAMAP Scores and 7.6.4 PHAS scores also show sustained high results that far exceed HUD requirements. THA is 90 -100% and requirements are at 60% for all four measures.

### **OPPORTUNITIES FOR IMPROVEMENT**

- Measures are missing in several key areas. Although there is an ethics hotline and ethics is considered a job expectation on annual performance reviews, there are no results presented in these areas. In addition, there are no measures related to leadership's communication strategies. Nor are there measures for strategic objectives, such as choosing development projects in neighborhoods that need investment, increasing services to special needs populations, or reviewing and clarifying policies and procedures. Monitoring these measures may help the THA achieve its value of integrity and fulfill its strategic objectives.
- There are no comparisons presented for Figures 7.6.1, through 7.6.5 beyond HUD requirements and the standard of high performer. THA's ability to measure its performance against comparative organizations may help to target to improvement areas and improve competitiveness.

## **Your Next WSQA Application**

The timing for reapplication to WSQA is an individual organizational decision that is based on how quickly the organization is able to act on their feedback and then gather results from their actions. Many organizations find that a period of 18-24 months is appropriate. Typical considerations for determining the time to reapply include:

- Ability to address a substantial amount of the key findings of the report.
- Ability to demonstrate the results that have occurred from addressing the key findings. Please remember that 45% of the total score is in the results.
- Ability to demonstrate at least one cycle of learning/ improvement within key process changes.

## **Closing Thoughts on Writing a Better Application**

Improvement is the driving force behind the submission of a WSQA application. Examiners are trained to focus on content and ignore editorial issues. By focusing on the creation of feedback that reflects the applicant content versus editorial issues, examiners provide comments that are valuable in helping an organization improve. However, WSQA recognizes that many organizations intend to reapply at some point in the future as a critical component of their improvement process. Additionally, many organizations use all or portions of their applications to communicate with their internal and external stakeholders through numerous mechanisms including web, mailings, meetings, and presentations. The team can share some of their recommendations during the Executive Briefing.

## **Maintaining the Improvement Momentum**

WSQA has seen many strong approaches to maintaining the improvement momentum including:

- Prioritizing the feedback of this report, creating action plans to address the feedback, and holding follow up progression meetings on the action plans. WSQA offers a follow up workshop entitled Turning Feedback into Action to facilitate this process.
- Conducting internal reviews with internal examiners.
- Conducting on-line self-assessment surveys during the non-application years. WSQA offers two types of these surveys.
- Participating in an Improvement Collaborative with other organizations.
- Joining a Round Table group of past WSQA recipients.

Please contact WSQA for more information on these and other methods of maintaining the improvement momentum within your organization.



## **Final Note**

Thank you for taking the quality challenge to pursue the Washington State Quality Award. It is our sincere hope that the feedback provided in this Lite (Assessment) Feedback Report is both reaffirming to your strengths as well as insightful into your operation's opportunities for improvement. Excellence is a journey. We wish you well on your journey to performance excellence. Congratulations!

Sincerely,  
WSQA Application Review Team  
WSQA Board of Examiners

## **Appendix**

By submitting a Washington State Quality Award application, you have differentiated yourself from most organizations. The Board of Examiners has evaluated your application for the Washington State Quality Award. Strict confidentiality is observed at all times and in every aspect of the application review and feedback.

This feedback report contains the Examiner's findings, including a detailed listing of strengths and opportunities for improvement, and scoring information. Background information on the examination process is provided on the following pages.

## Lite (Assessment) Application Review Process

### Stage 1: Independent Review

The application process begins with Stage 1, Independent Review; in which members of the Board of Examiners and/or Judges Panel are assigned to the assessment applications. Assignments are made according to the Examiners' areas of expertise and to avoid potential conflicts of interest. Each application is evaluated independently by Examiners who write comments relating to the applicant's strengths and opportunities for improvement. All applicants go through the Stage 1 evaluation process.

### Stage 2: Consensus Review

Applicants then move forward to Stage 2, Consensus Review. During Stage 2 Examiners conduct a series of conference calls and meetings to reach consensus on comments that capture the team's collective view of the applicant's strengths and opportunities for improvement and the scoring range for each Category. Comments are documented in a consensus scorebook. The consensus process is shown in Figure 1.

Step 1	Step 2	Step 3	Step 4
<b>Consensus Planning:</b> <ul style="list-style-type: none"><li>• Clarify the timeline for the team to complete its work</li><li>• Assign Category/Item discussion leaders</li><li>• Discuss key business/organization factors</li></ul>	<b>Virtual Consensus:</b> <ul style="list-style-type: none"><li>• Review all independent review evaluations - draft consensus comments and propose scores</li><li>• Post consensus review worksheets for the team to review</li><li>• Address feedback, incorporate inputs, and propose a resolution of differences on each worksheet</li><li>• Review updated comments and scores</li></ul>	<b>Consensus Calls:</b> <ul style="list-style-type: none"><li>• Discuss a limited number of issues related to specific comments or scores, and discuss all Key Themes</li><li>• Achieve consensus on comments and scores</li></ul>	<b>Post Consensus Call Planning:</b> <ul style="list-style-type: none"><li>• Revise comments and scores to reflect consensus decisions</li><li>• Prepare final consensus scorebook</li><li>• Prepare feedback report</li></ul>

**Figure 1—Consensus Review Process**



## Scoring Guidelines

### Criteria for Performance Excellence 2010

Band	Process (For Use With Categories 1-6)
1 Not Evident	<ul style="list-style-type: none"> <li>No systematic approach to Item requirements is evident; information is anecdotal. (A)</li> <li>Little or no deployment of any systematic approach is evident. (D)</li> <li>An improvement orientation is not evident; improvement is achieved through reacting to problems.(L)</li> <li>No organizational alignment is evident; individual areas or work units operate independently. (I)</li> </ul>
2 Beginning	<ul style="list-style-type: none"> <li>The beginning of a systematic approach to the basic requirements of the Item is evident. (A)</li> <li>The approach is in the early stages of deployment in most areas or work units, inhibiting progress in achieving the basic requirements of the Item. (D)</li> <li>Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L)</li> <li>The approach is aligned with other areas or work units largely through joint problem solving. (I)</li> </ul>
3 Basically Effective	<ul style="list-style-type: none"> <li>An effective, systematic approach, responsive to the basic requirements of the Item, is evident. (A)</li> <li>The approach is deployed, although some areas or work units are in early stages of deployment. (D)</li> <li>The beginning of a systematic approach to evaluation and improvement of key processes is evident. (L)</li> <li>The approach is in early stages of alignment with your basic organizational needs identified in response to the Organizational Profile and other Process Items. (I)</li> </ul>
4 Overall Effective	<ul style="list-style-type: none"> <li>An effective, systematic approach, responsive to the overall requirements of the Item, is evident. (A)</li> <li>The approach is well deployed, although deployment may vary in some areas or work units. (D)</li> <li>A fact-based, systematic evaluation and improvement process and some organizational learning are in place for improving the efficiency and effectiveness of key processes. (L)</li> <li>The approach is aligned with your organizational needs identified in response to the Organizational Profile and other Process Items. (I)</li> </ul>

**Figure 2 – Scoring Guidelines**

Band	Results (For Use With Category 7)
1 Not Evident	<ul style="list-style-type: none"> <li>• There are no organizational performance results and/or poor results in areas reported.</li> <li>• Trend data are either not reported or show mainly adverse trends.</li> <li>• Comparative information is not reported.</li> <li>• Results are not reported for any areas of importance to the accomplishment of your organization's mission.</li> </ul>
2 Beginning	<ul style="list-style-type: none"> <li>• A few organizational performance results are reported, and early good performance levels are evident in a few areas.</li> <li>• Some trend data are reported, with some adverse trends evident.</li> <li>• Little or no comparative information is reported.</li> <li>• Results are reported for a few areas of importance to the accomplishment of your organization's mission.</li> </ul>
3 Basically Effective	<ul style="list-style-type: none"> <li>• Good organizational performance levels are reported for some areas of importance to the Item requirements.</li> <li>• Some trend data are reported, and a majority of the trends presented are beneficial.</li> <li>• Early stages of obtaining comparative information are evident.</li> <li>• Results are reported for many areas of importance to the accomplishment of your organization's mission.</li> </ul>
4 Overall Effective	<ul style="list-style-type: none"> <li>• Good organizational performance levels are reported for most areas of importance to the Item requirements.</li> <li>• Beneficial trends are evident in areas of importance to the accomplishment of your organization's mission.</li> <li>• Some current performance levels have been evaluated against relevant comparisons and/or benchmarks and show areas of good relative performance.</li> <li>• Organizational performance results are reported for most key customer, market, and process requirements.</li> </ul>

*Figure 2 – Scoring Guidelines continued*

# Thank you So much Mccarver Family Program

My name is Shandel Clinton and I'm a single divorced mother of one who struggled all my life to be accepted by everyone and not myself I grow up in the intercity of Tacoma WA, also known as "the hilltop" raised in a single family home where my mom was a factory worker trying to make ends meet with her and six kids. Being that my mom was never home because she was always working to try and provide for me and my other five brothers and sisters was a struggle I felt like being the oldest girl that I had more responsibilities then my younger brothers and sister. Being that my mom was a single mother trying to keep food on the table she had told me she couldn't keep paying for the things that I want nor needed and I needed to look for a job because she isn't going to be able to buy me any school clothes. Being that I was in high school only 16 I had to get a job in order to provide for myself, and the things I needed, was a huge responsibility for myself I fell around the wrong crowd at the wrong time and started skipping school and more into having a job being that I was young no guidance no positivity in my life and being told that I'm never going to accomplish anything mentally broke me down where eventually I dropped out of school and kept working different types of fast food jobs because I knew no one would hire a non educated person. Eventually I met my husband we were together and after two years of knowing him I got married and then I got pregnant with my daughter being that I didn't have my mom consistently there for me nor did I have my dad I was looking to be with someone that showed love and cared because that was a huge void in my life when it came to someone showing that they loved me, Well my ex-husband showed me the love I was looking for. Eventually he ended up deploying overseas and leaving me back in the states until are daughter was born. I then had are daughter and we then got stationed in Louisiana when he came back from deployment and when we made it to Louisiana I end up finding out that he cheated on me. I confronted him and told him that I was leaving to move back home and that when he started to get physically and emotionally abusive to me and breaking me down

mentally took a toll on me where I had to figure a way out and at that time my mom started to go through a lot of health issues and I begged him to try and get stationed back home so I could leave and eventually we came down on orders to leave back to Washington and then I got a job end up getting in a serious car wreck on the job got torn disk pertussion from my neck down to my lower back. I was still being mentally and physical abused but then eventually I broke down and ask my mother if me and my daughter can stay temporally with her until I got back on my feet. Because I was tired of my daughter see me getting hurt and crying. I eventually save up enough money from my L and I check for deposit to move into my own place will struggling to make end meet I feel into the Mccarver Family Project at my Daughters school and I end up signing up for the program. This program has helped me and my daughter tremendously. I was able to enroll back into school while maintaining a 4.0 being on the presidential list, being an Ambassador graduating with honors and being able to get my Ged at the same time having the support system that Mrs. Carlena Allen, Mrs. Sharon Jackson and Mr. Michael Powers, has shown that there are people who care if I succeed in life and actually giving me the opportunity to be on my own stable home and stable environment all while enrolled at Everest College as A Medical Assistant. There are so many words that I can say about these three incredible people. They open up doors for my future and I'm able to tell different people of my story, my struggles, my heart ache and they can relate and know that no matter how hard life gets there are people who care and are willing to help you through your goals, and never give up on what you want to do cause if I can you definitely can. I'm truly blessed and very gracious to have them guiding me through wonderful beginnings to my life. Because you are opening futures for families who haven't had opportunities to provide means for their families. When I first started this program I had no ambition nor goals accomplished in my life the way I wanted to be at but being that I have been in this program I have accomplish more than one can say in one year. So please people know that the Mccarver Family Project is a Success and its helping because I'm living proof.

Thank you,

Shandel Clinton

# FINANCE



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,132,109 for the month of May, 2012.

Approved: June 27, 2012

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Janis Flauding, Chair

**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of May, 2012**

		Check Numbers				
		From	To	Amount		Totals
A/P Checking Account						
Low Rent Module Checks	Check #'s	2,564	-	2,587	2,360	
Accounts Payable Checks	Check #'s	76,093	-	76,378		
Business Support Center					317,017	Program Support
Moving To Work Support Center					76,909	
Section 8 Programs					10,035	Section 8 Operations
SF Non-Assisted Housing - N. Shirley					1,044	Local Funds
SF Non-Assist Housing - 9SF Homes					750	
Stewart Court					14,216	
Wedgewood					447	
Salishan 7					20,084	
Tacoma Housing Development Group					1,663	
Salishan Program Income					27	Development
Salishan Developer Fee					(897)	
Salishan Area 3					2,079	
NSP Grant					664	
Development Activity					24,853	
Salishan Area 2B-Dev					1,097	
Hillside Terrace Development					50,993	
Hillside Terrace Community Ctr Development					788	
Community Services General Fund					3,986	Community Service
2006 WA Families Fund					1,275	
Gates Ed Grant					2,095	
2011 ROSS Svc Coord					145	
2008 ROSS Svc Coord					3,606	
2011 WA Families Fund					257	
Pierce Co. 2163 Funds					111	Public Housing
AMP 1 - No K, So M, No G					34,421	
AMP 2 - Fawcett, Wright, 6th Ave					69,495	
AMP 3 - Lawrence, Orchard, Stevens					75,133	
AMP 4 - Hillside Terr - 1800/2500					18,774	
AMP 6 - Scattered Sites					24,543	
AMP 7 - HT 1 - Subsidy					5,738	
AMP 10 - SAL 1 - Subsidy					10,816	
AMP 11 - SAL 2 - Subsidy					9,076	
AMP 12 - SAL 3 - Subsidy					8,086	
AMP 13 - SAL 4 - Subsidy					8,583	
AMP 14 - SAL 5 - Subsidy					9,874	
AMP 15 - SAL 6 - Subsidy					8,576	
Allocation Fund					59,425	Allocations-All Programs
THA SUBTOTAL					878,144	
Hillside Terrace 1 through 1500					1,670	Tax Credit Projects - billable
Salishan I - through Salishan 6					52	
Salishan Association - Operations					5,972	
TAX CREDIT SUBTOTAL (Operations - billable)					7,694	885,838
Section 8 Checking Account (HAP Payments)						
SRO/HCV/TBRA/VASH/FUP	Check #'s	469,799	-	470,610	994,149	
	ACH	34,037	-	34,948	1,590,216	\$ 2,584,365
Payroll & Payroll Fees - ADP						\$ 618,073
Other Wire Transfers						
Local Funds Semi-Annual Bond Payment - Heritage					-	
Salishan Seven Debt Service - WCRA					19,108	
Area 3 Revenue Bonds Monthly Interest - Citibank					24,725	\$ 43,833
TOTAL DISBURSEMENTS					\$	4,132,109



# TACOMA HOUSING AUTHORITY

**Date:** June 27, 2012

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Director of Finance

**Re:** Finance Department Monthly Board Report

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## 1. FINANCIAL STATEMENT COMMENTS

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

The Finance Department is submitting the financial statement for the month of April, 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 is in very good shape. The projected actual column in this report is reflective of the funding we anticipate to receive based on HUD final pro-rations of Housing Assistance Payments (line 3), Section 8 Admin fees (line 4), and Public Housing subsidy (line 5). At the end of April's reporting period, THA is in very good financial shape with a surplus before capital expenditures (line 68) of \$902,722, and a projected actual of \$1,672,907. The total THA anticipated surplus (line 71), which includes Capital Income and Expenditures is \$1,081,744. As we are receiving approximately \$800,000 more in funding than anticipated, we will be reviewing agency needs and making adjustments at our mid-year budget review in August. Below I will address other major anomalies between Budgeted and Actual numbers:

- Line 7 - HUD Grant Capital Fund Operating Revenue – We have drawn down a portion of the funds that are available for MTW flexibilities. We will be holding off on additional draws for this purpose until further notice. On the projected actual amount, we will continue to include funds received for both relocation and debt service payments.
- Line 9 – Other Government Grants – This includes \$150,000 in Development for reimbursement for predevelopment costs for Hillside redevelopment from TCRA. This funding is not secured yet.
- 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.



- Line 12 – Other Revenue – Developer Fee Income: This is developer fee income for the Hillside Terrace Redevelopment. No income has been booked or projected for this purpose. We will wait until the investor is in place, and we have actually started development on this project.
- Lines 15 – 34 – Administrative Expenses: There are a number of areas that have significant variances at the moment. We will monitor as the year goes on and make adjustments as needed during the mid-year review. Some of these numbers will adjust as we are progress through the year.
- Line 61 – HAP Payments: The % is low, but the amount of projected underage for the year is approximately \$700,000. At the moment, our HAP's are coming in lower than budgeted. This is due to both lower HAP averages and leasing %. We are slightly below, but close to our MTW baseline, but will be monitoring and adjusting as the year progresses. We will also be addressing this issue during the mid-year review.
- 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 of date, none of the funding for Hillside Terrace is included, as we have not commenced demolition of Old Hillside.

Financially, we are in very good shape. As the year progresses we will continue looking closely at 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 are continuing 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. To date there has been no resolution of this issue but we are keeping on top of the situation.

## **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**

Matthew Rose from the Washington State Auditor's Office completed the Single Audit portion of the audit. He audited our Capital Fund Recovery Grant (used for capital improvements at the senior projects), the Tax Credit Assistance Program (used for the Salishan Seven construction), and our MTW program for compliance with federal guidelines and did not identify any audit issues. He anticipates returning in July with his team to complete the

## FINANCE DEPARTMENT MONTHLY REPORT

June 2012

Page 3

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financial statement audit by the end of August and returning again in October to complete the accountability audit. The State Auditor's Office will issue the Financial Statement and Single Audit report beginning of September before the REAC submission deadline of September 30<sup>th</sup>. The State Auditor's Office is expected to hold their exit conference in November or December and issue the accountability audit report at that time.

**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

		April, 2012				Thru 12/31/2012		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	<b>OPERATING RECEIPTS</b>							
1	Tenant Revenue - Dwelling rent	321,056	1,285,133	1,266,274	1.49%	3,855,399	3,798,822	1.49%
2	Tenant Revenue - Other	6,169	22,030	20,293	8.56%	66,090	60,879	8.56%
3	HUD grant - Section 8 HAP reimbursemen	2,803,853	11,400,836	11,176,319	2.01%	34,126,000	33,528,957	1.78%
4	HUD grant - Section 8 Admin fee earned	206,615	828,297	842,286	-1.66%	2,695,000	2,526,859	6.65%
5	HUD grant - Public Housing subsidy	159,449	641,467	604,421	6.13%	1,924,401	1,813,264	6.13%
6	HUD grant - Community Services	14,740	62,654	64,387	-2.69%	187,962	193,161	-2.69%
7	HUD grant - Capital Fund Operating Reve	3,138	162,670	513,185	-68.30%	861,492	1,539,555	-44.04%
8	Management Fee Income	264,794	1,008,973	1,044,384	-3.39%	3,076,919	3,133,152	-1.79%
9	Other Government grants	15,500	73,754	140,892	-47.65%	261,262	422,677	-38.19%
10	Investment income	5,171	21,204	17,691	19.86%	63,612	53,072	19.86%
11	Fraud Recovery Income - Sec 8	6,434	29,485	11,667	152.73%	48,455	35,000	38.44%
12	Other Revenue- Developer Fee Income	0	0	176,667	-100.00%	0	530,000	-100.00%
13	Other Revenue	41,887	165,199	180,214	-8.33%	495,597	540,643	-8.33%
14	<b>TOTAL OPERATING RECEIPTS</b>	<b>3,848,806</b>	<b>15,701,702</b>	<b>16,058,680</b>	<b>-2.22%</b>	<b>47,662,189</b>	<b>48,176,041</b>	<b>-1.07%</b>
	<b>OPERATING EXPENDITURES</b>							
	<b>Administrative Expenses</b>							
15	Administrative Salaries	300,922	1,199,844	1,286,949	-6.77%	3,866,216	3,860,846	0.14%
16	Administrative Personnel - Benefits	120,931	468,954	559,260	-16.15%	1,506,862	1,677,781	-10.19%
17	Audit Fees	7,482	11,532	22,627	-49.03%	67,880	67,880	0.00%
18	Management Fees	212,367	799,136	851,558	-6.16%	2,397,408	2,554,673	-6.16%
19	Rent	23,707	94,828	93,669	1.24%	284,484	281,007	1.24%
20	Advertising	0	0	1,855	-100.00%	4,500	5,565	-19.14%
21	Information Technology Expenses	7,673	44,610	66,196	-32.61%	158,830	198,589	-20.02%
22	Office Supplies	3,980	17,918	20,793	-13.83%	53,754	62,380	-13.83%
23	Publications & Memberships	857	30,645	15,088	103.10%	46,645	45,265	3.05%
24	Telephone	7,606	32,197	29,375	9.61%	96,591	88,125	9.61%
25	Postage	2,707	11,262	15,160	-25.71%	33,786	45,481	-25.71%
26	Leased Equipment & Repairs	6,095	19,971	17,202	16.09%	59,913	51,607	16.09%
27	Office Equipment Expensed	2,518	20,099	18,517	8.55%	70,297	55,550	26.55%
28	Legal	7,691	15,065	18,757	-19.68%	45,195	56,270	-19.68%
29	Local Milage	784	2,086	2,740	-23.87%	6,258	8,220	-23.87%
30	Staff Training/Out of Town travel	4,915	32,067	39,523	-18.87%	96,201	118,570	-18.87%
31	Administrative Contracts	15,496	75,026	129,423	-42.03%	275,078	388,270	-29.15%
32	Other administrative expenses	2,985	20,370	28,644	-28.89%	21,110	85,933	-75.43%
33	Due diligence - Development projects	5,856	58,503	83,333	-29.80%	175,509	250,000	-29.80%
34	Contingency	0	0	11,667	-100.00%	0	35,000	-100.00%
35	<b>Total Administrative Expenses</b>	<b>734,572</b>	<b>2,954,113</b>	<b>3,312,337</b>	<b>-10.81%</b>	<b>9,266,517</b>	<b>9,937,012</b>	<b>-6.75%</b>

		April, 2012				Thru 12/31/2012		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	<b>Tenant Service</b>							
36	Tenant Service - Salaries	61,692	259,374	275,640	-5.90%	809,303	826,920	-2.13%
37	Tenant Service Personnel - Benefits	27,536	105,190	123,923	-15.12%	340,570	371,769	-8.39%
38	Relocation Costs	3,010	4,762	135,033	-96.47%	404,300	405,099	-0.20%
39	Tenant Service - Other	5,169	18,233	23,434	-22.19%	54,699	70,302	-22.19%
40	<b>Total Tenant Services</b>	<b>97,407</b>	<b>387,559</b>	<b>558,030</b>	<b>-30.55%</b>	<b>1,608,872</b>	<b>1,674,090</b>	<b>-3.90%</b>
	<b>Project Utilities</b>							
41	Water	7,184	40,377	41,163	-1.91%	121,131	123,490	-1.91%
42	Electricity	15,187	73,867	66,842	10.51%	221,601	200,525	10.51%
43	Gas	4,789	22,871	22,193	3.05%	68,613	66,580	3.05%
44	Sewer	31,186	130,376	127,423	2.32%	391,128	382,270	2.32%
45	<b>Total Project Utilities</b>	<b>58,346</b>	<b>267,491</b>	<b>257,622</b>	<b>3.83%</b>	<b>802,473</b>	<b>772,865</b>	<b>3.83%</b>
	<b>Ordinary Maintenance &amp; Operations</b>							
46	Maintenance Salaries	41,499	175,622	192,836	-8.93%	582,352	578,507	0.66%
47	Maintenance Personnel - Benefits	12,559	52,123	54,917	-5.09%	156,369	164,752	-5.09%
48	Maintenance Materials	16,398	52,109	64,492	-19.20%	191,327	193,477	-1.11%
49	Contract Maintenance	56,014	249,900	243,649	2.57%	749,700	730,947	2.57%
50	<b>Total Routine Maintenance</b>	<b>126,470</b>	<b>529,754</b>	<b>555,894</b>	<b>-4.70%</b>	<b>1,679,748</b>	<b>1,667,683</b>	<b>0.72%</b>
	<b>General Expenses</b>							
51	Protective Services	12,443	51,683	56,649	-8.77%	155,049	169,946	-8.77%
52	Insurance	14,403	57,321	67,612	-15.22%	196,963	202,837	-2.90%
53	Other General Expense	86,706	345,827	319,523	8.23%	977,481	958,568	1.97%
54	Payment in Lieu of Taxes	1,199	4,795	4,051	18.38%	14,385	12,152	18.38%
55	Collection Loss	0	0	13,240	-100.00%	40,000	39,720	0.70%
56	Interest Expense	69,235	262,595	313,588	-16.26%	937,785	940,763	-0.32%
57	<b>Total General Expenses</b>	<b>183,986</b>	<b>722,221</b>	<b>774,662</b>	<b>-6.77%</b>	<b>2,321,663</b>	<b>2,323,986</b>	<b>-0.10%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,200,781</b>	<b>\$ 4,861,138</b>	<b>\$ 5,458,545</b>		<b>\$ 15,679,273</b>	<b>\$ 16,375,636</b>	
	<b>Nonroutine Expenditures</b>							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	10,823	19,100	-43.34%	32,469	57,300	-43.34%
60	Casualty Losses	0	0	1,667	-100.00%	0	5,000	-100.00%
61	Sec 8 HAP Payments	2,473,836	10,044,181	10,369,377	-3.14%	30,382,543	31,108,130	-2.33%
62	<b>Total Nonroutine Expenditures</b>	<b>2,473,836</b>	<b>10,055,004</b>	<b>10,390,143</b>	<b>-3.23%</b>	<b>30,415,012</b>	<b>31,170,430</b>	<b>-2.42%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>3,674,617</b>	<b>14,916,142</b>	<b>15,848,689</b>	<b>-5.88%</b>	<b>46,094,285</b>	<b>47,546,066</b>	<b>-3.05%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b><u>174,189</u></b>	<b><u>785,560</u></b>	<b><u>209,992</u></b>	<b><u>274.09%</u></b>	<b><u>1,567,904</u></b>	<b><u>629,975</u></b>	<b><u>148.88%</u></b>
65	Debt Service Principal Payments	(1,196)	(93,947)	(168,822)	-44.35%	(528,324)	(506,465)	4.32%
66	<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>172,993</b>	<b>691,613</b>	<b>41,170</b>	<b>1579.90%</b>	<b>1,039,580</b>	<b>123,510</b>	
67	Reserve Appropriations	28,474	211,109	265,401	-20.46%	633,327	796,204	-20.46%
68	<b>Surplus/Deficit Before Capital Expenditures</b>	<b><u>201,467</u></b>	<b><u>902,722</u></b>	<b><u>306,571</u></b>		<b><u>1,672,907</u></b>	<b><u>919,714</u></b>	
69	Revenue - Capital Grants	104,843	252,332	1,787,923	-85.89%	1,294,724	5,363,768	-75.86%
70	Capitalized Items/Development Projects	(228,032)	(556,322)	(1,966,192)	-71.71%	(1,885,887)	(5,898,577)	-68.03%
71	<b>THA SURPLUS/(DEFICIT)</b>	<b>78,278</b>	<b>598,732</b>	<b>128,302</b>		<b>1,081,744</b>	<b>384,905</b>	

TACOMA HOUSING AUTHORITY			
CASH POSITION - May 2012			
Account Name		Current Balance	Interest
HERITAGE BANK			
Accounts Payable		\$ 4,116,839	0.400%
Section 8 Checking		6,162,391	0.400%
THA Investment Pool		285	0.400%
THA LIPH Security Deposits		111,579	0.400%
THDG - Tacoma Housing Development Group		28,845	0.400%
LF - Stewart Court		37,349	0.400%
LF - Stewart Ct Security Deposit Account		7,308	0.400%
LF - SF 9Homes Alaska		188,751	0.400%
LF - SF 9Homes Alaska Sec Dep Acct		6,680	0.400%
LF - SFH No. Shirley		3,606	0.400%
LF - SFH N Shirley Security Deposit Acct		1,002	0.400%
LF - Wedgewood Homes		49,532	0.400%
Salishan 7		681,052	0.400%
Salishan 7 Security Deposit		26,808	0.400%
Payroll Account		213,025	0.400%
General Fund Money Market		3,517,958	0.400%
WASHINGTON STATE			
Investment Pool		\$ 1,421,356	0.170%
CHASE			
IDA Account		66,409	0.01%
TOTAL THA CASH BALANCE		\$ 16,640,776	
Less:			
MTW:			
MTW Reserves		\$ 7,069,363	
Other Restrictions:			
FSS Escrows		183,996	
VASH, FUP & NED HAP Reserves		965,510	
Mod Rehab Operating Reserves		127,946	
Security Deposit Accounts		154,000	
Salishan Sound Families - 608		184,050	
IDA Accounts - 604,605		66,409	
Paul Allen Foundation - 609		46,172	
Gates Foundation - 621		7,970	
WA Families Fund - 672 & 711		80,707	
Wedgewood Replacement Reserve		602,027	
THDG - 048		28,845	
Total - Other Restrictions		\$ 2,447,631	
Agency Liabilities:			
Windstar Loan - 042		323,184	
Citibank Loan for Area 3 - Guarantee (Current)		1,629,772	
Additional Reserve Set Aside for Area 3 Loss on sales		2,400,000	
Total - Agency Liabilities		\$ 4,352,956	
Development Set Aside for Due Diligence:		\$ 268,448	
Total Restrictions		\$ 14,138,398	
THA UNENCUMBERED CASH		\$ 2,502,378	
Agency Current Commitments:		Obligated	Balance
Salishan Campus - On hold			
Development Projects			
902 1st Floor Reconfiguration - MTW funds		400,000	356,206
Total Current Commitments outstanding			\$ 356,206

REAL ESTATE MANAGEMENT  
AND  
HOUSING SERVICES



# TACOMA HOUSING AUTHORITY

Date: June 27, 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

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## 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 May 2012.

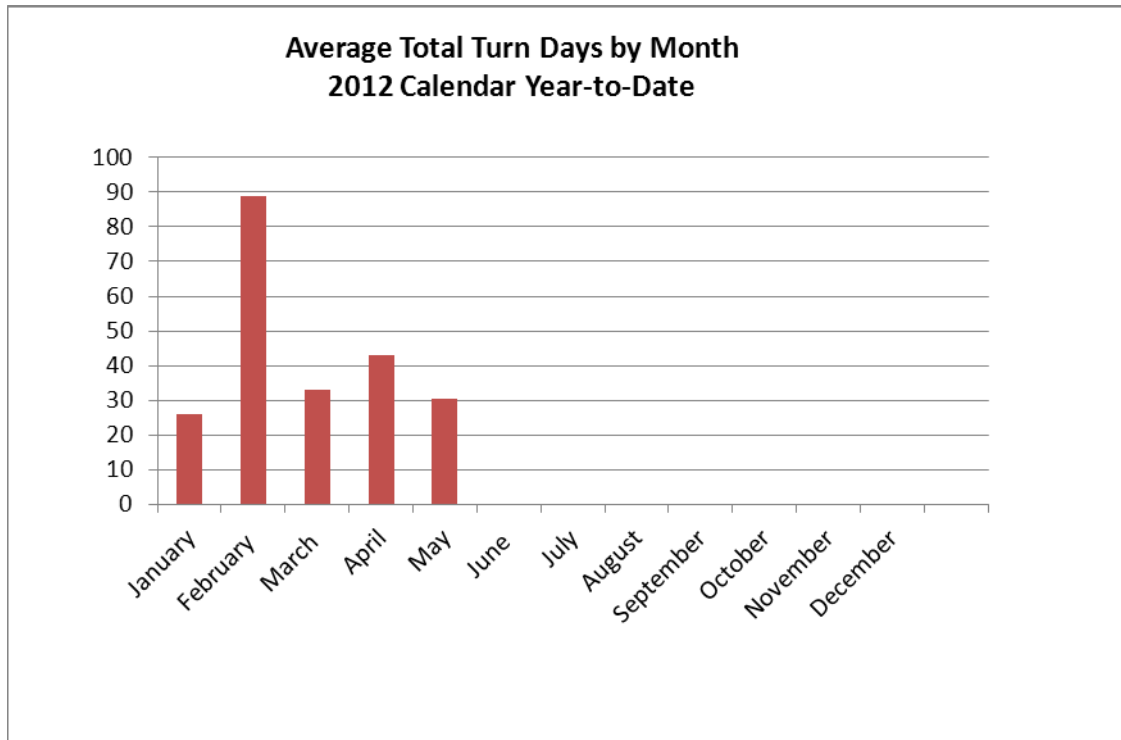
OCCUPANCY SUMMARY REPORT					
PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OCCUPIED	% MTH OCCUPIED	% YTD OCCUPIED
All Hillside	166	5	161	98.8%	98.6%
Family Properties	204	12	192	94.1%	96.6%
Salishan	628	9	619	98.6%	98.8%
Senior/Disabled	354	7	347	98.0%	98.5%
All Total	1,351	33	1,319	98.7%	97.0%

### *1.2 Vacant Unit Turn:*

The following page includes a table with all of the units turned in fiscal year 2012. Twelve (12) units were turned and rented in the month of May. The average unit turn for the month of May was 30 days and 43days FYTD.

The Go to team has been in place since April 2012. The Go To team primary focus has been unit turns. This group will be available for all potential maintenance requests that might come up. We have held over our contracted vendors to avoid any vacant turn days that might add up while we are refining some of the processes.

The table below includes additional unit turn information by AMP:





## Vacant and Turned Units - for 2012 thru 5/31/2012

### Project Level Summary

	Unit Turns	Average Turn Days	Units Vacant	Average Vacant Days
<b>All Hillside</b>				
HILLSIDE TERRACE	0	0.0	1	0.0
HILLSIDE TERRACE 1500 Block	2	83.5	0	0.0
HILLSIDE TERRACE PH 1	0	0.0	2	0.0
HILLSIDE TERRACE PH II	2	57.5	0	0.0
PORTFOLIO TOTAL	4	70.5	3	53.7
<b>Family Properties</b>				
ALL SCATTERED SITES	3	180.0	5	108.0
BERGERSON TERRACE	6	21.3	0	0.0
DIXON VILLAGE	4	26.8	1	107.0
STEWART COURT APARTMENTS	3	68.0	10	20.4
PORTFOLIO TOTAL	16	61.2	16	43.1
<b>Salishan</b>				
SALISHAN I	1	24.0	1	24.0
SALISHAN II	6	41.7	1	250.0
SALISHAN III	0	0.0	1	0.0
SALISHAN IV	6	35.3	4	53.0
SALISHAN V	4	51.0	0	0.0
SALISHAN VI	5	33.2	2	83.0
SALISHAN VII	0	0.0	1	0.0
PORTFOLIO TOTAL	22	38.9	10	37.3
<b>Senior / Disabled Properties</b>				
6TH AVE	2	26.5	0	0.0
E.B. WILSON	7	26.1	2	91.5
FAWCETT APARTMENTS	3	22.0	0	0.0
LUDWIG APARTMENTS	4	30.3	2	60.5
NORTH G ST	1	71.0	1	71.0
NORTH K ST	5	33.8	0	0.0
WRIGHT St	1	12.0	1	12.0
PORTFOLIO TOTAL	23	29.3	6	16.2
<b>Agency Totals</b>	<b>65</b>	<b>43.0</b>	<b>35</b>	<b>37.7</b>

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Below is a listing of all units vacant as of June 18, 2012:

Nbr	AMP	Project	Unit Nbr	Address	Apt Nbr	Beds	Unit Status	Vacate Date	Days Vacant	Maint Turn Date	Applicant Ready Date
1	01	008	00940	1202 SOUTH M ST	113	1	Repair-Make Ready	6/12/2012	6		05/30/2012
2	01	008	01003	1202 SOUTH M ST	611	1	Vacant	5/30/2012	19		05/29/2012
3	02	010	01036	602 S WRIGHT ST	301	1	Repair-Make Ready	5/29/2012	20		05/29/2012
4	03	012	01104	5425 S LAWRENCE ST	101	1	Repair-Make Ready	5/8/2012	41	07/02/2012	05/04/2012
5	02	014	01146	2302 6TH AVENUE	104	1	Vacant	6/1/2012	17	06/18/2012	06/04/2012
6	04	018	01375	1808 COURT F	174	2	Vacant	4/27/2012	52		
7	06	022	01462	120 E BISMARCK		3	Modernization	4/20/2012	59		06/11/2012
8	06	022	01476	6413 SOUTH PINE STREET		3	Modernization	4/5/2012	74		05/31/2012
9	03	023	01517	5504 SOUTH MASON		3	Vacant	4/16/2012	63	06/06/2012	06/11/2012
10	06	024	01481	5801 EAST ROOSEVELT		5	Modernization	5/3/2012	46		05/08/2012
11	06	025	01484	6438 SO PUGET SOUND WAY		3	Modernization	5/1/2012	48		04/20/2012
12	SC	045	21811	3218 S MONROE	54	2	Repair-Make Ready	5/8/2012	41	06/05/2012	
13	SC	045	22112	3221 S TYLER	37	1	Repair-Make Ready	5/11/2012	38	06/12/2012	
14	SC	045	32011	3201 S TYLER	1	1	Repair-Make Ready	5/15/2012	34	06/07/2012	
15	SC	045	32012	3201 S TYLER	2	1	Vacant	4/24/2012	55	05/15/2012	
16	SC	045	32111	3211 S TYLER	14	1	Vacant	4/26/2012	53	05/16/2012	
17	SC	045	32185	3218 S MONROE	48	2	Vacant	4/30/2012	49	05/29/2012	
18	SC	045	32210	3221 S TYLER	35	1	Repair-Make Ready	6/15/2012	3		
19	SC	045	32214	3221 S TYLER	29	1	Repair-Make Ready	4/30/2012	49	06/13/2012	
20	SC	045	32264	3226 S MONROE	41	2	Vacant	4/30/2012	49	05/25/2012	
21	SC	045	32266	3226 S MONROE	43	2	Vacant	4/30/2012	49	05/29/2012	
22	10	30S	08005	4208 EAST Q STREET		2	Downtime	4/26/2012	53		05/02/2012
23	11	31P	01647	1818 EAST 43RD STREET		4	Vacant	4/13/2012	66	05/15/2012	06/12/2012
24	12	33P	01693	4302 EAST R STREET		2	Vacant	5/15/2012	34	06/08/2012	06/14/2012
25	13	34P	01741	1721 EAST 46TH STREET		3	Downtime	6/5/2012	13		06/19/2012
26	13	34P	01745	1709 EAST 46TH STREET		3	Downtime	4/26/2012	53	06/30/2012	06/12/2012
27	13	34P	01775	4463 EAST R STREET		3	Vacant	2/3/2012	136	04/23/2012	06/14/2012
28	13	34P	01781	4621 EAST R STREET		3	Repair-Make Ready	5/31/2012	18	06/22/2012	
29	13	34S	08154	4459 EAST R STREET		3	Repair-Make Ready	5/24/2012	25	06/29/2012	06/06/2012
30	14	35P	01790	3951 ROOSEVELT AVE		1	Downtime	6/8/2012	10		
31	15	36P	01827	4116 EAST T STREET		3	Repair-Make Ready	5/22/2012	27	06/18/2012	06/14/2012
32	15	36P	01830	4136 EAST T STREET		2	Repair-Make Ready	6/1/2012	17	06/30/2012	06/05/2012
33	15	36P	01859	2046 E 43RD STREET		2	Vacant	5/17/2012	32	06/15/2012	06/11/2012
34	16	47S	08307	5018 E Q STREET		2	Downtime	6/6/2012	12		04/02/2012
Average Days Vacant									40.0		

### 1.3 Work Orders:

In the month of May all 19 emergency work orders were completed within 24 hours. This month, maintenance staff completed 337 non-emergency work orders and a total of 1,809 for the calendar year. The annual average number of days to complete a non-emergency work order is 14.91.

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**Work Order Completion Table:**

Portfolio	Completed Work Orders							
	Emergency				Non-Emergency			
	Month		YTD		Month		YTD	
	#	%	#	% Completed	#	Avg	#	Avg Completion
	Completed	Completed	Completed	in 24 hrs	Completed	Completion	Completed	Days
		in 24 Hrs		(99% HUD		Days		(25 days HUD
<b>All Hillside</b>								
HILLSIDE TERRACE	0	0.0%	2	100.0%	11	7.91	65	6.57
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	9	2.22	16	3.50
HILLSIDE TERRACE PH 1	1	100.0%	1	100.0%	8	6.50	15	6.20
HILLSIDE TERRACE PH II	1	100.0%	4	100.0%	9	4.33	27	8.81
	2	100.0%	8	100.0%	37	5.35	123	6.62
<b>Family Properties</b>								
ALL SCATTERED SITES	1	100.0%	2	100.0%	9	6.89	46	9.17
BERGERSON TERRACE	3	100.0%	9	100.0%	17	5.06	79	4.09
DIXON VILLAGE	0	0.0%	0	0.0%	11	8.18	66	4.59
STEWART COURT APARTMENTS	2	100.0%	2	100.0%	17	13.76	38	10.53
	6	100.0%	13	100.0%	54	8.74	229	6.32
<b>Salishan</b>								
SALISHAN I	0	0.0%	1	100.0%	17	9.71	114	18.93
SALISHAN II	3	100.0%	4	100.0%	28	19.00	133	18.06
SALISHAN III	0	0.0%	2	100.0%	25	7.84	97	14.93
SALISHAN IV	1	100.0%	5	100.0%	33	20.70	135	21.94
SALISHAN V	2	100.0%	2	100.0%	44	38.41	232	22.64
SALISHAN VI	0	0.0%	1	100.0%	22	36.00	145	28.27
SALISHAN VII	0	0.0%	5	100.0%	14	22.07	73	19.00
	6	100.0%	20	100.0%	183	23.86	929	21.21
<b>Senior / Disabled Properties</b>								
6TH AVE	0	0.0%	2	100.0%	15	2.20	96	4.35
E.B. WILSON	2	100.0%	7	100.0%	11	6.00	126	9.25
FAWCETT APARTMENTS	1	100.0%	3	100.0%	18	5.11	61	14.93
LUDWIG APARTMENTS	0	0.0%	2	100.0%	3	10.67	37	4.41
NORTH G ST	1	100.0%	4	100.0%	4	9.25	56	7.04
NORTH K ST	0	0.0%	4	100.0%	6	10.50	69	5.29
WRIGHT St	1	100.0%	1	100.0%	6	9.33	83	19.19
	5	100.0%	23	100.0%	63	6.02	528	9.49
Agency Totals:	19	100.0%	64	100.0%	337	16.07	1,809	14.91

**Outstanding Work Orders Table:**

The following page has a breakdown of all outstanding work orders as of May 30, 2012. The units that have work orders that are greater than 25 days are minor repairs that have been prioritized to be completed. We continue to receive a high volume of work orders every month. We anticipate to the volume to continue to grow as we are starting our pre- REAC inspections in the month of June. We will be hiring additional staff to help address the volume of work orders that will be coming in while we continue to focus on turning our vacant units.

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Portfolio	Open Work Orders as of May 2012		
	Open Non- Emergency WO	< 25 Days	>25 Days
<b>All Hillside</b>			
HILLSIDE TERRACE	2	1	1
HILLSIDE TERRACE 1500 Block	3	0	3
HILLSIDE TERRACE PH 1	4	0	4
HILLSIDE TERRACE PH II	11	2	9
	20	3	17
<b>Family Properties</b>			
ALL SCATTERED SITES	29	5	24
BERGERSON TERRACE	6	5	1
DIXON VILLAGE	3	2	1
STEWART COURT APARTMENTS	17	16	1
	55	28	27
<b>Salishan</b>			
SALISHAN I	18	2	16
SALISHAN II	16	4	12
SALISHAN III	23	10	13
SALISHAN IV	26	10	16
SALISHAN V	17	7	10
SALISHAN VI	21	7	14
SALISHAN VII	15	4	11
	136	44	92
<b>Senior / Disabled Properties</b>			
6TH AVE	2	2	0
E.B. WILSON	11	8	3
FAWCETT APARTMENTS	1	1	0
LUDWIG APARTMENTS	8	5	3
NORTH G ST	8	6	2
NORTH K ST	3	2	1
WRIGHT St	8	3	5
	41	27	14
Agency Totals:	252	102	150

## 2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 98% for the month of May 2012. 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)	105	74	10 shoppers
Non-Elderly Disabled Vouchers (NED)	100	58	25 shopping
Family Unification Program (FUP)	50	46	2
McCarver Program	50	49	4
Life Manor	150	139	15

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

The Life Manor (TPV) vouchers are being filled from our waiting list. We have 15 households shopping for units with the remaining TPV vouchers.

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. The Project Based units are slow to fill due to lack of available units from MDC. THA has been awarded 25 additional VASH vouchers. The VA has a schedule in place to increase their case management staff and to fill the new vouchers by August

The NED vouchers are moving but still slower than we would hope. DSHS continues to send referrals however, due to the health of the referrals they don't always work out. The total is growing but the clients are still slow to find units and lease up. They have many obstacles such as finding accessible units.

## 3. FOLLOW UP FROM PREVIOUS BOARD MEETING

During the May board meeting, Commissioner Rumbaugh requested assurance that THA has sufficient oversight of its new HVAC contract with Holday-Parks; since THA had issues with its prior vendor. This new HVAC contract includes a more comprehensive list of routine maintenance items; which in itself is a great improvement from the past contract. For example, belts are replaced on a scheduled established in the contract and included in the routine maintenance price versus waiting for the belt to break, calling for a repair and paying a repair rate at the time of service as well as any additional costs for other damage caused by the break.

When the contractor is on the site for routine maintenance, the technician will notify THA staff that they are there and the THA staff person signs off when the work is complete. Invoices will not be approved without that signature. THA will also “spot check” the work bi-annually to ensure the work has been done. A bi-annual schedule has been established because of the level of skill necessary to fully inspect the work—for example ceiling panels might need to be removed.

With regard to repairs, Holday-Parks will submit a cost proposal before any work is done. The site staff will approve the cost proposal to authorize the work and sign off when the work is complete. The invoice will not be approved without the cost proposal and site approval/certification that the work has been done to the site staff’s satisfaction.

#### **4. LONG TERM FINANCIAL PLANNING**

As Michael Mirra mentioned during the last board meeting, we have been working closely with Pierce County to explore ways to serve underserved populations using THA’s Moving to Work authority. We receive about \$30 million per year. Our primary use is to serve about 4,000 households on our housing voucher program. As Michael’s May board report explained, this use is certainly valuable. However it leaves THA inaccessible to important populations in urgent need: homeless families; homeless youth; persons with special needs; and persons facing homelessness coming out of institutions. Accordingly, we are discussing with Pierce County a proposal that would have THA redirect part of the \$30 million to the County’s continuum of care process. This includes its rapid rehousing system that THA and others have helped the County design over the last few years of planning.

We have also been seriously discussing ways to serve more households with shorter term, shallower subsidy programs. This would serve several purposes:

- It would allow us to serve more households
- It responds to growing data that suggests that most households do not need deep life time subsidies in order to stabilize
- The use of time limits provide its own incentive to work-able recipients to improve their own educational and employment prospects.

In the attached document you will see our more detailed plan for these initiatives. We will also change our regular voucher program in ways that will include discontinuing to admit new households to the regular tenant based voucher program beginning in 2013. With the savings gained through attrition in the tenant based voucher program THA will:

- Create a new fixed subsidy program that will offer shorter term, shallower subsidy to 200 new households per year; as compared to 160 new voucher households that could be served with same amount of money;

- Fund at least 20 new child welfare vouchers in partnership with DSHS;
- Partner with Pierce County to serve underserved populations as identified in the Pierce County Consolidated Plan. These programs will include rental assistance for unaccompanied youth and a significant dedication of funds to rapid re-housing programs for homeless families;
- Issue an RFP to increase project-based voucher units by 2014. These units will include the new Hillside Terrace development and at least two non-THA owned properties.

In addition, THA will realize significant annual cost savings that will be allocated based on annual needs to (1) serving more households; (2) developing more housing units; and/or (3) agency operations and supportive services.

The attached document provides detail about THA's proposal to redirect funds away from the traditional tenant based voucher program and how that equates to more households served. Pages 1 and 2 are summary pages that show how money will be redirected through 2018 (page 1) and how many households will be served each year (page 2).

Page 3 shows how THA will discontinue admitting households to the traditional voucher program and begin admitting households to a fixed subsidy program.

On page 4 you will see the proposal to increase special purpose programs. This includes:

- Allocating \$150,000 per year to twenty (20) child welfare vouchers in partnership with DSHS;
- Dedicating \$150,000 per year to Pierce County to serve (20) unaccompanied youth and young adults;
- Partnering with Pierce County for rapid re-housing programs for families. The proposed funding commitment is \$150,000 in 2013, \$400,000 in 2014, \$650,000 in 2015, \$900,000 in 2016, and \$1million 2017-2018; and
- Increasing the McCarver program by fifty (50) households in 2014.

Finally, page 6 includes a breakdown of THA's current project-based voucher contracts by population served. Beginning in 2014, we are proposing to increase the number of project-based voucher units in THA's new Hillside Terrace development and in two other non-THA owned properties (Mercy Housing's New Tacoma Phase II and Catholic Community Service's new shelter). These contracts have not been procured or awarded but THA is aware that the projects will apply for vouchers and both projects would serve THA's mission.

Resolution 2012-6-27 (4) will ask you to endorse this approach. We will seek specific board for individual uses as our Pierce County discussions develop. At this point, we seek the board's general approval of this approach. That will allow us to pursue those discussions with confidence.



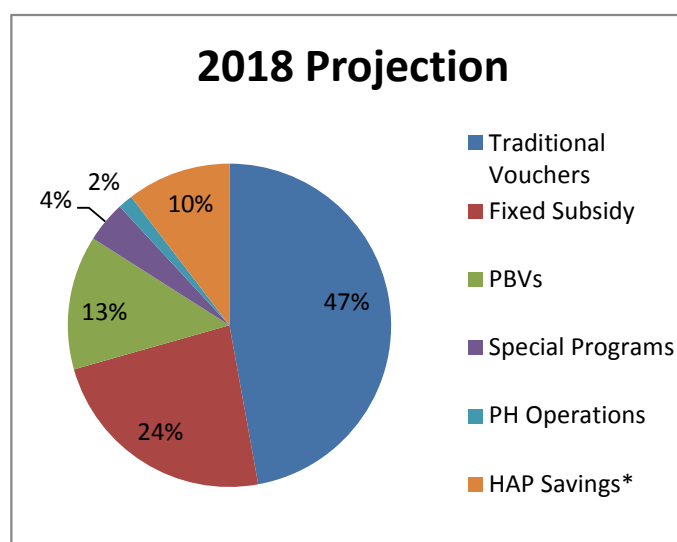
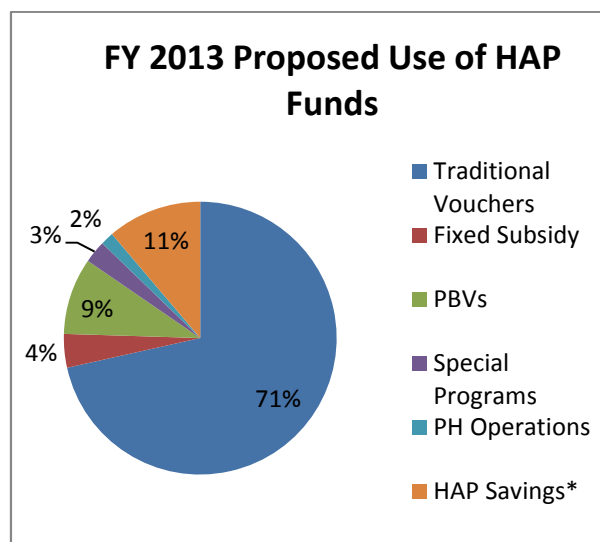


# TACOMA HOUSING AUTHORITY

## Funding and Expenditure Projections FY2011 Through FY2018

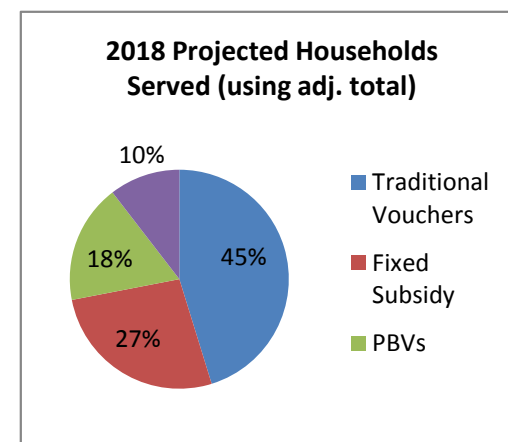
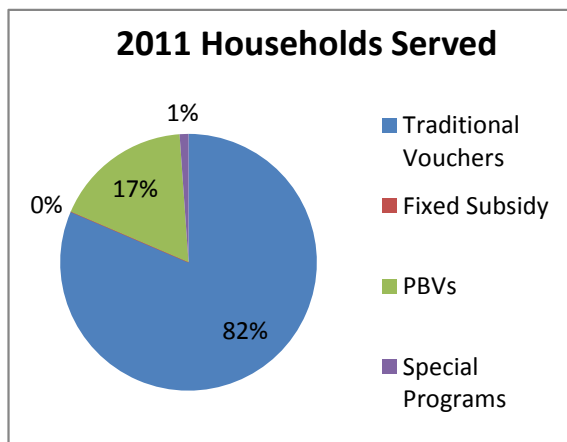
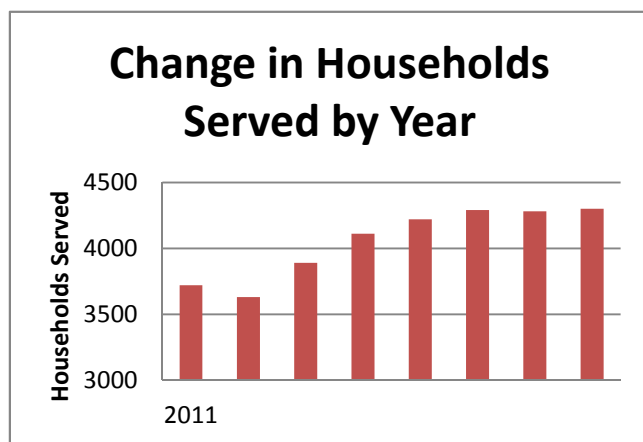
Year	Traditional Vouchers	Fixed Subsidy	PBVs	Special Programs	PH Operations	Total Expenditures	Available HAP	HAP Savings*
2011	\$ 26,694,300	\$ -	\$ 2,870,700	\$ 99,000		\$ 29,664,000	\$ 31,494,562	\$ 1,830,562
2012	\$ 25,629,000	\$ -	\$ 2,870,700	\$ 522,000		\$ 29,021,700	\$ 32,168,000	\$ 3,146,300
2013	\$ 23,229,532	\$ 1,296,000	\$ 2,956,821	\$ 867,600	\$ 500,000	\$ 28,849,953	\$ 32,489,680	\$ 3,639,727
2014	\$ 21,803,436	\$ 2,669,760	\$ 3,806,486	\$ 1,566,520	\$ 500,000	\$ 30,346,201	\$ 32,814,577	\$ 2,468,376
2015	\$ 20,377,339	\$ 4,004,640	\$ 4,187,656	\$ 1,601,456	\$ 500,000	\$ 30,671,091	\$ 33,142,723	\$ 2,471,632
2016	\$ 18,951,242	\$ 5,339,520	\$ 4,313,286	\$ 1,636,392	\$ 500,000	\$ 30,740,440	\$ 33,474,150	\$ 2,733,710
2017	\$ 17,525,145	\$ 6,674,400	\$ 4,442,684	\$ 1,521,328	\$ 500,000	\$ 30,663,558	\$ 33,808,891	\$ 3,145,334
2018	\$ 16,099,048	\$ 8,009,280	\$ 4,575,965	\$ 1,410,664	\$ 500,000	\$ 30,594,957	\$ 34,146,980	\$ 3,552,023

\*HAP savings will be used for (1) serving more households, (2) developing more housing units, and/or (3) agency operations and supportive services



Households Served Projections FY2011 Through FY2018*							
Year	Traditional Vouchers	Fixed Subsidy	PBVs	Special Programs	Total	Adj. Special Prog	Adj. Total
2011	3032	0	648	42	<b>3722</b>	42	<b>3722</b>
2012	2932	0	648	50	<b>3630</b>	50	<b>3630</b>
2013	2932	200	648	110	<b>3890</b>	130	<b>3910</b>
2014	2752	400	749	210	<b>4111</b>	280	<b>4181</b>
2015	2572	600	789	260	<b>4221</b>	380	<b>4341</b>
2016	2392	800	789	310	<b>4291</b>	480	<b>4461</b>
2017	2212	1000	789	280	<b>4281</b>	470	<b>4471</b>
2018	2032	1200	789	280	<b>4301</b>	470	<b>4491</b>

\*Includes households served at any given time. Does not account for total number of households served as rental subsidy "turns over" during the year.



Traditional Voucher program*		
Year	HH served**	Annual Cost***
2011	3032	\$ 26,694,300
2012	2932	\$ 25,629,000
2013	2932	\$ 23,229,532
2014	2752	\$ 21,803,436
2015	2572	\$ 20,377,339
2016	2392	\$ 18,951,242
2017	2212	\$ 17,525,145
2018	2032	\$ 16,099,048

\* Assumes an average HAP of \$641/unit/month in year 1

\*\* Assumes 15 unit/month attrition, not re-

\*\*\* Assumes 3% annual rent inflation rate

Fixed Subsidy Program*		
Year	HH Served	Annual Cost**
2011	0	
2012	0	
2013	200	\$ 1,296,000
2014	400	\$ 2,669,760
2015	600	\$ 4,004,640
2016	800	\$ 5,339,520
2017	1000	\$ 6,674,400
2018	1200	\$ 8,009,280

\* Assumes an average monthly subsidy of

\$540/unit/month in year 1

\*\* Assumes 3% annual rent inflation rate

Special Programs					
Contract Date	Program Name	Population	HH Served**	Adj. HH Served***	Annual Cost*
2011	McCarver Ed Prog	Families	42	42	\$ 99,000
	<b>2011 Total</b>		<b>42</b>	<b>42</b>	<b>\$ 99,000</b>
2012	McCarver Ed Prog - 100% Assistance	Families	50	50	\$ 522,000
	<b>Total 2012</b>		<b>50</b>	<b>50</b>	<b>\$ 522,000</b>
				0	
2012BF	McCarver Ed Prog - 80% Assistance	Families	50	50	\$ 417,600
2013	Child Welfare Asst	Families	20	20	\$ 150,000
2013	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
	<b>Total 2013</b>		<b>110</b>	<b>130</b>	<b>\$ 867,600</b>
2012BF	McCarver Ed Prog- 1st increment- 60%	Families	50	50	\$ 313,200
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014	McCarver Ed Prog- 2nd Increment- 100%	Families	50	50	\$ 553,320
	<b>Total 2014</b>	<b>Varied</b>	<b>210</b>	<b>280</b>	<b>\$ 1,566,520</b>
2012BF	McCarver Ed Prog- 1st increment- 40%	Families	50	50	\$ 208,800
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 80%	Families	50	50	\$ 442,656
2015	Pierce Co Special Programs	Varied	50	100	\$ 250,000
	<b>Total 2015</b>		<b>260</b>	<b>380</b>	<b>\$ 1,601,456</b>

Special Programs continued					
2012BF	McCarver Ed Prog- 1st increment- 20%	Families	50	50	\$ 104,400
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 60%	Families	50	50	\$ 331,992
2015BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2016	Pierce Co Special Programs	Varied	50	100	\$ 250,000
	<b>Total 2016</b>		<b>310</b>	<b>480</b>	<b>\$ 1,636,392</b>
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 40%	Families	50	50	\$ 221,328
2015BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2016BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2017	Pierce Co Special Programs	Varied	20	40	\$ 100,000
	<b>Total 2017</b>		<b>280</b>	<b>470</b>	<b>\$ 1,521,328</b>
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 20%	Families	50	50	\$ 110,664
2015BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2016BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2017	Pierce Co Special Programs	Varied	20	40	\$ 100,000
	<b>Total 2018</b>		<b>280</b>	<b>470</b>	<b>\$ 1,410,664</b>

\*Assumes a 3% annual rent inflation rate

\*\*Includes households served at any given time. Does not account for "turns over" during the year.

\*\*\*Number accounts for turnover during the year since Pierce Co. special programs are short-term and intended to last 3-9 months per household.

PBVs				
Contract	Property	Population	HH served	Dollars Spent/Year
2011	Eliza McCabe Townh	Families	10	\$ 92,500
2011	Flett Meadows	Families	14	\$ 171,500
2011	Guadalupe Vista	Homeless Famil	40	\$ 420,000
2011	Harborview Manor	Elderly (55+)	125	\$ 450,000
2011	Hillside Gardens	Families	8	\$ 77,000
2011	Hillside Terrace	Families	9	\$ 93,500
2011	New Look Apts.	Elderly 55+	42	\$ 227,000
2011	Pacific Courtyards	Homeless Famil	46	\$ 124,200
2011	Salishan	Families	339	\$ 1,026,000
2011	Tyler Square	Homeless Famil	15	\$ 189,000
	<b>Total 2011</b>		<b>648</b>	<b>\$ 2,870,700</b>
	<b>Total 2012</b>		<b>648</b>	<b>\$ 2,870,700</b>
	<b>Cumulative Total 2013**</b>		<b>648</b>	<b>\$ 2,956,821</b>
2014	Hillside 2500 Ph1	Families	43	\$ 278,640
2014	New Tacoma 2	55+ homeless p	8	\$ 63,320
2014	CCS Perm Supp Hsg	Homeless single	50	\$ 419,000
	<b>Cumulative Total 2014**</b>		<b>749</b>	<b>\$ 3,806,486</b>
2015	Hillside 2500 Ph 2	Families	40	\$ 266,976
	<b>Cumulative Total 2015**</b>		<b>789</b>	<b>4,187,656</b>
	<b>Cumulative Total 2016**</b>		<b>789</b>	<b>\$ 4,313,286</b>
	<b>Cumulative Total 2017**</b>		<b>789</b>	<b>\$ 4,442,684</b>
	<b>Cumulative Total 2018**</b>		<b>789</b>	<b>\$ 4,575,965</b>

\*This property's PBVs are currently 50% utilized. THA will attempt to reduce the contract amount.

\*\*Assumes 3% annual rent inflation rate

THA's MTW Plan states that THA will project base no more that 20% of its ACC in non-THA units.

The non-THA units are indicated in blue in the table on the left.

Total ACC Units	3543
Non-THA PBV Units	358
Percentage toward cap	10.10%

REAL ESTATE

DEVELOPMENT



# TACOMA HOUSING AUTHORITY

DATE: June 27, 2012

TO: THA Board of Commissioners

FROM: Walter Zisette  
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

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## 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 and final meeting for this phase of the project on June 6. Staff will be making a presentation on the Master Plan design Concept to the Board at its June meeting in order to present the recommendation of the Working Group. Staff will be seeking a motion to approve the Master Plan Concept.

THA issued an RFP for a Capital Campaign Feasibility Study on April 25; proposals were due May 15. The review committee (Walter Zisette, Nancy Vignec and Roberta Schur) selected The Alford Group. We will be starting with a Philanthropic Market Assessment. The kick-off meeting will be July 2.

The project financing strategy we will need for this project is different from other types of projects that THA has completed. One of the first tasks for the fundraising consultant will be to assess the feasibility of raising a significant portion of the funds needed to develop the properties identified in the master plan from foundations and other private sources of funding. Assuming that it is determined that THA's goals for the project are feasible, the consultant will then work with THA to develop a fundraising strategy that will guide us to our fundraising goals.

#### *1.1.2 Area 3 Lot Sales:*

Due to low sales activity at Salishan, representatives of Quadrant have recently communicated to THA staff that Quadrant will be suspending all sales activity in the community effective July 1. Staff is discussing this proposal. In particular, we will carefully review with Quadrant executives



the terms of the purchase and sale agreement that Quadrant entered into with THA last year. That agreement governs Quadrant's ability to suspend sales.

Citibank has indicated a willingness to consider low release prices for the remaining lots in Area 3, and is open to considering offers that result in a partial bank write-down of remaining debt. Citi bank has also indicated a willingness to consider an extension of the maturity date on THA's loan from July 1, 2013 for an additional 2 – 3 years, allowing time for market conditions to improve, for selling all remaining lots tied to the Citibank loan, and for final pay-off of the loan. Staff is working to renew efforts to market Area 3 lots to builders interested in buying lots in Pierce County. Staff is also continuing to prepare strategies for a negotiated settlement of the loan commitment THA has with Citibank.

*1.1.3 Arlington Rd (Area 4):* In August 2011, staff issued an RFP for development proposals from Assisted Living Developers for this site. No responses to this RFP were received. Staff will conduct an analysis of other feasible real estate development scenarios for this site, and prepare a proposal for moving forward in 2012.

## **2. PUBLIC HOUSING PROJECTS**

### **1.1800/2500 Hillside Terrace**

*Financing:* Staff received a Tax Exempt Bond Cap commitment from the Washington State Housing Finance Commission for Phase I in the amount of \$12MM.

Staff completed the solicitation for the lender & investor for the Phase I financing. Proposals were received by May 23, 2012. Staff interviewed three (3) lenders and two (2) investors. All Letters of Intent/Interest were responsive. Staff is recommending Chase Bank as the Tax Exempt bond and permanent financing lender and Enterprise Community Investment to purchase Low-Income Housing Tax Credits for the Phase I project. Staff will present a resolution during the June 27, 2012 Board meeting with its recommendations. With the Boards concurrence all funding and financing will be available for the completion of the Phase I housing and community center.

On May 17, 2012, staff submitted an application for Phase II funding from TCRA requesting \$1MM in HOME funds.

*2.1.1 Project Planning:* On April 5, 2012 staff presented the street vacation

application to the City of Tacoma Hearing Examiner. On April 16, THA received notice of the Hearing Examiner's approval of our alley street vacation request. On May 22, 2012 the City Council approved the alley vacation ordinance unanimously. The second and final City Council reading will be scheduled for the near future.

2.1.2 *Procurement:* None to Report (see Financing above)

2.1.3 *Architecture:* GGLO is currently completing on the design development phase of the project. It is anticipated that we will submit an application for permit mid-July. Demolition documentation was submitted for permits in May 2012.

2.1.4 *Construction:* During the design phase, Absher Construction Company will provide value engineering and estimating support services.

2.1.5 *Demolition/Disposition:* Staff received HUD's demolition and disposition final approval on June 12, 2012. This approval allows the HA to demolish the existing buildings at both the 1800 and 2500 blocks of Hillside Terrace and dispose of the land under a long term 99 year lease agreement with the Partnership. A Tenant Protection Voucher application will be submitted in mid June.

2.1.6 *Community Meetings:* Staff is preparing to schedule a resident community meeting to provide updates on the relocation effort.

2.1.7 *Relocation:* Staff has formed a relocation team with internal resources. The team officially began relocation activities on April 2, 2012. The team completed one-on-one meetings with residents which started on April 16 to assess their needs and to begin seeking comparable units in the community. All residents have been interviewed. Residents are excited about the new development and are ready to move. Almost half of the residents indicated a desire to be an "early mover". The first round of Notices of Eligibility and 90-day notices will go out in late June. This Notice outlines the benefits for each household Staff will meet individually with each household to review their benefits. Based on the relocation schedule, the Phase I area will be vacant by the end of October and the balance of the site will be vacated by mid-December.

2.1.9 *Community/Education Center.* The community center design has begun and the design process will be concurrent with the housing effort.

### 3. CAPITAL FUNDS

## **1. Capital Fund Construction.**

### ***3.1.1. Public Housing Scattered Site Renovations.***

THA RED staff published bid documents incorporating the findings of previous PM and RED Staff investigations and the work was categorized in order of importance and according to funding availability. Currently, the categories of work are as follows:

#### **ROOF AND GUTTER REPLACEMENTS**

Bid documents for roof and gutter replacements at 12 sites were completed by RED Staff and let out to bid March 28<sup>th</sup>. The contract was awarded to Queen City Specialty Roofing on April 24<sup>th</sup> and their start date was May 9<sup>th</sup>.

#### **WINDOW AND SIDING REPLACEMENTS**

Casey-Dechant Architects completed plans and specs for window and siding replacement at 10 scattered sites on April 18<sup>th</sup> and the project was let to bid on April 20<sup>th</sup>. Bids are due May 15<sup>th</sup> and award of the contract is anticipated for May 24<sup>th</sup>, following Board of Commissioners approval.

#### **ROOF AND GUTTER REPAIRS**

Bid documents for roof and gutter repairs at 19 sites are currently being created by RED Staff. Completion of bid documents is anticipated by the end of May and plans are to let it out for bid in June, depending on funding availability.

#### **MISCELLANEOUS RENOVATIONS**

The balance of the public housing scattered site restoration includes full exterior prep and painting, electrical and HVAC upgrades, structural repairs, plumbing repairs, kitchen renovation and flooring replacements. Completion of this work will require adjustments to the Capital budget that are pending approval.

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

## **2. ARRA Construction**

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

## **4. OTHER PROJECTS**

- 4.1 *Neighborhood Stabilization Program (NSP I).* We have a buyer interested in 2107 East 65<sup>th</sup> Street and anticipate closing on that house by the end of June. We also have a purchase and sale contract for the S. 45<sup>th</sup> Street house. We should close on that house by mid-August. THA purchased a new house located at 925 E 51<sup>st</sup>. A bid package went out on June 15. Inventory is low at the moment but THA continues to look for new houses to purchase. It is expected that the banks will unload a lot of foreclosed properties during the summer.
- 4.2 *THA Administrative Office Space.* Shinstine/Associates LLC has completed the first phase of the project. Staff moved in on June 1. The second phase is under way and scheduled for completion by the end of June.
- 4.3 *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. It will earn a developer fee that we estimate to be about \$600,000. 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 tax-exempt bond/4% tax credit transaction. In addition, THA will be applying for a Housing Trust Fund, Pierce County 2060 and Lakewood HOME funding assistance. As part of the State’s adopted “jobs package”, LASA is fortunate to have received a preliminary allocation of Housing Trust Fund support for this project in the amount of \$3,062,000. THA submitted a revised Phase I application to the HTF on May 31 and should hear in early July whether or not we are being asked to submit a Phase II. THA issued an RFQ on May 31 for Architectural and Engineering Services. Proposals were due on June 20. THA and LASA staff will be interviewing firms on June 28. In July, staff will seek the Board’s approval of an Memorandum of Understanding with LASA, of the selection of the architect and engineer and of the expenditure of THA funds (\$300,000) for predevelopment costs (to be reimbursed above and beyond the developer fee.)

## **5. DEVELOPMENT PIPELINE PROJECTS**

- 5.1 *Intergenerational Housing:* The ManyLights Foundation is considering making an offer to purchase some or all of THA’s Hillsdale Heights property. THA and MannyLights are now preparing an MOU that will define each agency’s role in a potential joint venture to develop housing at Hillsdale Heights.
- 5.2 *Stewart Court:* ORB Architects is conducting a Capital Needs Assessment in conjunction with the work being performed by THA’s asset management consultant,

HDC. This work is assisting THA in developing a Preservation Plan for the property. This exercise will be a training tool for use on all THA properties. THA submitted a Stage 1 HTF application for \$482,000 and the project is included in the 2012 jobs package list. These projects are first in line to be funded if they meet readiness requirements. THA will need to submit a Stage 2 application for these funds. THA's next step on this depends on the outcome of the Preservation Plan exercise.

In the Preservation Planning exercise, the Asset Management Committee is working on three different long-term strategies for improving operations and preventing further financial losses to the agency: (1) sell the property – THA has received an offer from a private investor to purchase the property; (2) finance short-term urgently needed exterior renovations; and (3) refinance all existing debt carried by the property and seek new financing to pay for short and long-term physical needs.

5.3 *City-Owned Brown Star Grill Properties on MLK.* THA has proposed to the City and community groups a project that would put 70 workforce apartments above retail on this site. Staff is communicating with City of Tacoma staff, and other members of the City's Hilltop Advisory Committee, about this property, which the City owns. 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 draft will be brought to the City Manager for his review.

5.4 *Public Housing Conversion to Section 8.* Staff is assessing the opportunity to convert some or all of THA's public housing using HUD's Section 8 Conversion program. Through this program, THA would apply to HUD to dispose of certain public housing properties. Once approved by HUD, the public housing operating subsidy and capital fund allocation for those units would be "turned off". They would be replaced with project-based section 8 vouchers. 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.

THA is engaging CSG Advisors to assist staff with financial planning needs of this project. Staff has prepared a disposition/conversion program matrix that describes HUD strategies and options that staff is considering for achieving THA's goals on this project.

In July, HUD plans to release new guidance on its Rental Assistance Demonstration (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.

The revised RAD program – expected to be published by HUD in July – may offer new opportunities to THA for restructuring its public housing portfolio.

5.5 *New Look Apartments/Alberta Canada Building Acquisition.* This 49-unit mixed-use senior housing tax credit project located at the intersection of MLK and 11<sup>th</sup> in the Hilltop is owned by a tax credit partnership that is near the end of its ten-year tax credit period. The General Partner in the project (Martin Luther King Housing Development Association) is interested in selling its 1% ownership in the project to THA. If THA were successful in becoming the project's 1% owner, THA would also have the option of become the property manager of the New Look. A second option being investigated by staff is for THA to purchase the full 100% interest in the property from both the General Partner and the 99% Limited Partner owner which is represented by the National Equity Fund (NEF). NEF is conferring with its investors in the project to determine if they have an interest in an "early exit" from the Partnership, and what the terms (i.e., cost to THA) of such an early exit might be. The timeline on this project is governed by the departure of the current property manager at the New Look, Catholic Housing Services (CHS). CHS has indicated a willingness to stay on at the New Look through August 31. THA has until August 31 to determine which ownership interest (if any) it would like to have in the New Look, and to determine if THA has the capacity and interest to manage the property – or if it should be managed by a third party entity.

5.6 *Multifamily Investment opportunities:* Staff is tracking current multifamily listings and acquisition opportunities in the Tacoma area that meet the following investment goals: (1) minimal renovations and capital needs; (2) rapid resale potential; (3) reliable cash flows; (4) reliable short term return on investment. 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 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 in determining 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. Staff expects that the brokers will bring several acquisition opportunities to our attention within the next few weeks.

## 6 M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING

- 6.1 Shinstine/Associates has hired three Section 3 workers and they have two MWBE subcontractors: DL Hendrix – sheetrock (7%) and Cambell-Cox – flooring (9%).

## 7. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the obligated and expenditures as of June 6, 2012.

<b>Grant</b>	<b>Total Grant</b>	<b>Obligation Start Date</b>	<b>Obligated</b>	<b>% Obligated</b>	<b>Obligation End Date</b>	<b>Expended End Date</b>	<b>Expended</b>	<b>% Expended</b>
2008 CFP	\$1,849,412	6/13/08	\$1,849,412	100%	06/12/10	06/12/12	\$1,849,412	100%
2009 CFP	\$2,410,953	9/15/09	\$2,410,953	100%	9/14/11	9/14/13	\$2,361,936	98%
2009 CFP (1 <sup>st</sup> R)	\$703,863	9/15/09	\$703,863	100%	9/14/11	9/14/13	\$703,863	100%
2009 CFP (2 <sup>nd</sup> R)	\$54,932	9/15/09	\$54,932	100%	9/14/11	9/14/13	\$54,932	100%
2009 CFP (3 <sup>rd</sup> R)	\$2,724	4/2/10	\$2,724	100%	4/2/12	4/2/14	\$2,724	100%
2010 CFP	\$2,345,627	7/15/10	\$2,257,982	96%	7/14/12	7/14/14	\$486,613	22%
2010 CFP (1 <sup>st</sup> R)	\$1,216,978	7/15/10	\$1,216,978	100%	7/14/12	7/14/14	\$196,759	16%
2010 CFP (2 <sup>nd</sup> R)	\$219,721	7/15/10	\$219,721	100%	7/14/12	7/14/14	\$0	0%
2011 CFP	\$1,721,353	8/3/11	\$77,810	4%	8/2/13	8/2/15	\$0	0%
2011 CFP (1 <sup>st</sup> R)	\$736,455	8/3/11	\$443,660	60%	8/2/13	8/2/15	\$0	0%
2011 CFP (2 <sup>nd</sup> R)	\$549,895	8/3/11	\$0	0%	8/2/13	8/2/15	\$0	0%
CFCF**	\$1,881,652	8/3/11	\$0	0%	8/2/13	8/2/15	\$0	0%
2012 CFP	\$1,593,197	3/12/12	\$0	0%	3/11/14	3/11/16	\$0	0%
2012 CFP (1 <sup>st</sup> R)	\$1,026,290	3/12/12	\$441,922	43%	3/11/14	3/11/16	\$0	0%
2012 CFP (2 <sup>nd</sup> R)	\$128,701	3/12/12	\$0	0%	3/11/14	3/11/16	\$0	0%

\*\* Capital Fund Community Facilities Grant



# COMMUNITY SERVICES



# TACOMA HOUSING AUTHORITY

DATE: June 27, 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 May and for the calendar year 2012.

#### 1.1 Employment

Activities	Month	YTD	Annual Goal	% of Goal
Clients referred for employment services	28	59	130	45%
Clients who received employment services	34	115	100	115%
Clients enrolled in employment readiness soft skills workshops	16	50	80	63%
Clients completed employment readiness soft skills workshops	3	21	50	42%
Enrolled in job readiness training	8	10	20	50%
Job placement	5	15	35	43%
WorkSource Participants Assisted	8	37	35	106%
Entered Apprenticeship	0	0	3	0%
Earned income increased	8	16	35	46%

THA's employment team continued the *Possibilities Realized* program during the month of May. This program is a partnership with Pierce College (funding the partnership), Bates Technical College (administering the contract), Employment Security WorkFirst (certifying WorkFirst eligibility) and Washington Women's Employment and Education (WWEE) (providing the instructors).

## 1.2 Education

Bates Technical College continued offering GED classes on-site at the Family Investment Center. At the end of May, Bates began an ESL class three days a week at the FIC. The class focuses on clients entering the health care professions, however, anyone interested in ESL instruction is welcome to attend.

Activities	Month	YTD	Annual Goal	% of Goal
Participating in ESL classes	6	6	15	40%
Completes one or more ESL levels	0	1	5	20%
Participants attending GED classes	18	99	75	132%
Completes one or more GED tests	3	3	8	38%
Attains GED	0	6	6	100%

## 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.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
Total Current Caseload	19		2		4	
	Month	YTD	Month	YTD	Month	YTD
Entrances	2	3	0	0	0	0
Graduations	0	0	0	1	0	1
Exits	0	0	0	0	0	0
Terminations	0	2	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.

Activities	Month	YTD
Number of households referred for services	6	15
Number of successful completions (eviction averted)	0	2
Number terminated	0	5

### 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 anticipates that some households may be unable to pay their new rent and that up to 120 households will 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.

Activities	Month	YTD
Number of households referred for services	5	10
Number of successful completions	0	0
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 are participating in monthly parenting classes with a trainer from the Puget Sound Educational Service District. The parents have been working on work on communication skills, discipline, and building positive connections with the school.

Activities	Month	YTD	Annual Goal	% of Goal
Families participating	48	49	50	98%
Families able to pay 20% of their rent	0	0	50	0%
Adults enrolled in education program	11	33	30	110%
Adults complete education program	0	3	20	15%
Average school attendance rate	96%	96%	90%	107%
Reduction in referrals for discipline	n/a		25%	0%
Increase in children reading on grade level	n/a		20%	0%
Increase in math on grade level	n/a		20%	0%
Increase in average state test in reading	n/a		15%	0%
Increase in average state test in math	n/a		15%	0%

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

- The school district is compiling the data on referrals.
- We have baseline data for reading and math on grade level but do not yet have data to show increases in these outcomes.
- The state tests are administered annually in the spring, and scores are released in the summer. We have baseline scores from spring 2011 and will compare that to the spring 2012 data.

The school district reports school turnover annually. We will report the 2011-2012 rate as soon as the district makes this information available.

Activities	Baseline 2010-2011	2011-2012
Turnover rate at McCarver Elementary	107%	n/a

#### 1.6.1 THA/KBTC/PCC McCarver Spring Break Camp

Twenty-five McCarver Program children participated in a Spring Break Camp at McCarver during the first week of April. This camp was a joint effort of THA, McCarver School, KBTC Public Television, and Peace Community Center. The children had skill building classes, recreation, arts, and snacks every morning that week. Community volunteers worked with the children on reading, math, computer skills, and dramatic productions in the afternoon. Two McCarver Program parents were there every day helping out, and several other families came on Friday for the concluding event at which a professional actress read the short plays written by the children. This event was supported by a grant written by KBTC and THA. We hope to have another spring break camp next year.

### **1.6.2 THA Staff Presentation at State Homelessness Conference**

Carlena Allen, Sharon Fletcher-Jackson, and Michael Power made a presentation at the annual state homelessness conference in Yakima in May. Michael presented an overview of the THA Education Project, and Carlena and Sharon presented information about the McCarver Program. The session was very well received and generated a lot of interest. The overall ratings on the presentation were close to 5 on a 5 point scale. Michael also participated in a panel discussion regarding housing, homelessness, and education as a part of the opening session of the conference.

## **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.

In May, The Paul G Allen Family Foundation's representative, Mr. Bill Vesneski, visited the Tacoma Housing Authority and the Preparing for Success program. Mr. Vesneski met with staff to discuss the program's success and challenges. He commented on the cohesiveness and comprehensiveness of the services THA offers to PFS participants and to participants in other Community Services programs.

Throughout the month of May, the PFS caseworker continued to work with her caseload from cohorts One and Two. The PFS caseworker had three new referrals for the month of May, but those clients did not follow through with their appointments for one reason or another. PFS had its first graduate this month. While this individual was a PFS participant, she started GED classes, re-enrolled in classes at Tacoma Community College and attended Financial Literacy classes at Goodwill. When she was close to completing the PFS, she decided to continue improving her employment status. She applied to enter Family Self-Sufficiency. She signed her FSS contract of participation on May 24<sup>th</sup>.

<b>Activities</b>	<b>Month</b>	<b>YTD</b>	<b>Annual Goal</b>	<b>% of Goal</b>
First year cohort enrolled (2011)	25	25	25	100%
First year cohort completed (fall 2012)	1	1	15	7%
Second year cohort 2012 referrals	3	9	40	23%
Second year cohort 2012 enrolled	0	24	25	96%

## 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	92	118	153	77%
Graduates	3	9	0	
Removed/Voluntarily Withdrawn	4	15	n/a	
New Contracts Signed	6	9	0	
Escrow Balance	\$193,832.33			

## 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. Life Skills sessions focus on sound decision making, ways to enhance self-esteem and how to make appropriate choices around relationships. The life skills class started April 25, and will end on June13, 2012.

Activities	Month	YTD	Annual Goal	% of Goal
Life Skills Enrollment	0	10	25	40%
Life Skills Completion	0	0	15	0%
Parenting Enrollment	0	12	25	48%
Parenting Completion	0	8	20	40%

## 1.10 Asset Building

The department provides pre-purchase counseling, 1<sup>st</sup> 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	11	56	90	62%
Financial Literacy Completion	5	29	72	40%
Credit Counseling Enrollment	0	0	20	0%
Credit Counseling Completion	0	0	10	0%
Homeownership Counseling	7	39	79	49%
Individual Development Account Participants	17	19	18	106%
Qualified Withdrawals	1	1	18	6%
Home Purchase	0	0	8	0%
Other Asset Purchases	1	1	10	10%
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)	246	1059	1200	88%

### 1.12 Youth Activities

We have two partners who are providing free tutoring and mentoring services at no cost to THA. One partnership is with Roberts Family Development Center to provide after school tutoring at the FIC. The other partnership is with Write@253 to provide tutoring in writing and youth leadership mentoring also at the FIC.

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

As a part of our partnership with KBTC Public Television to support the McCarver Program, six children of McCarver Program families have been participating in before-school leadership activities.



### **1.13 Senior and Disabled Services**

The Senior and Disabled Services Program Specialist had 180 client contacts (129 unduplicated) in the month of May. He referred tenants to the following services:

- United Way
- Aging and Disability Resource Center
- SHIBA – Medicare assistance
- Comprehensive Mental Health

The Specialist arranged for nutritional food programs for senior apartment residents. BASH, a home delivery food bank, delivered food baskets to 225 senior apartment residents.

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.

<b>Activities</b>	<b>Month</b>	<b>YTD</b>	<b>Annual Goal</b>	<b>% of Goal</b>
Unduplicated client contacts	129	250	260	96%
Referrals	4	23	50	46%
Unduplicated situation/wellness counseling	14	64	140	46%
Assistance with correspondence for Entitlement Programs	0	6	40	15%

## **2. GRANTS**

### **2.1 Public Housing Family Self-Sufficiency Grant**

THA submitted its 2012 public housing FSS grant application on May 28. We applied for \$59,662 – the maximum amount for which we are eligible. The funding will be used for one year of salary and benefits for a FSS caseworker. The caseworker will serve 50 public housing families.

### **2.2 Department of Labor Housing and Employment Navigator Grant**

THA is a partner in a \$6 million Department of Labor Innovations Grant recently awarded to Workforce Central. The DOL grant will expand a Housing and Employment Navigator project currently piloted in Pierce County. The Housing and Employment Navigator model is a specialized case management approach that offers individualized and flexible supports to link homeless families served by partnering housing programs to mainstream workforce services including sector training, educational programs and job placement services. The goal of the

navigator service is to assist families obtain the employment, education and job training needed to establish a career path to family self-sufficiency and prevents a return to housing instability or homelessness.

Navigators have expertise and skill sets combining housing, social service and workforce systems, including:

- Knowledge of educational, sector and job training programs including financial aid options, enrollment procedures and connected career opportunities
- Knowledge of employment resources and vocational services including vocational assessment and career planning; job readiness assistance and job search, placement and retention services
- Knowledge of homeless housing resources and social services including mental health, domestic violence and drug and alcohol treatment
- Knowledge of public benefits (TANF, Food, childcare, Social Security and subsidized housing) and the impact of earned income.

We anticipate this project will benefit previously homeless families in THA's Families in Transition and the McCarver Elementary School housing program. We also anticipate the Navigator services will assist previously homeless families in Pierce County's rapid re-housing programs.

### **2.3 Foreclosure Prevention**

The Attorney General of Washington Consumer Protection Division issued a Request for Proposals (RFP) for projects to help Washington homeowners avoid preventable foreclosures or to ameliorate the effects of the foreclosure crisis. A proposal is being prepared by South Sound Outreach, the Fair Housing Center, the Center for Dispute Resolution and Pierce County Coalition for Developmental Disabilities. THA is a partner in this application. We have asked that the proposal include a focus on Salishan homeowners. The funding will help increase the number of certified housing counselors serving Tacoma and Pierce County. The funding will also be used to increase participation in loan modifications, mediation and other processes to assist those in danger of foreclosure.

### **2.4 Health and Human Services Partnerships to Demonstrate the Effectiveness of Supportive Housing for Families in the Child Welfare System**

The Department of Health and Human Services (HHS) announced the availability of competitive grants to fund Partnerships to Demonstrate the Effectiveness of Supportive Housing for Families in the Child Welfare System. These are five year grants of up to \$1 million per year. HHS expects to award five grants nationwide. The grant provides funding for services for child welfare affected families with severe housing issues and high service needs. The grant application is due July 30, 2012.

DSHS, Building Changes, the Gates Foundation, Seattle Housing Authority, King County Housing Authority, Snohomish County Housing Authority and THA have begun plans for a tri-county grant application. Building Changes will be the applicant and will coordinate development of the grant proposal. Each of the housing authorities will commit affordable housing resources to the project. The grant requires a minimum commitment of affordable housing for at least 50 families.

### **2.5 Center for Disease Control (CDC) Community Transformation Grant**

THA is a partner in a CDC Community Transformation Grant application. Associated Ministries will be the lead applicant. The grant application is being coordinated by the Comprehensive Health Education Foundation (CHEF). Purpose of the grant will be to establish Community Health Advocates to serve neighborhoods in the Hilltop, with a specific focus on residents returning to the 2500 block of Hillside Terrace. The Community Health Advocates would provide leadership development and culturally sensitive health advocacy modeled on the CHEF Community Health Advocate project currently serving Salishan.

## **3. CAMPAIGN FOR GRADE LEVEL READING**

The Annie E. Casey Foundation is a lead partner in the national Campaign for Grade Level Reading. The Campaign supports cities and agencies in efforts to assure that all children can read by the end of third grade. The Foundation has offered to pay expenses for Michael Power, THA's Manager of Educational Programs, to participate in a conference in Denver at the end of June. They have asked him to share the story of THA's Education Project and in particular our literacy focus. They are particularly interested in our intent to have a Head Start classroom in the new Community Education Center at Hillside Terrace, an early childhood program in the Salishan Core, the tutoring and homework help at our community centers, the tutoring provided by our partners at the Family Investment Center, our Free Books Program based on the Reach Out and Read model, and the academic support for students in the McCarver Program. Other housing agencies and representatives of HUD will be in attendance in Denver so Michael will have the opportunity to learn about literacy initiatives in other communities across the country.

**NEW BUSINESS**

## RESOLUTION #1



# TACOMA HOUSING AUTHORITY

## RESOLUTION NUMBER 2012-6-27 (1)

DATE: June 27, 2012  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Amendment to THA's 2012 Moving to Work Plan

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THA would like to amend its 2012 Moving to Work (MTW) plan. The amendment will allow THA the flexibility to spend MTW funds on local non-traditional affordable housing units. Local non-traditional affordable housing units are defined as units that will be rented to or sold to families whose incomes are at or below 80% of Area Median Income (AMI), but that are not public housing or project based housing choice voucher units. THA has broader authority to use funds in this way but HUD rules require us to include this use as a separate MTW activity in order to activate that broader use.

THA will report on all local, non-traditional activities in the annual MTW report including the number of families served and the level assistance provided.

Examples of what this MTW activity will allow THA to do include:

- Spend MTW funds to acquire properties to include in THA's affordable housing stock
- Use MTW funds to rehab affordable units that are not Section 8 or 9
- Provide Gap financing for non-PHA development of affordable housing
- Use MTW funds on tax credit projects that do not include voucher or public housing units

I am recommending that THA approve the resolution to amend its 2012 Moving to Work plan. The amendment will allow THA to spend MTW funds to preserve, rehab and develop affordable housing that is not financed under the public housing or project based voucher programs.



# TACOMA HOUSING AUTHORITY

## RESOLUTION NUMBER 2012-6-27 (1)

### AMENDMENT TO THA'S MOVING TO WORK AGREEMENT

**WHEREAS**, an amendment to THA's 2012 Moving to Work plan is required to maximize THA's flexibility to develop, rehab and preserve affordable housing units.

**WHEREAS**, THA has broader authority to use federal funds and HUD rules require THA to include this use as a separate Moving to Work activity in order to activate that broader use.

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

1. Authorize THA to adopt the amendment to THA's 2012 Moving to Work Plan with HUD allowing THA to spend MTW funds to preserve, rehab and develop affordable housing that is not financed under the public housing or project based voucher programs.

**Approved:** June 27, 2012

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Janis Flauding, Chair

## RESOLUTION #3





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2012-6-27 (3)

DATE: June 27, 2012  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Hillside Terrace Phase I - Tax Exempt Bond Lender and Tax Credit Investor Selection

### **Background**

The Hillside Terrace, Phase I financing structure includes the sale of tax exempt bonds for construction and permanent financing and a 4% tax credit equity investment. On April 25, 2012 THA issued a Request for Letters of Intent/Interest for the Construction/Permanent Lender and the 4% LIHTC Investor Partner for Hillside Terrace Phase I.

The Request for Letters of Intent/Interest was sent to (9) Tax Exempt Bond lenders and (13) Low Income Housing Tax Credit Investors and Syndicators. The Authority received six (6) proposals from lenders and four (4) from investors; all were responsive.

A committee consisting of THA staff (Walter Zisette, Steve Clair, Roberta Schur, Ken Shalik and Todd Craven) reviewed the proposals. THA's financial advisor (CSG Advisors, Inc.) advised the committee. Subsequently, CSG Advisors, Inc. recommended to the committee a shortlist of the top three (3) competitive lenders and top two (2) investors. The committee received best and final offers and conducted interviews on June 5, 2012.

The results from lowest to highest based only on total cost are as follows:

NAME	Chase Bank	Key Bank	Heritage Bank	Enterprise	PNC
<b>Lenders</b>					
Total Cost, Ranking (lowest to highest), Difference from Lowest	\$3,868,533 3 \$188,706	\$3,743,517 2 \$63,689	\$3,679,828 1 \$0		
<b>Investors</b>					
Net Present Value, Ranking, Difference from highest highest				\$7,199,950 2 \$50,159	\$7,250,109 1 \$0

Staff, however, recommends choices that are not based on cost alone. They recommend that the Board authorize the executive director to negotiate and if those negotiations are successful execute agreements as follows:

- Lender: Chase Bank
- Investor: Enterprise.

## LENDERS

Among the top three proposals reviewed by the Committee, the terms of the Heritage proposal presented the most savings (in financing costs) to the project. However, the Heritage proposal, for reasons described below, also presents the highest risks to both the project and the agency.

In summary, the Committee's recommends Chase Bank as the project's construction/permanent lender for the following reasons:

- The risks of working with a relatively inexperienced lender such as Heritage on a project like Hillside Terrace, Phase I (with a \$10 million construction loan and \$3 million permanent loan) far exceeds the advantages of the \$160,000 difference in costs (over the full term of the loan) between the Heritage and Chase proposals;
- Chase Bank has more experience than any other lender working with housing authorities on project's comparable to Hillside Terrace, Phase I;
- Chase's lead banker for the project gave the Committee more confidence than any other lead banker that Chase understands the project they are seeking to participate in and that they are motivated to do whatever is necessary to make the project succeed.

The following describes the Committee's full rationale for its recommendation on lender selection:

- Tax Credit project experience. Tax credit project experience is a critical evaluation factor in lender selection because 70% of the \$10 million construction loan needed for Hillside Terrace, Phase I will be paid off with tax credit equity. A lender that lacks experience in working with investors, or has not demonstrated an understanding of tax credit financing, would pose a serious and unnecessary risk to the project and to THA.

From the experience information and references given to us, we were able to find only one tax credit project where Heritage has served as the construction lender. In this project – with the Longview Housing Authority - Heritage is offering a \$400,000 construction line of credit on a project where U.S. Bank is the tax credit investor.

*Both Chase and Key Bank have significant project experience as construction/permanent lenders on tax credit financed projects like Hillside Terrace, Phase I. Heritage Bank's experience with tax credit projects is insignificant.*

- Lender team qualifications. The lead banker for the Chase team has 25 years of project finance experience as both a borrower and a lender. The Chase team has worked with many housing authorities in the region on projects comparable to Hillside Terrace, Phase I. The team lead for Key Bank did not present an in-depth understanding of the project, nor does the Key Bank team lead possess finance experience comparable to that of the Chase team leader. The lead banker for the Heritage team – in their interview – could not confidently describe their proposal or the overall financing strategy that THA is using for the project.
- “Vetted” pre-commitments to the project. Chase has indicated that their proposal has already been vetted by an internal loan committee for underwriting. Other lenders have not made that claim in their proposal. Key Bank did not indicate in their submitted materials nor in their interview that their proposal had been reviewed by a credit or loan committee within the Bank. Heritage points out that following several weeks of underwriting, its board of Directors would need to approve their loan commitment.
- Understanding of the Project. Chase made two visits to the project site before submitting their proposal, and asked extensive questions of THA's finance consultant regarding assumptions included in the proforma. In their written material and in the interview, no other lender presented as detailed an understanding of all elements of the project.
- Risks of Inexperience. THA's lender partner on this project will be responsible for a \$10 – 11 million construction loan, and a \$3 – 4 million permanent loan. Specific risks associated with assigning project lending responsibilities of this size to a less experienced lender like Heritage include:
  - The selected tax credit investor will closely examine the capacity and experience of the selected lender. If the tax credit investor determines that the selected lender poses a risk to project completion or may be the source of project delays, the investor will downgrade their initial underwriting of the project in a way that will be detrimental to THA and the project. If the risk perceived by the investor were to result in a one cent reduction in tax credit pricing from the investor, there would be an approximate loss of \$85,000 in tax credit equity to the project that would need to be covered by THA.
  - If uncomfortable with the project type, the local housing market, or the financing structure, construction lenders commonly withdraw their commitment to a project – or to change their underwriting of a project, altering the terms of a proposal before a final loan commitment is made.

- A less experienced lender is likely to require more THA development staff support to explain project milestones, and the requirements of other funders in the project.

## **INVESTORS**

The two top equity proposals (Enterprise and PNC) considered by the Committee were very competitive. After some discussion, the Committee reached a consensus decision to recommend Enterprise Community Investment as the Hillside Terrace, Phase I equity investor in the project. Both proposals and firms were very close in terms of both pricing and experience. The Selection Committee favored Enterprise Community Investments for the following reasons:

- Enterprises' proposed terms on the "back end" (i.e., terms that define the timing and cost of transferring ownership and full control of the property over to THA, its Managing Member, after 10-15 years) were more favorable to THA than those proposed by PNC.
- Enterprises' mission and track record in affordable housing development provided greater assurance to Selection Committee members that Enterprise was a better fit than PNC for THA's mission, organizational values and strategic objectives.

## **Recommendation**

Approve Resolution 2012-6-27 (3) authorizing THA's Executive Director to (a) negotiate and execute the Tax Exempt Bonds issuance and loan commitment letter from Chase Bank for the construction and permanent loan for Hillside Terrace Phase I (2500 Yakima, LLLP), (b) negotiate and execute the commitment letter from Enterprise Community Investments for the purchase of low-income housing tax credits to be allocated to Hillside Terrace Phase I (2500 Yakima, LLLP), (c) negotiate the Operating Agreement between THA as General Partner and Enterprise Community Investment as Limited Investor Partner. The Loan and Operating Agreements will be presented to the Board for its consideration and approval prior to execution.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2012-6-27(3)

### Hillside Terrace Phase I - Tax Exempt Bond Lender and Tax Credit Investor Selection

**Whereas,** The Housing Authority of the City of Tacoma (the “Authority”) on April 25, 2012 solicited Letters of Intent/Interest for the issuance of Tax Exempt Bonds for construction/permanent financing and the purchase of low-income housing tax credits for Hillside Terrace Phase I (2500 Yakima, LLLP) ;

**Whereas,** The Request for Letters of Intent/Interest was sent to (9) Tax Exempt Bond lenders and (13) Low Income Housing Tax Credit investors and Syndicators;

**Whereas,** The Authority received six (6) proposals from lenders and four (4) from investors, all were responsive;

**Whereas,** The Authority interviewed a shortlist of three (3) competitive lenders and two (2) competitive investors with the follow ranking based on cost;

NAME	Chase Bank	Key Bank	Heritage Bank	Enterprise	PNC
<b>Lenders</b>					
Total Cost, Ranking (lowest to highest), Difference from lowest	\$3,868,533 3 \$188,706	\$3,743,517 2 \$63,689	\$3,679,828 1 \$0		
<b>Investors</b>					
Net Present Value, Ranking, Difference from highest				\$7,199,950 2 \$50,159	\$7,250,109 1 \$0

**Whereas,** The selection committee in consultation with CSG Financial Advisors determined Chase Bank to possess the best combination of terms and experience for construction and permanent lending and Enterprise Community Investment offered the best and final terms for the purchase of Low Income Tax Credits. Both offers were determined to be the most advantages to the project and THA; and

**Whereas,** The Contracting Officer, Michael Mirra, has reviewed the results of the evaluation committee and concurs that the committee’s recommendation be accepted for Chase Bank and Enterprise;

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

1. The Executive Director has the authority to negotiate and execute the Tax Exempt Bonds issuance and loan commitment letter from Chase Bank for the construction and permanent loan for Hillside Terrace Phase I (2500 Yakima, LLLP);
2. The Executive Director has the authority to negotiate and execute the commitment letter from Enterprise Community Investment for the purchase of low-income housing tax credits to be allocated to Hillside Terrace Phase I (2500 Yakima, LLLP);

3. The Executive Director has the authority to negotiate the Operating Agreement between THA as General Partner and Enterprise Community Investment as Limited Investor Partner.

**Approved: June 27, 2012**

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Janis Flauding, Chair

## RESOLUTION #4



# TACOMA HOUSING AUTHORITY

## Resolution Number 2012-6-27 (4)

DATE: June 27, 2012  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Endorsement of Long-Term HAP Fiscal Planning

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The purpose of this memo and attached resolution is to ask the Board of Commissioners to endorse a fiscal path for THA HAP dollars through 2018. Staff will later additional Board approval of particular elements of this plan as part of a budget, MTW plan amendments or agreements with Pierce County. The resolution we seek now would endorse this direction, allow staff to begin implementation and allow staff to engage in negotiations with Pierce County and in other discussions with confidence that we have the Board's support.

When THA became a Moving to Work (MTW) agency in 2010 it made a commitment to (1) increase housing choice for program participants; (2) increase administrative efficiencies within the agency; and (3) encourage economic self-sufficiency among work-able households. In the two years THA has had MTW authority we have implemented a number of initiatives that should accomplish these goals and have resulted in significant cost savings. Proposed 2013 MTW Plan activities will result in further cost savings and efficiencies.

It is time to begin longer-range planning about how to use these savings. Staff has created a plan for HAP expenditures through the end of the current MTW contract (2018). The plan will:

- Place THA on a path to stop admitting households to the regular tenant based voucher program and allow that program to shrink each year by attrition. By 2018, tenant based vouchers will account for less than 50% of HAP expenditures.
- Result in a net increase of at least 500 households served by 2018;
- Provide assistance to households that currently cannot access THA programs such as homeless families with children, homeless youth, persons with special needs and homeless persons coming out of institutions.
- Increase the number of project-based voucher units in THA and non-THA properties resulting in more long-term affordable housing units and leveraged private and public resources; and
- Result in significant annual savings that will be allocated to (1) serving still more households; (2) creating more affordable housing; and/or (3) supporting agency operations and supportive services.



Full detail regarding the proposed funding and expenditure projections and households served for FY2011 through FY2018 is included in the REMHS board report this month. Attached are spreadsheets and charts showing the effects of these changes on expenditures and households served.

I recommend that the Board of Commissioners approve this resolution. In doing so, staff will set us on a path to meet the goals outlined here. Immediate steps will include:

- THA will proceed with issuing a Request for Proposals for up to 110 project based vouchers to be under contract by Fall 2014. This RFP may be issued in partnership with Pierce County.
- THA will begin negotiating a contract with Pierce County to fund special programs related to the Pierce County Consolidated Plan. Final approval of the contract start date, contract terms, dollar value, and population(s) served will come to the Board for final approval following the 2012 mid-year budget adjustment.
- Pending the approval of the 2013 MTW Plan, THA will discontinue leasing any new tenant based vouchers beginning in January 2013.
- Pending the approval of the 2013 MTW Plan, THA will design a Fixed Subsidy Program and begin admitting households to that program beginning in January 2013.



# TACOMA HOUSING AUTHORITY

## RESOLUTION NUMBER 2012-6-27 (4)

### ENDORSEMENT OF LONG-TERM HAP FISCAL PLANNING

**WHEREAS**, THA has funding flexibility with its MW authority.

**WHEREAS**, providing shorter-term, shallower subsidy will allow THA to serve more households,

**WHEREAS**, THA needs to make long-term financial and strategic decisions about the use of MTW funds in order to achieve desired outcomes.

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

Authorize the following activities:

- Proceed with issuing a Request for Proposals for up to 110 project based vouchers to be under contract by Fall 2014. This RFP may be issued in partnership with Pierce County.
- Negotiate a contract with Pierce County to fund special programs related to the Pierce County Consolidated Plan. Final approval of the contract start date, contract terms, dollar value, and population(s) served will come to the Board for final approval following the 2012 mid-year budget adjustment.
- Pending the approval of the 2013 MTW Plan, discontinue leasing any new tenant based vouchers beginning in January 2013.
- Pending the approval of the 2013 MTW Plan, design a Fixed Subsidy Program and begin admitting households to that program beginning in January 2013.

**Approved:** June 27, 2012

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Janis Flauding, Chair

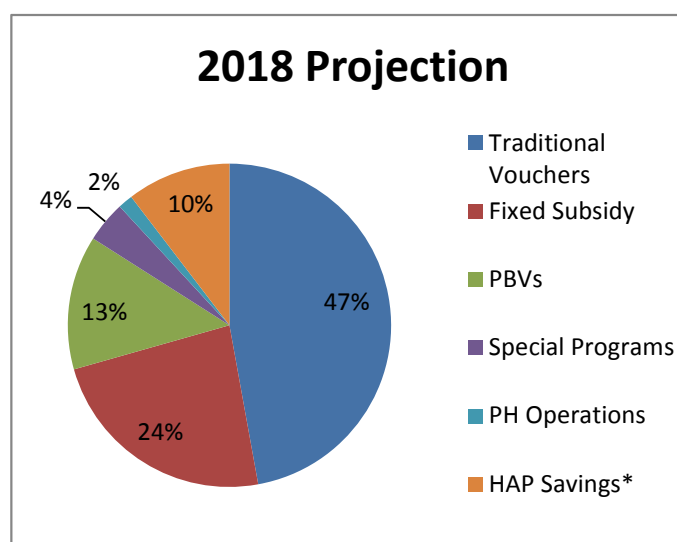
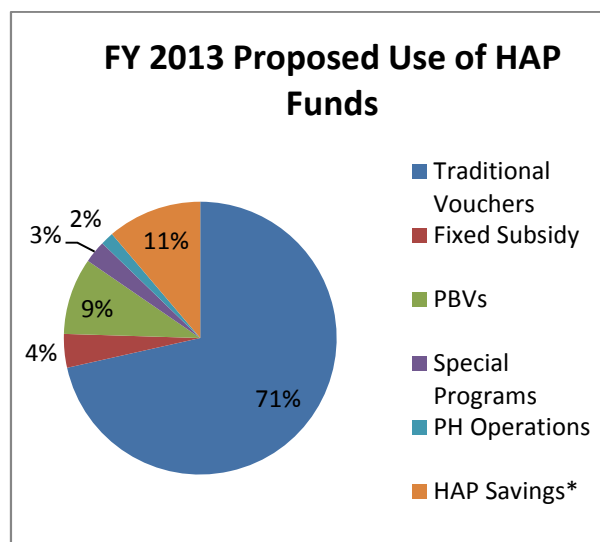


# TACOMA HOUSING AUTHORITY

## Funding and Expenditure Projections FY2011 Through FY2018

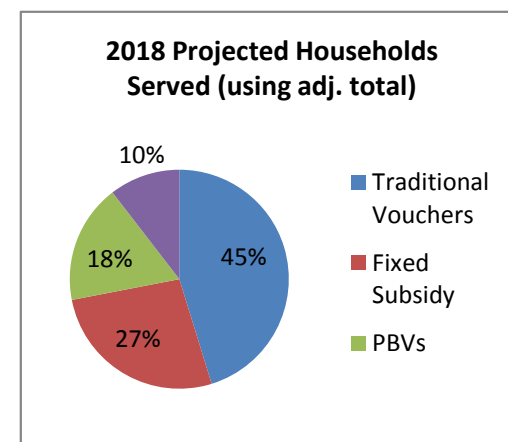
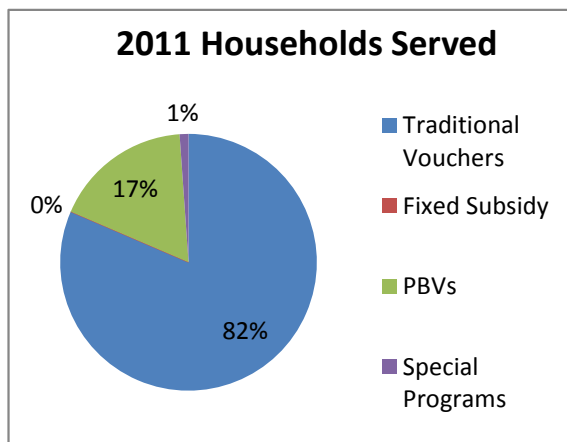
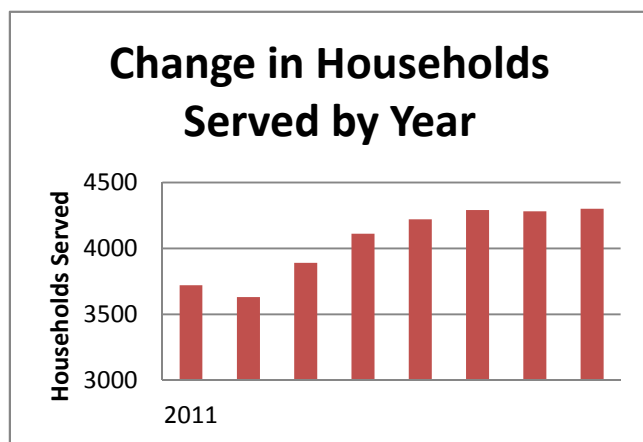
Year	Traditional Vouchers	Fixed Subsidy	PBVs	Special Programs	PH Operations	Total Expenditures	Available HAP	HAP Savings*
2011	\$ 26,694,300	\$ -	\$ 2,870,700	\$ 99,000		\$ 29,664,000	\$ 31,494,562	\$ 1,830,562
2012	\$ 25,629,000	\$ -	\$ 2,870,700	\$ 522,000		\$ 29,021,700	\$ 32,168,000	\$ 3,146,300
2013	\$ 23,229,532	\$ 1,296,000	\$ 2,956,821	\$ 867,600	\$ 500,000	\$ 28,849,953	\$ 32,489,680	\$ 3,639,727
2014	\$ 21,803,436	\$ 2,669,760	\$ 3,806,486	\$ 1,566,520	\$ 500,000	\$ 30,346,201	\$ 32,814,577	\$ 2,468,376
2015	\$ 20,377,339	\$ 4,004,640	\$ 4,187,656	\$ 1,601,456	\$ 500,000	\$ 30,671,091	\$ 33,142,723	\$ 2,471,632
2016	\$ 18,951,242	\$ 5,339,520	\$ 4,313,286	\$ 1,636,392	\$ 500,000	\$ 30,740,440	\$ 33,474,150	\$ 2,733,710
2017	\$ 17,525,145	\$ 6,674,400	\$ 4,442,684	\$ 1,521,328	\$ 500,000	\$ 30,663,558	\$ 33,808,891	\$ 3,145,334
2018	\$ 16,099,048	\$ 8,009,280	\$ 4,575,965	\$ 1,410,664	\$ 500,000	\$ 30,594,957	\$ 34,146,980	\$ 3,552,023

\*HAP savings will be used for (1) serving more households, (2) developing more housing units, and/or (3) agency operations and supportive services



Households Served Projections FY2011 Through FY2018*							
Year	Traditional Vouchers	Fixed Subsidy	PBVs	Special Programs	Total	Adj. Special Prog	Adj. Total
2011	3032	0	648	42	<b>3722</b>	42	<b>3722</b>
2012	2932	0	648	50	<b>3630</b>	50	<b>3630</b>
2013	2932	200	648	110	<b>3890</b>	130	<b>3910</b>
2014	2752	400	749	210	<b>4111</b>	280	<b>4181</b>
2015	2572	600	789	260	<b>4221</b>	380	<b>4341</b>
2016	2392	800	789	310	<b>4291</b>	480	<b>4461</b>
2017	2212	1000	789	280	<b>4281</b>	470	<b>4471</b>
2018	2032	1200	789	280	<b>4301</b>	470	<b>4491</b>

\*Includes households served at any given time. Does not account for total number of households served as rental subsidy "turns over" during the year.



Traditional Voucher program*		
Year	HH served**	Annual Cost***
2011	3032	\$ 26,694,300
2012	2932	\$ 25,629,000
2013	2932	\$ 23,229,532
2014	2752	\$ 21,803,436
2015	2572	\$ 20,377,339
2016	2392	\$ 18,951,242
2017	2212	\$ 17,525,145
2018	2032	\$ 16,099,048

\* Assumes an average HAP of \$641/unit/month in year 1

\*\* Assumes 15 unit/month attrition, not re-

\*\*\* Assumes 3% annual rent inflation rate

Fixed Subsidy Program*		
Year	HH Served	Annual Cost**
2011	0	
2012	0	
2013	200	\$ 1,296,000
2014	400	\$ 2,669,760
2015	600	\$ 4,004,640
2016	800	\$ 5,339,520
2017	1000	\$ 6,674,400
2018	1200	\$ 8,009,280

\* Assumes an average monthly subsidy of

\$540/unit/month in year 1

\*\* Assumes 3% annual rent inflation rate

Special Programs					
Contract Date	Program Name	Population	HH Served**	Adj. HH Served***	Annual Cost*
2011	McCarver Ed Prog	Families	42	42	\$ 99,000
	<b>2011 Total</b>		<b>42</b>	<b>42</b>	<b>\$ 99,000</b>
2012	McCarver Ed Prog - 100% Assistance	Families	50	50	\$ 522,000
	<b>Total 2012</b>		<b>50</b>	<b>50</b>	<b>\$ 522,000</b>
				0	
2012BF	McCarver Ed Prog - 80% Assistance	Families	50	50	\$ 417,600
2013	Child Welfare Asst	Families	20	20	\$ 150,000
2013	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
	<b>Total 2013</b>		<b>110</b>	<b>130</b>	<b>\$ 867,600</b>
2012BF	McCarver Ed Prog- 1st increment- 60%	Families	50	50	\$ 313,200
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014	McCarver Ed Prog- 2nd Increment- 100%	Families	50	50	\$ 553,320
	<b>Total 2014</b>	<b>Varied</b>	<b>210</b>	<b>280</b>	<b>\$ 1,566,520</b>
2012BF	McCarver Ed Prog- 1st increment- 40%	Families	50	50	\$ 208,800
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 80%	Families	50	50	\$ 442,656
2015	Pierce Co Special Programs	Varied	50	100	\$ 250,000
	<b>Total 2015</b>		<b>260</b>	<b>380</b>	<b>\$ 1,601,456</b>

Special Programs continued					
2012BF	McCarver Ed Prog- 1st increment- 20%	Families	50	50	\$ 104,400
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 60%	Families	50	50	\$ 331,992
2015BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2016	Pierce Co Special Programs	Varied	50	100	\$ 250,000
	<b>Total 2016</b>		<b>310</b>	<b>480</b>	<b>\$ 1,636,392</b>
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 40%	Families	50	50	\$ 221,328
2015BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2016BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2017	Pierce Co Special Programs	Varied	20	40	\$ 100,000
	<b>Total 2017</b>		<b>280</b>	<b>470</b>	<b>\$ 1,521,328</b>
2013BF	Child Welfare Asst	Families	20	20	\$ 150,000
2013BF	Youth Housing Asst	Youth 18-24	20	20	\$ 150,000
2013BF	Pierce Co. Special Programs	Varied	20	40	\$ 150,000
2014BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2014BF	McCarver Ed Prog- 2nd Increment- 20%	Families	50	50	\$ 110,664
2015BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2016BF	Pierce Co Special Programs	Varied	50	100	\$ 250,000
2017	Pierce Co Special Programs	Varied	20	40	\$ 100,000
	<b>Total 2018</b>		<b>280</b>	<b>470</b>	<b>\$ 1,410,664</b>

\*Assumes a 3% annual rent inflation rate

\*\*Includes households served at any given time. Does not account for "turns over" during the year.

\*\*\*Number accounts for turnover during the year since Pierce Co. special programs are short-term and intended to last 3-9 months per household.

PBVs				
Contract	Property	Population	HH served	Dollars Spent/Year
2011	Eliza McCabe Townh	Families	10	\$ 92,500
2011	Flett Meadows	Families	14	\$ 171,500
2011	Guadalupe Vista	Homeless Famil	40	\$ 420,000
2011	Harborview Manor	Elderly (55+)	125	\$ 450,000
2011	Hillside Gardens	Families	8	\$ 77,000
2011	Hillside Terrace	Families	9	\$ 93,500
2011	New Look Apts.	Elderly 55+	42	\$ 227,000
2011	Pacific Courtyards	Homeless Famil	46	\$ 124,200
2011	Salishan	Families	339	\$ 1,026,000
2011	Tyler Square	Homeless Famil	15	\$ 189,000
	<b>Total 2011</b>		<b>648</b>	<b>\$ 2,870,700</b>
	<b>Total 2012</b>		<b>648</b>	<b>\$ 2,870,700</b>
	<b>Cumulative Total 2013**</b>		<b>648</b>	<b>\$ 2,956,821</b>
2014	Hillside 2500 Ph1	Families	43	\$ 278,640
2014	New Tacoma 2	55+ homeless p	8	\$ 63,320
2014	CCS Perm Supp Hsg	Homeless single	50	\$ 419,000
	<b>Cumulative Total 2014**</b>		<b>749</b>	<b>\$ 3,806,486</b>
2015	Hillside 2500 Ph 2	Families	40	\$ 266,976
	<b>Cumulative Total 2015**</b>		<b>789</b>	<b>4,187,656</b>
	<b>Cumulative Total 2016**</b>		<b>789</b>	<b>\$ 4,313,286</b>
	<b>Cumulative Total 2017**</b>		<b>789</b>	<b>\$ 4,442,684</b>
	<b>Cumulative Total 2018**</b>		<b>789</b>	<b>\$ 4,575,965</b>

\*This property's PBVs are currently 50% utilized. THA will attempt to reduce the contract amount.

\*\*Assumes 3% annual rent inflation rate

THA's MTW Plan states that THA will project base no more that 20% of its ACC in non-THA units.

The non-THA units are indicated in blue in the table on the left.

Total ACC Units	3543
Non-THA PBV Units	358
Percentage toward cap	10.10%