



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**July 24, 2013**



# TACOMA HOUSING AUTHORITY

Michael Mirra  
Executive Director

## BOARD OF COMMISSIONERS

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

## Regular Meeting BOARD OF COMMISSIONERS

**WEDNESDAY, July 24, 2013**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular meeting on **Wednesday, July 24, 2013 at 4:45 PM**

The meeting will be held at:

**401 North G. Street  
Tacoma, WA**

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

---

I, Christine Wilson, certify that on or before July 19, 2013, 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	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

*and other individuals and resident organizations with notification requests on file*

---

Christine Wilson  
Executive Administrator



# TACOMA HOUSING AUTHORITY

REVISED

**AGENDA  
REGULAR MEETING  
BOARD OF COMMISSIONERS  
July 24, 2013, 4:45 PM  
401 North G. Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
  - 3.1 Minutes of June 26, 2013 – Regular Session
  - 3.2 Minutes of July 12, 2013 – Special Session, Mid-Year Budget Review
- 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
  - 7.5 Human Resources
- 8. NEW BUSINESS**
  - 8.1 2013-7-24 (1), Foster Pepper PLLC-Legal Services
  - 8.2 2013-7-24 (2), 2013 Mid-Year Budget Resolution
  - 8.3 2013-7-24 (3), Second Increase in Contract Amount for Emergency Mitigation Services  
(WALK ON)
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**
- 11. ADJOURNMENT**

# MEETING MINUTES





# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, June 26, 2013

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA at 4:45 PM on Wednesday, June 26, 2013

### 1. CALL TO ORDER

Vice Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 5:16 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Greg Mowat, Vice Chair	Janis Flauding, Chair
Arthur C. Banks, Commissioner (arrived at 5:09 PM)	
Stanley Rumbaugh, Commissioner (arrived at 5:16 PM)	
	Rose Lincoln Hamilton, Commissioner
<b>Staff</b>	
Michael Mirra, Executive Director	
Christine Wilson, Executive Administrator	
Ken Shalik, Finance and Administration Director	
April Davis, REMHS Director	
Barbara Tanbara, Human Resources Director	
Nancy Vignec, Community Services Director	
Tina Hansen, Interim RED Director	
Todd Craven, Administration Director	

Vice Chair Mowat declared there was a quorum present @ 5:16 PM and proceeded.

### 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Mowat asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, May 22, 2013. Commissioner Banks moved to adopt the minutes, Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

**Motion approved.**

#### **4. GUEST COMMENT**

Hope Rehn, resident of Wright Street Apartments, addressed the BOC. SAFE has reviewed the new draft THA leases provided comments. The SAFE picnic has been scheduled for July 26, noon at People's Park. Ms. Rehn has received several complaints from various tenants that their buildings are not being kept clean. Ms. Rehn does not believe there is enough maintenance staff assigned to the buildings to get the work done. Four units in her building at Wright Street tested positive for meth. Ms. Rehn would like hallways in the buildings also tested for meth. She is aware of people in the building smoking meth and states she reported this activity to the authorities.

Sheila Bass, resident of G Street addressed the BOC. She too reported that her building is very dirty. Ms. Bass is concerned about how she is being treated by THA staff. She states they are being disrespectful when speaking to her by telling her to move along when she is trying to talk to them. She also reports health problems since moving into THA housing. She is concerned about the air quality in the building due to people smoking in the building and the bedbug treatment. She is concerned the air quality in the building is not safe and healthy. Ms. Bass stated she has been burned by the bedbug chemicals. She requested the BOC visit the building for an extended period of time to understand her concerns.

Karen Scott, resident of G Street addressed the BOC. She reported since the last board meeting another unit located two units away from her unit was identified as infested with bedbugs. She reports that close to 10% of the units in her building have been infested. Ms. Scott has reviewed the BOC minutes over the past several meetings she has been present to address the board and does not believe the minutes reflect her comments accurately. She provided photographs this evening of her unit prior to the bedbug infestation and how she had arranged her home. It is very different now. Ms. Scott presented a schematic of the floor she lives on at G Street and a chronology of the building infestation. Ms. Scott believes the treatment is pushing the bedbugs to surface in other units. She is recommending THA move all the residents out of G Street and treat the entire building. Ms. Scott states this was Chair Flauding question to staff at a recent BOC meeting. Director Black stated that THA has consulted with other Housing Authorities about their best practices, as well as consulting with bedbug pest experts. There will be an inspection of the entire building on Friday, June 28th. Ms. Scott

provided a packet of information for the BOC and requested that Chair Flauding who was not in attendance be given the packet. [The packet was mailed to Chair Flauding.]

## **5. COMMITTEE REPORTS**

Real Estate Development Committee – Commissioner Rumbaugh reported he drove by the Hillside Terrace construction project, great to see all of the construction activity. He is also looking forward to the upcoming Hillside Terrace Groundbreaking event on July 2<sup>nd</sup>.

Finance Committee – Commissioner Mowat reported the committee did not meet.

Citizen Oversight Committee – Commissioner Banks reported there was a misunderstanding with the meeting location and he was unable to attend.

## **6. ADMINISTRATIVE REPORTS**

### **Executive Director**

ED Mirra referred the board to his report and welcomed questions. [No minutes taken due to a lack of a quorum of the BOC during this report].

### **Finance**

Director Shalik directed the board to his report and welcomed questions. He reviewed the agency financials and the expenditures for meth damages to units. Director Shalik explained that the HUD funding to date reflects the pro-rations under a continuing resolution with last year's budget. This includes further reductions for sequestration. He states that considering these budget challenges, we are in good financial shape. Commissioner Rumbaugh asked when THA would receive the HUD rebenchmarking payment. Director Shalik stated in approximately 2 months. Commissioner Rumbaugh would like to see these funds used for property acquisition. ED Mirra stated HUD is looking for the money to be obligated to a designated project. Hillside Terrace would qualify.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$5,459,349 for the month of May, 2013. 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 and welcomed questions. No minutes taken due to a lack of a quorum of the BOC.

### **Real Estate Development**

Interim Director Hansen directed the board to her report and welcomed questions. No minutes taken due to a lack of a quorum of the BOC.

### **Community Services**

Director Vignec directed the board to her report and welcomed questions. No minutes taken due to a lack of a quorum of the BOC.

### **Administration**

Director Craven directed the board to his report and welcomed questions. He presented the new THA website to the BOC using the smart board. Commissioner Rumbaugh asked how much time is spent updating the website, Director Craven stated approximately 20 hours/week upfront, but that number should decrease over time as the content is loaded. He explained that the new web site will make updates a lot easier in comparison with the old web site. He said that ongoing application development for MTW, FSS, Reasonable Accommodation Database, and Performance Evaluations are ongoing. Effective June 14, 2013, we no longer have insurance coverage for meth and mold damage to THA units. ED Mirra recounted the discussion at the HARRP board meeting he attended when this decision was made. He also recounted the residual issues the termination of coverage have raised that will require further discussion with HARRP. He added that Director Black is leading the agency on a responsible path for meth testing levels that was described earlier in her board report. THA is anticipating the ongoing annual cost of meth damage to the agency at approximately \$1M/year. ED Mirra believes we are responding as a landlord should and not to ignore the contaminated units. The Tacoma Police Department has reported that since the meth plan started, crime reporting rates are going down significantly (e.g. at Salishan, which the police said had already been one of the city's safest areas, crime reporting has declined another 70%), tenants are reporting that they feel safer in their neighborhoods, and rent default percentages have declined. Director Vignec shared a recent exchange with Lister Elementary parents at a public meeting where they voiced community support for THA's meth plan and for terminating tenants whose homes had been identified contaminated for meth. Commissioner Rumbaugh would like to look at means to reduce the anticipated ongoing cost of \$1M for clean-up. ED Mirra stated REMHS will look more closely when screening applicants. Commissioner Rumbaugh believes screening is part of the solution. He would like THA to research using a trained dog to identify units that have been exposed to meth. Commissioner Rumbaugh is certain dogs can identify meth usage from outside the unit.

## 7. OLD BUSINESS

None.

## 8. NEW BUSINESS

### 8.1 RESOLUTION 2013-3-26 (1), APPROVAL OF TENANT ACCOUNT RECEIVABLE WRITE OFFS

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

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

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

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

1. authorizes THA staff to “write off” the following accounts and send these debts to an external collection agency to pursue collection action:

	Project	Client #	Balance
<b><i>Write Off-Collect</i></b>	<b>Section 8</b>		
		00004625	\$190.00
		000212	\$558.00
		000322	\$2,628.00
		000411	\$1,302.00
		000468	\$3,970.00
		000580	\$1,152.00
		119628	\$744.00
		125335	\$2,888.00
		127269	\$119.00
		129529	\$478.00
		130395	\$94.00

135496	\$344.00
136086	\$194.00
141881	\$102.00
712013	\$554.00
712205	\$654.00
712782	\$798.00
712934	\$416.00
713083	\$839.00
713108	\$727.00
713444	\$685.00
714084	\$379.00
714177	\$641.00
714342	\$520.00
714584	\$780.00
714665	\$760.00
714808	\$621.00
714905	\$678.00
714988	\$864.00
715142	\$793.00
715192	\$451.00
715216	\$488.00
716079	\$1,124.00
716309	\$399.00
716399	\$1,112.00
716611	\$464.00
716821	\$1,143.00
717071	\$507.00
717090	\$575.00
<b>Total W-O Collect S8</b>	<b>\$31,735.00</b>

LIPH

<b>M-O Project #</b>	<b>Client #</b>	<b>Balance</b>
<i>Write Off-</i>		

**Collect**

<b>Scattered Sites</b>		
	125396	\$4,177.93
<b>Stewart Court</b>		
	XX001094	\$2,027.56
<b>S M Str (EB Wilson)</b>		
	136346	\$150.00
<b>S Wright Str</b>		
	141616	\$127.16
	142173	<u>\$90.00</u>
		\$217.16
<b>Total W-O Collect LIPH</b>		<b>\$6,572.65</b>

**Write Off-  
No Collect**

<b>Old Hillside Terrace</b>		
	143240	\$30.00
<b>Stewart Court</b>		
	XX000224	\$24.71
	XX000275	<u>\$30.00</u>
		\$54.71
<b>Section 8</b>		
	710608	\$43.00
<b>Total W-O NO Collect</b>		<b>\$127.71</b>

\*This total includes accounts where tenant is deceased or the balance is under \$30.

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

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

**Motion Approved:** June 26, 2013

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

**9. COMMENTS FROM COMMISSIONERS**

Commissioner Rumbaugh underscored the significance of the start of the Hillside Terrace construction project. It is great to drive by the see the daily progress take place. Nice work everyone.

**10. EXECUTIVE SESSION**

**11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:25 PM.

**APPROVED AS CORRECT**

**Adopted:** July 24, 2013

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





# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION FRIDAY, July 12, 2013

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L Street, Tacoma, WA at 12:00 PM on Friday, July 12, 2013

### 1. CALL TO ORDER

Vice Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:25 PM.

### 2. ROLL CALL

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

PRESENT	ABSENT
<b>Commissioners</b>	
Greg Mowat, Vice Chair	Janis Flauding, Chair
Arthur C. Banks, Commissioner (arrived at 12:25 PM)	
Stanley Rumbaugh, Commissioner	Rose Lincoln Hamilton, Commissioner
<b>Staff</b>	
Michael Mirra, Executive Director	
Christine Wilson, Executive Administrator	
Ken Shalik, Finance Director	
April Davis, REM&HS Director	
Barbara Tanbara, Human Resources Director	
Nancy Vignec, Community Services Director	
Tina Hansen, Interim RED Director	
Todd Craven, Administration Director	

Vice Chair Mowat declared there was a quorum present @ 12:25 PM.

### 3. REVIEW OF OPERATING BUDGET REVISIONS – FY 2013

Executive Director Mirra opened the budget discussions by noting the purpose of the meeting: to conduct a mid-year review of the 2013 budget. He referred the commissioners to the budget revision proposal he sent to the commissioners earlier in the week. He said that staff planned to submit the proposal to the board as a resolution at the July board meeting, modified to account for today's discussion.

He highlighted and summarized year-to-date factors that are affecting the 2013 budget since its adoption in December 2012. Key factors and adjustments that update the current budget include:

- \$2.3 million in sequestration cuts
- uninsured losses due to meth remediation
- \$2.8 million reduction in reserves to pay down the Salishan 7 Loan
- \$1.4 million to pay off the Citibank Loan

Mirra noted that this proposed revision accomplishes some important goals. It accounts for the loss of revenues and the increased expenses. It does this in two main ways. It continues the “sequestration” cuts and expenditure delays the board approved earlier in the year. It also dips into reserves an additional \$100,000 for a total of about \$450,000. He notes that THA needed to reduce its reserves and this use of reserves helps to do that. The other uses of reserves conform to our principles governing reserves: we use them for activities that will make us money, save us money or make us more effective. The final reserve levels are comfortably above our minimum levels and below our optimal levels. The proposed revision also continues important THA initiatives.

He noted that recurring expenses exceed recurring income by about \$500,000. That is not sustainable. This gap will be the main focus for the 2014 budget, when we will have lower reserves to absorb it. The level of congressional appropriations for 2014 will be the main factor in THA’s response. We could cover this gap if congress ended the sequestration cuts and resumed even the pre-sequestration levels. All this bears watching as the congressional budget process unfolds through the rest of the year.

Director Shalik directed the Board to the THA Operating Budget Revision – FY 2013 memo and attached reports. Director Shalik gave a detailed overview of THA’s current and proposed budget plans highlighting expense, purchase, and income initiatives that affect THA’s overall operations. The budget revisions will allow THA to continue planned initiatives such as the HOP program, purchase of New Look Apartments, Hillside Terrace construction, improved operations, asset-building initiatives and the Education Project.

Commissioner Rumbaugh inquired about the plan for reducing the costs associated with meth remediation. Ken listed the efforts underway: push contractors to bring down the cost of remediation, look at new insurance companies that do not exclude meth remediation and who reduce cost of coverage, restructure our portfolio to bring down costs through a HUD initiative called Rental Assistance Demonstration (RAD). This program allows THA to transition Public Housing properties to MTW properties which is expected to save THA money over time.

Commissioner Mowat stated that THA should look into how we can save money in the area of procurement by reducing costs of consultants and bring this work in-house if we can. Commissioner Mowat further stated that THA should also ask the question “did we get value for our money?” when working with contractors and consultants.

Director Shalik concluded that THA's finances are in good shape.

All commissioners indicated agreement with the budget proposal.

**4. ADJOURNMENT**

There being no further business to conduct the meeting ended at 12:52 PM.

**APPROVED AS CORRECT**

**Adopted:** July 24, 2013

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

Finance Committee  
*Commissioner Mowat*

Real Estate and Development Committee  
*Commissioner Rumbaugh*

Citizen Oversight Committee  
*Commissioner Banks*

# ADMINISTRATION REPORTS

# EXECUTIVE DIRECTOR REPORT



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Date:** July 19, 2013

**Re:** Executive Director's Report

---

This is my monthly report for July 2013. The departments' reports supplement it.

## 1. MID-YEAR BUDGET REVIEW

On behalf of THA's staff, I thank the board for the July 12<sup>th</sup> study session on the mid-year budget review. We are pleased that in drafting our proposed budget revision we adequately understood and reflected the board's direction. That proposal is the subject of one of the board resolutions this month.

These are the main elements of the revision:

- The most important challenge for the budget revision is to account for the cuts to our recurring income and the increases to our recurring expenses that are new since the board adopted the budget last December: the \$2.3 million cut in recurring income we experienced because of the congressional "sequestration" budget; the loss in June of our insurance for our meth remediation. We accommodate these by continuing the cuts and delayed expenditures the board directed this spring in response to the "sequestration". We also dip into reserves by an additional \$100,000 for a total dip for operations of about \$500,000.
- We spend down our reserves from about \$13 million to about \$7 million. This is good for reasons we have been discussing. This use of reserves conforms to our principles governing reserves:
  - (i) We are much closer to our desired reserve levels. We will end up with about \$ 2 million above minimum reserve levels.
  - (ii) We have spent our reserves on uses that will save us money, make us money or make us more effective. The most notable examples are our use of \$4.2 million to pay down debt. \$1.4 million will go to the settlement of our Citibank loan we took out to build Salishan Phase 2 infrastructure. \$2.8 million will pay off our loan we took to build the final phase of Salishan. This second payment will save us about \$ 3 million in interest (at 7%) over the 30-year life of the loan. It will also turn the final phase of Salishan into a money maker for THA (\$200,000 per year.) We also spend reserves on important items that will make us stronger. *E.g.* sunset

positions for our business process project, to organize our warehouses and related work flows, to lead the effort to apply to HUD for permission to convert our public housing stock to Section 8 funding.

NOTE: Our budget does not include the \$1.2 million we are expecting to receive from HUD in settlement of our voucher “rebenchmarking” dispute. We will add it to our reserves when we receive, which we hope will be soon.

- The budget continues important initiatives: *E.g.*,
  - ~ Hillside Terrace Phase 1
  - ~ LASA’s Prairie Oaks Project
  - ~ Housing Opportunity Program (HOP)
  - ~ THA’s meth plan
  - ~ purchase of the New Look Apartments
  - ~ Scholars’ Incentive Program
  - ~ planning for the Salishan Children’s Matched Savings Account
  - ~ THA’s Education Project
- The budget does not conform to our goal of keeping recurring expenses within recurring income. By this measure, as I mention above, we are about \$500,000 in the hole. The main cause is the \$2.3 million “sequestration” cut. This is obviously not sustainable. Closing this gap will be a prominent issue for the 2014 budget when we will have lower reserves to cushion it. The possible answers to closing this gap include:
  - ~ congress will reduce the sequestration costs, as the Senate appropriation committee has proposed;
  - ~ next year we anticipate some new income (\$150,000 in more HOP savings; developer fees from Hillside Terrace and LASA; \$200,000 from Salishan 7 (because we will have paid off its loan.)
  - ~ we will cut recurring expenses.

**2. SOME MORE CONGRESSIONAL BUDGET NEWS (OF SORTS)**

The House and Senate budget committees have passed their respective proposals for HUD’s budget. I enclose some useful analysis from the Council of Large Public Housing Authorities (CLPHA). You will note that the Senate proposal is preferable for what we do or hope to do. Other high quality and detailed information about the budget is available at [www.cbpp.org](http://www.cbpp.org) and [www.NAHRO.org](http://www.NAHRO.org).



**3. NANCY VIGNEC'S RETIREMENT AND PLANNING FOR A THA WITHOUT HER**

This is the last board meeting that will enjoy the contribution and reports from Nancy Vignec. As she told the board last month, she will retire in August. She thus concludes twenty-two years of service to THA! Most people at THA do not know this place without her. In her time with THA, Nancy has filled many positions throughout the agency. For the last five years, she has directed the Community Service Department. She leaves it stronger than its staff ever remembers it being.

The community service department performs very important work. The community service function is part of our effort to help our clients succeed not only as tenants, but also as "parents, students, wage earners and builders of assets." This is the mission the board has set, with performance measures. This is the mission that makes us more than a real estate developer and more than a landlord. It is also the harder part of our work. The world knows how to house people. It does not know nearly as much about how to help low income people prosper.

We are now looking for an interim director to lead the community service department. I hope to have someone in place by the August board meeting.

Nancy's retirement presents an opportunity to refresh our understanding of the community service function and how we can best get it done. This is a timely chance to do that. We have just launched the HOP program toward the same goals. In that spirit, we have considered two alternatives for organizing this work:

- keep the community service department in its present form and find Nancy's successor to direct it.
- merge the community service (CS) and the real estate management and housing services (REMHS) departments under April as director of the merged department.

We have convened some very good discussions among the cabinet, managers, and the community service staff. I enclose a memo convening some of them. It presents the main choices. I consulted with the OPEIU representative whose members work in both departments. I also conferred with executive directors of other very good public housing authorities and housers with similar missions. Those other organizations vary in their own approach. Some resemble our present structure. Others use what a merger would give us. They are all effective. The main lesson from their example is that there is no single right answer.

I judge that for now the departments should remain separate while they strive to better coordinate their efforts in a common service to THA's mission to help our clients succeed. I come to this judgment after considering a number of factors. Here are the notable ones:

Reasons to Keep the Two Department Separate	Reasons to Merge Them
<p>A separate department gives the community service function a necessary stature within THA with a distinct voice to represent. It gives us a director who is thinking about it all the time: how to do it and where to find the money it requires.</p>	<p>The REMHS department already is a prominent part of the community service function. For example, it manages the HOP program, which is designed to spur work-able families to increase their earned income. A merger acknowledges that REMHS is part of that function and helps to enlist its full reach in support.</p>
<p>A separate department acknowledges that its work is its own specialty. It would lose a necessary focus if it were blended with the REMHS function.</p>	
<p>Similarly, a merger may cause us to lose a focus we need on our real estate management operations. REMHS is already large. A merger would greatly extend its reach at a time when it our portfolio operations needs full attention.</p>	
<p>Separating the casework function from the landlord or compliance function provides some important advantages. Casework helps clients overcome family conflict, addiction, mental illness and barriers to employment. Doing this successfully requires a trusting relationship between the client and the caseworker. That would be harder to achieve if the client felt that the caseworker also directly represented the landlord or compliance function of THA.</p>	<p>Blending the casework and the compliance function can give a family a single point of contact with THA rather than a Lease &amp; Occupancy specialist and a separate caseworker. This would be more efficient and easier for the client.</p>
<p>The demands of this relationship and the trust it requires are especially notable for clients who do not speak English. [Most of THA's multi-lingual staff are in the community services department.]</p>	
<p>The community staff are strongly in favor of remaining a separate department. They feel they have worked hard to become the strong team they now constitute. They worry a merger would lose that. They readily acknowledge the importance of coordination with REMHS. They feel it already occurs for the most part and that the needed improvement is very possible without a merger.</p>	<p>A merger would put community service closer to the MTW revenues that support it. Those MTW revenues come from the REMHS. Having one director responsible for the community service and the REMHS functions would help smooth their tension in the competition for those monies.</p> <p>THA needs better coordination between the REMHS and the community services function. A merger makes this easier to achieve.</p>

I expect we will continue this discussion during the interim period under an interim community service director. Part of his or her job will be to help us do that. The quality of the interim director may become its own factor. If we find a strong one, a merger will appear less appealing. A weak one may make a merger more appealing.

**4. MISCELLANEOUS**

THA's has been getting some very favorable coverage in the media, including a very positive expression of editorial support for our HOP program from The News Tribune. The board receives an email notice of all these articles.

I attach a copy of a magazine article about THA's McCarver Elementary School Project. The magazine is called *Uncensored*. Like the newspaper pieces, this article recognizes work that has made THA notable nationally for its innovation and its willingness to take risks.

July 2013

## SENATE AND HOUSE FY14 THUD APPROPRIATIONS

On June 27, both the House and Senate full Appropriations Committees during their respective mark ups passed their versions of a Transportation, Housing and Urban Development, and Related Agencies (THUD) funding bill for FY14.

Since the House allocation for THUD at \$44.1 billion was almost \$10 billion less than the Senate allocation at \$54.045 billion, differences in the committee recommended funding levels for various public and affordable housing programs are readily apparent. In most of the programs of interest to CLPHA members, the [House](#) provided funding levels at best equal to the FY13 enacted level before sequestration, and in several instances, less than FY13 pre-sequestration enacted levels. In contrast, the Senate, which freed itself from the restrictions of the sequester's mandatory discretionary cuts, allowed for higher funding levels across most of its programs.

CLPHA strongly supports the higher recommended funding levels in the Senate appropriations bill. The Senate may take floor action on its bill ([S. 1243](#)) prior to the August recess, and we call on our members to express their support for the Senate funding levels to their congressional representatives in both the House and Senate.

The following is CLPHA's review and position on selected programs and provisions in both the Senate and House funding bills.

### SENATE

#### **Rental Assistance Demonstration (RAD): \$10 million.**

This is \$30 million below CLPHA's request of \$40 million, equal to the Administration's request, and \$10 million above FY13.

To the benefit of housing authorities hoping to participate in the RAD program, the committee provided funding for RAD during a period of fiscal austerity and budget cutting among other HUD discretionary programs. Recognizing the success of the demonstration, with the initial housing authority awardees *"expected to leverage significant resources to finance their capital improvements, including low-income tax credits and private sector loans, multiplying the impact of the Federal investment,"* the committee provided funding to allow HUD *"to convert 3,000 units of public housing in high-poverty neighborhoods that would be unable to address their capital needs without an increased subsidy. The Committee has included this funding because it is committed to preserving*

*desperately needed affordable housing and believes RAD is a critical part of accomplishing that goal.”*

***CLPHA, as a key stakeholder in the coalition that developed and advocated for the Rental Assistance Demonstration authorized in the FY12 appropriations bill, strongly supports the Senate’s action to provide \$10 million in funding for RAD in FY14 in order to allow more public housing authorities to participate in the program.***

**Public Housing Operating Fund: \$4.6 billion.**

This is \$550 million below CLPHA’s request of \$5.150 billion, equal to the Administration’s request of \$4.6 billion, and \$546 million above the FY13 post-sequestration level. Note that the Administration requested only 90 percent of the projected eligibility, and thus the \$4.6 billion provided by the Senate equates to a 90 percent proration according to the Administration’s estimate and an 89 percent proration according to CLPHA’s estimate.

The committee report notes that in FY12, *“Congress instituted an offset of public housing authority reserves, reducing the new funding provided to support the operation of public housing, forcing PHAs to utilize reserves to fund regular operations. While the Committee had intended to restore funding in fiscal year 2013, only part of the funding was restored in that year due to the continuing resolution. As a result, while the increase over the 2013 enacted level is significant, it is \$26,000,000 below the fiscal year 2011 enacted level.”*

***CLPHA supports the Senate funding level, which is \$338 million above the House mark, for the Operating Fund. CLPHA is deeply concerned that the Operating Fund continues to be chronically underfunded despite the fact that operating funds allow housing authorities to increase occupancy and to maintain decent and safe housing.***

**Public Housing Capital Fund: \$2 billion.**

This is \$3.072 billion below CLPHA’s request of \$5.072 billion, equal to the Administration’s request of \$2 billion, and \$223 million above the FY13 post-sequestration level. The bill also includes a \$50 million set-aside for the Resident Opportunities and Self-Sufficiency (ROSS) program as well as a \$15 million set aside for the Jobs-Plus pilot program.

The bill allows the Secretary to set aside funds from the Jobs-Plus pilot program for the ROSS program in support of pilot activities. According to the committee report, *“(i)n reviewing the Jobs-Plus proposal, it became apparent that there was overlap between the services that were critical to a successful Jobs-Plus program and those being offered as part of the existing ROSS program. The Committee believes that applying the lessons learned from the Jobs-Plus demonstration to ROSS employment and training programs will strengthen them.”*

According to the committee report, the committee is also concerned with, and unaware of the metrics that HUD uses to evaluate the effectiveness of housing stability, health outcomes and self-sufficiency of public housing residents particularly in relation to the ROSS program. *“Therefore, the Committee has set-aside funding under the Transformation Initiative to conduct an assessment of the ROSS program. This assessment should look at various ways PHAs use ROSS funds, identify best practices,*

*and recommend approaches that may increase the effectiveness of the program. It should also provide information on how HUD measures program outcomes.”*

Other set-asides include \$8 million for Real Estate Assessment Center (REAC) activities and \$20 million for emergency capital needs.

***CLPHA supports the Senate funding level of \$2 billion, which is \$500 million above the House mark. We remain concerned that these funding levels provide for less than half of annual accrual needs for public housing, most assuredly continuing the trend of adding dramatically to the backlog of capital needs. CLPHA applauds the inclusion of the ROSS program funding, a critical resource to connect public housing residents to a multitude of services that support better life outcomes. Given the enormous unfunded annual and backlog capital needs, CLPHA recommends that the Senate provide separate line-item funding of \$15 million for the new Jobs-Plus Pilot Initiative, rather than as a set-aside in the Capital Fund account.***

### **Housing Choice Voucher (HCV) Renewals: \$17.568 billion.**

This is \$841 million below CLPHA’s request of \$18.409 billion, \$400 million below the Administration’s request of \$17.968 billion, and \$1.220 billion above the FY13 post-sequestration level. It represents a proration of about 95 percent according to CLPHA’s estimate of need and almost 98 percent according to HUD’s estimate.

According to the report, the recommended funding level “includes sufficient resources to support existing section 8 programs to ensure that no current voucher holders are put at risk of losing their housing.” The committee also included several reform proposals requested by the Administration, which include “serving more working poor, modifying utility allowances, streamlining inspections, and encouraging public housing authorities [PHAs] to form consortia.” As if to emphasize their level of HUD scrutiny, “the committee notes that regulations will be needed to implement the changes to inspection protocols, and directs HUD to include requirements for PHAs to obtain and retain photographs of units inspected as part of this regulation.”

Responding to public housing industry and other calls for regulatory reform, the committee also expects HUD to “be working to update regulations that don’t require congressional action.” Noting that “some existing regulations are creating burdens for PHAs with little benefit to the oversight of the program,” the committee directs HUD to provide a report to Congress within 180 days after enactment of the appropriations bill that specifies “existing regulations that need to be updated. This report should include the intended purpose of the regulation and if it needs to be eliminated or replaced with a different requirement. The report also may include other regulatory requirements HUD would like to promulgate. Finally, the report should include timeframes for updating regulations.”

***CLPHA supports the Senate funding level of \$17.568 billion, \$558 million over the House mark, for FY14 voucher renewals. CLPHA also strongly supports the Senate directing HUD to identify, and explore ways to reduce, unnecessary regulatory burdens on housing authorities.***

***Finance and Governance:*** The committee also noted that housing authorities are local entities managed by boards and commissions that provide local oversight. However, according to the



committee report, “(i)n examining the circumstances that result in public housing authorities becoming troubled, problems with finance and governance are often the root cause.” Consequently, the committee directs HUD to work with the Office of Inspector General

*“to determine the critical skills that PHA boards should have to effectively oversee PHA operations, as well as the actions HUD will take to ensure that PHAs possess them. The Committee notes that in considering approaches to providing education and training to PHAs and their boards, HUD should work with industry to see if there are existing training programs that can support this effort. HUD must also be mindful of the cost associated with such requirements and consider providing information online or supporting costs of in-person training so that this is not a financial burden for PHAs. The Committee directs HUD to submit a report to the House and Senate Committees on Appropriations within 180 days of enactment of this act describing its findings and how it will meet this requirement.”*

### **HCV Administrative Fees: \$1.685 billion.**

This is \$283 million below CLPHA’s request of \$1.968 billion, equal to the Administration’s request of \$1.685 billion, and \$380 million above the FY13 post-sequestration level. Though this is equal to the Administration’s request, according to the Congressional Justifications, that request only represents an 82 percent proration. According to CLPHA’s estimate of need, it would be an 86 percent proration.

The committee recognized that “(c)uts to the funding provided to PHAs to help them operate their programs are beginning to adversely affect their ability to serve tenants,” noting that “several PHAs have transferred their programs to other agencies, while others have refused new HUD–VASH vouchers because of insufficient administrative fees. As a result, the Committee has agreed to the Administration’s request to increase administrative fees.” Given their concern with appropriating adequate administrative fees to run the program, the committee also directed HUD to provide Congress with preliminary findings from the administrative fee study currently underway as well as the date when the final report will be available.

***CLPHA supports the Senate funding level for administrative fees in FY14, which is \$335 million above the House mark. We remain very concerned that the downward spiral of funding for administrative fees is seriously jeopardizing housing authorities’ ability to serve families on their waiting lists.***

### **VASH Vouchers: \$78 million.**

This is \$3 million above CLPHA and the Administration’s requests as well as the FY13 enacted level. (The HUD-VASH program is exempt from sequestration.) This includes a \$3 million set-aside for a rental assistance and supportive housing demonstration program for the Native American veterans that “are homeless or at risk of homelessness living on or near a reservation or other Indian areas.”

***CLPHA supports the Senate mark of \$78 million for HUD-VASH vouchers. However, we continue to be concerned about housing authorities’ ability to fund the administration of new HUD-VASH vouchers.***

### **Tenant Protection Vouchers: \$150 million.**

This is equal to the Administration's request, and \$79 million above the FY13 post-sequestration level. CLPHA requested full funding for Tenant Protection Vouchers. The Administration estimates full funding of Tenant Protection Vouchers for FY14 to be \$150 million, to protect approximately 29,500 households from displacement.

The committee also noted that *“due to the timing of the original contracts, HUD is now experiencing a surge in contract expirations, driving up demand for these vouchers. The Committee expects that fiscal year 2014 will be the peak in demand, which is expected to decrease in future fiscal years.”*

***CLPHA supports the Senate mark of \$150 million for Tenant Protection Vouchers, and is pleased to see full funding of these vouchers for FY14.***

### **Consolidated Family Self Sufficiency (FSS) Program: \$75 million.**

The bill would consolidate the HCV and Public Housing FSS programs, which in past years have been funded separately at a total of \$75 million (\$60 million from HCV FSS, and \$15 million from ROSS FSS, which has been part of the \$50 million ROSS funding set-aside in the Capital Fund). The \$75 million is equal to the Administration's request and approximately \$4 million above the FY13 post-sequestration level.

The committee report indicated that the Tenant-Based Rental Assistance account for FSS coordinators and the public housing FSS program funded out of the ROSS set-aside in the Public Housing Capital Fund account have been *“consolidated to increase efficiency since many PHAs serve both section 8 and public housing residents.”*

***CLPHA supports consolidation of the programs and the \$75 million funding level, and applauds the Senate THUD Committee for its continued commitment to resident supportive service programs.***

### **Choice Neighborhoods Initiative (CNI): \$250 million.**

This is \$50 million below CLPHA's request of \$300 million for HOPE VI / CNI, \$150 million below the Administration's request of \$400 for CNI, and \$136 million above the FY13 post-sequestration level. The bill also requires that \$165 million (66 percent) of the funds be granted to projects where public housing authorities are the lead applicant, and that \$5 million be granted for planning activities (i.e. planning grants).

The committee indicated they are *“encouraged by the ability of Choice Neighborhood grantees to leverage significant resources with their grant awards. Since 2010, Choice Neighborhood implementation grant recipients have used the combined \$231,160,000 they were awarded to leverage over \$2,000,000,000 in other resources. The Committee agrees with the emphasis that HUD has placed on ensuring that projects gain financial support from other sources, as well as its focus on strong local and Federal partnerships.”*

***CLPHA supports the Senate's funding level of \$250 million for CNI, and we appreciate the Senate's recognizing that the work to replace distressed public housing is not yet complete by including the \$165 million set-aside to rehabilitate severely distressed public housing properties.***

### **Transformation Initiative:**



Allows transfer of 0.5 percent from each of the program accounts, up to a total of \$60 million, for (1) research, evaluation, and program metrics; (2) program demonstrations; and (3) technical assistance and capacity building. Allows HUD to enter into cooperative agreements for TI activities, provided that the partners contribute at least a 50 percent match of funds.

Under the Transformation Initiative *“the Committee recommends \$500,000 for an evaluation of the ROSS program”* and also recommends *“at least \$2,000,000 for technical assistance for public housing authorities and residents to help develop sustainable service funding models and improve service delivery. In addition, at least \$3,000,000 must be provided to support training for public housing authorities on finance and governance. Finally, at least \$1,000,000 is for culturally appropriate technical assistance to support implementation of the housing plus services model on reservations and in Indian areas as part of the HUD–VASH pilot.”*

***CLPHA recognizes the importance of the activities of the Transformation Initiative, but would prefer Congress provide separate line-item funding for the Transformation Initiative rather than siphoning funding through transfer from other program accounts that directly serve low-income families.***

## **General Provisions**

**SEC. 209.** Amends the United States Housing Act of 1937 to allow for flat rents at levels no lower than 80 percent of the FMR. If a new flat rent will increase a tenant’s rent by more than 35 percent, then that flat rent must be phased in “as necessary to ensure that the family’s existing rental payment does not increase by more than 35 percent annually.”

**SEC. 210.** Allows housing authorities to form consortia.

**SEC. 218.** Allows for biennial inspections and allows them to use alternative Federal inspection standards to reduce duplication and focus more on risk-based inspections.

**SEC. 221.** Allows housing authorities with less than 400 units to be exempt from asset management requirements.

**SEC. 222.** Restricts the Secretary from imposing any requirement or guideline relating to asset management that restricts or limits the use of capital funds for central office costs pursuant to Section 9 of the Housing Act of 1937, as amended by QWHRA.

**SEC. 229.** Adopts the Administration’s proposal on housing authority executive compensation, which establishes the maximum salary that housing authorities may provide to their employees and the maximum amount that may be provided to contract personnel using HUD funds. The base salary including locality adjustments, or total annual payment for contracted personnel, for housing authorities with:

Less than 250 units, shall not exceed	GS-11, step 10
250 to 1249 units, shall not exceed	GS-13, step 10
1250 or more units, shall not exceed	GS-15, step 10

**SEC. 233.** Extends the HOPE VI program until September 30, 2014.

**SEC. 237.** Changes the definition of “extremely low-income” to families whose incomes do not exceed the higher of 30 percent of the family median income for the area *or* the federal poverty line updated by the Department of Health and Human Services. Also increases the threshold for health and medical expenses.

**SEC. 238.** Increases the number of units available for conversion under the Rental Assistance Demonstration from 60,000 to 150,000 and extends the demonstration through 2015. Additional provisions will allow single room occupancy [SRO], rent supplemental and rental housing assistance payment projects to convert to section 8.

**SEC. 242.** Restricts the amount allowed for tenant-paid utilities based on “appropriate family unit size as determined by the public housing agency,” with exceptions for families that include persons with disabilities.

## HOUSE

### **Public Housing Operating Fund: \$4.262 billion.**

This is \$888 million below CLPHA’s request of \$5.150 billion, \$338 million below the Administration’s request of \$4.6 billion, and \$208 million above the FY13 post-sequestration level. The House mark represents an approximate 83 percent proration of public housing operating funds (when compared to either the Administration’s or CLPHA’s projection of eligibility).

According to the committee report, they did not include budget request language that would allow housing authorities to merge their Capital and Operating Funds and use those funds for either purpose because, “*while the Committee supports the idea of giving high performing PHAs regulatory relief so they can operate more efficiently, HUD has provided no information on how it would identify and budget for capital and operating needs in the future if this authority to merge funds were approved.*” The Committee urged HUD and the House Financial Services Committee (FSC) to “*consider this issue among other legislative and regulatory changes that would provide regulatory relief so that local public housing authorities can serve greater numbers of residents, and lead greater numbers of residents to achieve self-sufficiency.*”

***CLPHA strongly opposes the House mark of \$4.262 billion. CLPHA is deeply concerned that the Operating Fund continues to be chronically underfunded despite the knowledge that operating funds allow housing authorities to increase occupancy and to maintain decent and safe housing. The House mark will hamper housing authorities’ ability to serve current families and further lengthen waiting lists.***

### **Public Housing Capital Fund: \$1.5 billion.**

This is \$3.572 billion below CLPHA’s request of \$5.072 billion, \$500 million below the Administration’s request of \$2 billion, and \$277 million below the FY13 post-sequestration level. There is a set-aside of \$15 million for the Jobs-Plus Pilot Program to improve employment

opportunities and earnings of public housing residents, equal to the Administration's request. There is no set-aside for the Resident Opportunities and Self-Sufficiency (ROSS) program (CLPHA requested \$50 million).

Also, no more than \$8 million is directed to support the activities of the Real Estate Assessment Center; and \$20 million is made available for emergency capital needs, excluding Presidentially-declared disasters. The bill continues to include language to ensure that emergency funds are used *"only for repairs needed due to an unforeseen and unanticipated emergency event or natural disaster"* that occurs during FY14.

***CLPHA strongly opposes the House mark of \$1.5 billion, which provides for less than half of annual accrual needs for public housing, most assuredly continuing the trend of adding dramatically to the backlog of capital needs. CLPHA would have preferred the House provide separate line-item funding of \$15 million for the new Jobs-Plus Pilot Initiative, rather than as a set-aside in the Capital Fund account given the annual accrual needs and large capital needs backlog.***

### **Section 8 Reforms:**

The committee report makes note that the Administration's budget request *"includes a number of authorizing provisions to reform the Housing Choice Voucher (HCV) program, including several provisions that result in cost-saving measures that provide administrative relief to PHAs."* Given the increasing costs of the HCV renewals each year, the Committee commended the Administration for proposing these reforms and stated that they are *"fully supportive of any reforms that relieve administrative burdens and enable housing authorities to serve more families, and to work to lift them to self-sufficiency."*

Therefore, they strongly urged the House FSC *"to address reforms of the HCV program expeditiously, as a failure to reform this program could result in significant reductions to the number of leased vouchers and deep cuts to other HUD programs, especially considering the current fiscal environment. The Committee urges the Administration to continue to work with the authorizing committees on a reform bill, with the goal of enactment prior to the beginning of fiscal year 2014 so that the amounts provided in this bill more efficiently and effectively serve needy individuals and families. The Committee also strongly encourages HUD to pursue regulatory and administrative reforms that do not require new authorizations, but that relieve the administrative burdens on PHAs."*

### **Housing Choice Voucher (HCV) Renewals: \$17 billion.**

This is \$1.409 billion below CLPHA's request of \$18.409 billion, \$968 million below the Administration's request of \$17.968 billion, and \$652 million above the FY13 post-sequestration level.

The committee report directs the Department to monitor and report to the House and Senate Committees on Appropriations each quarter on the *"trends in Section 8 subsidies and to report on the required program alterations due to changes in rent or changes in tenant income."* The House renewal number represents an approximate 92 percent proration, based on CLPHA's estimate of need or 95 percent based on HUD's estimate.

*CLPHA strongly opposes the House mark of \$17 billion, including the authorization of offset authority to reduce any downward proration. Agencies have had to deal with repeated funding cuts and deep proration levels, such that another offset of what little reserves are left will seriously undermine housing authorities' ability to serve families on their waiting lists. In addition, the House mark could potentially leave thousands of current voucher holders without assistance.*

### **HCV Administrative Fees: \$1.35 billion.**

This is \$618 million below CLPHA's request of \$1.968 billion, \$335 million below the Administration's request of \$1.685 billion, and \$45 million above the FY13 post-sequestration level. The House mark represents an approximate 69 percent proration, based on CLPHA's estimate of need, or 66 percent proration, based on HUD's estimate. This would be the lowest proration level to date.

*CLPHA strongly opposes the House mark of \$1.35 billion, especially in light of the historically low proration of administrative fees in recent years.*

### **VASH Vouchers: \$75 million.**

This is equal to CLPHA and the Administration's requests as well as the FY13 enacted level. (The HUD-VASH program is exempt from sequestration.)

According to the committee report, these vouchers shall remain available for homeless veterans upon turnover and will add 10,000 new vouchers for this program to help support the Department of Veterans Affairs' goal of ending homelessness among veterans within five years. The bill language also includes "direction to the Department to communicate to each PHA, within 60 days of enactment, the fixed amount that will be made available to each PHA for fiscal year 2014."

*CLPHA supports the House mark of \$75 million for HUD-VASH vouchers. However, given the appropriation for administrative fees, we remain concerned about housing authorities' ability to fund the administration of these new HUD-VASH vouchers.*

### **Tenant Protection Vouchers: \$75 million.**

This is \$75 million below the Administration's request, and \$4 million above the FY13 post-sequestration level. CLPHA requested full funding for Tenant Protection Vouchers. The Administration estimates that full funding of tenant protections vouchers for FY14 to be \$150 million, to protect approximately 29,500 households from displacement. The House mark is 50 percent below the estimate of need at \$75 million.

*CLPHA opposes the House mark of \$75 million given that it is only 50 percent of the estimated need for FY14, potentially putting thousands of HUD-assisted households at risk of displacement.*

### **Consolidated Family Self Sufficiency (FSS) Program: \$60 million.**

The bill would consolidate the HCV and Public Housing FSS programs, which in past years have been funded separately at a total of \$75 million (\$60 million from HCV FSS, and \$15 million from ROSS FSS, which has been part of the \$50 million ROSS funding set-aside in the Capital Fund). Since the bill does not appropriate any funding for the ROSS program, the \$60 million represents a \$15 million decrease from CLPHA and the Administration's requests and is approximately \$11 million below the FY13 post-sequestration level.

The committee report says the Committee “*expects the Department to prioritize assistance to individuals and families that results in job stability, increased tenant incomes, and greater rent contributions. The Committee also expects the Department to report to the Committees on appropriations the best practices of the program that result in increased rent contributions of program participants, and practices that result in residence achieving full self-sufficiency in meeting their housing needs.*”

***While CLPHA supports consolidation of the programs, we strongly oppose the \$60 million funding level. The programs have collectively been funded at \$71-\$75 million in recent years, and anything less will greatly diminish housing authorities’ ability to successfully see residents through to achieving self-sufficiency and moving through the system.***

**Choice Neighborhoods Initiative (CNI): \$120 million rescission.**

The bill would rescind CNI funding appropriated for FY13. CLPHA requested \$300 million for HOPE VI / CNI, and the Administration requested \$400 million for CNI. Currently, CNI planning grant applications have been submitted for FY13 funding rounds, and implementation grant applications are due September 10.

***CLPHA strongly opposes the proposed rescinding of FY13 CNI funding, in addition to the complete lack of FY14 funding. Housing authorities have already spent valuable time and resources in submitting applications for FY13 CNI planning grants as well as preparation for CNI implementation grants, and rescinding funding is shortsighted and damaging to neighborhood revitalization efforts. CNI is one of the only tools currently available to address severely distressed housing in our most vulnerable communities and leverage private capital in these revitalization deals.***

**Rental Assistance Demonstration (RAD): no funding provided.**

CLPHA requested \$40 million, and the Administration requested \$10 million.

According to the committee report, the House “*is unable to provide funding for this program due to the constrained budget environment and the overall pressures of renewals across the Department’s housing programs.*”

***CLPHA is disappointed that funding for RAD is not included. RAD is one of the only tools available to recapitalize and preserve public housing properties. Funding is needed to address the large percentage of properties in high-poverty neighborhoods that cannot convert at existing funding levels.***

**Transformation Initiative: no funding provided.**

The Administration requested up to \$80 million in funding through transfers from other program accounts.

According to the committee report, “*because of the low numbers in other accounts, the Committee could not recommend transferring funds. The Committee continues to find the mass transfer to be an*

*awkward method of funding the activities under this account and distorts the resources required and available under the various donor program accounts.”*

***CLPHA recognizes the importance of the activities of the Transformation Initiative, but would prefer Congress provide separate line-item funding for the Transformation Initiative rather than siphoning funding through transfer from other program accounts.***

### **General Provisions**

**SEC. 221.** Restricts the Secretary from imposing any requirement or guideline relating to asset management that restricts or limits the use of capital funds for central office costs pursuant to Section 9 of the Housing Act of 1937.

**SEC. 228.** Restricts the amount of section 8 (under the tenant based rental assistance program) and section 9 funding that public housing agencies can use to pay employees above the annual rate of basic pay for a position at level IV of the Executive Schedule (\$155,500) in FY13.

**SEC. 234.** Allows current HOPE VI grantees to continue to be provided assistance pursuant to Section 24.

**SEC 238.** Does not allow for any funds made available under the bill to be used to require or enforce the Green Physical Needs Assessment (GPNA).



July 2, 2013

	FY 2013 Final	FY 2013 Post-Sequestration	FY 2014 CLPHA Request	FY 2014 HUD Request	FY 2014 House Committee (6-27-13)	FY 2014 Senate Committee (6-27-13)
<b>Operating Fund</b>	\$4.262 billion	\$4.054 billion	<b>\$5.150 billion</b>	<b>\$4.6 billion</b>	<b>\$4.262 billion</b>	<b>\$4.6 billion</b>
<b>Capital Fund</b> [Emergency Capital Needs] [Resident Opportunity and Supportive Services] [Service Coordinators for the Elderly and Disabled] [Jobs Plus]	\$1.875 billion [\$20 million] [\$50 million] [\$0] [n/a]	\$1.777 billion [\$19 million] [\$47 million] [\$0] [n/a]	<b>\$5.072 billion</b> [as needed] [\$55 million] [\$50 million] [n/a]	<b>\$2.0 billion</b> [\$20 million] [\$0] [\$0] [\$15 million] <sup>4</sup>	<b>\$1.5 billion</b> [\$20 million] [\$0] [\$0] [\$15 million] <sup>4</sup>	<b>\$2.0 billion</b> [\$20 million] [\$50 million] [\$0] [\$15 million] <sup>4</sup>
<b>Housing Choice Voucher Renewals</b>	\$17.242 billion	\$16.348 billion <sup>3</sup>	<b>\$18.409 billion</b>	<b>\$17.968 billion</b>	<b>\$17.0 billion</b>	<b>\$17.568 billion</b>
<b>HCV Administrative Fees</b>	\$1.375 billion	\$1.305 billion <sup>3</sup>	<b>\$1.968 billion</b>	<b>\$1.685 billion</b>	<b>\$1.35 billion</b>	<b>\$1.685 billion</b>
<b>VASH Vouchers</b>	\$75 million	\$75 million <sup>3</sup>	<b>\$75 million</b>	<b>\$75 million</b>	<b>\$75 million</b>	<b>\$78 million<sup>7</sup></b>
<b>HCV Family Self Sufficiency Program</b>	\$60 million	\$57 million	<b>\$60 million</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Consolidated Family Self Sufficiency Program for Public Housing and HCV</b>	n/a	n/a	n/a	<b>\$75 million<sup>5</sup></b>	<b>\$60 million</b>	<b>\$75 million</b>
<b>Tenant Protection Vouchers</b>	\$75 million	\$71 million	<b>Fully Fund</b>	<b>\$150 million</b>	<b>\$75 million</b>	<b>\$150 million</b>
<b>HOPE VI</b>	\$0	\$0	<b>\$300 million</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Choice Neighborhoods Initiative</b>	\$120 million [\$80 million] <sup>1</sup>	\$114 million [\$80 million] <sup>1</sup>		<b>\$400 million</b>	<b>-\$120 million<sup>6</sup></b>	<b>\$250 million</b>
<b>Rental Assistance Demonstration</b>	\$0 <sup>2</sup>	\$0 <sup>2</sup>	<b>\$40 million</b>	<b>\$10 million</b>	<b>\$0</b>	<b>\$10 million</b>

1 Not less than this amount shall be awarded to public housing authorities.

2 A Rental Assistance Demonstration Program was authorized with no funds appropriated.

3 The VASH program is exempt from sequestration, so estimated VASH amounts were held harmless on the HCV Renewal, HCV Administrative Fees, and VASH lines.

4 A new Jobs Plus initiative is proposed in FY14.

5 A new consolidated FSS program for public housing and the HCV program is proposed in FY14, with no new funding for ROSS or the HCV FSS programs.

6 FY13 CNI funding would be rescinded.

7 Up to \$3 million is set aside for a rental assistance/ supportive housing demonstration program for homeless or at-risk Native American veterans living on or near a reservation.



# TACOMA HOUSING AUTHORITY

**To:** Cabinet, Mary, Metesa and Michael P.  
**From:** Michael Mirra  
**Date:** July 5, 2013  
**Re:** Planning for Life After Nancy Vignec: Cabinet discussion on July 12th

---

As you know, Nancy is retiring. Her last day in the office will be August 6<sup>th</sup>. She has worked for THA for more than 20 years! For the last 5 years, she has served as the director of our community service department. We now face the challenge of doing without her many gifts.

We have some organizational arrangements from which to choose. I describe them below. They arose from my consultations with cabinet members and with Mary, Metesa and Michael P. In general, I heard thoughtful reasons, on the one hand, to merge the departments of community service and real estate management and housing services, and, on the other hand, to keep them separate. I also received one variant of the merger proposal. I also heard various proposals on how to manage an interim period we likely face before we choose or implement a permanent solution.

These discussions have been helpful to me. Before I choose an option, however, I need more discussion. In particular, I need a discussion among the cabinet, with the participation of the three community service managers. This will allow each of you to convey your views, to hear the views of others, and to respond. This will sharpen our understanding of the options. Perhaps it will help us find a consensus. Even if it does not, it will help me decide. I scheduled this discussion for the July 12<sup>th</sup> cabinet meeting. I asked Mary, Metesa and Michael to join us and they have graciously agreed to do so.

I do not expect to make a decision on July 12<sup>th</sup>. I wish to confer with others, including the community service staff at a skip meeting on July 17th. I hope to make a decision shortly after that.

To help our July 12<sup>th</sup> discussion, I outline the choices below. First, I set forth the main criteria that will govern my decision. I recommend them to you as you fashion your own views. Please consider them in advance of our discussion and come prepared to explain your proposals.

## 1. THE IMPORTANT CRITERIA

The following two criteria will have the main influence on my decision:

- **Effectiveness of the community service function:**

I am looking for that organizational arrangement that will make our community service function most effective. I trust that we do not need any discussion about the importance of that function. The board has imbedded it firmly into THA's strategic directives. I hope my own emphasis on this aspect of our work has been clear enough. Our job is to help people succeed as "tenants, parents, students, wage earners and builders of assets." This will require an emphasis on our work-able clients and on those who are elderly or disabled. The board has just adopted performance measures to gauge our success. We have made some notable attempts and have accomplished some very good work. We also have more work to do. The income of our work-able



---

households is still lower than the household income of our seniors and disabled households. Overall, work-able households remain longer on our assistance programs. We have now launched ambitious new initiatives to improve our outcomes: *e.g.*, HOP, the Education Project, and notable asset building programs. In addition, we must prepare for a population of seniors that will be older and more frail than previous generations. In my consideration of the various organizational arrangements, I will try to judge which one gives us the best chance of success at this hard work.

- **Effectiveness of our housing services and property management**

We must also be alert for what organizational arrangement will best further our work to effectively manage our housing programs and our property portfolio. The importance of these functions also needs no discussion. The board has also imbedded them firmly into our strategic directives, with performance measures. We have made notable progress here as well, with some notable challenges still to face. I am looking for that arrangement that will best equip us to do that.

## 2. THE TWO GENERAL OPTIONS

My discussions to date have elicited three general organizational options:

- keep the community service in its own department with a director of its own
- merge the departments of community services and real estate property management and housing services.
- as variant of the merger proposal merge the community service function into housing services but make portfolio management its own department.

The contrasting advantages of each option seem to include the following:

Option	Advantages
Keep the Two Departments of Community Services and Real Estate Management and Housing Services	<ul style="list-style-type: none"><li>● retains a stature for CS within THA and its senior management that will more adequately assure an appropriate focus on this work.</li><li>● recognizes the specialized skills that CS work requires of staff.</li><li>● avoids the temptation or worry that we will subordinate CS work to the work of managing our housing programs</li><li>● provides a director focused on finding the money for CS</li><li>● gives us a chance to find a director focused on the research and data that needs to guide this work</li><li>● keeps the cabinet at its present size and better able to share other functions, <i>e.g.</i>, press relations.</li></ul>

Option	Advantages
Merge CS and REMHS into one Department	<ul style="list-style-type: none"><li>● promotes better coordination between CS and housing services and property management</li><li>● recognizes that many of the interactions THA has with families arise from our housing services and property management work. A merger can better use those occasions to further the CS function.</li><li>● puts the CS function “closer” to the MTW source of its funding</li><li>● gives a client family one THA contact for all purposes</li><li>● might reduce the direct reports of the executive director</li></ul>
Merge CS and Housing Services with a Separate Portfolio Management Department	<ul style="list-style-type: none"><li>● a merger of the two departments might deflect necessary focus from portfolio management. To avoid this, make portfolio management its own department.</li></ul>

I expect I overlooked other advantages. I look forward to the July 12<sup>th</sup> to understand them better.

### 3. OPTIONS FOR AN INTERIM PERIOD

We will likely face an interim period before we chose or settle into the final arrangement with the regularly assigned personnel to manage it. This is true whatever that final arrangement will be. Here are the various options and their contrasting advantages.

Interim Option	Advantages
Find an interim director for the CS department. NOTE: I have already told Mary, Metesa and Michael P. that I am not inclined to ask either of them to do this. Each of their areas of responsibility requires their full attention in the months ahead. This means that an interim director would likely come from outside THA.	<ul style="list-style-type: none"><li>● less disruptive to the present organizational arrangement</li><li>● if we found a talented interim who was interested in becoming a regular director of the CS department, that prospect by itself would probably influence the final organizational arrangement.</li></ul>
Ask April to direct the two separate departments	<ul style="list-style-type: none"><li>● while the departments would remain separate during this interim period April and staff can get a better sense of how a merger would be.</li><li>● we would not need an interim director who, coming from outside THA, would present its own measure of disruption.</li></ul>
Merge the two departments	<ul style="list-style-type: none"><li>● this would give the merger proposal a “test” ride.</li></ul>

Cabinet, Mary, Metesa and Michael P.

July 5, 2013

Re: Planning for Life After Nancy Vignec: Cabinet discussion on July 12th

Page 4

---

Please come prepared on July 12<sup>th</sup> to offer your views on July 12<sup>th</sup>. Although you may have already explained them to me, please do not rely on me to present them. I plan mainly to listen, and perhaps ask some questions.

I look forward to the discussion.

Thank you.



# UNCENSORED

Summer 2013

American Family Experiences with Poverty and Homelessness



## It Takes McCarver to Raise a Child

The Tacoma Housing  
Authority's Education-based  
Fight against Homelessness

## Beyond Freedom

Survivors of Domestic  
Violence Learn Self-Care

## Voices

Rapidly Rehousing Homeless Families:  
New York City—a Case Study

## The Historical Perspective

Fresh Air for City Kids: the Early Years of Summer Camp

Volume 4 ■ Issue 2



# ICPH

— USA —

Institute for  
Children, Poverty  
& Homelessness

[www.ICPHusa.org](http://www.ICPHusa.org)

44 Cooper Square, New York, NY 10003

T 212.358.8086

F 212.358.8090

## PUBLISHER

Ralph da Costa Nunes, PhD

## EDITOR

Linda Bazerman

## MANAGING EDITOR

Clifford Thompson

## EDITORIAL STAFF

Matt Adams

Elizabeth Ezratty

Sara Johnson

Insef Kannegaard

Anna Simonson-Meehan

Kate Stimmer

Ethan G. Strimick

## CONTRIBUTORS

Pearl Brownstein

Diana Schell



Letters to the Editor: We welcome letters, articles, press releases, ideas, and submissions. Please send them to [UNCENSORED@ICPHusa.org](mailto:UNCENSORED@ICPHusa.org).

Visit our Web site to download or order publications and to sign up for our mailing list: [www.ICPHusa.org](http://www.ICPHusa.org).

**UNCENSORED** is published by the Institute for Children, Poverty, and Homelessness (ICPH), an independent nonprofit research organization based in New York City. ICPH studies the impact of poverty on family and child well-being and generates research that will enhance public policies and programs affecting poor or homeless children and their families. Specifically, ICPH examines the condition of extreme poverty in the United States and its effect on educational attainment, housing, employment, child welfare, domestic violence, and family wellness. Please visit our Web site for more information: [www.ICPHusa.org](http://www.ICPHusa.org).

Copyright ©2013. All rights reserved. No portion or portions of this publication may be reprinted without the express permission of the Institute for Children, Poverty, and Homelessness.

# UNCENSORED

## FEATURES

### 8 It Takes McCarver to Raise a Child

The Tacoma Housing Authority's Education-based Fight against Homelessness

### 14 Beyond Freedom

Survivors of Domestic Violence Learn Self-Care

## CONTENTS

### *on the Homefront*

#### 2 Conferring on Homelessness

#### 4 Insights from the Adverse Childhood Experiences Study

#### 5 Databank

#### 6 The National Perspective

The Struggles of Homeless Hispanic Families

## EDITORIALS AND COLUMNS

### 19 The Historical Perspective

Fresh Air for City Kids: the Early Years of Summer Camp

### 23 Voices

Rapidly Rehousing Homeless Families: New York City — a Case Study

### 29 Resources and References

**Cover:** Principal Scott Rich talks with students at McCarver Elementary School, in Tacoma, Washington, the site of an innovative program spearheaded by the Tacoma Housing Authority. **Back cover:** Campers from Camp Ken-a-dee gather at the diving dock on Lake Stahale in Harriman State Park in the 1930s. For over a hundred years, summer camps have provided respite from city life for underprivileged children.



# It Takes McCarver





# to Raise a Child

## The Tacoma Housing Authority's Education-based Fight against Homelessness

by Diana Scholl

Juilianne, Levi, and Malchi Torrella were accustomed to moving around a lot. "There was one school we went to for only six months, so I never tried to make any friends because I knew we were going to be moving again," says Malchi, age nine.

The Torrellas are not military brats; they are not children of farmworkers or of parents with any other jobs that require relocation. The Torrella children were transient because of poverty and homelessness. And they were typical of students at McCarver Elementary School. The school has a warm environment, a gregarious principal, passionate educators, and a well-behaved, racially diverse student body of 465. But McCarver, located in the economically depressed neighborhood of Hilltop, has the highest poverty rate of any elementary school in Tacoma, Washington. In 2010 its student-turnover rate was 107 percent. (This was actually an improvement over the 2005–06 school year, when the figure was 179 percent.)

Two years ago the Torrella children would very likely have contributed to the school's turnover. They were attending McCarver when their father, Alex, was released from prison. "I got out, my wife told me we were getting divorced, and I had the kids. I had a one-bedroom"—which was too small for him and the children—"and couldn't live there," Alex remembers. "I was basically homeless. I didn't know what I was going to do. But then the lady in charge of the [rental] property told me about the project."

She was referring to the McCarver Elementary School Initiative. Starting in 2011 the Tacoma Housing Authority (THA) gave five-year housing vouchers to 50 families whose children were students at McCarver Elementary School—families who were homeless or on the verge of becoming so. As with many voucher programs, the amount of rental assistance the family receives decreases over the course of five years, in order to promote self-sufficiency.

*A student passes lockers at McCarver Elementary School, where a partnership between families and the Tacoma Housing Authority has shown promising results.*



The parents also signed a pledge that they would commit to focusing on both their children's education and their own. The program tracks parents' participation in various activities—including helping with the children's homework and being involved with the PTA—as well as their success at reaching certain benchmarks, such as earning diplomas and finding employment. The McCarver initiative provides these families with intensive support, including two full-time THA caseworkers who have an office in the school. The students in the program also receive additional help whenever needed, from backpacks to a summer program supported by private partners.

Many housing programs provide caseworkers and additional support. What makes THA's pilot project different from other housing programs is that parents stay eligible for the voucher only as long as they keep their children enrolled in McCarver Elementary School. At a time when charter schools and private-school voucher programs are in vogue, for a housing authority to invest in a public school this way is highly unusual.

A more common approach to fixing a failing school would be to "give 50 families vouchers so they can escape so they can find themselves another school," as THA's executive director, Michael Mirra, explains. "Some of them might have done that, and that might have improved their families' prospects. But those families would have been replaced by 50 families from the shelters, and nothing about that school would change. Our education project has two goals that are different. One is to improve the education outcomes of children we serve. And maybe we would have done that by giving 50 vouchers. But that would have done nothing for the second goal: to improve school outcomes. The McCarver project is focused as much on the school as it is on the children."

The project is being carried out in conjunction with Tacoma Public Schools, which is also investing heavily in McCarver. The enthusiastic principal, Scott Rich,

and energetic McKinney-Vento liaison and counselor, Carol Ramm-Gramenz, oversee the program's day-to-day operations. At the request of the THA, the school district is undertaking a three-year process of turning McCarver's curriculum into an International Baccalaureate Program, as a way of upping academic standards.

Ramm-Gramenz says, "It takes McCarver to raise a child."

## Using Housing for Educational Change

While THA has had partnerships with the school district before, they became more extensive when Mirra was named THA's executive director, in 2004.

"The feeling before was, 'We're not social workers, we're landlords,'" recalls Nancy Vignec, THA's director of community services, a former teacher and a longtime THA staffer.

But Mirra is an activist in technocrat's clothes. He wanted to use the housing authority's status as landlord to many of the city's low-income residents to create broader educational opportunities for the families THA serves—thereby breaking the cycle of poverty.

"I think of THA as a social-justice organization with a technical mission," Mirra says. "If we mean to alleviate the poverty of the people we serve, education is really the solution."



*David McMullan, who once struggled with drug addiction, and his son, D.J., are successful participants in the McCarver Elementary School Initiative.*



---

*"This isn't a Band-Aid. It's actually a cure."*

---

"We started this education experiment with a couple of surmises. Except for the school district and the public-assistance office, the THA serves more poor children than anyone in the city. We are already deep into these families' lives. We are their landlord, we manage these exquisitely regulated housing-assistance programs, we provide community services. That positions us to have influence. The surmise is that we can influence educational outcomes. The educational project means to find out how, and then to exercise that influence," Mirra says.

Some of these educational fixes are as simple as giving out free books to every child who visits THA's brightly colored offices. But the most ambitious experiment is the McCarver Elementary School Initiative.

The project is funded by a number of sources, including the Bill & Melinda Gates Foundation, Pierce County, the Seattle-based nonprofit organization Building Changes, and the Sequoia Foundation, as well as THA. The largest funder is HUD. In 2010 THA became a "moving-to-work housing authority," which is a status HUD gives to 40 housing authorities. Rather than bringing more federal money, this designation allows THA flexibility in spending what it already receives. This made the McCarver Elementary School Initiative possible.

According to Vignec, "The McCarver Project proposal was a really central part to our original application to HUD and caught HUD's eye."

### How to Measure Success

Mirra recruited former Tacoma Public Schools superintendent Michael Power to execute the McCarver Elementary School Initiative and, along with an outside contractor, design evaluation metrics and goals.

At the first yearly assessment, in 2012, the results looked promising. Because of the strongly encouraged participation of parents taking part in the initiative, the school had an active PTA for the first time anyone could remember. Families benefited from increases in education levels, job training, employment, and household income, with 13 more parents working than before the program started. Students in the project saw a 22 percent improvement in test scores—three times more than those in similar schools and cohorts. And while turnover at McCarver still remained extremely high, at 96.6 percent in the 2011–12 school year, it was down from the previous year's rate of 107.4 percent. Among project participants the turnover rate



*The McKinney-Vento liaison and counselor Carol Ramm-Gramenz helps oversee the McCarver initiative's day-to-day operations*

was only 4.5 percent. School personnel say that this stability has done wonders for McCarver.

"So often at the end of the school year, students don't know if they're coming back or not, and there's really a collective sense of grief, for children as well as staff," says Ramm-Gramenz. "Without the project, I'm sure a lot of those families would have been gone. But I really felt this last year for once there was a group of kids who absolutely knew they were coming back to McCarver. We were able to see them through the summer at the summer programs. It was just seamless as far as their progression to the next year. Having the sense of 'I don't know what's going to happen next,' of course they're going to act out. This isn't a Band-Aid. It's actually a cure."

Fourth- and fifth-grade math teacher Megan Nelson notes that having more stability in the student body has improved her classroom, with students more engaged and focused.

"It was really nice that when I did my report cards in the fall, there were the same kids in the winter. As a community it's better when it's stable," she says. "And the parents are the most involved [they have] been. We had the first book fair in the first time anyone can remember."

The students participating in the project are happier, too. Nelson's student Juillianne Torrella, age ten, explains, "It was





*An important part of the McCarver initiative is to involve students' parents in the education process.*

an often thing to move every half a year. But now we're not moving. I like it because I still have all my old friends and don't have to make new friends."

## Success Story

One success story is that of David and D.J. McMullan. David has had custody of his son, D.J., now eight, since the boy was very small. Their one-bedroom apartment is papered with pictures of D.J., and one wall is covered with his awards.

When D.J. was younger David struggled with an addiction to methamphetamine, which left him toothless, unemployed, and unable to care for his son. "It's not that I was a bad dad, I just got caught up in it," David says. D.J.'s mother is out of the picture, and D.J. was put in foster care for two years. Determined to get his son back, David enrolled in a drug- and alcohol-treatment program and visited his son in foster care every week without fail.

Once clean, he got his son back and enrolled him in McCarver Elementary School. Then the two joined the school's project. "The program has made my life structured. Anything I really need I can go to them for," he says. The support has included everything from help with resume writing, to enrollment in school to become a fleet mechanic, to a new set of dishes, to

help with paying \$2,000 in electric bills, to dentures.

David is optimistic that he will be employed and self-sufficient soon. "If I'm not self-sufficient at the end of the program, there's a deeper problem," he says.

## Obstacles

For many parents in the program, like many poor parents overall, there *are* deeper problems, and finding employment for them has been one of the biggest challenges of the McCarver initiative so far.

"We have to be very resourceful," THA caseworker Sharon Fletcher Jackson notes. "Just in the economic climate we have, even for someone who has a high school or college education it can be difficult. But there are families with legal problems and employment barriers. It's more difficult for that population."

The caseworkers put a lot of effort into addressing these employment and legal problems. They also work to make life as easy as possible for the families. The school has invested extra resources in these families and is attempting to improve academic performance across the board. With five years free from the threat of eviction, families can better focus on these other concerns.



### Trial and Error

In one fifth-grade classroom at McCarver, students tried to get a fan to move a paper boat. In the process of trial and error, the engaged and determined students were making changes to their experiment. The teacher, Ms. Haase, told her class, "Make sure you only change one thing at a time. If you change two things, you won't know which made the difference."

Considering that advice as it applied to a larger experiment—the McCarver Elementary School Initiative—Power observed, "We are changing so many things but don't know what's helping. There may be some point in the future where another school wants to replicate our success, but only has half the funding. It will be difficult to say, 'Here's what really worked, and here's what was just a nice extra.' But we don't care as long as it's working."

And McCarver *is* being looked at as a model. Educational liaisons for housing authorities across the United States have visited the school, hopeful for success they can emulate. Power is cautious of moving too quickly but says that so far, the results have been promising.

### The Torrellas

The Torrellas serve as an example of what the McCarver initiative can accomplish. The children have flourished in school, and their father has been active with the PTA. "Everyone at school knows Alex," he says with a laugh. Alex has remarried; his bride's son also attends McCarver and benefits from the program.

In addition, with the encouragement of his caseworker, Carlena Allen, Alex started his own company.

"The way I started off was, the caseworkers were moving offices, and I had a lot of time on my hands, so I helped them move furniture. Carlena said, 'You should be a handyman.' That planted the seed. You can only go so far looking for work. I've been busy nonstop," he says.

By Alex's account, he has become less dependent on the program. "You have to progress with everything you do, from raising the children, to being gainfully employed and all the steps that are required," he says. "The one thing I learned is, if you communicate all the time, they will help you." ■

*The Tacoma Housing Authority's innovations include giving free books to children who visit the office and providing parents with easy access to information*



# FINANCE



# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$4,645,597 for the month of June, 2013.

Approved: July 24, 2013

---

Janis Flauding, Chair

**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of June, 2013**

		Check Numbers		Amount	Totals	
		From	To			
A/P Checking Account						
Low Rent Module Checks	Check #'s	2,744	- 2,744	210		
Accounts Payable Checks	Check #'s	79,710	- 79,936			
Business Support Center				221,554	Program Support	
Moving To Work Support Center				13,419		
Section 8 Programs				24,559	Section 8 Operations	
SF Non-Assist Housing - 9SF Homes				1,617	Local Funds	
Stewart Court				14,948		
Wedgewood				2,925		
Salishan 7				76,510		
Tacoma Housing Development Group				1,850		
Hillsdale Heights				2,907	Development	
Salishan Developer Fee				18		
Hillside Terrace 2500 Yakima Relocation				2,279		
Salishan Area 3				11,424		
NSP Grant				767		
Development Activity				1,739		
Salishan Area 2B-Dev				4,839		
Salishan Area 4				3,457		
Hillside Terrace Development				76,042		
Hillside Terrace Community Ctr Development				256,171		
Hillside Terrace 2500 Court G Development				34,052		
Hillside Terrace 1800 Court G Development				27,856		
Hillside Terrace 2500 Yakima Development				622,921		
CS Special Fund				285		Community Service
Community Services MTW Fund				1,933		
Paul G. Allen Foundation Grant				3		
Gates Scholar Incentive Grant				42		
Gates Ed Grant				336		
ROSS Svc Coord				9		
WA Families Fund				541		
WA Families Fund - Systems Innovation				1,690	Public Housing	
AMP 1 - No K, So M, No G				30,727		
AMP 2 - Fawcett, Wright, 6th Ave				35,846		
AMP 3 - Lawrence, Orchard, Stevens				41,349		
AMP 4 - Hillside Terr - 1800/2500				11,189		
AMP 5 - Salishan Common Areas				1,000		
AMP 6 - Scattered Sites				46,400		
AMP 7 - HT 1 - Subsidy				34		
AMP 8 - HT 2 - Subsidy				6,471		
AMP 9 - HT 1500 - Subsidy				1,399		
AMP 10 - SAL 1 - Subsidy				9,757		
AMP 11 - SAL 2 - Subsidy				8,778		
AMP 12 - SAL 3 - Subsidy				6,788		
AMP 13 - SAL 4 - Subsidy				9,229		
AMP 14 - SAL 5 - Subsidy				11,703		
AMP 15 - SAL 6 - Subsidy				10,486		
Allocation Fund				69,262	Allocations-All Programs	
THA SUBTOTAL				1,707,325		
Hillside Terrace 1 through 1500				1,352	Tax Credit Projects - billable	
Salishan I - through Salishan 6				633		
Salishan Association - Operations				2,964		
TAX CREDIT SUBTOTAL (Operations - billable)				4,949	1,712,274	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	479,018	- 479,366	522,298		
	ACH	45,681	- 46,817	1,940,840	\$ 2,463,138	
Payroll & Payroll Fees - ADP					\$ 451,077	
Other Wire Transfers						
Local Funds Semi-Annual Bond Payment - Heritage				-		
Salishan Seven Debt Service - WCRA				19,108	\$ 19,108	
TOTAL DISBURSEMENTS					\$ 4,645,597	



# TACOMA HOUSING AUTHORITY

**Date:** July 24, 2013

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Director of Finance

**Re:** Finance Department Monthly Board Report

---

## 1. FINANCIAL STATEMENT COMMENTS

I present the June, 2013 disbursement report for your approval.

The Finance Department is submitting the financial statement for the month of May, 2013.

Based on the latest information received from HUD, the projected actuals for Section 8 Funds and Public Housing subsidy have been adjusted (Lines 3 – 5). The figures reflect the pro-rations received from HUD, based on the fact we are operating under a continuing resolution with last year's budget as the base, and reducing further for sequestration.

We are in good financial shape considering the funding we are receiving from HUD, along with Meth coverage ending under our insurance policy. At the end of May's reporting period, THA has a YTD surplus of \$334,324 on Line 68, Surplus/(Deficit) before Capital Expenditures. On Line 71, there is a projected surplus for the year based on current information of approximately \$47,394, as compared to a \$2,685 surplus.

There are a number of areas that are showing significant discrepancies in the projected actuals from the budget. A mid-year budget revision is being submitted for approval at this board meeting, and the intent is to bring those categories closer in alignment, along with adjusting to funding changes based on Sequestration, and updated priorities for the year.

The following are major anomalies between budgeted and actual numbers.

- Line 2 – Tenant Revenue – By the end of April, we have already exceeded the budget amount. This is due to legal costs passed on the tenant for both legal proceedings heading towards eviction, as well as significant damages at move out. The challenge with this increase is due to the type of charge, we will most likely not be able to collect these funds, and they will be written off.
- Line 10 – Investment Income – The excess amount of Investment Income came from interest payments on THA loans from the Salishan Tax Credit properties, based on the Limited partnership waterfalls after the close of the year.



- Line 11 – Fraud Recovery – This is an estimate based on previous year activity. This is based on unreported income. As we have moved to bi-annual re-certifications, this amount has slowed down.
- Line 28 – Legal – The overage in this category is due primarily to legal assistance regarding the Citi loan, and the Section 8 re-benchmarking issue. This category will be adjusted at mid-year, as we will also have legal expenses for the loan reduction on our Bond financed properties and the revised lease.
- Line 32 – Administrative Contracts - Even though we are under budget at this point, it is anticipated this will be fully expended by the end of the year. We have not utilized our MTW contract with John Seasholz yet, and we had \$50K budgeted for Leadership training which we have yet to access. We will also be engaging a search firm for the recruitment of a new Development Director.
- Line 38 – Relocation – We are continuing to pay out relocation costs for Hillside. These funds will be reimbursed to the agency. This was not included in the original budget.
- Line 39 – Tenant Service – Other – Approximately \$275,000 of the budgeted amount is on the Sequestration list. As we have our Mid-Year discussions we will revisit these items.
- Lines 46 – 50 – Maintenance – These costs will increase as the year goes on as we increase the unit turns on units that had been on hold due to Meth testing.
- Line 59 – Extraordinary Maintenance – As this point, there are no expenditures in this category. This will change during the second part of the year, as we will charge our unit repair costs that will no longer be covered by insurance to this category.
- Line 61 – Section 8 HAP payments – At the end of April, we were approximately \$670K under budget on expenditures. This is due to both a lower occupancy level than budget, along with a lower HAP than budgeted. We delayed implementation of our HOP program until we had more clarity of funding levels, and also to give us more time for it to be a successful implementation. We are currently leasing up HOP units, and that will assist in obtaining our occupancy goals. Additionally, we had budgeted \$600K for Special Program payments (Homeless Youth, Rapid Rehousing). We are in the process of executing the contracts, but as of this report are not reporting any expenditure any funds for these programs yet.

## 2. INVESTMENTS

Surplus funds are 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**

The auditors started the 2012 audit on May 7<sup>th</sup>, and have completed the Single Audit portion, which focused our MTW program. The auditors are returning on July 15<sup>th</sup> to complete the financial portion of the audit, and then finally, the Accountability portion. The auditors will aim to complete the audit by the end of August in advance of the September 30<sup>th</sup> financial submission deadline with REAC. We have scheduled the auditor's entrance conference to be included in the July

Finance Committee meeting.

### **4. BUDGETS**

A Mid-Year budget study session was held on July 12<sup>th</sup> to discuss changes to the budget, and an update of where we are financially, and the focus for the remainder of the year. The mid-year budget will reflect the funding reduction due to the Continuing Resolution and Sequestration. We will also include additional funding for Meth clean up with the elimination of Meth coverage from our Insurance company. The budget revision also reviews the agency's reserve levels, and ensures they are at adequate levels. The resolution for mid-year changes is being presented at this month's board meeting for Board approval.

### **5. YEAR END CLOSING UPDATE**

There is no update at this time.

**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

	May, 2013				Thru 12/31/2013		
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>OPERATING RECEIPTS</b>							
1 Tenant Revenue - Dwelling rent	293,670	1,469,822	1,471,157	-0.09%	3,527,573	3,530,777	-0.09%
2 Tenant Revenue - Other	9,832	38,197	7,094	438.46%	81,673	17,025	379.72%
3 HUD grant - Section 8 HAP reimburseme	2,535,184	13,327,138	14,528,704	-8.27%	33,635,131	34,868,890	-3.54%
4 HUD grant - Section 8 Admin fee earned	202,891	1,041,207	1,162,345	-10.42%	2,318,520	2,789,629	-16.89%
5 HUD grant - Public Housing subsidy	182,502	975,090	966,343	0.91%	2,120,216	2,319,224	-8.58%
6 HUD grant - Community Services	5,828	43,837	58,743	-25.38%	105,209	140,984	-25.38%
7 HUD grant - Capital Fund Operating Reve	12,198	21,167	563,145	-96.24%	1,036,397	1,351,548	-23.32%
8 Management Fee Income	268,661	1,345,523	1,458,803	-7.77%	3,329,255	3,501,128	-4.91%
9 Other Government grants	24,160	81,396	96,430	-15.59%	149,141	231,432	-35.56%
10 Investment income	4,472	350,659	21,229	1551.78%	383,668	50,950	653.03%
11 Fraud Recovery Income - Sec 8	305	7,225	25,000	-71.10%	17,340	60,000	-71.10%
12 Other Revenue- Developer Fee Income	0	379,743	124,167	205.83%	379,743	298,000	27.43%
13 Other Revenue	24,848	201,141	321,219	-37.38%	482,738	770,926	-37.38%
14 <b>TOTAL OPERATING RECEIPTS</b>	<b>3,564,551</b>	<b>19,282,145</b>	<b>20,804,380</b>	<b>-7.32%</b>	<b>47,566,604</b>	<b>49,930,513</b>	<b>-4.73%</b>
<b>OPERATING EXPENDITURES</b>							
<i><b>Administrative Expenses</b></i>							
15 Administrative Salaries	320,558	1,673,008	1,782,244	-6.13%	4,242,686	4,277,385	-0.81%
16 Administrative Personnel - Benefits	123,938	657,141	727,494	-9.67%	1,577,138	1,745,985	-9.67%
17 Audit Fees	22,873	22,873	29,559	-22.62%	70,942	70,942	0.00%
18 Management Fees	219,178	1,095,364	1,119,468	-2.15%	2,628,874	2,686,722	-2.15%
19 Rent	23,526	117,630	117,625	0.00%	282,312	282,299	0.00%
20 Advertising	2,920	3,081	7,771	-60.35%	9,325	18,650	-50.00%
21 Information Technology Expenses	10,833	75,297	115,095	-34.58%	240,713	276,227	-12.86%
22 Office Supplies	5,601	20,331	33,765	-39.79%	78,794	81,037	-2.77%
23 Publications & Memberships	557	31,821	22,610	40.74%	36,370	54,265	-32.98%
24 Telephone	8,924	41,167	48,995	-15.98%	98,801	117,589	-15.98%
25 Postage	2,636	13,403	16,640	-19.45%	32,167	39,935	-19.45%
26 Leased Equipment & Repairs	6,971	28,857	20,869	38.28%	69,257	50,085	38.28%
27 Office Equipment Expensed	1,111	19,643	32,993	-40.46%	47,143	79,184	-40.46%
28 Legal	15,560	69,090	38,581	79.08%	165,816	92,595	79.08%
29 Local Milage	606	2,456	6,410	-61.68%	17,683	15,383	14.95%
30 Staff Training/Out of Town travel	9,636	51,431	84,007	-38.78%	185,152	201,616	-8.17%
31 Administrative Contracts	2,043	82,607	160,796	-48.63%	323,257	385,910	-16.24%
32 Other administrative expenses	3,130	29,571	39,279	-24.72%	80,970	94,270	-14.11%
33 Due diligence - Perspective Development	390	154,673	212,500	-27.21%	371,215	510,000	-27.21%
34 Contingency	0	0	41,646	-100.00%	0	99,950	-100.00%
35 <b>Total Administrative Expenses</b>	<b>780,991</b>	<b>4,189,444</b>	<b>4,658,345</b>	<b>-10.07%</b>	<b>10,558,616</b>	<b>11,180,029</b>	<b>-5.56%</b>

		May, 2013				Thru 12/31/2013		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	<b>Tenant Service</b>							
36	Tenant Service - Salaries	64,146	310,651	396,808	-21.71%	844,231	952,339	-11.35%
37	Tenant Service Personnel - Benefits	24,743	125,382	165,251	-24.13%	325,917	396,603	-17.82%
38	Relocation Costs	6,480	28,633	8,088	254.04%	48,719	19,410	151.00%
39	Tenant Service - Other	5,380	23,349	211,760	-88.97%	156,038	508,225	-69.30%
40	<b>Total Tenant Services</b>	<b>100,749</b>	<b>488,015</b>	<b>781,907</b>	<b>-37.59%</b>	<b>1,374,905</b>	<b>1,876,577</b>	<b>-26.73%</b>
	<b>Project Utilities</b>							
41	Water	7,953	46,393	48,463	-4.27%	111,343	116,310	-4.27%
42	Electricity	17,438	99,207	85,021	16.69%	163,097	204,050	-20.07%
43	Gas	3,482	26,240	27,279	-3.81%	62,976	65,470	-3.81%
44	Sewer	23,795	151,353	144,427	4.80%	363,247	346,625	4.80%
45	<b>Total Project Utilities</b>	<b>52,668</b>	<b>323,193</b>	<b>305,190</b>	<b>5.90%</b>	<b>700,663</b>	<b>732,455</b>	<b>-4.34%</b>
	<b>Ordinary Maintenance &amp; Operations</b>							
46	Maintenance Salaries	29,672	203,399	250,687	-18.86%	578,655	601,649	-3.82%
47	Maintenance Personnel - Benefits	10,811	65,373	76,593	-14.65%	166,894	183,822	-9.21%
48	Maintenance Materials	17,108	75,392	85,083	-11.39%	180,941	204,200	-11.39%
49	Contract Maintenance	79,111	379,646	355,418	6.82%	961,150	853,002	12.68%
50	<b>Total Routine Maintenance</b>	<b>136,702</b>	<b>723,810</b>	<b>767,780</b>	<b>-5.73%</b>	<b>1,887,640</b>	<b>1,842,673</b>	<b>2.44%</b>
	<b>General Expenses</b>							
51	Protective Services	11,657	64,376	59,750	7.74%	154,502	143,400	7.74%
52	Insurance	13,671	69,591	70,233	-0.91%	167,018	168,558	-0.91%
53	Other General Expense	109,431	446,609	457,200	-2.32%	1,071,862	1,097,280	-2.32%
54	Payment in Lieu of Taxes	1,200	5,994	6,025	-0.52%	14,386	14,461	-0.52%
55	Collection Loss	4,535	48,341	18,028	168.14%	75,000	43,268	73.34%
56	Interest Expense	14,523	265,829	381,036	-30.24%	611,066	914,486	-33.18%
57	<b>Total General Expenses</b>	<b>155,017</b>	<b>900,740</b>	<b>992,272</b>	<b>-9.22%</b>	<b>2,093,834</b>	<b>2,381,453</b>	<b>-12.08%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,226,127</b>	<b>\$ 6,625,202</b>	<b>\$ 7,505,495</b>		<b>\$ 16,615,658</b>	<b>\$ 18,013,187</b>	
	<b>Nonroutine Expenditures</b>							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	0	0	50,417	-100.00%	350,000	121,000	189.26%
60	Casualty Losses	39,382	119,760	19,604	510.89%	119,760	47,050	154.54%
61	Sec 8 HAP Payments	2,456,349	12,208,853	13,142,504	-7.10%	29,951,247	31,542,010	-5.04%
62	<b>Total Nonroutine Expenditures</b>	<b>2,495,731</b>	<b>12,328,613</b>	<b>13,212,525</b>	<b>-6.69%</b>	<b>30,421,007</b>	<b>31,710,060</b>	<b>-4.07%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>3,721,858</b>	<b>18,953,815</b>	<b>20,718,020</b>	<b>-8.52%</b>	<b>47,036,665</b>	<b>49,723,247</b>	<b>-5.40%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(157,307)</b>	<b>328,331</b>	<b>86,361</b>	<b>280.18%</b>	<b>529,939</b>	<b>207,266</b>	<b>155.68%</b>
65	Debt Service Principal Payments	(2,645)	(105,504)	(224,935)	-53.10%	(539,844)	(539,844)	0.00%
66	<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(159,952)</b>	<b>222,827</b>	<b>(138,574)</b>	<b>-260.80%</b>	<b>(9,905)</b>	<b>(332,578)</b>	
67	Reserve Appropriations - Operations	4,962	111,497	152,193	-26.74%	130,286	365,263	-64.33%
68	<b>Surplus/Deficit Before Capital Expenditures</b>	<b>(154,990)</b>	<b>334,324</b>	<b>13,619</b>		<b>120,382</b>	<b>32,685</b>	
69	Revenue - Capital Grants	583,126	713,217	(6,297,125)	-111.33%	1,657,650	(15,113,100)	-110.97%
70	Capitalized Items/Development Projects	(631,075)	(908,712)	5,724,208	-115.87%	(1,854,243)	13,738,100	-113.50%
71	Reserve Appropriations - Capital	1,245	122,507	560,417	-78.14%	123,605	1,345,000	-90.81%
71	<b>THA SURPLUS/(DEFICIT)</b>	<b>(201,694)</b>	<b>261,336</b>	<b>1,119</b>		<b>47,394</b>	<b>2,685</b>	

TACOMA HOUSING AUTHORITY				
CASH POSITION - June 2013				
Account Name		Current Balance		Interest
HERITAGE BANK				
Accounts Payable		\$	479,418	0.400%
Section 8 Checking			8,681,148	0.400%
THA Investment Pool			287	0.400%
THA LIPH Security Deposits			92,413	0.400%
THDG - Tacoma Housing Development Group			59,326	0.400%
LF - Stewart Court			34,804	0.400%
LF - Stewart Ct Security Deposit Account			8,875	0.400%
LF - SF 9Homes Alaska			110,587	0.400%
LF - SF 9Homes Alaska Sec Dep Acct			5,839	0.400%
LF - SFH No. Shirley			7,299	0.400%
LF - SFH N Shirley Security Deposit Acct			1,002	0.400%
LF - Wedgewood Homes			5,488	0.400%
Salishan 7			1,057,523	0.400%
Salishan 7 Security Deposit			25,958	0.400%
Payroll Account			6,468	0.400%
General Fund Money Market			1,081,724	0.400%
WASHINGTON STATE				
Investment Pool		\$	1,624,440	0.150%
CHASE				
IDA Account			20,654	0.01%
1. TOTAL THA CASH BALANCE		\$	13,303,252	
Less:				
2. Total MTW Cash Balance		\$	7,097,680	
Less MTW Cash Set-Aside Restrictions				
2.1 Hillside Terrace Redevelopment RHF fund guarantee to Chase Bank			1,232,000	
3. MTW Cash Available		\$	5,865,680	
4. Non MTW Cash				
Other Restrictions:				
4.01 FSS Escrows	133,650			
4.02 VASH, FUP & NED HAP Reserves	146,763			
4.03 Mod Rehab Operating Reserves	135,537			
4.04 Security Deposit Accounts	128,735			
4.05 Salishan Sound Families - 608	162,897			
4.06 IDA Accounts - 604	20,654			
4.07 Paul Allen Foundation - 609	15,117			
4.08 Gates Foundation - 612, 622 & 623	252,287			
4.09 WA Families Fund - 673, 712	63,602			
4.10 Wedgewood Replacement Reserve	803,431			
4.11 Bond Financed Single Family Homes Reserve	90,000			
4.12 Salishan 7 Reserves	425,000			
4.13 THDG - 048	59,326			
4.20 Total - Other Restrictions		\$	2,436,997	
Agency Liabilities:				
4.30 Windstar Loan - 042	315,393			
4.40 Total - Agency Liabilities		\$	315,393	
4.50 Development Advances/Due Diligence Commitments <sup>1</sup>		\$	-	
5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.50)		\$	2,752,390	
6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)		\$	3,453,183	
Agency Current Commitments:	Board Approval	Expended	Obligation Balance	
LASA Development advance	\$ 375,000	\$ 432,533	\$ (57,533)	
Salishan Campus (2012 exp plus 2013 budget)	\$ 167,840	\$ 112,007	\$ 55,833	
<sup>1</sup> Total Current Commitments outstanding			\$ (1,700)	
Agency Advances that resulted in reduced the amount of Unencumbered Cash (line 6)				
LASA Development advance		\$ 432,533		
Hillside Terrace Redevlpmnt - HTF, HOME, CDBG and COT Funds		\$ -		
Total Agency Advances		\$ 432,533		

REAL ESTATE MANAGEMENT  
AND  
HOUSING SERVICES



# TACOMA HOUSING AUTHORITY

Date: July 24, 2013

To: THA Board of Commissioners

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

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

---

## 1. PROPERTY MANAGEMENT DIVISION

### *1.1 Occupancy:*

Unit occupancy is reported for the first day of the month. This data is for the month of June 2013. The high vacancy rate is attributable to THA's meth strategy. I have outlined our plans for improving the occupancy on the following page.

OCCUPANCY SUMMARY REPORT					
PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MTH OCCUPIED
All Hillside	61	3	105	54	95.1%
Family Properties	201	15	5	186	92.5%
Salishan	628	76	5	552	87.9%
Senior/Disabled	349	18	4	331	93.8%
All Total	1,239	112	114	1,122	91.0%

### *1.2 Vacant Unit Turn:*

The following page includes a table with all of the units turned in fiscal year 2013. Eleven (11) units were turned and rented in the month of June. The average unit turn for the month of June was 160.09 days and 169.80 days FYTD. Three of the units that were turned in June 1 had tested positive for meth and needed to be remediated.

As of July 12th, 2013; 90 of the 178 units that have been tested for contamination have tested positive for methamphetamine. This is a 51% positive rate for the units that have been tested. THA implemented the home testing kits that are testing for contamination at the health-based contamination level. Of the 20 home tests that have been conducted, 8 have tested positive for contamination.

The Asset Management Committee (AMC) has recommended a change in THA's methamphetamine testing practice as we move forward. This revised practice is outlined in the attached memo. The new practice will be used for the remaining untested vacant units within THA's portfolio.

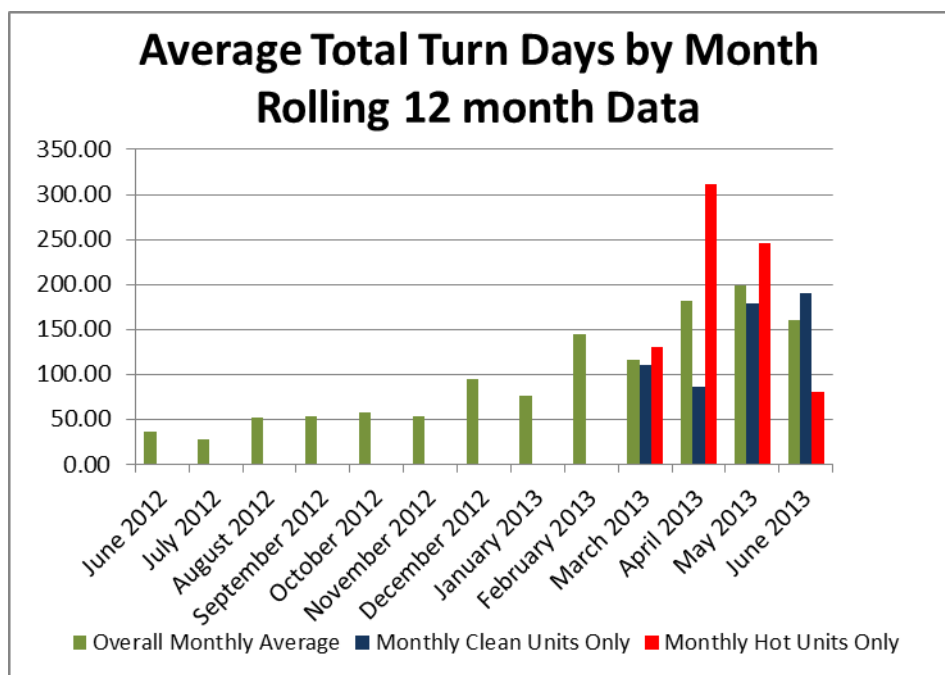
As of July 15, 2013, there were 122 vacant units in THA's portfolio. 5 of those units are offline due to modernization work and are not included in the table below. The following table outlines the units by the month they became vacant and whether they are contaminated, clean or awaiting testing.

<b>MONTH UNIT VACANT</b>	<b>CONTAMINATED</b>	<b>CLEAN</b>	<b>AWAITING TESTING/ RESULTS</b>
Prior to October 2012	9	0	0
OCTOBER 2012	7	1	0
NOVEMBER 2012	6	0	0
DECEMBER 2012	11	0	0
JANUARY 2013	10	3	0
FEBRUARY 2013	11	7	0
MARCH 2013	3	7	3
APRIL 2013	4	4	4
MAY 2013	6	3	3
JUNE 2013	1	3	5
JULY 2013	0	0	8

Below is a list of the steps we have taken or plan to take to improve unit turnaround time moving forward:

- Property Management and Leasing staff leased all of the 2012 vacancies where the units tested clean prior to June 2012.
- Property Management and Leasing staff re-rented all but 3 of the 2013 units that tested clean prior to June 30<sup>th</sup>. These units are scheduled to be leased in July. We are currently conducting our next round of field tests and we have had 12 out of 20 units come back clean. Our goal is to have all units that come back clean by July 15th be leased by September 30.
- THA is contracting painting and janitorial services in all tax credit units (Salishan and Hillside Terrace) to free up THA staff time to work in more units.
- In the month of June we hired Bob Drury as THA's Warehouse Process Analyst. Bob comes to us with extensive experience in warehouse management. Bob's main focus is to help us streamline our procurement process as well as reorganizing THA's maintenance shops and maintenance vehicles. The purpose of these assignments is to make us more efficient and productive.

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



- 1.3 *Work Orders*: In the month of June not all emergency work orders were completed within 24 hours. This month, maintenance staff completed 356 non-emergency work orders and a total of 2,059 for the calendar year. The annual average number of days to complete a non-emergency work order is 13.22.



## Work Order Summary by Portfolio

Portfolio	Completed Work Orders							
	Emergency				Non-Emergency			
	Month	YTD	Month	YTD	Month	YTD	Month	YTD
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
<b>All Hillside</b>								
HILLSIDE TERRACE	0	0.0%	0	0.0%				
HILLSIDE TERRACE 1500 Block	0	0.0%	1	100.0%	6	1.67	63	1.63
HILLSIDE TERRACE PH I	0	0.0%	3	100.0%	12	2.83	91	1.43
HILLSIDE TERRACE PH II	0	0.0%	4	100.0%	29	2.48	125	1.53
	0	0.0%	8	100.0%	47	2.47	279	1.52
<b>Family Properties</b>								
ALL SCATTERED SITES	1	100.0%	2	100.0%	12	17.83	84	61.19
BERGERSON TERRACE	1	100.0%	4	100.0%	11	16.55	102	36.42
DIXON VILLAGE	0	0.0%	0	0.0%	2	17.50	49	28.51
STEWART COURT APARTMENTS	2	100.0%	3	100.0%	15	7.67	70	18.20
	4	100.0%	9	100.0%	40	13.65	305	37.79
<b>Salishan</b>								
SALISHAN I	0	0.0%	4	75.0%	32	11.91	165	12.19
SALISHAN II	0	0.0%	3	100.0%	36	11.89	237	13.35
SALISHAN III	2	100.0%	7	100.0%	33	14.09	141	12.48
SALISHAN IV	3	100.0%	8	100.0%	22	5.73	145	15.23
SALISHAN V	0	0.0%	3	100.0%	34	8.47	169	8.05
SALISHAN VI	1	100.0%	4	100.0%	26	5.04	146	9.96
SALISHAN VII	0	0.0%	5	100.0%	32	26.09	140	12.76
	6	100.0%	34	97.1%	215	12.34	1,143	12.03
<b>Senior / Disabled Properties</b>								
6TH AVE	0	0.0%	2	100.0%	9	3.33	67	4.51
E.B. WILSON	1	100.0%	18	100.0%	13	3.77	72	3.82
FAWCETT APARTMENTS	0	0.0%	0	0.0%	7	2.57	30	3.43
LUDWIG APARTMENTS	0	0.0%	1	100.0%	6	10.83	40	3.88
NORTH G ST	1	100.0%	4	100.0%	8	1.88	42	6.81
NORTH K ST	1	100.0%	4	100.0%	2	14.00	30	8.10
WRIGHT AVE	1	100.0%	7	85.7%	9	5.56	51	3.12
	4	100.0%	36	97.2%	54	4.72	332	4.59
Agency Totals:	14	100.0%	87	97.7%	356	10.03	2,059	13.22

There is an error in our open work order report. We will correct the problem and add the report again in August.

### 1.4 Bed Bug update:

Within THA's portfolio, THA has had 23 units and 3 common areas infected with bed bugs since 2010. THA currently has two units that are being treated for bed bugs at 401 N G St.; one of those units is a newly infested unit discovered during a 100% building inspection on June 28<sup>th</sup>.

THA will be doing the following over the next 2 months to help control the Bed Bug infestation.

- THA Pest control vendor will conduct training for THA staff that enters units to minimize potential exposure and identify proper PPE equipment.

- THA's pest control vendor will be using the bed bug detection canine to inspect every unit. Six of the seven senior buildings have had 100% of their units inspected. The last building, 6<sup>th</sup> Ave Apartments, will be inspected on July 22<sup>nd</sup>. The results of the inspections to date are outlined below:

Location	Results
EB Wilson (6/26)	-0- Alerts
Fawcett Street (6/27)	1 Alert, visual inspection done and none was found-waiting for traps from SPRAGUE to set(traps were ordered and waiting for them to come in)
Wright Street (6/27)	1 Alert, visual inspection done and none was found-waiting for traps from SPRAGUE to set(traps were ordered and waiting for them to come in)
G Street (6/28)	2 Alerts (THA was already aware of one of them)
K Street (6/28)	1 Alert, visual inspection done and none was found-waiting for traps from SPRAGUE to set(traps were ordered and waiting for them to come in)
Ludwig (7/10)	-0- Alerts

- THA's 902 and FIC lobbies will be inspected by the Bed Bug detection canine in the month of August.

### *1.5 Update from June Board meeting*

1.5.1 During the June meeting, we heard concerns from two G Street Apartments residents. The concerns were regarding bed bugs, cleanliness and customer service. We have provided information about recent bed bug inspections in section 1.4 of this report. Ms. Scott reported that her unit had been chemically treated five times and she has reported that we should use a different method of treatment/prevention. Our vendor recommends chemical versus heat treatment based on levels of infestation. Ms. Scott's unit has shown low infestation each time it has been treated. However, each time that Ms. Scott's unit has been treated the vendor has noted that treatment is difficult based on the level of clutter in the unit.

Our pest vendor is treating two infested units at G Street now. There was a delay treating one unit based on an occupant's complaint about the treatment method. This issue has been resolved now. We will continue regular inspections and tenant education as our prevention strategy.

- 1.5.2 Regarding the cleanliness of G Street Apartments, management has conducted random inspections of G Street Apartments and has been unable to identify the issues that residents are sharing with the board. The July board meeting will be held at G Street Apartments to help the Board understand the condition of the building and to allow the residents to show their specific concerns. The building is scheduled to be cleaned every week, and more frequently if necessary. Staff does a thorough job maintaining THA's common areas. We have noted staining/fading in the carpeted areas and the 2013 budget adjustment includes money to replace the flooring.
- 1.5.3 Ms. Bass reported that residents are smoking in her building. This is still allowed within THA's portfolio. THA has not yet implemented its non-smoking policies. This will be adopted with THA's lease revision which is on schedule to come before the board in the fall.
- 1.5.4 Ms. Bass reported trouble with her Property Manager. Ms. Bass has denied staff entry to her apartment in the past and staff has had to remind Ms. Bass of tenancy obligations. I do not have reason to believe that there has been any improper behavior by THA staff.

## **2. RENTAL ASSISTANCE DIVISION**

Housing Choice Voucher utilization is reported at 97.23% for the month of June 2013. Rental Assistance continues working towards 100% utilization. The Leasing Department continues to hold weekly briefings to meet our goal of 100% utilization. We anticipate being able to conduct several more briefings through July. Rental Assistance leased up approximately 50 families this month but also removed 25 from the program. Although this does not raise our total utilization as quickly as we would like, we are able to bring more new clients on to the program. Resident Services and Leasing have continued their partnership for the briefings which provides a productive and informative experience for the clients.

Since the closing of the HOP waiting list the Rental Assistance Department has worked closely with IT and the Policy Analyst to draw 1000 applications from the pool of 7244 total applicants and add them to the waiting list by lottery numbers. All applicants have been notified regarding the results of applications and if they were added to the waiting list.

Below is a breakdown of the progress leasing our special programs:

Program Name	Units Allocated	Units Leased	Number of shoppers*
Veterans Administration Supportive Housing (VASH)	130	109 (including 1 port out)	10 shoppers and 11 referrals pending
Non-Elderly Disabled Vouchers (NED)	100	88 ( including 13 port outs)	3 shopper
Family Unification Program (FUP)	50	38 (including 1 port out)	2 shoppers and 0 referrals pending
McCarver Program	50	46	
Life Manor	150	150	0

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

The VA continues to make referrals for the regular VASH program as well as the Project Based units for veterans. Yet we continue to discuss the need for more and faster referrals. After providing our report to HUD regarding utilization of these vouchers, the referrals have continued to increase which has been reflected in our lease-up and shopping numbers. They continue to assure us that the referrals are their top priority. If all of the referrals and shoppers lease up, the VASH program will be 100% utilized and we can begin filling our new 2013 allocation of VASH vouchers.

The NED units continue to have a large number of turn over. The turn over average is around 15%. This is due to increased health problems, including deaths of clients, service requirements of the clients, and program non-compliance. DSHS continues to supply referrals quickly. We meet regularly with the DSHS staff. They provide excellent customer service to our clients and continue to be extremely responsive to our requests.

The FUP shortfall continues to be with the youth program and we are working with our partners to identify ways to increase referrals and program stability for that population.

REAL ESTATE

DEVELOPMENT



# TACOMA HOUSING AUTHORITY

DATE: July 24, 2013

TO: THA Board of Commissioners

FROM: Tina Hansen  
Interim Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

---

## 1. SALISHAN/HOPE VI

### 1. Phase II Construction

#### 1.1.1 *Area 2A, Community Core Development*

The Working Group - consisting of potential tenants of the Core, residents, and other stakeholders – met on March 28 to discuss steps being made by each member and to develop a slate of activities for the summer and fall. We held a Field Day on Saturday, July 20. Vendors included Tacoma Children's Museum, Tacoma Community College, Ted Brown Music, Write@253, Metro Parks, and food trucks

The Board approved the general Master Plan Concept at its June 2012 meeting.

Feasibility studies related to THA's ability to raise the money necessary to develop the project are now being conducted. THA has procured The Alford Group to assist us in assessing financial feasibility. The Alford group is on their last set of interviews. We should have a report by the end of the summer.

#### 1.1.2 *Area 3 Lot Sales, Citibank Loan*

Benjamin Ryan, LLC, a local builder, built and sold 6 houses at Salishan. They have decided to not purchase the addition 16 lots they had under contract. Quadrant has an executed purchase and sale agreement with Soundbuilt LLC for those 16 lots.

We closed on the transaction between THA and DR Horton on May 15<sup>th</sup>. DR Horton purchased all of the remaining 143 lots in Area 3. The DR Horton sales & marketing staff met with THA staff on July 11 to discuss their marketing efforts.

## **2. PUBLIC HOUSING PROJECTS**

### **2.1 1800/2500 Hillside Terrace**

#### **2.1.1 *Summary of Project Activities.***

The Hillside Terrace Phase I project is progressing according to budget and schedule. The contract has completed the removal of all contaminated soils identified on the site. Asbestos removal and demolition of the buildings is nearing completion for the 2500 block. All buildings at the 2500 will have been demolished by the end of July. The 1800 block will follow. See 2.1.6 below for additional details on construction progress.

Hillside Terrace Phase I ground breaking ceremony was held on July 2, 2013. It was a well attended and successful event.

#### **2.1.2 *Financing.***

Staff has begun studying options for the Phase II financing.

#### **2.1.3 *Project Planning.***

Staff has begun planning and programming for the Phase II project.

#### **2.1.4 *Procurement.***

None

#### **2.1.5 *Architecture.***

GGLO Architects will be providing construction administration activities during the Phase I construction project.

Staff will be engaging GGLO Architects to conduct a massing study for the Phase II project. The intent of the study is to assess the total achievable density for the Phase II site.

#### **2.1.6 *Construction.***

The Owner, Architect and Contractor (OAC) construction meetings are held weekly at the site. Absher Construction has set up their mobile office on site.

#### **2.1.7 *Demolition.***

2500 Block; Selective demolition and Asbestos abatement of the interiors and has been completed. Building demolition will be complete by the end of July.

1800 Block; Selective demolition and abatement prep are underway, and abatement is scheduled to begin the end of July. Building demolition is scheduled to start in August.

2.1.8 *Site work.*

Community Center; forming and pouring of the footings and foundation are complete. Utility groundwork is in the final phase. Slab on grade is 80% complete.

Phase I Housing; Building A site has been cleared. Drilling for the shoring pilings is finished and the shoring walls are in place and backfilled. Special precautions are being taken to protect the Sequoia trees.

Excavation for the below grade parking and prep for the building footing excavation is underway.

2.1.9 *Utilities.*

Construction of the mainline sewer and side sewers is done. Installation of the storm drain is proceeding.

2.1.10 *Community Meetings.*

The Construction Oversight Committee continues to meet on the second Wednesday of each month.

Below is a summary of the outreach goals for the project.

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

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 7-10-13
MBE	14%	9.31%	9.31%
WBE	8%	12.13%	12.13%
Section 3 Business	10%	12.05%	12.05%
Section 3 New Hires	30%	50%	50%
Apprenticeship	15%	6.44%	6.44%

2.1.11 *Community/Education Center.*

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



2.1.12 *Project Schedule.*

	<b>HILLSIDE Terrace, Phase I - MAJOR PROJECT MILESTONES THROUGH 2012, EARLY 2013</b>							
	Demolition/Disposition approval received from HUD						Complete	
	Begin Tenant Relocation Process						Complete	
	Phase I Permit Package Submitted to City for Review						Complete	
	Section 3 Construction Over Sight Committee Convenes						September 2012	
	Construction Bidding Process						Complete	
	Phase I Project Area Vacated						Complete	
	Close on all Financing						Complete	
	Construction Notice to Proceed						Complete	
	Demolition Completion						August, 2013	
	Infrastructure Development Begins						July 2013	
	Vertical Construction Begins						June 2013	

### 3. CAPITAL FUNDS

#### 3.1 Capital Fund Construction.

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

##### MULTI-SCOPE WORK

The Multi-Scope work is being managed in two Phases;

**Group A** – Libby Builders is the successful bidder. 120 E. Bismark and 6413 S. Pine and 5801 E. Roosevelt; Improvements are finished and final punch completed. 6438 S. Puget Sound; Demolition, electrical service panel replacement and plumbing rough-in are finished. The kitchen cabinets are installed and the linen closet is constructed.

**Group B** – In Time Renovations was awarded the contract for Group B. Construction is currently underway at 4939 32<sup>nd</sup> St NE. Groundwater issues were discovered and systems were designed to address the concerns. These processes have added construction time to the project. The corrective drainage system installation is scheduled to be completed in mid-July. Selective demolition is finished, framing and drywall repairs have made, painting is complete, and siding repairs are done. Flooring installation is scheduled for July 16<sup>th</sup>. This site is scheduled for completion by the end of August. Electrical work at 1605 E 59<sup>th</sup> Street was completed June 27<sup>th</sup>.

Electrical improvements at 807 S Prospect are scheduled for the week of July 15<sup>th</sup>.

#### 4. OTHER PROJECTS

##### 4.1 *Neighborhood Stabilization Program (NSP 1)*

THA purchased 4825 E L Street on March 20. This will be the last NSP house that THA purchases. THA will be returning the balance of funds to the City of Tacoma. Libby Builders has been issued The Notice to Proceed and selective demolition is underway.

##### 4.2 *AG Program*

THA is going to receive an additional \$960,000 from the City of Tacoma to continue the foreclosure work. The City received additional funding through the Attorney General's office. We anticipate entering into the contract with the City by the end of July. This program will allow us to buy short sales as well as foreclosed houses.

##### 4.3 *LASA Supportive Housing Project*

On June 10 we received notice that the Housing Trust Fund will provide the funds THA expected to receive through the tax credit equity provider. The project will no longer be using low income housing tax credits. In addition to the HTF, funding will come from Pierce County and the City of Lakewood. Staff is working with the development team to revise the schedule and move the project forward. Closing is expected to occur this fall which would result in a late summer 2014 occupancy. We expect to sign a Development Services Agreement with LASA in mid to late July.

##### Estimated Project Schedule

Begin relocation activities	July 2013
Submit for Building Permit	July 2013
Issue ITB for Contractor	August 2013
Award Contractor Contract	September 2013
Financial closing	November 2013
Construction Start	November 2013
Complete Construction	July 2014

##### 4.4 *Stewart Court*

THA has received an offer to purchase the property. The purchase and sale agreement is signed with an effective date of May 24, 2013. The buyer is going through their feasibility period. The closing is anticipated to occur by early October.

4.5 *902 South L Street 2<sup>nd</sup> Floor Tenant Improvement*

The Board of Commissioners approved \$350,000 for tenant improvements to the 902 South L Street 2<sup>nd</sup> floor in the 2013 annual budget. Staff has reviewed options presented by Buffalo design to the revised conceptual design using a \$500,000 budget which will be included in the Agency's mid-year budget revision. Staff selected one design and the Buffalo is completing revisions to that concept.

**5. DEVELOPMENT PIPELINE PROJECTS**

5.1 *Intergenerational Housing at Hillsdale Heights*

In March, the Board of the Many Lights Foundation met with staff to extend an offer to THA to serve as the developer of the project they seek to build at Hillsdale Heights. Many Lights also offered to purchase the land it seeks to build upon at Hillsdale Heights. Staff met with Many Lights Foundation founders to further discuss the project. MLF would like to enter into a Letter of Interest with THA for the Hillsdale Heights site in order to enable them to begin fundraising in earnest. This is being discussed with the Asset Management Committee.

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

Tacoma Housing Authority (THA) in collaboration with Tacoma Business District Revitalization Group (RG) presented a letter to the City proposing to enter into two Development Agreements with the City of Tacoma (COT) to pursue a feasibility study for the development of the Brown Star Grill properties. The redevelopment of these properties could be an important spur to the revitalization of the Hilltop.

Staff is currently working on a Purchase and Sale Agreement and Development agreement between THA and the City of Tacoma.

Staff and Kevin Grossman have continued meeting with Hilltop community representatives eliciting their views about this proposal.

5.3 *New Look Apartments/Alberta Canada Building Acquisition*

THA presented a revised PSA to MLKHDA at the end of May. It went to their board for approval in early June. The National Equity Fund (NEF), the investor in the project, needs to approve the deal before the MLKHDA can sign the PSA. In addition to the PSA, THA presented a revised Operating Agreement for NEF to review. Both documents are being reviewed and approval is expected at the July 17 NEF meeting.. THA will have 90 days to conduct its feasibility studies.

5.4 *Dome District Feasibility Grant Opportunity*

In response to an invitation from Enterprise Community Partners, THA submitted and received \$50,000 to finance work needed to evaluate the feasibility of developing a mixed income and mixed use building on a site owned by Pierce

Transit in the Dome District. Pierce Transit has agreed to partner with THA in the application and feasibility study should funds be awarded. Funds need to be expended by September. The grant contract was signed in mid-June and feasibility work commenced immediately. The Phase I environmental work is underway and should be completed by the end of July. The market studies and land use analysis commenced in mid-July. We expect to start the design concept in early August. Pierce Transit and THA have an executed LOI.

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

6.1 As of June 30, 2013, 8 of 16 new hires at the Hillside Terrace Revitalization Project are Section 3 Hires. M/WBE, and Section 3 goals for said project are provided in Section 2.1.10 of this report.

## 7. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of July 1, 2013 for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

Grant	Total Grant	Obligation Start Date	Obligated	% Obligated	Obligation Deadline	Expended	% Expended	Expended Deadline
2008 CFP	\$1,849,412	6/13/08	\$1,849,412	100%	06/12/10	\$1,849,412	100%	06/12/12
2009 CFP	\$2,410,953	9/15/09	\$2,410,953	100%	9/14/11	\$2,410,953	100%	9/14/13
2009 CFP (1 <sup>st</sup> R)	\$703,863	9/15/09	\$703,863	100%	9/14/11	\$703,863	100%	9/14/13
2009 CFP (2 <sup>nd</sup> R)	\$54,932	9/15/09	\$54,932	100%	9/14/11	\$54,932	100%	9/14/13
2009 CFP (3 <sup>rd</sup> R)	\$2,724	4/2/10	\$2,724	100%	4/2/12	\$2,724	100%	4/2/14
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$1,213,879	52%	7/14/14
2010 CFP (1 <sup>st</sup> R)	\$1,216,978	7/15/10	\$1,216,978	100%	7/14/12	\$808,090	66%	7/14/14
2010 CFP (2 <sup>nd</sup> R)	\$219,721	7/15/10	\$219,721	100%	7/14/12	\$219,721	100%	7/14/14
2011 CFP	\$1,721,353	8/3/11	\$1,721,353	100%	8/2/13	\$108,944	6%	8/2/15
2011 CFP (1 <sup>st</sup> R)	\$736,455	8/3/11	\$736,455	100%	8/2/13	\$443,660	60%	8/2/15
2011 CFP (2 <sup>nd</sup> R)	\$549,895	8/3/11	\$549,895	100%	8/2/13	\$0	0%	8/2/15
CFCF**	\$1,881,652	8/3/11	\$1,845,702	98%	8/2/13	\$215,227	11%	8/2/15

July 2013 Board of Commissioners Meeting  
REAL ESTATE DEVELOPMENT DEPARTMENT MONTHLY REPORT  
Page 8

---

2012 CFP	\$1,593,197	3/12/12	\$0	0%	3/11/14	\$0	0%	3/11/16
2012 CFP (1 <sup>st</sup> R)	\$1,026,290	3/12/12	\$441,922	43%	3/11/14	\$384,001	37%	3/11/16
2012 CFP (2 <sup>nd</sup> R)	\$128,701	3/12/12	\$0	0%	3/11/14	\$0	0%	3/11/16

\*\* Capital Fund Community Facilities Grant

# COMMUNITY SERVICES



# TACOMA HOUSING AUTHORITY

DATE: July 24, 2013

TO: THA Board of Commissioners

FROM: Nancy Vignec  
Community Services

RE: Monthly Board Report

## **STRATEGIC OBJECTIVE: HOUSING AND SUPPORTIVE SERVICES**

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

### **1. 2013 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 June and for the calendar year 2013.

For most activities, the department should have achieved at least 50% of the annual goal by the end of June. Significant variations are noted below and explained in greater detail in the narrative accompanying each section of the report.

- While 93% of the work-able individuals who attended the Housing Opportunities Program (HOP) orientations indicated interest in Community Services programs, 11% of the work-able attendees were engaged in these programs as of the end of June. (*See section 1.3 below.*) This resulted in a lower than expected number of participants in CS pre-employment and employment activities. Staff will continue outreach to HOP orientation attendees to encourage their participation in self-sufficiency programs.
- Referrals for case staffing increased in May and again in June. (*See section 1.5 below.*) We attribute these increases to closer coordination between Property Management and CS. The property manager at one of THA's family developments experienced some notable problems with a number of tenants and asked CS to intervene with these troubled families.
- Referrals for hardship exemption casework also increased in June. (*See section 1.6 below.*) We attribute this increase to closer coordination between REMHS and CS in making the referral process more effective.

## 1.1 Employment

As of the end of June, the department reached or exceeded 50% of the annual goals for most employment activities. The number of clients in employment readiness soft skills training continues to lag behind the annual goal. We expect employment readiness enrollment and completion to increase as more work-able HOP renters begin engaging in CS self-sufficiency activities.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Clients referred for employment services	28	134	130	103%
Clients who received employment services	18	135	120	113%
Clients enrolled in employment readiness soft skills workshops	4	24	80	30%
Clients completed employment readiness soft skills workshops	1	10	50	20%
Enrolled in job readiness training	0	17	20	85%
Job placement	7	36	45	80%
WorkSource Participants Assisted	15	88	100	88%
Entered Apprenticeship	0	0	3	0%

Average annual increase in earned income in 2012	\$2761.61
--	-----------

## 1.2 Education

### 1.2.1 Adult Education Programs

The department is making good progress toward most of its annual goals for education activities. The completion rates for ESL levels and GED tests tend to be lower during the earlier months of the calendar year. Typically, these rates increase during the final quarter of the year. We expect to reach the goals for ESL and GED test completion by the end of 2013.

We anticipate that the number of adults completing education programs will increase over the course of the year and we will reach the goal for this activity by the end of 2013.

During tax season, we offered opportunity for assistance with FAFSA applications but none of the participants in our Volunteer Income Tax Assistance site chose to accept our offer for this help. We will increase our efforts to alert participants to this opportunity during next tax season.



Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Participating in ESL classes	0	17	15	113%
Completes one or more ESL levels	0	1	5	20%
Adults enrolled in education program	16	16	10	160%
Adults complete education program	3	3	25	12%
Participants attending GED classes	16	107	200	54%
Completes one or more GED tests	1	5	25	20%
Attains GED	1	9	15	60%
FAFSA applications completed	0	0	10	0%

#### 1.2.2 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. As of June 2013, 49 McCarver families are enrolled in the Program. Rental subsidies for participating families will decrease to zero over the five year McCarver project period. Each year, all families will pay an additional 20% of their rent and THA will subsidize the balance. Participating families receive intensive case management services and assistance to help the parents improve their education and employment prospects.

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

Currently 100% of Program families are able to pay the required 20% of the rent.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Families participating	49	50	50	100%
Families able to pay 20% of their rent (50 of 50)	49	50	50	100%
Families able to pay 40% or their rent (43 of 50)	0	0	43	0%
Average school attendance rate	94%	94%	93%	101%
Reduction in referrals for discipline*	n/a	n/a	25%	n/a
% students increase scores on district reading test (K-5)	22%	22%	20%	110%
% students increase scores on district math test (K-5)**	n/a	n/a	20%	n/a
Average increase in state reading test (Gr. 3-5)	24%	24%	20%	120%
Increase in average state math test (Gr. 3-5)	-16%	-16%	18%	-89%

\*We are working with the school district to establish a procedure to get discipline data from their new data system.

\*\* We have not received the district math test data from the school district.

Activities	Baseline Fall 2011	At End of May 2013
Average annual household income	\$5232	\$9180
Employed	7	20
Enrolled in Training Programs	2	14

In June, the Manager for Educational Programs and the two McCarver caseworkers continued a monthly consultation with the service providers who are partners in the Program. The June meeting focused on improving coordination of employment services for the McCarver participants. Participating service providers included Goodwill, WorkForce Central and DSHS.

The Manager for Educational Programs and the Community Services Director are scheduled to meet with Linda Nguyen, CEO of WorkForce Central on July 24. Purpose of the meeting will be to identify and secure additional employment services Workforce Central can devote to the McCarver project.

### 1.3 Housing Opportunities Program (HOP)

THA began HOP orientations in March 2013. REMHS and CS staff collaborated in planning and offering the orientations. While 111 of the work-able individuals who attended the HOP orientations indicated interest in Community Services programs, twelve of the work-able attendees were engaged in these programs as of the end of June. We think that HOP participants are pre-occupied, at first, with finding suitable housing and moving into their rental units. This may delay their participation in CS programs. Staff will continue outreach to HOP orientation attendees to encourage their participation in CS self-sufficiency programs.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
HOP orientations	2	12	n/a	
Total orientation attendees	32	186	n/a	
Work-able attendees	24	119	n/a	
Attendees requesting CS	26	111	n/a	
Participants receiving CS	6	12	n/a	

### 1.4 Families in Transition (FIT)

The Community Service Department's FIT program is funded by Washington Families Fund and Sound Families grants. FIT caseworkers help participants succeed as tenants, parents and wage earners. FIT participants are homeless at the time they are admitted into the program and placed in housing at Salishan or Hillside Terrace. In order to be admitted to the program, applicants must agree to participate in FIT case management.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
Total Current Caseload	18		3		3	
	June 2013	YTD 2013	June 2013	YTD 2013	June 2013	YTD 2013
Entrances	2	9	0	3	0	0
Graduations	0	1	0	0	0	1
Exits	0	0	0	0	0	0
Terminations	0	3	0	0	0	0

## 1.5 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.

Referrals for case staffing increased in June. We attribute this increase to close coordination between Property Management and CS. The property manager at one of THA's family developments experienced notable problems with a number of tenants and asked CS to intervene with these troubled families.

Activities	June 2013	YTD 2013	Annual Goal 2013
Number of households referred for services	3	14	26
Number of successful completions (eviction averted)	0	0	12
Number terminated	0	0	n/a

## 1.6 MTW Hardship Exemption Casework

In January 2012, THA began Moving to Work rent calculations and biennial recertification cycles for all MTW households. THA anticipated that some households would be unable to pay their new rent and that up to 120 households would qualify for a hardship exemption. The exemption will allow the household up to six months to increase their income and pay the rent amount determined by MTW. In order for a household to qualify for a hardship, they must agree to participate in case management. A household can be terminated from hardship case management for failure to participate. If a hardship exemption household is terminated from case management, CS staff notifies the appropriate REMHS staff. REMHS staff then terminates the exemption and the household is required to pay the full rent amount determined by MTW.

Referrals for hardship exemption casework increased in May. We attribute this increase to close coordination between REMHS and CS in making the referral process more effective.

Activities	June 2013	YTD 2013	Annual Goal 2013
Number of households referred for services	7	15	10
Number of successful completions	0	2	8
Number terminated	0	0	n/a

## 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. We have enrolled the third cohort in this program. We expected the second cohort to complete the program by June 2013 and have not yet fully reached that goal. The third cohort will complete by December 2013.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Second year cohort 2012 completed	1	8	15	53%
Third year cohort 2013 enrolled	3	22	25	88%
Third year cohort 2013 completed	0	0	15	0%

## 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. At this time, we are behind schedule in recruiting new FSS participants. Only 14 new FSS Contracts of Participation have been signed. Our annual goal for new contracts signed is 55. In January, we began a new pay point system for calculating FSS escrow accounts. As prospective participants become familiar with this new pay point system, we anticipate the number of new participants (and the number of new contracts signed) to increase.

Status	June 2013	YTD 2013	Annual Goal	% of Goal
Current Participants	99	111	153	73%
Graduates	1	5	17	23%
Removed/Voluntarily Withdrawn	3	9	n/a	n/a
New Contracts Signed	1	15	55	9%
Escrow Balance	\$137,164.17			

## 1.9 Life Skills and Parenting Classes

THA contracts with Bates Technical College to provide Life Skills classes and parenting support for Families in Transition participants. The current Life Skills class started in May 2013. We anticipate that the majority of class participants will successfully complete the class. Enrollment and completion of parenting class is

less than expected. We anticipate higher participation in the future from FSS clients who can count this activity as a pay point.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Life Skills Enrollment	0	23	20	115%
Life Skills Completion	12	15	10	150%
Parenting Enrollment	0	16	75	21%
Parenting Completion	0	7	65	11%

#### 1.10 Senior and Disabled Services

THA's Senior and Disabled Services Program Specialist started May 6, 2013. She attended the monthly SAFE board meeting and tenant meetings in all of the seven senior & disabled buildings. She established office hours in each building and has made significant progress in learning her new position and making contacts in all of the buildings. She is working closely with Property Management to identify residents who could benefit from her services.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Unduplicated client contacts	36	189	260	73%
Referrals	5	16	50	32%
Unduplicated situation/wellness counseling	33	53	140	38%
Assistance with correspondence for Entitlement Programs	1	3	40	8%

#### 1.11 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.

For most activities, the department has reached or exceeded 41% of the goal for 2013. The department has not made progress toward its goals for credit counseling. We hope to achieve these goals through a contract for credit counseling to begin this summer. We are also behind schedule with our pre-purchase counseling and home purchase goals. We expect to secure funding that will enable us to fill the vacant adult Asset Building Specialist position. Once this position is filled, we should be able to meet the pre-purchase counseling and home purchase goals.

Although THA's Volunteer Income Tax Assistance (VITA) site did not fully reach its goals this year, it had notable successes. The site coordinator doubled the number of volunteers in comparison with last year's tax season. The VITA site helped a total of 192 clients successfully file their tax returns. The total amount of refunds was \$358,908. Clients received a total of \$153,441.00 in earned income tax credit received. The THA VITA site saved all clients served a total of \$35,605 in tax preparation fees.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Financial Education Enrollment	0	51	80	64%
Financial Education Completion	0	44	40	110%
Homebuyers Education Referral	3	4	50	8%
Credit Counseling Enrollment	0	0	15	0%
Credit Counseling Completion	0	0	5	0%
Homeownership Pre-Purchase Counseling	0	1	10	10%
Homeownership Post-Purchase Counseling	5	25	30	83%
Individual Development Account Participants Enrolled	7	7	11	64%
Individual Development Account Counseling (other than homeownership)	2	9	28	32%
Qualified Withdrawals	1	4	7	57%
Home Purchase	0	0	4	0%
Other Asset Purchases	1	4	3	133%
VITA Tax Returns for THA clients	0	33	40	83%
EITC Received (PH only)	0	11	20	55%
Tax Returns for all clients served at VITA Site	0	192	200	96%

### 1.12 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.

The summer lunch program at Hillside Terrace and Bergerson Terrace began on June 17. The lunches are provided by St. Leo's Food Connection and the program is supervised by our AmeriCorps staff and community volunteers. The program will run through August 30. Children receive a free nutritious meal at noon and a snack at 2:00.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Computer Lab Participation (cumulative visits)	85	298	1200	25%

### 1.13 Youth Activities

Write@253 completed their second year of youth tutoring in Salishan in June. They served 21 children this school year. We anticipate that Write@253 will offer the program again next school year.

Summer youth programming in Salishan began on June 17. The Brown Bags and Books program combines the free lunch program from St. Leo's Food Connection with fun learning activities every weekday from 11:30-2:00. Community partners who provide activities for the children include Write@253 and Tacoma Public Library. The program is supervised by Salishan community members who are paid a stipend by St. Leo's.

Activities	June 2013	YTD 2013	Annual Goal	% of Goal
Youth tutoring	21	59	10	590%
Summer youth programming	45	45	40	113%
Youth leadership mentoring	16	16	45	36%

## 2. GRANTS

### 2.1 Greater Tacoma Community Foundation

THA received a \$10,000 Vibrant Community grant from the Greater Tacoma Community Foundation. This is the second year we received a GTCF grant. The funding will support THA's continuum of self-sufficiency services.

### 2.2 Bank of America

Bank of America awarded THA \$10,000 in Workforce Development funding in the Job Readiness for Unemployed and Underemployed category. This is the first year we have received a Bank of America grant.



# HUMAN RESOURCES



# TACOMA HOUSING AUTHORITY

DATE: July 24, 2013

TO: THA Board of Commissioners

FROM: Barbara Tanbara  
Human Resources Director

RE: Human Resources Board Report

## 1. EMPLOYEE RELATIONS

### 1.1 2013 Employee Opinion Survey

In March, Washington Employers, our Employee Opinion Survey vendor sent out our 2013 Employee Opinion Survey. We are using the same survey as used for the surveys in 2010 and 2011. We conduct the surveys every 18 months.

We had excellent participation in the survey, over 90% of our employees responded. We improved our results in all Factors from 2011 to 2013.

This chart shows the THA's percentage of favorable ratings in all Factors in all three surveys given to date. It also compares the point increase of the 2013 results compared to the 2011 results.

#### THA Employee Opinion Survey Results: 2013 – 2011 - 2010

Factors	THA Favorable ratings percentages			
	2013	2011	Point difference from 2011 to 2013	2010
1. Senior Management Effectiveness	83%	65%	+18	60%
2. Working Conditions	89%	79%	+10	82%
3. Supervisors - Management Skills	94%	88%	+6	86%
4. Supervisors - People Skills	89%	84%	+5	84%
5. Communications	76%	67%	+9	63%
6. Compensation and Benefits	80%	75%	+5	76%
7. Quality and Productivity	83%	72%	+11	67%
8. Policies and Practices	88%	76%	+12	79%
9. Development and Recognition	76%	61%	+15	62%
10. Quality of Work Life	89%	83%	+6	82%
11. Reaction to this Survey	78%	65%	+13	71%
<i>Overall Average of Factors</i>	<i>84.1%</i>	<i>74.1%</i>	<i>+10.0</i>	<i>74%</i>

This chart shows the THA's percentage of 2013's favorable ratings to the Northwest Norms favorable ratings. The Northwest Norms represent the average favorable ratings results of all surveys given in the Northwest territory.

### THA's Employee Opinion Survey's Scores vs Northwest Norm

Factor	Favorable ratings percentages		
	THA 2013	NW Norm 2013	Point Difference from NW Norm
1. Senior Management Effectiveness	83%	71%	+12
2. Working Conditions	89%	85%	+4
3. Supervisors - Management Skills	94%	83%	+11
4. Supervisors - People Skills	89%	81%	+8
5. Communications	76%	64%	+12
6. Compensation and Benefits	80%	69%	+11
7. Quality and Productivity	83%	77%	+6
8. Policies and Practices	88%	82%	+6
9. Development and Recognition	76%	72%	+4
10. Quality of Work Life	89%	82%	+7
11. Reaction to this Survey	78%	78%	0
<i>Overall Average of Factors</i>	<b>84.1%</b>	76.7	+7.4

Our results are also compared to the National Results, which are contained in the report that I have attached.

It is difficult to attribute our improvement to any one activity or group. I think that we all have improved on our ability to take full advantage of our talented staff and managers and to allow them to run their business. I hope with this solid foundation that we can maintain and improve on our results.

After we received the survey results and reviewed them together we identified four areas where we wanted more information. We held five focus groups with 33 employees who gave us more specific information on those areas where we still want to see improvement- communication, career development, managing performance at THA and cooperation and teamwork between departments. We will be creating and working with action planning committees on each of the topics. Employees will help us figure out what we need to do and help us put together a plan to do it.

## **1.2 Human Rights Complaints**

For CY 2013, we had no City of Tacoma Human Rights or EEOC complaints and no lawsuits.

## **2. OPEIU AND NON-REPRESENTED PAY INCREASE**

Michael recently announced a 3% salary increase, effective July 6th to all OPEIU and non-represented employees. As has occurred for many years, we do this pursuant to a provision of the current collective bargaining agreement between THA and OPEIU, which has also guided such matters for non-represented staff.

As Michael reported to employees, we think the increase is a good thing for three main reasons. **First**, we have the money this year, while next year is less certain. **Second**, the increase is a good match to the adjustments we recently made to the pay ranges. This increase, along with the equity adjustments and the new variable pay system we implemented in January will help people move through the new ranges. The **third** reason for this increase is the most important one. This increase thanks THA staff for some very good work this year.

Any increase for our maintenance staff will be a topic of the collective bargaining with the Trades Council that is scheduled to begin on July 18.

## **3. NATIONAL HEALTHY WORKSITE PROGRAM**

Congratulations to THA! THA was chosen to participate in the National Healthy Worksite Program (NHWP), a new initiative aimed at reducing chronic disease and building a healthier, more productive workforce. The National Healthy Worksite Program is designed to assist employers in building successful workplace wellness programs by implementing wellness strategies to help reduce chronic diseases.

THA was one of 13 companies selected in Pierce County. We will be partnering with the other companies to share best practices and help each other succeed. A few of the other participants are:

1. Greater Lakes Mental Healthcare of Lakewood
2. Tacoma-Pierce County Health Department
3. Brown & Haley, the Tacoma Housing Authority
4. Brown & Brown of Washington Inc. - Tacoma
5. Pierce County AIDS Foundation
6. Tacoma Community House
7. United Way of Pierce County
8. Tacoma Area Coalition of Individuals with Disabilities (TACID)

Employers can increase productivity, cut health care costs and reduce the burden of heart disease, cancer, stroke, diabetes and other health problems in their workforce by making it easier for their employees to be physically active, eat healthy foods, and not smoke. The NHWP is providing valuable tools to help employers create effective workplace wellness programs that will benefit employees and their families, their community, and the nation as a whole.

THA will receive intensive support and expertise in developing a combination of interventions. Most important of all, we will have a Wellness Committee who will help us decide what strategies might work best at THA. Strategies might be:

- Nutrition counseling/education and weight counseling
- Tobacco-use cessation counseling (including quit lines and health plans)
- Physical fitness counseling and walking clubs

Kate, our HR Analyst will head this initiative. She has already been through a year of training to help us qualify for the program.

#### **4. GRIEVANCES**

We have had no union grievances thus far in 2013.

#### **5. STAFFING**

##### **5.1 Executive Recruitment**

Kate and I are working with Michael, the Cabinet members, and Development staff to recruit a top notch Director of Real Estate Development. On July 8<sup>th</sup> we received an update from Waldron and Company, the agency we hired to conduct the search.

Out of the 52 initial applicants, 16 candidates are under consideration and will move forward to an interview with Waldron. More applicants come in each day. Of the 16 under consideration, half are from within Washington State. The other half covers a wide diversity of regions, including Virginia, Texas, and California.

Waldron directly reached out to 150+ targeted persons to draw interest from potential candidates and to gather referrals. Between now and the candidate presentation on August 2nd, they will gradually shift their focus from outreach to screening and evaluation.

In early August, we will receive their list of recommended candidates. It is at that point that we begin our own very vigorous internal interview process for assessing who will be the new Director.

## **5.2 Agency Turnover**

Our 2013 turnover is trending at 11.96% on an annualized basis. Without the two retirements we have experienced this year, we would be trending at 8.4%; closer to the level we want to see.

## **2013 Employee Opinion Survey Report**

Provided to  
The Employees of Tacoma Housing Authority

Provided by  
Joseph Marth, Ph.D. – Director of HR Solutions

June 10, 2013

## **Washington Employers Profile**

For more than 75 years, our focus has been on helping employers achieve their business goals. Washington Employers provides a broad spectrum of employment solutions, including how to attract and retain quality people, build and develop talent, tackle regulatory compliance issues and create leadership strategies to build organization success. Our team of Legal and Human Resource professionals has expertise spanning virtually every aspect of the human side of business

## **Survey Overview & Return Rates**

Washington Employers deployed an Employee Opinion Survey for Tacoma Housing Authority March 25, 2013 utilizing a web-based survey questionnaire.

Of the one hundred ten (110) questionnaires deployed, one ninety-nine (99) questionnaires were received by Washington Employers and are included in the Detailed Analysis. This equates to a ninety (90%) return rate.

## **Satisfaction Factor Results**

Washington Employers' Employee Opinion Survey is a standardized survey developed and utilized by similar Employer Associations throughout the country. It consists of 72 *Strongly Agree/Agree/Disagree/Strongly Disagree* items (which are non-tailorable), measuring 11 factors related to employee satisfaction. Tacoma Housing Authority's results for these 11 factors are as follows:

### Senior Management Effectiveness

For the first factor, Tacoma Housing Authority score 83%, which is better than the Northwest Norm of 71% and the National Norm of 69%.

### Working Conditions

For the second factor, Tacoma Housing Authority scored 89%, which is better than the Northwest Norm of 85% and the National Norm of 84%.



#### Supervisors – Management Skills

For the third factor, Tacoma Housing Authority scored 94%, which is better than the Northwest Norm of 83% and better than the National Norm of 82%.

#### Supervisors – People Skills

For the fourth factor, Tacoma Housing Authority scored 89%, which is better than the Northwest Norm of 81% and the National Norm of 80%.

#### Communication

For the fifth factor, Tacoma Housing Authority scored 76%, which is better than the Northwest Norm of 64% and equal to the National Norm of 65%.

#### Compensation and Benefits

For the sixth factor, Tacoma Housing Authority scored 80%, which is better than the Northwest Norm of 69% and the National Norm of 69%.

#### Quality and Productivity

For the seventh factor, Tacoma Housing Authority scored 83%, which is better than the Northwest Norm of 77% and the National Norm of 77%.

#### Policies and Practices

For the eighth factor, Tacoma Housing Authority scored 88%, which is better than the Northwest Norm of 82% and the National Norm of 81%.

#### Development and Recognition

For the ninth factor, Tacoma Housing Authority scored 76%, which is better than the Northwest Norm of 72% and the National Norm of 71%.

#### Quality of Work Life

For the tenth factor, Tacoma Housing Authority scored 89%, which is better than the Northwest Norm of 82% and the National Norm of 81%.

Reaction to this Survey

For the eleventh factor, Tacoma Housing Authority scored 78%, which is the same as the Northwest Norm of 78% and the National Norm of 78%.

(Continues on next page)

## Comparisons – 2013: THA vs Northwest Norms

Organizational Score vs Northwest Norm			
Factor	THA	NW Norm	Difference
1. Senior Management Effectiveness	83	71	+12
2. Working Conditions	89	85	+4
3. Supervisors - Management Skills	94	83	+11
4. Supervisors - People Skills	89	81	+8
5. Communications	76	64	+12
6. Compensation and Benefits	80	69	+11
7. Quality and Productivity	83	77	+6
8. Policies and Practices	88	82	+6
9. Development and Recognition	76	72	+4
10. Quality of Work Life	89	82	+7
11. Reaction to this Survey	78	78	0
<i>Overall Average of Factors</i>	<b>84.1</b>	76.7	+7.4

## Comparisons – 2013: THA vs National Norms

Organizational Score vs National Norm			
Factor	THA	Nat'l Norm	Difference
1. Senior Management Effectiveness	83	69	+14
2. Working Conditions	89	84	+5
3. Supervisors - Management Skills	94	82	+12
4. Supervisors - People Skills	89	80	+9
5. Communications	76	65	+11
6. Compensation and Benefits	80	69	+11
7. Quality and Productivity	83	77	+6
8. Policies and Practices	88	81	+7
9. Development and Recognition	76	71	+5
10. Quality of Work Life	89	81	+8
11. Reaction to this Survey	78	78	0
<i>Overall Average of Factors</i>	<b>84.1</b>	76.1	+8.0

## Comparisons – THA: 2013 vs 2011

THA: 2013 vs 2011			
Factor	2013	2011	Difference
1. Senior Management Effectiveness	83	65	+18
2. Working Conditions	89	79	+10
3. Supervisors - Management Skills	94	88	+6
4. Supervisors - People Skills	89	84	+5
5. Communications	76	67	+9
6. Compensation and Benefits	80	75	+5
7. Quality and Productivity	83	72	+11
8. Policies and Practices	88	76	+12
9. Development and Recognition	76	61	+15
10. Quality of Work Life	89	83	+6
11. Reaction to this Survey	78	65	+13
<i>Overall Average of Factors</i>	<b>84.1</b>	74.1	+10.0

## **Overall Trends & Themes**

In addition to the 72 items, the Employee Opinion Survey requests that employees provide their confidential and anonymous opinions about:

- What do you dislike most about your employment with this organization?
- What improvements would you recommend to make this a better place to work?
- What do you like most about your employment with this organization?

When these comments are combined with the results of the 72 items, trends and themes emerge for Tacoma Housing Authority. These trends and themes will be discussed in two sections: "Strengths" and "Opportunities for Improvement."

### **Strengths**

- Improvement in all survey factors
- Overall notable performance in the following items:
  - 2. Management effectively responds to employee needs. 87% favorable
  - 5. My supervisor supports the goals and objectives of the organization. 98% favorable
  - 26. My supervisor treats me with respect. 93% favorable
  - 49. My supervisor treats me fairly. 96% favorable
  - 65. I am kept informed about the performance of the business. 89% favorable
  - 19. Our health benefits are good. 88% favorable
  - 38. Our paid time-off benefits (holidays, vacations, etc.) are good. 96% favorable
  - 56. Our retirement plan(s) are good. 98% favorable
  - 25. I am interested in the future of this organization. 99% favorable
  - 69. I have input into matters that affect my job. 89% favorable
  - 72. Taking everything into consideration, this is a good place to work. 97% favorable
- From the Comments
  - The "People/Co-Workers" are a source of satisfaction

- The mission of the organization
- The work itself – making a difference
- Serving the community
- The benefits

### **Opportunities for Improvement**

#### *Communications*

- 10. I feel comfortable expressing my opinions. 72% favorable
- 34. I learn more through official communication than I do from other employees. 48% favorable
- Comments
  - Departments not communicating effectively
  - Perceived communication barrier between management and line employees

#### *Pay*

- 46. I am paid fairly compared to other people in this organization. 65% favorable
- 64. In this organization, better performers receive better pay. 35% favorable

#### *Career/Development & Performance Management*

- 13. This organization provides employees with opportunities to develop their skills. 72% favorable
- 40. Promotions go to the people who deserve them. 66% favorable
- 61. There are opportunities for advancement in this organization. 62% favorable
- Comments – lack of training and lack of advancement opportunities
- 58. In this organization, people cannot get away with poor performance. 43% favorable
  - Comments – Not managing poor performance

#### *Other*

- 31. Management considers employee interests when making decisions. 72% favorable

- 7. My work area is well designed for my job. 72% favorable
- 45. This organization operates smoothly and efficiently. 69% favorable
- 23. Departments in this organization work well together. 69% favorable
  - Comments – departments don't always work well together

### **Next Step – Focus Groups & Action Planning**

Washington Employers will facilitate one-day of focus groups in June 2013. The purpose of the focus groups is to take a “deeper dive” into the Opportunities for Improvement. Washington Employers will then present the results of the focus groups to the Cabinet. Afterwards, the Cabinet will meet to develop Actions Plans to address the Opportunities for Improvement and the results of the focus groups.



THA Recruitment-Turnover Report 2013														7/8/2013
*data reflects regular employees only														
	Jan	Feb	March	April	May	June	July	Aug	Sept.	Oct.	Nov.	Dec	2013	2012
<b>Total # Employees</b>	115	115	115	116	118	118	118	118	118	118	118	118	117	110
Voluntary Separation	0	1	1	1	2	0	0	0	0	0	0	0	5	8
Involuntary Separation	0	0	0	0	0	0	0	0	0	0	0	0	0	5
Retirement	0	1	0	0	1	0	0	0	0	0	0	0	2	1
Lay-Off's	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Separations</b>	0	2	1	1	3	0	0	0	0	0	0	0	7	14
													Annualized	
<b>2013 Turnover Rate w/out Lay-off's</b>	<b>0.0%</b>	<b>1.7%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>2.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>11.96%</b>	<b>12.7%</b>
2012 Turnover Rate w/out Lay-off's	0.9%	0.0%	1.8%	1.9%	0.0%	0.9%	2.7%	1.8%	0.9%	0.0%	1.8%	0.0%	12.7%	
	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Hires/Promotions</b>													<b>YTD</b>	
New or Different Positions	2	0	0	0	1	0	0	0	0	0	0	0	3	
Replacement due to Separation	0	0	0	1	0	0	0	0	0	0	0	0	1	
Replacement due to Promotion/ Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sunset Positions	0	0	0	0	0	1	0	0	0	0	0	0	0	
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	
2012	3	0	4	1	1	2	3	2	3	0	3	4	26	

**NEW BUSINESS**

## RESOLUTION #1



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-7-24 (1)

**Date:** July 24, 2013  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Foster Pepper PLLC - Legal Services

---

### **Background**

On January 30, 2012, THA entered into a Contract for Legal Services with Foster Pepper, PLLC. The contract stipulates that each engagement under the contract will require a Letter of Engagement (LOE) detailing the Scope of Work and associated fees for services. Section 2.1 of the Contract also indicates that the contract amount "shall not exceed \$100,000 unless approved by the board of commissioners.

On February 22, 2012 the Board of Commissioners approved Resolution Number 2012-2-22 (4) authorizing to change the January 30, 2012 contract with Foster Pepper, PLLC to increase its not to exceed amount from \$100,000 to \$250,000. The Scope of Work included engaging Foster Pepper, PLLC and Ballard Spahr to provide legal counsel relating to the financing of the Hillside Terrace Phase - I redevelopment. Foster Pepper, PLLC provided services for the LIHTC Tax Credit and Bond counsel and Ballard Spahr (Sub-Consultant to Foster Pepper) provided counsel relating to HUD transactions. Due to the delay in closing the final legal service fee is for Hillside Terrace Phase 1 is \$325,000 with Foster Pepper PLLC. This is an increase of \$75,000 from the \$250,000.

In addition, the following projects requiring legal services will increase the total contract amount by:

Legal General for Meth assistance	\$ 50,000
LASA	\$ 55,000
New Look	\$ 40,000
Stewart Court	\$ 10,000
Brown Star Grill	\$ 25,000
Citibank/Area 3 land sales	\$ 52,000
Legal General misc.	<u>\$ 5,000</u>
Total	\$237,000

**Recommendation**

Approve Resolution 2013-7-24 (1) authorizing and directing the Executive Director or his designee to change the January 30, 2012 contract with Foster Pepper, PLLC, to increase its not to exceed amount from \$250,000 to \$562,000. This will allow the executive director to sign a Letters of Engagements with Foster Pepper, PLLC up to the total amount of \$562,000.



# TACOMA HOUSING AUTHORITY

## **RESOLUTION 2013-7-24 (1)** **(Foster Pepper PLLC - Legal Services)**

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

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

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

**Whereas,** The Authority has procured and entered into a contract with Foster Pepper, PLLC for legal services on January 30, 2012. The contract stipulates that each engagement will require a Letter of Engagement (LOE) and the contract shall not exceed \$100,000 unless approved by THA’s board of commissioners;

**Whereas,** on February 22, 2012 the Board of Commissioners authorized the increase of the LOE with Foster Pepper, PLLC to provide legal counsel for Hillside Terrace Phase I in the amount not to exceed \$250,000,

**Whereas,** due to delays in closing due to the Value Engineering effort, the extensive HUD legal review due to THA’s MTW designation, the community center grant and the related complexities in the deal structure the legal fees exceeded the LOE amount by \$75,000;

**Whereas,** The Foster Pepper, PLLC, January 30, 2012 contract requires amendment and shall not exceed \$325,000 for Hillside Terrace Phase I;

**Whereas,** THA will need legal services for several additional projects in the amount not to exceed of \$237,000;

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

1. The Executive Director or his designee is authorized to amend the January 30, 2012 contact with Foster Pepper, PLLC, to increase its not to exceed amount from \$250,000 to \$562,000.

**Approved: July 24, 2013**

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

## RESOLUTION #2





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-7-24 (2)

**Date:** July 24, 2013

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Re:** Fiscal Year 2013 Agency Budget Revision

---

### **Background**

It is that time of year, half way through the budget year, for the board to review and revise the budget. This allows us to account for how the first part of the year unfolded and to update our look ahead for the second part of the year. On July 12<sup>th</sup>, the board met with staff in a study session for that purpose. The staff presented a proposal to revise the budget, which the board approved. I attach a copy of my July 10<sup>th</sup> memo to the board conveying that proposal. This resolution adopts that proposal formally.

This revision accounts for the factors new or newly urgent since the board adopted the 2013 budget last December. These include Congress's "sequestration" cuts of \$2.3 million, the loss of insurance coverage for our meth plan costs, and our need to reduce our reserves and to do that reduction in a way that gives us an income-producing property and strengthens our operations. The proposal continues the "sequestration" cuts the board chose earlier this year. The proposal does all this while allowing us to continue important initiatives the board and staff values very much (e.g, the HOP program, Hillside Terrace, improving our operations, asset-building initiatives, the Education Project.) The proposal leaves us with adequate reserves and a watchful anticipation of what congress will appropriate in 2014 and whether it will require further cuts in our recurring expenses.

This revision updates our estimate of the expected revenues and expenditures for each of THA's departments and major programs. The overall agency budget is based on individual department expense budgets for management purposes, with the expectation that each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

Since this is a budget revision, we did not use a full budget development process; yet we consulted with staff, who provided substantial advice and suggestions.

### **Recommendation**

Approve Resolution 2013-07-24(2) to formally approve THA's Revised FY 2013 Budget.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-7-24 (2)

### FISCAL YEAR 2013 ANNUAL BUDGET REVISION

**Whereas,** The Board of Commissioners of the Housing Authority of the City of Tacoma (“Authority”) approved the FY 2013 Budget on December 19, 2012.

**Whereas,** Authority staff determined that the FY 2013 Budget should be revised on updated information on funding and expenditure needs.

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

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the Revised FY 2013 Budget and authorizes the Executive Director to implement and execute said document. Revised operating expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 551,934
Human Resources	402,247
Finance	995,517
Administration	1,318,583
Development	2,116,067
Community Services	2,045,891
Real Estate Management Overhead	1,816,350
Rental Assistance	33,200,877
Property Management	<u>6,194,049</u>
Subtotal	\$ 48,641,515

<u>Additional Cash Outflows</u>	
Capital Expenditures	\$ 12,472,064
Debt Service	<u>558,753</u>
Subtotal	5,273,491

**TOTAL APPROVED BUDGET**                      \$ 61,672,332

2. The Board of Commissioners authorizes the payoff of the Salishan 7 WCRA loan of approximately \$2.8 million in principal payments with MTW funds.

Approved: July 24, 2013

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



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners

**From:** Michael Mirra  
Executive Director

**Date:** July 10, 2013

**Re:** THA Operating Budget Revision – FY 2013

---

It is that time of year, half way through the budget year, for the board to review and revise the budget. This allows us to account for how the first part of the year unfolded and to update our look ahead for the second part of the year. For this purpose, the board is scheduled to meet in a study session on Friday, July 12<sup>th</sup> at noon at THA's main offices. The staff will present a proposed mid-term budget revision. I attach the updated budget documents reflecting the proposed revision. It provides a summary view in its first pages. Further detail is available in its following sections if you wish it. At the board's regular meeting on July 24<sup>th</sup>, we will present that proposal in a resolution, changed as necessary to account for the discussion this Friday.

I thank the staff, led by Ken, for very good and careful work in devising this proposal amid some challenging puzzles. It accounts some factors new or newly urgent since the board adopted the 2013 budget last December. These include Congress's "sequestration" cuts of \$2.3 million, the loss of insurance coverage for our meth plan costs, and our need to reduce our reserves and to do that reduction in a way that gives us an income-producing property and strengthens our operations. The proposal continues the "sequestration" cuts the board chose earlier this year. The proposal does all this while allowing us to continue important initiatives the board and staff value very much (*e.g.*, the HOP program, Hillside Terrace, improving our operations, asset-building initiatives, the Education Project.) The proposal leaves us with adequate reserves and a watchful anticipation of what congress will appropriate in 2014 and whether it will require further cuts in our recurring expenses.

We hope the board finds this proposal acceptable.

## SUMMARY

In general, THA's finances remain in relatively good shape. When we write or rewrite budgets we try to conform to the budgeting principles that appear in the following table. We were partially successful. The revised budget balances with a combination of the cuts that the board approved in response to the "sequester" and a use of reserves. We judge that this proposed use of reserves conforms to the principles that govern reserves.

Budget principle	Result for the FY 2013 Budget Revision
The budget should balance.	<p>Overall, for all sources and uses, we project a \$3,795 surplus. This is up from the \$2,683 the original budget projected.</p> <p>The overall operational budget by itself projects a deficit before Reserve Appropriations of \$430,446, up from the \$332,581 the initial budget projected. As with the initial budget, we balance this with a dip into reserves by that amount.</p>
We try to make recurring expenses fit within recurring income. Using reserves for recurring expenses is not sustainable.	<p>Overall, our recurring expenses exceed recurring income by \$488,000. The original budget contemplated a \$392,000 surplus, a swing of \$880,000. This is mainly a consequence of Congress's "sequester" cut of \$2.3 million. This bears watching and will be one of the notable issues for the 2014 budget.</p> <ul style="list-style-type: none"> <li>• The MTW recurring income exceed MTW recurring expenses to produce a surplus of \$74,000, down from the pre-sequester budget of \$975,000.</li> <li>• The non-MTW recurring expenses exceed non-MTW recurring income to produce a deficit of \$562,000. Non-MTW operations have generally been difficult to fit annually into recurring non-MTW expenses. This is particularly true in the development area where expenses have generally been reliant on non-recurring and irregular sources of income, such as developer fees.</li> </ul>

Budget principle	Result for the FY 2013 Budget Revision
<p>The best use of reserves is for nonrecurring expenses or purchases that: (i) make us money; (ii) save us money; (iii) make us more effective.</p>	<p>We propose to use reserves for some important activities, most of which were in the original budget, including:</p> <ul style="list-style-type: none"> <li>● 902 South L Street continued remodel</li> <li>● FIC remodel</li> <li>● Wedgewood Apartments repair</li> <li>● purchase of New Look Apartments</li> <li>● pay off the \$2.8 million Salishan 7 loan</li> <li>● Several important new sunset positions (business process analyst and technical writer; warehouse process manager; applications architect; project manager for public housing conversion project.)</li> </ul> <p>NOTE: This budget contemplates the purchase of New Look Apartments and due diligence costs for considering the Brown Star Grill, the Dome District Transit site, and the Winthrop properties. Also, it proposes using \$2.8 million to pay off the Salishan 7 loan. That pay-off achieves the same benefits we would hope to accomplish with a purchase: it gives us an income producing property; it gives us property we own free and clear that we could borrow against if necessary; it provides a safe place to “park” our reserves. While this proposal leaves adequate reserves for further purchases (and we continue to shop) it also anticipates the needs of Hillside Phase 2, which likely will be a priority in 2014.</p>
<p>We seek to lower our reserve levels to someplace between minimum and optimal levels. This will reduce our exposure to recapture even if it means having levels lower than what industry practices would recommend.</p>	<p>This proposal meets our goal of reducing our reserve levels reasonably to levels below out optimal but above our minimums. It reduces them from \$13,355,000 to \$6,639,424. This would still exceed our minimal levels by \$946,424. We get this done mainly by the following expenditures:</p> <ul style="list-style-type: none"> <li>● \$1.45 million final payment to Citibank</li> <li>● \$2.8 million pay-off of Salishan 7 loan</li> <li>● \$1.46 million in capital improvements</li> </ul> <p>NOTE: These reserve levels do not include the additional \$1.2 million we expect from HUD in settlement of our “benchmarking” dispute. We have not added this amount to the budget since we have not yet received the payment. We expect it any time now.</p>

- We do not have much of an operating cushion going into the uncertain congressional budget year for 2014. However, we anticipate \$150,000 in additional HAP savings in 2014 due to transitioning regular Vouchers to our HOP program.
- This revision continues some important THA projects or programs, such as:
  - ~ Housing Opportunities Program (HOP)
  - ~ asset building initiatives
  - ~ Education Project
  - ~ Hillside Terrace Phase 1 construction
  - ~ upgrades to Wedgewood, scattered site homes and Dixon Village
  - ~ planning for Hillside Terrace Phase 2, Salishan Core, Hillsdale Heights
  - ~ purchase of New Look Apartments, and due diligence for possible purchase or development of Brown Star Grill site, Winthrop, Dome District Transit Oriented Development project
  - ~ LASA Prairie Oaks development. It contemplates the payment the board has authorized of an additional \$300,000 in predevelopment funds. We will get that back upon financial closing this Fall, along with our initial advance of \$375,000. This budget also allows for a loan to the project of \$300,000 if necessary for closing. The project will repay THA out of its rental stream. THA would have a controlling interest in the project to make sure of this.
  - ~ public housing conversion project
  - ~ I.T. and business processes improvements
- The proposal honors our collective bargaining agreement with OPEIU that presumes upon a 3% wage increase. We also give this increase to THA's non-represented staff, according to our practice of using the OPEIU contract as a guide for them. The board's 2013 budget contemplated this increase. In my recent emails to the board, I confirmed our intention to do this and we have informed staff. The collective bargaining agreement does allow THA to withhold this increase if judge it to be unaffordable. As I stated in my email to the board, this increase is appropriate for three reasons. **First**, we do have the money this year. Next year is more doubtful. **Second**, the increase is a useful companion to the adjustments we made in the salary ranges that put most staff in the lower half of their ranges. This increase, along with our new variable pay program, helps staff advance through their ranges. The **third** reason for this increase is the most important. It recognizes some a hard-working and talented staff doing some very challenging work in fine style.

## SOME MORE DETAIL

Attachment A (enclosed) documents some detail of the budget revision. Here are some highlights:

- **Projected Year End Reserve Level:** Item 3, page 2 of Attachment A shows the different categories we used to come up with projected year end reserve levels. Significant items to note area as follows:
  - ~ The payoff of the Citibank loan is reflected in section 3h.
  - ~ We propose to spend \$2.8 million from our MTW reserves to pay off our WCRA loan for Salishan 7. The loan has a 7% interest rate, and matures in 2040. This pay-off will save THA \$3.5 million in interest over the life of the loan, and create \$200,000 annually in cash flow for THA. The payoff of the loan meets all the requirements of MTW use of funds. This proposal shows in 3i.
  - ~ LASA – line 3j: This reflects the maximum amount we will loan to the LASA project to ensure its success and, importantly, to ensure our recovery of the predevelopment loan we have made or will make (total between \$375,000 - \$675,000).
- **Non-Recurring Items;** Pages 4 – 7 of Attachment A provides a more detailed look at the Non-Recurring items for both operations and capital needs with a synopsis of the changes.
- **Staffing Changes Proposed;** Page 8. We propose 2 new regular positions that were in the original budget. We propose to do without a regular position that the original budget provided. We propose 8 sunset positions to complete important and specialized work: 4 of these 8 were in the original budget. The new sunset positions include a business process specialist, a project manager for our meth plan, and a warehouse process manager to help us improve our use of our warehouses, vans and related work flows.
- **Notable Initiatives;** Page 9. This section provides notable information about initiatives. In looking at our MTW reserve level, THA has made some non-recurring requests that will either make THA stronger or more efficient, with the expectation that current year expenditures will result in agency savings down the line. The



Finance Director has the detail of all the budget changes proposed in the mid-year revision by Line item and Department. He will make it available for your review if desired.

The attached Agency Wide budget shows the following details that might be of interest:

- The revision includes the reduced funding amounts from HUD due to sequestration (lines 3 – 5). It also removes the \$600K in 2012 Section 8 HAP cash reserves sitting at HUD and spends it during 2013. Line 10 increases the Investment income category to reflect the loan interest repayments from the Salishan Tax Credit properties in 2013. The Developer Fee Income category (line 12) is adjusted to reflect the amount received in the first payout for Hillside redevelopment versus the original budget. Other line items are adjusted based on current income projections where they differed from the original budget.
- The legal category (line 28) is increased to reflect the additional legal services that we have needed for our meth strategy, negotiating our Section 8 re-benchmarking issue, Citi loan negotiations, and lot sales, as well as budgeting for our upcoming RAD (Rental Assistance Demonstration) conversion and other assistance for our development department.
- The Administrative Contract category (line 28) is increased to reflect our contract for our Director search, and provides \$175K for PNA (Physical Needs Assessment) and other consultant needs for our upcoming RAD conversion.
- The Due Diligence line item (line 33) is adjusted to more accurately reflect the potential deals we believe require our attention in 2013. (6.3.c of Attachment A)
- The Tenant Services categories (lines 36-39) reflect the changes necessary to ensure the success of the HOP program, as well as reducing the amount of funding assistance for Homeownership, and a more realistic amount for Asset Building payouts. The relocation line item is adjusted to reflect continuing payouts for Hillside relocation.
- The Utilities category (lines 41-44) is adjusted to reflect utility costs paid on behalf of old Hillside before transitioning over to Absher. These costs were not in the original budget.

- In the maintenance area (lines 46-49), we are hiring additional maintenance staff (sunset) to assist in the backlog of unit turns due to meth contamination. We are also using reserves to do additional maintenance to our units, such as painting and window cleaning. A sunset Warehouse Process Manager has been budgeted and hired to organize our maintenance spaces.
- In the General Expense category, the largest change is in the Interest Expense category (line 55). It reflects the payoff of the Citi Loan for Salishan Area 3 lots, the rate modification for the Bond Financed properties, and the payoff of the Salishan 7 loan. Other categories are adjusted to better reflect projected expenditures for 2013.
- Line 59 – Extraordinary Maintenance – The increase in this category reflects the anticipated uninsured cost to turn meth-contaminated units in the THA PH portfolio once the insurance coverage ran out in the middle of June.
- Line 61 – HAP Payments – This reduction is due to the delay of the implementation of the HOP program until we had more of a feel for 2013 funding, the lower average HAP going into the year from what was budgeted, and the overall reduced utilization than the 100% that was projected.
- Total budgeted amount for Capitalized Items/Development Projects is \$12,472,064. The majority of this funding is for THA funds expended for the Hillside Terrace Redevelopment Project. The reduced funding amount reflects the delay in the start of the LASA redevelopment project. The majority of its costs will now occur in 2014, not 2013.
- The total budget surplus for THA in the budget revision is \$3,795.



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: THA FY-2013 BUDGET Mid Year Revision  
July 12, 2013

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

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

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Reserves 01/01/13	-	Minimum	Optimal	Amount to Reserve	=	Amount of reserves available to use in FY013
a. MTW Reserves	\$7,080,000		\$2,843,000	\$4,597,000	\$2,843,000		\$4,237,000
b. Business Activities (Non-MTW) reserves	\$1,725,000		\$1,500,000	\$2,500,000	\$2,500,000		(\$775,000)
c. Bond Financed Property Reserves	\$700,000		\$350,000	\$500,000	\$500,000		\$200,000
d. Citibank Guarantee	\$1,450,000		\$0	\$0	\$0		\$1,450,000
e. Salishan Lot set aside	\$2,400,000		\$0	\$0	\$0		\$2,400,000
<b>Totals</b>	<b>\$13,355,000</b>		<b>\$4,693,000</b>	<b>\$7,597,000</b>	<b>\$5,843,000</b>		<b>\$7,512,000</b>

MTW Reserves

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

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

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

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations <sup>1</sup>	Original Budget Surplus/(Shortfall) in recurring operations
MTW	\$40,639,000		\$40,565,000		\$74,000	\$975,000
Non-MTW	\$5,883,000		\$6,445,000		(\$562,000)	(\$583,000)
<b>Total</b>	<b>\$46,522,000</b>		<b>\$47,010,000</b>		<b>(\$488,000)</b>	<b>\$392,000</b>

## 3. BUDGET IMPACT - RESERVES - FY-2013 Mid Year Budget Revision

	MTW	Non-MTW	Bond Financed Properties	Citibank Guarantee	THA Additioanl Reserve- Salishan Lots	Total
Reserves - 01/01/13	\$ 7,080,000	\$ 1,725,000	\$ 700,000	\$ 1,450,000	\$ 2,400,000	\$ 13,355,000
Recurring Surplus/(Shortfall) <sup>1</sup>	\$74,000	(\$562,000)				
Contribution to Replacement Reserve Accounts						
<b>Non-Recurring Income/(Expense)</b>						<b>Amount</b>
a. Non Recurring Income - Operational <sup>2</sup>	\$1,322,300	\$926,300				\$
b. Non Recurring Income - Capital <sup>3</sup>	\$3,881,000	\$6,756,064				\$
c. Operations & Support Department Expenses - Operational <sup>4</sup>	(\$845,410)	(\$476,230)				\$
d. Operations & Support Departments Expenses- Capital <sup>5</sup>	(\$1,110,000)	\$0	(\$350,000)			\$
e. Development Department - Operational <sup>6</sup>	(\$210,000)	(\$559,500)				\$
f. Development Department - Capital <sup>7</sup>	(\$4,256,000)	(\$6,756,100)				\$
g. Citibank Interest for Salishan Lots				(\$99,000)		\$
h. Citibank Payoff		\$2,400,000		(\$1,351,000)	(\$2,400,000)	\$
i. Payoff of Salishan 7 loan	(\$2,800,000)					
j. Ownership Interest in LASA		(\$300,000)				
<i>Projected Reserves - 12/31/13</i>	<b>\$ 3,135,890</b>	<b>\$ 3,153,534</b>	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,639,424</b>

#### 4. FY-2013 END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves	Projected Reserves 12/31/13	Minimum	Optimal
a. MTW Reserves	\$3,135,890	\$2,843,000	\$4,597,000
b. Business Activities (Non-MTW) reserves	\$3,153,534	\$1,500,000	\$2,500,000
c. Bond Financed Property Reserves	\$ 350,000	\$350,000	\$500,000
d. Citibank Guarantee	\$0	\$0	\$0
e. Salishan Lot set aside	\$0	\$0	\$0
<b>Totals</b>	<b>\$6,639,424</b>		

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$2,843,000	\$292,890
\$2,500,000	\$653,534
\$ 350,000	\$0
\$0	\$0
\$0	\$0
\$5,693,000	\$946,424

## Back-up Detail

### 5. Non-Recurring Income: FY-2013

Sources of Non-Recurring Income	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
<b>Operational<sup>2</sup></b>						
Hillside Terrace Operating Subsidy - Projected at approximately						
a. \$270K for 2013. Will reduce by 33% annually.	\$90,000		\$90,000		\$0	
b. Section 8 HAP funds maintained at HUD - 2012 - Cash management			\$608,600		\$608,600	
c. Capital Funds Transfers to MTW					\$0	
1. Transfer to MTW over 10% admin amount	\$377,500		\$413,700		\$36,200	
2. PH Rental Assistance Demonstration (RAD) conversion costs			\$210,000		\$210,000	
d. Developer Fee Income						
1. Hillside Terrace Redevelopment (2500 Yakima)		\$240,800		\$379,700		\$138,900
2. LASA		\$57,200		\$57,200		\$0
e. Relocation costs for Hillside tenants will be sporadic in 2013 - Paid out of CBDG grant				\$40,000		\$40,000
f. NSP and Foreclosure Housing Program		\$103,300		\$72,400		(\$30,900)
g. Dome District Feasibility Grant				\$50,000		\$50,000
h. Loan Interest - Tax Credit Properties				\$327,000		\$327,000
<i>Operations Subtotal<sup>2</sup></i>	<i>\$467,500</i>	<i>\$401,300</i>	<i>\$1,322,300</i>	<i>\$926,300</i>	<i>\$854,800</i>	<i>\$525,000</i>
<b>Capital<sup>3</sup></b>	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Hillside Terrace Community Facility Grant		\$1,675,200		\$1,675,200	\$0	\$0
b. 2500 Yakima Redevelopment	\$3,400,000	\$4,300,000	\$3,400,000	\$4,300,000	\$0	\$0
c. CFP funds for PH capital work	\$1,020,000		\$481,000		(\$539,000)	\$0
e. LASA		\$3,018,400		\$780,864	\$0	(\$2,237,536)
f. Stewart Court Capital Improvements	\$135,000	\$189,500	\$0	\$0	(\$135,000)	(\$189,500)
<i>Capital Subtotal<sup>3</sup></i>	<i>\$4,555,000</i>	<i>\$9,183,100</i>	<i>\$3,881,000</i>	<i>\$6,756,064</i>	<i>(\$674,000)</i>	<i>(\$2,427,036)</i>

## 6. Non-recurring Operational/Support Department Expenses

### Operations & Support Departments

#### 6.1 Operations & Support Department Non-Recurring - Operational<sup>4</sup>

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 8.1 k-q. <sup>8</sup>	\$32,800	\$6,700	\$287,960	\$58,980	\$255,160	\$52,280
b. Information Technology Expenses						
1. Website Development (Admin)	\$12,500	\$2,500	\$12,500	\$2,500	\$0	
2. Sharepoint Consulting (Admin)	\$23,200	\$4,800	\$23,200	\$4,800	\$0	
c. Legal						
1. Legal Fees for Bond Rate Modification (PM)				\$10,000		\$10,000
2. Legal Fees for Meth Testing Strategy (Admin)			\$8,300	\$1,700	\$8,300	\$1,700
d. Advertising - Marketing Reasonable Accomodations Software (Admin)						
e. Contract Costs						
1. Department Director Search(es) (Exec)				\$50,000		\$50,000
2. Leadership Team Development (HR)	\$41,500	\$8,500	\$20,750	\$4,250	(\$20,750)	(\$4,250)
3. Wellness - Biometric Testing (HR)	\$10,000	\$2,000	\$10,000	\$2,000	\$0	\$0
4. Evaluation of MTW program (REM&HS)	\$45,000		\$45,000		\$0	
f. Due Diligence						
1. Prospect of Marketing Reasonable Accomodations database (Admin)		\$15,000		\$15,000		\$0
2. Eastside Community Center Feasibility Study (Board Approved) (CS)				\$20,000		\$20,000
g. Community Services						
1. Homeowners Downpayment Assistance (Renegotiated Annually)	\$200,000		\$20,000		(\$180,000)	
2. Credit Counseling Contract for Tenants	\$15,000		\$30,000		\$15,000	
3. EOC Contract - Community Services	\$10,000		\$0		(\$10,000)	
4. Job Readiness soft skills training contract (\$50K annual contract)			\$10,000		\$10,000	
h. Relocation costs for Hillside tenants will be sporadic in 2013				\$40,000		\$40,000
i. Maintenance Materials - Reorganization of Maintenance Areas (REMHS)			\$41,500	\$8,500	\$41,500	\$8,500
j. Contract Maintenance						
1. Tree Maintenance (PM Overhead)			\$30,000		\$30,000	
2. Interior Painting - Senior Buildings (PM)			\$105,000		\$105,000	
3. Window Washing - Senior Buildings (PM)			\$7,000		\$7,000	
4. Scattered Site Window Replacement (PM)			\$21,000		\$21,000	
5. Additional Unit turn cost for Meth units while under insurance (PM)			\$60,000	\$55,500	\$60,000	\$55,500
6. Wedgewood Repairs - THA overseeing deferred maintenance needs				\$30,000		\$30,000
k. General Expenses						
1. Rate Modification Fee - Bond Property Refinancing (PM)				\$50,000		\$50,000
2. Severance Packages (HR)		\$20,000		\$50,000		\$30,000
l. Extraordinary Maintenance for Properties (Reviewed Annually)	\$91,000	\$25,000	\$0	\$0	(\$91,000)	(\$25,000)
1. Fence Extension Bergerson Terrace (PM)			\$10,000		\$10,000	
2. Water Main shutoff Repair - Stewart Court (PM)				\$15,000		\$15,000
m. Casualty Loss deductible for Contaminated units	\$31,400	\$15,700	\$34,200	\$27,000	\$2,800	\$11,300
n. Contingency will be reevaluated each year			\$69,000	\$31,000	\$69,000	\$31,000
Operational Subtotal <sup>4</sup>	\$512,400	\$100,200	\$845,410	\$476,230	\$333,010	\$376,030



**6.2 Operations & Support Departments - Capital<sup>5</sup>**

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. 902 South L - Continue renovation	\$350,000		\$500,000		\$150,000	
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012)	\$300,000		\$300,000		\$0	
c. Maintenance Vehicle Replacement with outfitting	\$120,000		\$180,000		\$60,000	
d. Articulated Boom Lift for Maintenance			\$35,000		\$35,000	
e. Security Cameras for 902, Bergerson & Wright St.			\$35,000		\$35,000	
f. Install Perimeter Fence - Dixon			\$10,000		\$10,000	
g. Security Gate - 6th Ave Apts.			\$10,000		\$10,000	
h. Document Management System	\$30,000		\$30,000		\$0	
i. IT Server Backup Equipment			\$10,000		\$10,000	
j. Wedgewood Capital Repairs (Bond Financed Property)		\$200,000		\$350,000		\$150,000
<i>Capital Subtotal<sup>5</sup></i>	<i>\$800,000</i>	<i>\$200,000</i>	<i>\$1,110,000</i>	<i>\$350,000</i>	<i>\$310,000</i>	<i>\$150,000</i>

**Development Department Activity**
**6.3 Development Department Nonrecurring - Operational<sup>6</sup>**

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. <i>Legal</i>						
1. Citi loan renegotiation				\$22,000		\$22,000
2. DR Horton land sales				\$30,000		\$30,000
3. New Look Apts.				\$10,000		\$10,000
4. Stewart Court Apts.				\$10,000		\$10,000
5. Brown Star Grill				\$25,000		\$25,000
6. RAD conversion			\$35,000		\$35,000	
b. <i>Administrative Contracts</i>						
1. Consulting Services for Citi Loan Negotiations		\$25,000		\$25,000		\$0
2. Wedgewood PNA				\$10,000		\$10,000
3. Conversion Assistance, PNA for converting PH units to RAD.			\$175,000		\$175,000	
c. <i>Due Diligence - Development Opportunities</i>						
1. Brown Star Grill		\$75,000		\$75,000		\$0
2. Winthrop		\$95,000		\$50,000		(\$45,000)
3. New Look Apts.				\$25,000		\$25,000
4. Dome District Feasibility Study				\$35,000		\$35,000
5. Public Housing Conversion to RAD (Move to Contract Costs for PNA, conversion assistance )	\$125,000		\$0		(\$125,000)	
6. Hillside Redevelopment - Phase 2		\$100,000		\$75,000		(\$25,000)
7. Salishan Core Planning		\$70,000		\$70,000		\$0
8. Choice Neighborhoods Application		\$30,000		\$0		(\$30,000)
d. <i>Salishan/Hillsdale Heights Lot Holding Expenses</i>		\$120,000		\$80,200		(\$39,800)
e. <i>NSP and Foreclosure Housing Program - Direct Expenses</i>		\$23,300		\$17,300		(\$6,000)
<i>Development Activity - Operational - Subtotal<sup>6</sup></i>	<i>\$125,000</i>	<i>\$538,300</i>	<i>\$210,000</i>	<i>\$559,500</i>	<i>\$85,000</i>	<i>\$21,200</i>

6.4 Development Department - Capital <sup>7</sup>	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Dixon Village Renovations (CFP)	\$1,000,000		\$200,000		(\$800,000)	
b. Scattered Site (AMP 6) Upgrades (CFP)	\$20,000		\$281,000		\$261,000	
c. Stewart Court Renovations - Intent to complete as Tax Credit property	\$135,000	\$189,500	\$0	\$0	(\$135,000)	(\$189,500)
d. Hillside Terrace Redevelopment - All phases						
1. Hillside Terrace Community Facilities Grant		\$1,675,200		\$1,675,200		\$0
3. CFP RHF (Replacement Housing Factor) expenditures	\$2,300,000		\$2,300,000		\$0	
4. MTW funds to be reimbursed by Capital Funds	\$1,100,000		\$1,100,000		\$0	
5. City of Tacoma Bond Funds		\$1,400,000		\$1,400,000		\$0
6. Housing Trust Factor Funds (HTF)		\$1,900,000		\$1,900,000		\$0
7. TCRA		\$1,000,000		\$1,000,000		\$0
e. LASA		\$3,018,400		\$780,900		(\$2,237,500)
f. Purchase of New Look Apts. - (Carryover from 2012)	\$375,000		\$375,000			
Development Activity - Capital - Subtotal <sup>7</sup>	\$4,930,000	\$9,183,100	\$4,256,000	\$6,756,100	(\$674,000)	(\$2,427,000)

## 7. Reserve Appropriation Funding Requested

7.1 Operations	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Community Services expenses received Prior Year grants		\$65,300		\$65,300		\$0
b. MTW Reserve Appropriations for Mid Year PH Contract Repairs			\$143,000		\$143,000	
c. Legal & Contract Costs for sale of Salishan lots and loan payoff				\$77,000		\$77,000
d. Citibank Loan paid out of Guarantee		\$300,000		\$99,000		(\$201,000)
e. Costs for Rate Modification of Bond Properties Loan				\$60,000		\$60,000
Operations Subtotal	\$0	\$365,300	\$143,000	\$301,300	\$143,000	(\$64,000)

7.2 Capital	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. 902 South L - Continue renovation	\$350,000		\$500,000		\$150,000	
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012)	\$300,000		\$300,000		\$0	
c. Maintenance Vehicle Replacement with outfitting	\$120,000		\$180,000		\$60,000	
d. Articulated Boom Lift for Maintenance			\$35,000		\$35,000	
e. Security Cameras for 902, Bergerson & Wright St.			\$35,000		\$35,000	
f. Install Perimeter Fence - Dixon			\$10,000		\$10,000	
g. Security Gate - 6th Ave Apts.			\$10,000		\$10,000	
h. Document Management System			\$30,000		\$30,000	
i. IT Server Backup Equipment			\$10,000		\$10,000	
j. Wedgewood Capital Repairs (Bond Financed Property)		\$200,000		\$350,000		\$150,000
k. Purchase of New Look Apts. - (Carryover from 2012)	\$375,000		\$375,000		\$0	
Capital Subtotal	\$1,145,000	\$200,000	\$1,485,000	\$350,000	\$340,000	\$150,000

## 8. Position Changes - FY-2013

Position Changes	Amount of Savings				Comments
	Staff Positions			Change	
	Increase/ Decrease fm original budget	Original	Mid-Year Revision		
Currently Occupied					
a. Senior Office Assistant - (Exec/HR)		\$0	\$0	\$0	Transition from Sunset to Regular position - No \$ budget change.
b. Help Desk/Network Administrator (Admin)		\$9,000	\$9,000	\$0	Upgrade of Position.
c. Property Management Assistant (PM)	0.5	\$65,500	\$98,250	\$32,750	Over complement with Hillside Demo. Keep for continuity until Hillside comes online. In meantime, assists with transition to new lease, meth and Non Smoking policy.
d. Maintenance Specialist - Landscaping (PM)		\$0	\$0	\$0	Currently Temp crew. Benefits costly when temp, and would have to pay unemployment. Will assist in preventive maintenance during winter months.
Currently Occupied Subtotal		\$74,500	\$107,250	\$32,750	
New Positions					
e. Maintenance Specialist (PM) (THA Portion)	1	\$55,000	\$55,000	\$0	Increase complement to more adequately assist in unit upkeep.
f. Specialist - Asset Building (CS)		\$60,000	\$60,000	\$0	Funded by Gates Foundation grant. For new Scholars program.
g. Specialist - Asset Building (CS)	(1)	\$60,000	\$30,000	(\$30,000)	To assist in implementing and running adult asset building programs.
h. Help Desk Technician (Admin)	0	\$56,200	\$56,200	\$0	Budgeted original 2013 budget as sunset. Would like to transition to regular position at Mid-Year, as current position transitions to Systems administrator.
i. IT Manager (Admin)	1		\$59,500	\$59,500	Reinstitute Position effective Mid Year
New Position Subtotal		\$231,200	\$260,700	\$29,500	
Eliminated Positions					
j. Applications Architect (Admin)	0	(\$126,600)	(\$126,600)	\$0	Will initially contract desired work out through temp agency. This position had transitioned from IT Manager in 2012.
Sunset Positions (Non-recurring)					
k. Applications Architect (Admin)	1	\$100,000	\$100,000	\$0	Decision made as 2013 budget passed in Dec that this would be hired from Temp agency, and would be salary line item.
l. Technical Writer (Admin)	1	\$39,500	\$43,680	\$4,180	Assist in business process improvement plan into 2014.
m. Business Improvement Specialist (REM&HS)	1		\$45,360	\$45,360	Assist in LEAN assessment of dept. personnel
n. Project Manager (REM&HS)	1		\$43,750	\$43,750	Work on Contamination Project.
o. REM&HS Intern	1	\$12,000	\$24,000	\$12,000	Assist with GIS, social media, and MTW analysis of data.
p. Warehouse Process Manager (PM)	1		\$52,080	\$52,080	Assist in organization of Maintenance areas
q. Maintenance Specialist (PM) (THA PH portion)	2		\$38,066	\$38,066	Assist PM in deferred maintenance and backlog of unit turns that have occurred due to Meth contamination.
Sunset Position Subtotal <sup>8</sup>		\$151,500	\$346,936	\$195,436	
Totals	10	\$330,600	\$588,286	\$257,686	

## 9. Operations & Support Department - Notable Recurring Information

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
Fully Realized HAP savings from Occupancy Changes/Minimum rents instituted						
a. 2012	(\$850,000)		(\$850,000)		\$0	
b. 2013 HAP savings - Increasing Minimum rents from \$25 to \$75	(\$150,000)		(\$150,000)		\$0	
c. Special Program Assistance Payments						
d. 1. Child Welfare Vouchers	\$150,000		\$50,000		(\$100,000)	
e. 2. Rapid Rehousing for Homeless Families	\$150,000		\$80,000		(\$70,000)	
f. 3. Unaccompanied Youth Vouchers	\$150,000		\$250,000		\$100,000	
g. 4. TCC Homeless Students	\$150,000		\$50,000		(\$100,000)	
h. THA match for Scholars Incentive Program funded by Gates Foundation	\$150,000		\$50,000		(\$100,000)	
i. FSS paypoints - Replaces HAP FSS escrow amounts (Included with HAP)	\$30,000		\$0		(\$30,000)	
j. Contamination Testing & Remediation PH Units	\$126,000	\$43,000	\$234,500	\$96,900	\$108,500	\$53,900
k. Cold Fusion Development - Budgeted in Salaries	\$100,000		\$0		(\$100,000)	
l. Contingency - Move to Non-recurring area	\$69,000	\$31,000	\$0	\$0	(\$69,000)	(\$31,000)
<b>Totals</b>	<b>\$75,000</b>	<b>\$74,000</b>	<b>(\$285,500)</b>	<b>\$96,900</b>	<b>(\$360,500)</b>	<b>\$22,900</b>

## 10. A LOOK AHEAD TO FY-2014 (Additional Income, Savings, or Expenses to Expect)

10.1	Recurring FY014 Income	Recurring FY014 Expense	Amount
	Fully realized HAP savings from increasing minimum rents from \$25 to \$75 in		
a.	2013 - HOP savings		\$350,000
b.	Congressional FY-2014 Budget Appropriations		??????
10.2	Non-Recurring FY014 Income	Non-Recurring FY014 Expense	Amount
a.	Developer Fee - 2500 Yakima Redevelopment - Remaining		\$1,139,240
b.	Developer Fee - LASA		\$305,000
c.	Developer Fee - Hillside Redevelopment - Phase 2		\$0

## 11. Emerging Needs and Opportunities

	MTW -CFP	Non-MTW
a. Purchase of Land at 11th and MLK		????
b. THA Contribution to Purchase of Market Rate Acquisition		????
c. Funds for transition of IT platform from Yardi/VisualHOMES	\$750,000	
<i>Total - Emerging Needs and Opportunities</i>	<b>\$750,000</b>	<b>????</b>

**FY 2013 Tacoma Housing Authority Budget - Mid Year Revision  
Agency Wide**

		FY 2013	FY 2013	Difference
		Approved Budget	Mid Year Request	
<b>INCOME</b>				
1	Revenue - Dwelling rent	\$3,530,777	\$3,558,857	\$28,080
2	Tenant Revenue - Other	\$17,025	\$58,867	\$41,842
3	HUD grant - Section 8 HAP reimbursement	\$34,868,890	\$33,728,621	(\$1,140,269)
4	HUD grant - Section 8 Admin fee earned	\$2,789,629	\$2,453,872	(\$335,757)
5	HUD grant - Public Housing subsidy	\$2,319,224	\$2,140,491	(\$178,733)
6	HUD grant - Community Services	\$140,984	\$140,984	\$0
7	HUD grant - Capital Fund Operating Revenue	\$1,351,548	\$1,294,826	(\$56,722)
8	Management Fee Income	\$3,501,128	\$3,501,128	\$0
9	Other Government grants	\$231,432	\$241,432	\$10,000
10	Investment income	\$50,950	\$377,950	\$327,000
11	Fraud Recovery Income - Sec 8	\$60,000	\$30,000	(\$30,000)
12	Other Revenue- Developer Fee Income	\$298,000	\$436,200	\$138,200
13	Other Revenue	\$770,926	\$806,594	\$35,668
14	<b>TOTAL OPERATING RECEIPTS</b>	<b>\$49,930,514</b>	<b>\$48,769,822</b>	<b>(\$1,160,692)</b>
<b>OPERATING EXPENDITURES</b>				
<i>Administrative</i>				
15	Administrative Salaries	\$4,277,385	\$4,458,235	\$180,850
16	Administrative Personnel - Benefits	\$1,745,985	\$1,795,167	\$49,182
17	Audit Fees	\$70,942	\$70,942	\$0
18	Management Fees	\$2,686,722	\$2,686,722	\$0
19	Rent	\$282,299	\$282,299	\$0
20	Advertising	\$18,650	\$18,650	\$0
21	Information Technology Expenses	\$276,227	\$276,227	\$0
22	Office Supplies	\$81,037	\$93,037	\$12,000
23	Publications & Memberships	\$54,265	\$54,265	\$0
24	Telephone	\$117,589	\$117,589	(\$0)
25	Postage	\$39,935	\$39,935	(\$0)
26	Leased Equipment & Repairs	\$50,085	\$64,335	\$14,250
27	Office Equipment Expensed	\$79,184	\$85,684	\$6,500
28	Legal	\$92,595	\$234,245	\$141,650
29	Local Mileage	\$15,383	\$15,383	(\$0)
30	Staff Training/ Out of Town Travel	\$201,616	\$201,616	\$0
31	Administrative Contracts	\$385,910	\$595,910	\$210,000
32	Other Administrative Expenses	\$94,270	\$94,270	\$0
33	Due Diligence - Perspective Development	\$510,000	\$365,000	(\$145,000)
34	Contingency	\$99,950	\$99,950	\$0
35	<b>Total Administrative Expenses</b>	<b>\$11,180,030</b>	<b>\$11,649,461</b>	<b>\$469,431</b>
<i>Tenant Services</i>				
36	Tenant Services - Salaries	\$952,339	\$928,639	(\$23,700)
37	Tenant Service Personnel - Benefits	\$396,603	\$381,547	(\$15,056)
38	Relocation Costs	\$19,410	\$59,410	\$40,000
39	Tenant Service - other	\$508,225	\$213,225	(\$295,000)
40	<b>Total Tenant Services</b>	<b>\$1,876,577</b>	<b>\$1,582,821</b>	<b>(\$293,756)</b>

**FY 2013 Tacoma Housing Authority Budget - Mid Year Revision  
Agency Wide**

		<b>FY 2013 Approved Budget</b>	<b>FY 2013 Mid Year Request</b>	<b>Difference</b>
	<b><i>Utilites</i></b>			
41	Water	\$116,310	\$121,310	\$5,000
42	Electric	\$204,050	\$216,050	\$12,000
43	Gas	\$65,470	\$65,470	\$0
44	Sewer	\$346,625	\$360,125	\$13,500
45	<b><i>Total Project Utilities</i></b>	<b>\$732,455</b>	<b>\$762,955</b>	<b>\$30,500</b>
	<b><i>Ordinary Maintenance &amp; Operations</i></b>			
46	Maintenance Salaries	\$601,649	\$624,448	\$22,799
47	Maintenance Personnel - Benefits	\$183,822	\$191,005	\$7,183
48	Maintenance Materials	\$204,200	\$264,200	\$60,000
49	Contract Maintenance	\$853,002	\$1,039,552	\$186,550
50	<b><i>Total Routine Maintenance</i></b>	<b>\$1,842,673</b>	<b>\$2,119,205</b>	<b>\$276,532</b>
	<b><i>General Expenses</i></b>			
51	Protective Services	\$143,400	\$148,900	\$5,500
52	Insurance	\$168,558	\$183,773	\$15,215
53	Other General Expense	\$1,097,281	\$1,123,740	\$26,459
54	Payment in Lieu of Taxes	\$14,461	\$14,461	\$0
55	Collection Loss	\$43,268	\$81,171	\$37,903
56	Interest Expense	\$914,486	\$640,753	(\$273,733)
57	<b><i>Total General Expenses</i></b>	<b>\$2,381,454</b>	<b>\$2,192,798</b>	<b>(\$188,656)</b>
58	<b><i>TOTAL OPERATING EXPENSES (lines 35+40+45+50+57)</i></b>	<b>\$18,013,190</b>	<b>\$18,307,240</b>	<b>\$294,050</b>
	<b><i>Nonroutine Expenses and Capital Expenditures</i></b>			
59	Ext Maint/Fac Imp/Gain/Loss prop sale	\$121,000	\$361,329	\$240,329
60	Casualty Loss	\$47,050	\$61,182	\$14,132
61	Section 8 HAP Payments	\$31,542,010	\$29,911,764	(\$1,630,246)
62	<b><i>Total Nonroutine Expenditures</i></b>	<b>\$31,710,060</b>	<b>\$30,334,275</b>	<b>(\$1,375,785)</b>
63	<b>TOTAL OPERATIONAL EXPENSES (line 58+ line 62)</b>	<b>\$49,723,250</b>	<b>\$48,641,515</b>	<b>(\$1,081,735)</b>
64	<b>OPERATING SURPLUS/(DEFICIT) (line 14 - line 63)</b>	<b>\$207,263</b>	<b>\$128,307</b>	<b>(\$78,956)</b>
65	Debt Service Principal Payments	(\$539,844)	(\$558,753)	(\$18,909)
66	<b>Surplus/Deficit Before Reserve Appropriations (line 64 + line 65)</b>	<b>(\$332,581)</b>	<b>(\$430,446)</b>	<b>(\$97,865)</b>
67	Reserve Appropriations - Operations/Transfers	\$365,263	\$434,241	\$68,978
68	<b>Surplus/Deficit Before Capital Expenditures (line 66+67)</b>	<b>\$32,683</b>	<b>\$3,795</b>	<b>(\$28,888)</b>
69	Capitalized Items/Development Projects	(\$15,113,100)	(\$12,472,064)	\$2,641,036
70	Revenue - Capital Grants	\$13,738,100	\$10,637,064	(\$3,101,036)
71	Reserve Appropriations - Capital	\$1,345,000	\$1,835,000	\$490,000
72	<b>THA BUDGET SURPLUS/(DEFICIT) (lines 68 thru 71)</b>	<b>\$2,683</b>	<b>\$3,795</b>	<b>\$1,112</b>

RESOLUTION #3  
This is a walk on Resolution





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-7-24 (3)

DATE: July 24, 2013  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Second Increase in Contract Amount for Emergency Mitigation Services

### **Background**

The THA Board of Commissioners approved Resolution 2012-12-19 (6) allowing the Executive Director to execute a contract with Rainbow International to provide emergency mitigation services that included hazardous materials (lead based paint, mold and asbestos), bio-hazardous materials cleanup (unattended death and trauma), drugs (meth) and smoke water and fire cleanup (from fire, damage, water leaks and breaks) in the amount of \$250,000.00. The Board approved a second resolution 2013-4-17 (2) allowing for an increase in this contract to \$1.2 million.

The primary purpose of this contract has been to test units for methamphetamine contamination, remediate contaminated units and return units to rent ready condition. To date, THA has had 90 contaminated units. We estimate the average cost of remediation and unit put back is approximately \$25,000 per unit. In order to account for the contaminated units to date as well as newly contaminated units that may be discovered through the end of the year, we need to increase the contract amount. We seek an increase to a total of \$2.5 million.

We are also actively exploring cost control. Some possibilities related to cost reduction include:

- Renegotiate some of the terms of the contract including decreased costs for services such as unit “dry outs,” profit and overhead, and time and materials.
- Re-procure these services under three distinct scopes of work: meth testing and remediation, unit put back, and emergency mitigation. By separating the work we might see more competition for each individual scope since it was originally difficult to find a single contractor able to do such a broad scope of services.
- Assess what work can be brought in house, with existing and/or additional staff. This work might include product ordering or unit put back.
- Explore a possibility we may have of resuming insurance coverage with another risk pool.
- Pursue grants to cover meth clean up costs.

- Review ways to better prevent the admission of additional meth users to our portfolio.

We have already created a sunset position of Meth Project Manager. That person will help us explore all these options.

This resolution will authorize the Executive Director to sign contract amendments to increase the value of the contract to \$2,500,000 to cover costs incurred through the end of the year.

The money for the PHA portion of the contract not covered by insurance is already included in the 2013 mid-year agency budget.

### **Recommendation**

I recommend approving Resolution 2013-7-24(3) authorizing me to execute an amendment to the contract with Rainbow International, increasing its value to \$2,500,000 for the purpose of providing emergency mitigation services to all of THA properties.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-7-24 (3)

### SECOND INCREASE IN CONTRACT AMOUNT FOR EMERGENCY MITIGATION SERVICES

**WHEREAS,** Tacoma Housing Authority (THA) signed a contract with Rainbow International for Emergency Mitigation Services to provide Emergency Mitigation services that included Hazardous Materials (lead based paint, mold and asbestos), Bio-Hazardous Materials cleanup (unattended death and trauma), Drugs (meth) and Smoke Water and Fire cleanup (from fire, damage, water leaks and breaks).

**WHEREAS,** the contract amount needs to be increased from \$1,200,000 to \$2,500,000 to account for the additional work of this sort THA requires;

**WHEREAS,** the contract amount exceeds the \$100,000 spending limit for the Executive Director.

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

1. The executive director is authorized and directed to execute a contract with Rainbow International in the amount of \$2,500,000 for the purpose of providing emergency mitigation services to all of THA properties.

**Approved:** July 24, 2013

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