



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

JANUARY 24, 2024



**Tacoma
Housing
Authority**

REGULAR MEETING

BOARD OF COMMISSIONERS

JANUARY 24, 2024

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Regular Meeting on **Wednesday, January 24, 2024, at 4:45 pm via Zoom and at 902 S L Street, Tacoma, WA 98405.**

<https://us02web.zoom.us/j/87802251456> | **Meeting ID:** 878 0225 1456 | **Dial:** (253) 215-8782

The site is accessible to people with disabilities. Persons who require special accommodations should contact Sha Peterson (253) 207-4450, before 4:00 pm the day before the scheduled meeting.

I, Sha Peterson, certify that on or before 5 days prior to meeting, I faxed / EMAILED the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street, Room 800 Tacoma, WA 98402	CityClerk@cityoftacoma.com
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	tips@q13fox.com
KSTW-TV/CW 11	1715 East Madison Street Seattle, WA 98122	cw11@kstwtv.com
KNKX	930 Broadway Tacoma, WA 98402	info@knkx.org
Tacoma News Tribune	2602 S. 38th Street, Suite A PMB3 Tacoma, WA 98409	newstips@thenewstribune.com

and other individuals and organizations with residents reporting applications on file.

Sha Peterson
Executive Initiatives Officer

902 SOUTH L STREET, SUITE 2A | TACOMA, WASHINGTON 98405-4037

Phone 253-207-4400 | Fax 253-207-4440 | www.tacomahousing.org



AGENDA

TACOMA HOUSING AUTHORITY REGULAR BOARD OF COMMISSIONERS MEETING JANUARY 24, 2024, 4:45 PM

902 South L Street, Tacoma, WA 98405, 2nd Floor Conference Room

ZOOM: <https://us02web.zoom.us/j/87802251456> / MEETING ID: 878 0225 1456

DIAL: (253) 215-8782

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - 3.1. Minutes of November 8, 2023—Regular Session
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
 - 5.1 Real Estate Development Committee
 - 5.2 Finance and Audit Committee
 - 5.3 Community Partnerships and Advocacy Committee
 - 5.4 Education, Housing, Services, and Partnerships Committee
 - 5.5 Diversity, Equity, Inclusion, and Belonging Committee
- 6. FINANCE REPORT**
 - 6.1. Ratifying Cash Disbursement for October 2023
 - 6.2. Ratifying Cash Disbursement for November 2023
 - 6.3. Ratifying Cash Disbursement for December 2023
- 7. AGENCY MONTHLY REPORT**
 - 7.1. Presentation: THA Staffing
 - 7.2. 2023 Summary of progress on agency goals
 - 7.3. General Agency Updates
- 8. NEW BUSINESS**
 - 8.1 2024-01-24 (1) Nims Associates Contract for Yardi
 - 8.2 2024-01-24 (2) Line of Credit Interest Revision
 - 8.3 2024-01-24 (3) LASA Transfer
 - 8.4 2024-01-24 (4) RBC Exits Salishan 4, 5, and 6
 - 8.5 2024-01-24 (5) Aviva Koz Sale

9. EXECUTIVE SESSION

9.1 To discuss legal matters with legal counsel representing the agency

9.2 To review the performance of a public employee.

10. COMMENTS FROM THE COMMISSIONERS

11. ADJOURNMENT



TACOMA HOUSING AUTHORITY

MINUTES



BOARD OF COMMISSIONERS MEETING MINUTES

REGULAR SESSION WEDNESDAY, NOVEMBER 8, 2023

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA 98405 at 4:45 pm on Wednesday, November 8, 2023.

1. CALL TO ORDER

Chair Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:48 pm.

2. ROLL CALL

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

PRESENT	ABSENT
COMMISSIONERS	
Chair Dr. Minh-Anh Hodge	
Vice Chair Derek Young	
Commissioner Stanley Rumbaugh	
	Commissioner Michael Purter
	Commissioner Shennetta Smith
STAFF	
April Black, Executive Director	
Aley Thompson, Deputy Executive Director	
Sha Peterson, Executive Initiatives Officer	
Adam Ydstie, Policy, Innovation, and Evaluation Director	
Amber Prentice, Rental Assistance Director	
Cacey Hanauer, Client Support and Empowerment Director	
Ken Short, Asset Management and Real Estate Development Director	
Marquis Jenkins, Property Management Director	
Richard Deitz, Finance Director	
Sharrall Madden, Human Resources Director	
William Morse, Director/CIO	

Chair Hodge declared there was a quorum present at 4:49 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, September 27, 2023. Commissioner Young moved to adopt the minutes. Commissioner Rumbaugh seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

REAL ESTATE DEVELOPMENT COMMITTEE—COMMISSIONER RUMBAUGH, COMMISSIONER SMITH

The committee did not meet.

FINANCE AND AUDIT COMMITTEE—CHAIR HODGE, VICE CHAIR YOUNG

The committee met and discussed insurance details that are coming up. Things have changed a little and the committee will have an update later in the meeting.

COMMUNITY PARTNERSHIPS AND ADVOCACY COMMITTEE—COMMISSIONER PURTER, COMMISSIONER SMITH

The committee did not meet.

EDUCATION, HOUSING SERVICES AND PARTNERSHIPS COMMITTEE—CHAIR HODGE, CHAIR YOUNG

The committee did not meet.

DIVERSITY, EQUITY, INCLUSION AND BELONGING COMMITTEE—CHAIR HODGE, COMMISSIONER SMITH

The committee did not meet.

6. MEETING SCHEDULE MOTION

6.1 APPROVAL OF 2024 BOC MEETING SCHEDULE

Commissioner Rumbaugh moved to approve the 2024 Board of Commissioners' Meeting Schedule. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

7. FINANCE REPORT

FINANCE

Finance Department (FD) Director Rich Deitz directed the board to the finance report.

7.1 RATIFYING CASH DISBURSEMENT FOR SEPTEMBER 2023

Cash Disbursement is over \$2M. Section 8 is at \$75,941 due to The Rise flood work. Tacoma Housing Authority (THA) fronted bills and now has been reimbursed from insurance. This is 100% reimbursed, and the shortfall is covered by the partnership.

Cash Position for August totals \$42,172,998 from prior month, which is a relatively typical flow. Moving to Work (MTW) Cash is down \$920k with just over \$4M. Cash Held by Housing and Urban Development (HUD) is at \$4.3M. Non-MTW Restricted is at \$23.5M. Finally, Unencumbered is at \$14.6M.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$8,216,048 for the month of September 2023. Commissioner Young seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

8. AGENCY MONTHLY REPORT

8.1 PRESENTATION: PAYMENT STANDARDS ANALYSIS

Policy, Innovation and Evaluation (PIE) Director Adam Ydstie presented the Payment Standards Analysis. This is a twice a year analysis where staff try to reduce rent burden, increase housing choice, reduce unplanned relocation and increase housing success. Payment standards set the value of a voucher and is used in calculation in THA tenant rent and max amount paid to landlords. Ydstie thanked Data Analyst Daniel Stutman for all his work on this analysis.

8.2 GENERAL AGENCY UPDATE

- Housing Hilltop is moving right along.
- THA had to delay the Yardi implementation due to incorrect rent calculation. THA will postpone the scheduled go-live for Yardi from October launch to May 2024.
- Over the past couple of months, Client Support and Empowerment (CSE) had events to provide rent and utility assistance to some households.
- Days before THA's insurance was set to expire, we received a bid from a second insurance company, Housing Authority Insurance Group. After negotiations with them and a few supplemental insurance carriers, we have secured insurance for all THA assets. The final rate increase was an average of 47% higher than last year. Staff will be tracking this closely. Risk Manager Erika Munoz and staff put in a lot of time to this work.

9. NEW BUSINESS

8.1 RESOLUTION 2023-11-08 (1)

2024 CONTRACT WITH PIERCE COUNTY RAPID RE-HOUSING CONTRACT HOMELESS HOUSING PROGRAM

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

WHEREAS, THA has been investing in the Pierce County Rapid Rehousing system and homeless housing programs since 2013; and

WHEREAS, A new contract must be executed to serve families and young adults in 2023; and

WHEREAS, The contract will be in effect through 2024; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate and to sign a new Pierce County Human Services contract for up to \$1.1 million for housing for families and young adults experiencing homelessness.

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

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

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

8.2 RESOLUTION 2023-11-08 (2)

APPROVAL OF PROPERTY-BASED SUBSIDY CONTRACT FOR PEOPLES SENIOR LIVING

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

WHEREAS, THA held a competitive process for Property-Based subsidies; and

WHEREAS, Peoples Senior Living was the highest scoring respondent and will be awarded up to 124 units; and

WHEREAS, The effective date of the contract will be up to the discretion of the Executive Director; and

WHEREAS, The contract term will be determined through negotiations with the respondent; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate, and if those negotiations are successful, execute a Property-Based Subsidy contract with Peoples Senior Living.

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

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

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

8.3 RESOLUTION 2023-11-08 (3)

APPROVAL OF REVISION TO THA'S ADMINISTRATIVE PLAN: UPDATE TO LOCAL
WAITLIST PREFERENCES

APPROVAL OF REVISION TO THA'S ADMINISTRATIVE PLAN: UPDATE TO LOCAL WAITLIST PREFERENCES

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

WHEREAS, the Administrative Plan related to administration of THA's housing programs and is required by HUD; and

WHEREAS, the purpose of the Administrative Plan is to establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives contained in THA's Moving to Work plan; and

WHEREAS, THA seeks to accept referrals from supportive service providers to fill next-available units within THA's portfolio and for its voucher programs; and

WHEREAS, Changes to the Administrative Plan must be approved by THA Board of Commissioners; now, therefore, be it

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

Authorize revisions to THA's Administrative Plan (Chapter 4 Section III.C) to expand THA's waitlist preference policy so it may begin receiving referrals from supportive service providers to fill next-available units within THA's portfolio and for its voucher programs.

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

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

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

8.4 RESOLUTION 2023-11-08 (4)

INTERLOCAL AGREEMENT WITH KING COUNTY HOUSING AUTHORITY FOR YARDI
CONVERSION PROJECT MANAGEMENT

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

WHEREAS, THA wishes to seek a consultant to assist with the project management of the Yardi software conversion; and

WHEREAS, KCHA followed the Housing and Urban Development (HUD) procurement process 24 CFR 85.36 in procuring Nims & Associates; and

WHEREAS, Chapter 39.34 RCW (The Interlocal Cooperation Act) permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, includes the purchase of goods and services; now, therefore, be it

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

The Executive Director is authorized to enter into an Interlocal Cooperative Agreement with King County Housing Authority so that THA may rely on KCHA's procurement of Nims & Associates.

Commissioner XXX motioned to approve the resolution. Commissioner XXX seconded the motion.

AYES: X
NAYS: None
Abstain: None
Absent: 1

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

8.5 RESOLUTION 2023-11-08 (5)
FISCAL YEAR 2024 ANNUAL BUDGET

Richard Deitz presented the Budget Approach (ask Rich for the presentation).

Expected Changes:

- Housing Assistance Payments
- Property Budgets
- Grants
- Salaries and Benefits
- Capital Items

Unexpected:

- Insurance Increase
- Over 20% incase in HUD
- Etc.

Expenses - Operations

Asset Management & Real Estate Development 2,199,732

Client Support & Empowerment	5,188,552
Executive	2,305,857
Finance	2,390,608
Human Resources	1,195,166
Information Technology	4,591,591
Policy, Innovation and Evaluation	2,577,797
Rental Assistance	66,221,002
Property Management Overhead	3,435,355
Property Budgets	<u>3,311,429</u>
Subtotal	\$93,417,089

Additional Cash Outflows

Debt Service	258,748
Loan Payoffs	3,670,000
Capital Expenditures	4,475,000
Replacement Reserves	<u>175,852</u>
Subtotal	\$8,579,600

TOTAL APPROVED BUDGET **\$101,996,689**

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

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

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

8.6 RESOLUTION 2023-11-08 (6)

COMMITMENT OF AGENCY AND MOVING TO WORK RESERVES

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

WHEREAS, For THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and have assembled reserves for those purposes; and

WHEREAS, The Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2022-12-14 (2) and reflects the Authority’s current plans for such capital and operational expenditures of THA reserves, both MTW and Non-MTW; and

WHEREAS, The Authority has submitted an initial MTW commitment of Reserves in the 2024 MTW plan, and intends to include an updated Schedule of Board Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it

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

1. The Board authorizes commitments of the Authority’s Reserves as outlined in the attached Schedule of THA Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes the Executive Director to include the latest THA Reserve Commitments in the annual MTW Report submitted to HUD.

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

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

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

8.7 RESOLUTION 2023-11-08 (7)
APPROVAL OF ACCOUNTS RECEIVABLE WRITE-OFFS

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

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

WHEREAS, each individual included in this property owner's 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, as follows:

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

Ledger #	Balance
LD-2020-047013	\$2,032.00
LD-2018-038264	\$1,187.00
LD-2017-036654	\$3,026.00
LD-2017-006085	\$1,246.00
LD-2017-027896	\$600.00*
LD-2017-028305	\$571.00*
LD-2017-028471	\$557.00*
LD-2020-048917	\$3,048.00
	<u>\$12,267.00</u>
Total THA Write Off	<u>\$1,728.00</u>
Total THA to Collections	<u>\$10,539.00</u>

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

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

Motion approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

10. EXECUTIVE SESSION

The Board went into executive session at 6:09 pm for 16 minutes to discuss the performance of a public employee and came back into regular session at 6:25 pm.

11. COMMENTS FROM COMMISSIONERS

ED Black requested to forgo a December Board meeting. The Board unanimously agreed.

12. ADJOURNMENT

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

APPROVED AS CORRECT

Adopted: January 24, 2024

Dr. Minh-Anh Hodge, Chair



**Tacoma
Housing
Authority**

Real Estate Development Committee

Commissioner Stanley Rumbaugh
Commissioner Shennetta Smith

Finance Committee

Chair Minh-Anh Hodge
Vice Chair Derek Young

Community Partnerships and Advocacy Committee

Commissioner Pastor Michael Purter
Commissioner Shennetta Smith

Education, Housing, Services and Partnerships Committee

Chair Minh-Anh Hodge
Vice Chair Young

Diversity, Equity and Inclusion Committee

Chair Minh-Anh Hodge
Commissioner Shennetta Smith



TACOMA HOUSING AUTHORITY

FINANCE REPORT



MOTION

Date: January 24, 2024

To: THA Board of Commissioners

MOTION

Adopt a consent motion ratifying the payment of cash disbursements totaling \$7,247,500 for the month of October 2023.

Approved: January 24, 2023

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of October 2023

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Accounts						
Accounts Payable Checks	Check #'s	96,851	-	96,900		
Accounts Payable ACHs	ACHs	2,417	-	2,511		
Business Support Center				841,806	Program Support	
Moving To Work Support Center				227,452		
Moving To Work Buildings (used by Support Center)				21,565		
Tax Credit Program Support Center				57,762		
Section 8 Programs				86,418	Section 8 Operations	
Salishan 7				30,077	Properties	
James Center				2,564	Development	
Hillsdale Heights				8,395		
Bus Development Activity				6,368		
CS General Business Activities				6,885	Client Support	
Community Services MTW Fund				4,150		
Education Private Grants (Gates, etc.)				200		
COT-Community Wellness Program				2,000		
AMP 6 - Scattered Sites				24	Public Housing	
AMP 9 - HT 1500 - Subsidy				48		
THA SUBTOTAL				1,295,714		
Hillside Terrace 2 & 1500				3,169	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility				12,115		
Housing Hilltop LLLP				22,550		
Alberta J Canada				-		
Arlington Youth Campus				2,456		
Court F (The Rise)				118,515		
Renew Tacoma Housing				22,125		
Salishan 1 - Salishan 6				9,398		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				190,328	1,486,042	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	487,541	-	487,660	172,629	
	ACHs	35,433	-	36,462	4,414,353	\$ 4,586,982
Payroll & Payroll Fees - ADP						\$ 1,174,476
TOTAL DISBURSEMENTS						\$ 7,247,500



MOTION

Date: January 24, 2024

To: THA Board of Commissioners

MOTION

Adopt a consent motion ratifying the payment of cash disbursements totaling \$10,133,347 for the month of November 2023.

Approved: January 24, 2023

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of November 2023

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Accounts						
Accounts Payable Checks	Check #'s	96,901	-	96,939		
Accounts Payable ACHs	ACHs	2,512	-	2,604		
Business Support Center				997,001		Program Support
Moving To Work Support Center				160,205		
Moving To Work Buildings (used by Support Center)				11,756		
Tax Credit Program Support Center				76,977		
Section 8 Programs				115,075		Section 8 Operations
James Center				1,475,000		Properties
Prairie Oaks Operations				68,434		
Salishan 7				70,438		
James Center				772		Development
Hillsdale Heights				4,786		
Bus Development Activity				3,534		
CS General Business Activities				6,885		Client Support
Department of Commerce Funding for Crisis Residential Center				598,941		
Community Services MTW Fund				23,015		
Education Private Grants (Gates, etc.)				150		
COT-Community Wellness Program				2,600		Public Housing
AMP 6 - Scattered Sites				31		
AMP 9 - HT 1500 - Subsidy				4		
THA SUBTOTAL				3,615,603		
Hillside Terrace 2 & 1500				4,158		Tax Credit Projects - Reimbursable
Bay Terrace I & II & Community Facility				11,661		
Housing Hilltop LLLP				21,850		
Arlington Youth Campus				5,892		
Court F (The Rise)				5,092		
Renew Tacoma Housing				46,113		
Salishan 1 - Salishan 6				26,358		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				121,125		3,736,728
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	487,661	-	487,784	192,114	
	ACHs	36,463	-	37,421	4,437,273	\$ 4,629,386
Payroll & Payroll Fees - ADP						\$ 1,767,233
TOTAL DISBURSEMENTS						\$ 10,133,347



MOTION

Date: January 24, 2024

To: THA Board of Commissioners

MOTION

Adopt a consent motion ratifying the payment of cash disbursements totaling \$9,276,231 for the month of December 2023.

Approved: January 24, 2023

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of December 2023

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Accounts						
Accounts Payable Checks	Check #'s	96,940	-	97,003		
Accounts Payable ACHs	ACHs	2,605	-	2,693		
Business Support Center				855,640	Program Support	
Moving To Work Support Center				161,379		
Moving To Work Buildings (used by Support Center)				118,239		
Tax Credit Program Support Center				94,010		
Section 8 Programs				136,116	Section 8 Operations	
Arlington Crisis Residential Center				6,798	Properties	
Alberta J Canada Bldg				45,770		
Hillsdale Heights				500		
Highland Crest Apts				71,185		
James Center				1,561		
North Highland Court Apts				25,832		
Outrigger				32,384		
Prairie Oaks Operations				496		
Salishan 7				119,737		
CSA Program - THDG				205,005	THDG	
James Center				25,255	Development	
Hillsdale Heights				475		
Bus Development Activity				971		
CS General Business Activities				6,885	Client Support	
SAFE/TRAC				755		
Department of Commerce Funding for Crisis Residential Center				159,797		
Community Services MTW Fund				8,754		
Education Private Grants (Gates, etc.)				3,375		
COT-Community Wellness Program				2,750	Public Housing	
AMP 6 - Scattered Sites				1,029		
AMP 9 - HT 1500 - Subsidy				613		
THA SUBTOTAL				2,085,312		
Hillside Terrace 2 & 1500				87,730	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility				161,024		
Housing Hilltop LLLP				46,722		
Arlington Youth Campus				67,655		
Court F (The Rise)				50,703		
Renew Tacoma Housing				320,309		
Salishan 1 - Salishan 6				534,653		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				1,268,797	3,354,109	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	487,785	-	487,903	183,325	
	ACHs	37,422	-	38,374	4,479,478	\$ 4,662,802
Payroll & Payroll Fees - ADP						\$ 1,259,320
TOTAL DISBURSEMENTS						
						\$ 9,276,231



TACOMA HOUSING AUTHORITY



Date: January 24, 2024

To: THA Board of Commissioners

From: Richard Deitz
Director of Finance

Re: Finance Department Board Report

1. FINANCIAL STATEMENT

I present the October, November, and December 2023 disbursement reports for your approval.

The Finance Department is submitting the financial statement for the period through September 30, 2023.

The financial statement illustrates that the agency continues to do well and will end the year in a solid financial position. We are currently projecting a small operating surplus at year-end of \$378,309, which can be seen on Line 50 – Surplus/(Deficit) before Reserve Appropriations of the financials. Once capital expenditures are included, as displayed on Line 56 – THA Surplus/(Deficit), the projected year-end surplus decreases to \$193,402. I want to draw your attention to a few areas that deserve additional discussion. These areas are addressed below.

The financial statement illustrates that the agency continues to do well and will end the year in a solid financial position. There are a few areas that deserve additional discussion. These areas are addressed below.

For this report, general themes and notable items will be addressed.

- *Line 1, HAP reimbursements* – In the prior quarter, we were over budget due to timing issues. These timing issues have been resolved, and as a result, we are now under budget and in line with where we anticipate finishing the year. We are under budget due to underspending in non-HAP related MTW spending, resulting in the need for less reimbursement from HUD.
- *Line 2 – Section 8 Admin fee earned* – We are running over budget due to higher than anticipated proration of the administrative fees. The variance will decrease as we approach yearend as the impact of timing differences is reduced.
- *Line 5 – Capital Fund Operating Revenue* – This is primarily a carryover of funds from 2019, which we drew down in January to ensure we utilized them before expiration. We will not make another draw until 2024.
- *Line 7, Tenant Revenue – Dwelling rent* – Salishan 7 and North Highland continue to see lower than expected dwelling rent revenue, leading to the overall revenue shortfall. Both properties saw their dwelling rent revenue increase in Q3; we expect this trend to continue through Q4. This continued growth will help bring *Tenant Revenue – Dwelling rent* more in line with budget at year-end.
- *Line 10 – Other Revenue* – This line item comprises several revenue sources, including non-governmental grant revenue. We typically recognize revenue for these grants after we have incurred the related expenses. Our expenditures are currently running below what was anticipated, resulting in slightly lower than expected *Other Revenue*.

- *Line 12 – T/C/ Waterfall Payments* – The waterfall payments were all processed in the third quarter. The final amounts were significantly below what was anticipated due to lower than anticipated rent collections and increased property operating costs.
- *Line 13 – Investment Income* – Interest income is significantly higher than budgeted due to the rapid rise in interest rates.
- *Lines 15 – 25 – Administrative Expense* – Each line item under *Administrative Expense* is currently under budget and is expected to be under budget at the end of the year. The largest dollar variance is related to salaries and benefits. We have several new and vacant positions budgeted for 2023 that we were still in the process of hiring during the third quarter. As we bring these new employees on board, our salary and benefits costs will become more in line with the budget. We also set aside funds within *Administrative Salaries* to cover salary increases and repositioning related to the salary study and union negotiations. These adjustments took effect in the third quarter and will impact salaries and benefits in Tenant Services and Maintenance. There is also a notable variance in internal management fees, which is an interdepartmental fee. *Office Expense* is also running significantly below the budgeted amount. This category covers a wide variety of expenses, many of which are significantly under budget. The most significant variance is in IT Licenses which is running under budget in part because we did not implement Laserfiche.
- *Lines 26 – 29 – Tenant Service* – The Tenant Service area remains under budget and is anticipated to end the year under budget. The underspending in the salaries and benefits area is due to unfilled vacancies. This variance will decrease as we get closer to year-end, as the impact of the union negotiations and the salary study is fully realized. There has also been underspending in tenant service contracts, which has led to *Tenant Service – Other* being under budget.
- *Lines 31 – 35 – Ordinary Maintenance and Operations* – This category is currently over budget, and we expect this trend to continue through the end of the year. The most significant variance is in maintenance salaries and benefits. Several factors are driving this variance. The Maintenance Supervisors were budgeted under Administrative Expenses; however, their wages are now going to *Maintenance Salaries*. As noted under *Administrative Expense*, the budget for salary adjustments related to the Union negotiation and repositioning is included in *Administrative Expense*, not *Maintenance Salaries* and *Maintenance Personnel – Benefits*. *Maintenance Salaries* also continue to be over budget at all of our third-party managed properties except for North Highland Court. As one would expect with overages in maintenance salary expenses, all third-party managed properties have corresponding overages in materials except North Highland Court.
- *Line 37 – Insurance* – We were slightly under budget at the end of the third quarter; however, due to the renewal increase, we will be over budget at year-end.
- *Line 42 – Ext. Maint/ Fac Imp/Casualty Loss (Proceeds)* – As of the end of the third quarter, we had received more from the insurance company than we had expensed due to timing issues. This timing issue will be resolved by the end of the year.
- *Debt Service Principal Pymt/Loan Payoffs* – Enterprise granted THA an extension to their James Center North loan budgeted to be retired in 2023. A partial payment was made in November of 2023 as part of the extension. THA also received a loan deferral for the Prairie Oaks Housing Trust Fund loan.
- *Capitalized Items/Development Projects* – We are significantly under budget for several reasons. We have not acquired a new property and did not move forward with the Laserfiche implementation. In the third quarter, we also moved all of the Yardi implementation costs to operations as they were no longer capitalizable due to the delayed implementation.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at 3.00%. The Washington State Local Government Investment Pool currently provides a return rate of 5.43%.

3. AUDIT

There is no update at this time.

4. BUDGETS

The THA 2024 Budget was approved at the November board meeting. All of the Tax Credit property budgets that need to be approved by Investors have been approved.

5. YEAR-END UPDATE

Finance has begun work on closing the books for 2023. We are on schedule to have financial reports for the Tax Credit properties completed in time for our auditors to complete the tax returns for each of the entities and start the audit process. Duane and the Finance team are on schedule for completing the HUD REAC submission by March 15th, which includes a 15-day grace period from the February 28th submission date.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

	September-23				Thru 12/31/2023		
	CURRENT QTR ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS							
1 HUD grant - Section 8 HAP reimbursement	12,426,240	47,020,298	51,615,054	-8.90%	63,167,567	69,392,272	-8.97%
2 HUD grant - Section 8 Admin fee earned	1,655,565	4,720,658	4,260,980	10.79%	6,116,119	5,681,306	7.65%
3 HUD grant - Community Services	68,750	189,723	148,247	27.98%	233,071	197,662	17.91%
4 HUD grant - Public Housing subsidy	1,794	5,199	9,225	-43.64%	6,938	12,300	-43.59%
5 HUD grant - Capital Fund Operating Revenue	0	486,041	375,106	29.57%	486,041	500,141	-2.82%
6 Other Government Grants	507,838	1,739,454	1,781,250	-2.35%	2,305,568	2,375,000	-2.92%
7 Tenant Revenue - Dwelling rent	828,595	2,437,808	2,605,373	-6.43%	3,277,300	3,473,831	-5.66%
8 Tenant Revenue - Other	69,428	193,207	125,108	54.43%	250,900	166,810	50.41%
9 Management Fee Income	799,403	2,492,241	2,613,829	-4.65%	3,425,950	3,485,105	-1.70%
10 Other Revenue	485,348	1,496,520	1,657,765	-9.73%	2,095,360	2,210,353	-5.20%
11 Other Revenue - Developer Fee Income	0	0	0	N/A	0	0	N/A
12 Other Revenue - T/C Waterfall Payments	1,168,731	1,168,731	1,373,250	-14.89%	1,168,731	1,831,000	-36.17%
13 Investment income	213,155	553,795	36,860	1402.45%	750,800	49,146	1427.69%
14 TOTAL OPERATING RECEIPTS	18,224,848	62,503,675	66,602,045	-6.15%	83,284,345	89,374,926	-6.81%
OPERATING EXPENDITURES							
Administrative Expenses							
15 Administrative Salaries	2,772,537	7,267,784	8,422,745	-13.71%	10,159,239	11,504,782	-11.70%
16 Administrative Personnel - Benefits	842,388	2,387,666	1,978,730	20.67%	3,243,134	4,066,421	-20.25%
17 Audit Fees	90,669	93,231	97,500	-4.38%	126,114	130,000	-2.99%
18 Management Fees	145,560	424,656	534,629	-20.57%	578,230	712,839	-18.88%
19 Office Expense	490,731	1,587,223	1,888,108	-15.94%	2,154,959	2,517,477	-14.40%
20 Legal	82,554	184,724	272,250	-32.15%	289,554	363,000	-20.23%
21 Travel/Training	36,762	194,168	428,250	-54.66%	238,169	571,000	-58.29%
22 Other administrative expenses	1,001,908	2,227,171	2,260,808	-1.49%	2,926,667	3,014,410	-2.91%
23 Due diligence - Perspective Development	71,575	81,895	300,000	-72.70%	121,542	400,000	-69.61%
24 Contingency	0	0	78,750	-100.00%	0	105,000	-100.00%
25 Total Administrative Expenses	5,534,685	14,448,518	16,261,769	-11.15%	19,837,608	23,384,929	-15.17%

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		September-23				Thru 12/31/2023		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
26	Tenant Service - Salaries	488,035	1,261,856	1,367,149	-7.70%	1,715,016	1,842,194	-6.90%
27	Tenant Service Personnel - Benefits	166,409	463,681	558,891	-17.04%	624,391	748,743	-16.61%
28	Tenant Service - Other	548,391	1,974,619	2,120,134	-6.86%	2,632,825	2,826,845	-6.86%
29	Total Tenant Services	1,202,835	3,700,156	4,046,173	-8.55%	4,972,232	5,417,782	-8.22%
	Utilities							
30	Total Project Utilities	116,750	338,184	350,250	-3.44%	460,406	467,000	-1.41%
	Ordinary Maintenance & Operations							
31	Maintenance Salaries	242,875	498,210	128,507	287.69%	857,047	262,977	225.90%
32	Maintenance Personnel - Benefits	72,366	144,651	35,804	304.01%	225,291	73,533	206.38%
33	Maintenance Materials	72,593	159,291	122,895	29.62%	231,117	163,860	41.05%
34	Contract Maintenance	211,332	639,301	637,850	0.23%	847,550	850,467	-0.34%
35	Total Routine Maintenance	599,167	1,441,453	925,056	55.82%	2,161,005	1,350,837	59.98%
	General Expenses							
36	Protective Services	17,397	64,868	61,350	5.73%	81,800	81,800	0.00%
37	Insurance	102,324	297,590	305,706	-2.65%	439,925	407,608	7.93%
38	Other General Expense	33,875	359,846	348,713	3.19%	534,970	464,951	15.06%
39	Interest Expense	152,444	491,686	483,465	1.70%	648,115	644,620	0.54%
40	Total General Expenses	306,039	1,213,990	1,199,234	1.23%	1,704,810	1,598,979	6.62%
41	TOTAL OPERATING EXPENSES	\$ 7,759,475	\$ 21,142,301	\$ 22,782,482		\$ 29,136,062	\$ 32,219,527	
	Nonroutine Expenditures							
42	Ext. Maint/Fac Imp/Casualty Loss (Proceeds)	26,275	(9,656)	47,100	-120.50%	62,662	62,800	-0.22%
43	Sec 8 HAP Payments	13,537,821	39,330,576	38,906,520	1.09%	53,493,866	52,959,291	1.01%
44	Total Nonroutine Expenditures	13,564,096	39,320,920	38,953,620	0.94%	53,556,528	53,022,091	1.01%
45	TOTAL EXPENDITURES	21,323,571	60,463,221	61,736,102	-2.06%	82,692,590	85,241,618	-2.99%
46	OPERATING SURPLUS/(DEFICIT)	(3,098,724)	2,040,454	4,865,942	-58.07%	591,755	4,133,308	-85.68%
47	Debt Service Principal Pymt/Loan Payoffs	(56,170)	(163,453)	(2,447,573)	-93.32%	(1,688,446)	(3,263,430)	-48.3%
48	Surplus/Deficit Before Reserve Appropriations	(3,154,894)	1,877,001	2,418,370	-22.39%	(1,096,691)	869,878	-226.07%
49	Reserve Appropriations - Operations	0	0	0		1,475,000	0	
50	Surplus/Deficit Before Captial Expenditures	(3,154,894)	1,877,001	2,418,370		378,309	869,878	
51	Capitalized Items/Development Projects	(29,907)	(745,744)	(3,360,000)	-77.81%	(792,059)	(4,480,000)	-82.32%
52	Reserve for Replacement	(46,227)	(138,680)	(138,680)	0.00%	(184,907)	(184,907)	0.00%
53	Revenue - Capital Grants/Sale of Property	0	0	937,500	-100.00%	0	1,250,000	-100.00%
54	Reserve Appropriations - Capital	388,907	745,744	2,081,250	-64.17%	792,059	2,775,000	-71.46%
55	THA SURPLUS/(DEFICIT)	(2,842,121)	1,738,321	1,938,439		193,402	229,971	

TACOMA HOUSING AUTHORITY

CASH POSITION - November 2023

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	7,577,924	1.75%
Section 8 Checking	2,854,920	1.75%
THA Affordable Housing Proceeds-Salishan	2,018,507	1.75%
THA Scattered Sites Proceeds	6,025,620	1.75%
FSS Escrows	189,132	1.75%
FSS Forfeitures	47,664	1.75%
CSA Escrows	107,348	1.75%
Note Fund Account	105	1.75%
THA Investment Pool	345	1.75%
THDG - Tacoma Housing Development Group	959,632	1.75%
Salishan 7 Operations	1,531,420	1.75%
Salishan 7 Security Deposit	31,589	1.75%
Salishan 7 Replacement Reserve	647,708	1.75%
Salishan 7 Operating Reserve	208,469	1.75%
North Highland Operations	142,776	1.75%
North Highland Security Deposit	31,509	1.75%
North Highland Capital Reserve	402,332	1.75%
Highland Crest Operations	1,017,974	1.75%
Highland Crest Replacement Reserve	396,584	1.75%
Highland Crest Security Deposit	42,268	1.75%
Outrigger Operations	667,152	1.75%
Outrigger Replacement Reserve	343,440	1.75%
Outrigger Security Deposit	26,801	1.75%
Prairie Oaks Operations	257,500	1.75%
Prairie Oaks Replacement Reserve	52,757	1.75%
Prairie Oaks Security Deposit	5,967	1.75%
Payroll Account	20,011	1.75%
HOME STREET BANK		
James Center North Operations	1,584,749	0.00%
James Center North Security Deposit	82,937	0.00%
WASHINGTON STATE		
Investment Pool	\$ 8,731,566	5.43%
1. TOTAL THA CASH BALANCE	\$ 36,006,705	
Less:		
2. Total MTW Cash Balance	\$ 134,659	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ -	
3. MTW Cash Held By HUD	\$ 10,224,268	
4. Non MTW Cash Restrictions/Obligations		
4.1 Non MTW Operational Restrictions		
4.10 HUD Restricted - Lot and Property Sales	\$ 8,044,127	
4.101 Area 2B Sales Proceeds (Afford Hsg)	2,018,507	
4.102 Scattered Sites Proceeds (Afford Hsg)	6,025,620	
4.20 THA Property Accounts Reserved	\$ 13,261,328	
4.201 Security Deposit Accounts	221,072	

TACOMA HOUSING AUTHORITY

CASH POSITION - November 2023

4.202 Highland Crest Operations Reserves	520,000		
4.203 Highland Crest Replacement Reserves	396,584		
4.204 James Center North Operations Reserves (Debt Svc)	1,000,000		
4.205 James Center North Capital	262,935		
4.206 Outrigger Operations Reserve	150,000		
4.207 Outrigger Replacement Reserves	343,440		
4.208 Prairie Oaks Operations Reserves	177,000		
4.209 Prairie Oaks Replacement Reserves	52,757		
4.210 Salishan 7 Operations Reserves	750,000		
4.211 Salishan 7 Replacement Reserves	647,708		
4.212 North Highland Court Operations Reserves	50,000		
4.213 North Highland Capital Reserve	402,332		
4.214 Housing Hilltop Loan Reserve	8,287,500		
4.30 Rental Assistance Reserves		\$ 786,214	
4.301 Mod Rehab Operating Reserves	117,246		
4.302 VASH, FUP, FYI, NED, EHV & MAIN HAP Reserves	324,823		
4.303 FSS & CSA Escrows	344,145		
4.40 Prepaid Grants		\$ 1,449,674	
4.401 TPS Interlocal (CS-2017-011)	203,635		
4.402 Balmer Foundation - Education Prog (CS-2020-005)	80,370		
4.403 College Spark (PI-2018-005)	52,848		
4.404 GTCF Grant (PI-2019-005)	103,189		
4.405 Ballmer Foundation - COVID Rent Assist (RA-2020-003)	50,000		
4.406 THDG	959,632		
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$ 23,541,343	
4.70 Agency Contracted or Budgeted Commitments Remaining		\$ -	
	-		
	-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$ 23,541,343	
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$ 12,330,704	
6. Development Advances - Project Reimbursement upon draw		\$ 44,471	
6.01 Housing Hilltop LLLP	44,471		



TACOMA HOUSING AUTHORITY

PRESENTATION



Making THA A Great Place to Work: A Review of 2023 and Look Ahead to 2024

JANUARY 2024

Introduction

THA strives to ensure all employees feel valued and included in the workplace.

This is a review of our efforts, accomplishments, and employment-related data.

2



Agenda

- ▶ THA Staff At-A-Glance
- ▶ 2023 Accomplishments
- ▶ 2024 Areas of Focus
- ▶ Demographic Review
- ▶ Tenure Review
- ▶ Turnover Review
- ▶ Summary

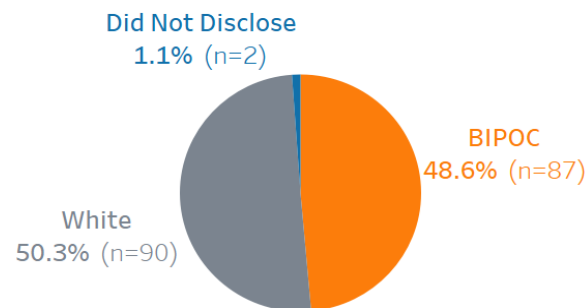


2023 THA Staff At-A-Glance

4

Total THA Staff
179

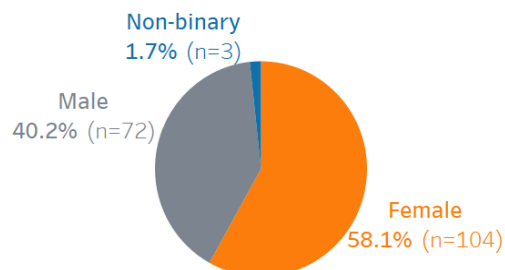
2023 Staff BIPOC and White



Overall tenure
5.8 years (avg)
3.2 years (med)

Staff rating of THA:
4.15 out of 5

2023 Staff Gender



Annual Turnover
13.3%



100% of full-time staff are paid a housing wage of \$32/hour or higher



Turnover has decreased from 25% to 13% in one year



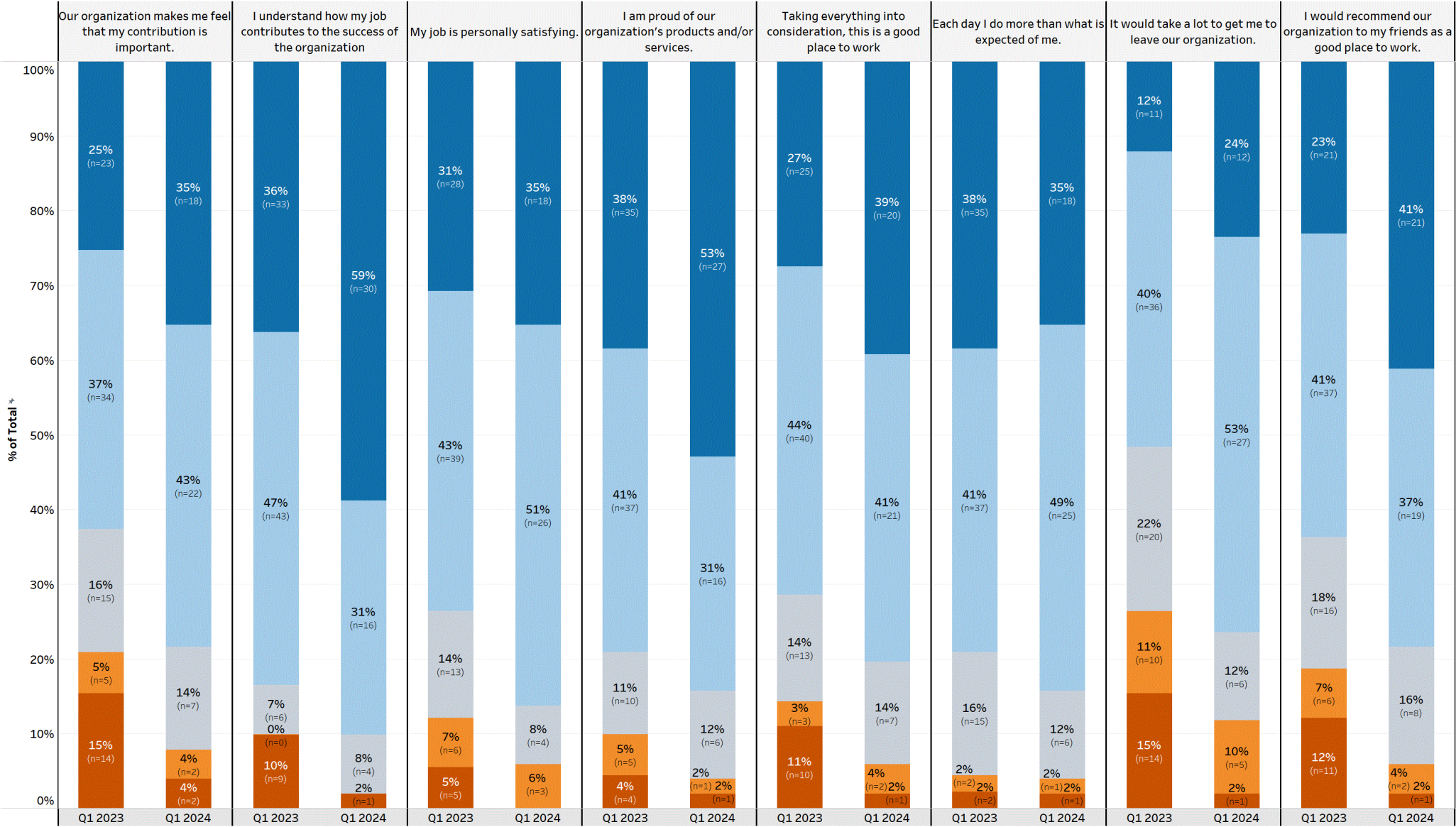
Hired a Strategic Advisor for Diversity, Equity, and Inclusion



THA is continuing to make strides to be a great place to work



2023 Accomplishments



Overall staff rating of THA (on 1-5 scale)

Q1 2023: 3.76

Q4 2023: 4.15

2024 Areas of Focus

7



Establish system for counting lived-experience when considering job candidates.



Increase the number of BIPOC staff hired in 2024



Create a new performance evaluation system



Review and update all HR policies



Increase employee engagement and measure/improve staff satisfaction



Complete software transition to Yardi

Staffing Trends

Total Staff Year-Over-Year

2021

Total Number
of staff:
160

2022

Total Number
of staff:
165

2023

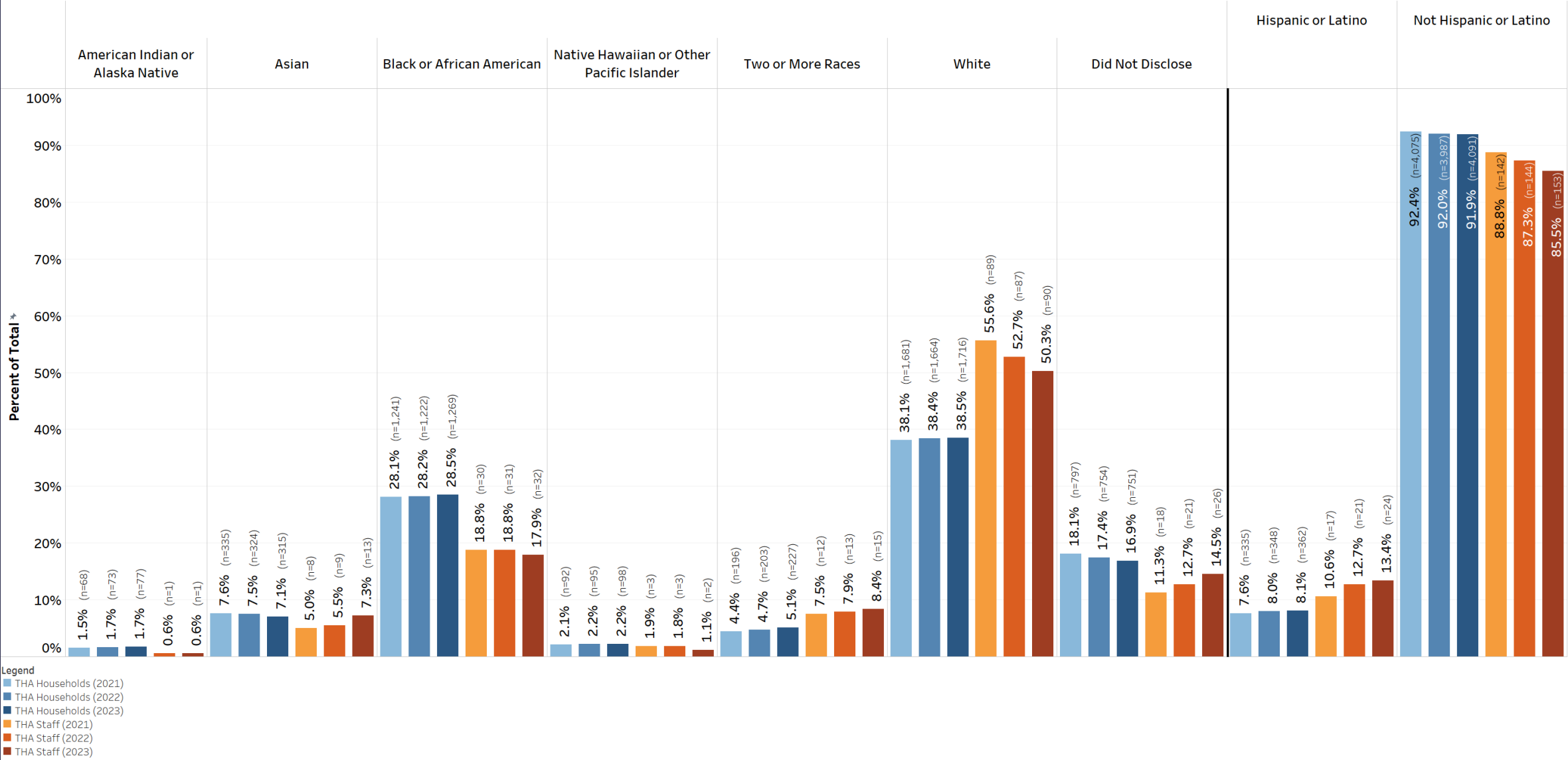
Total Number
of staff:
179

Demographics Review

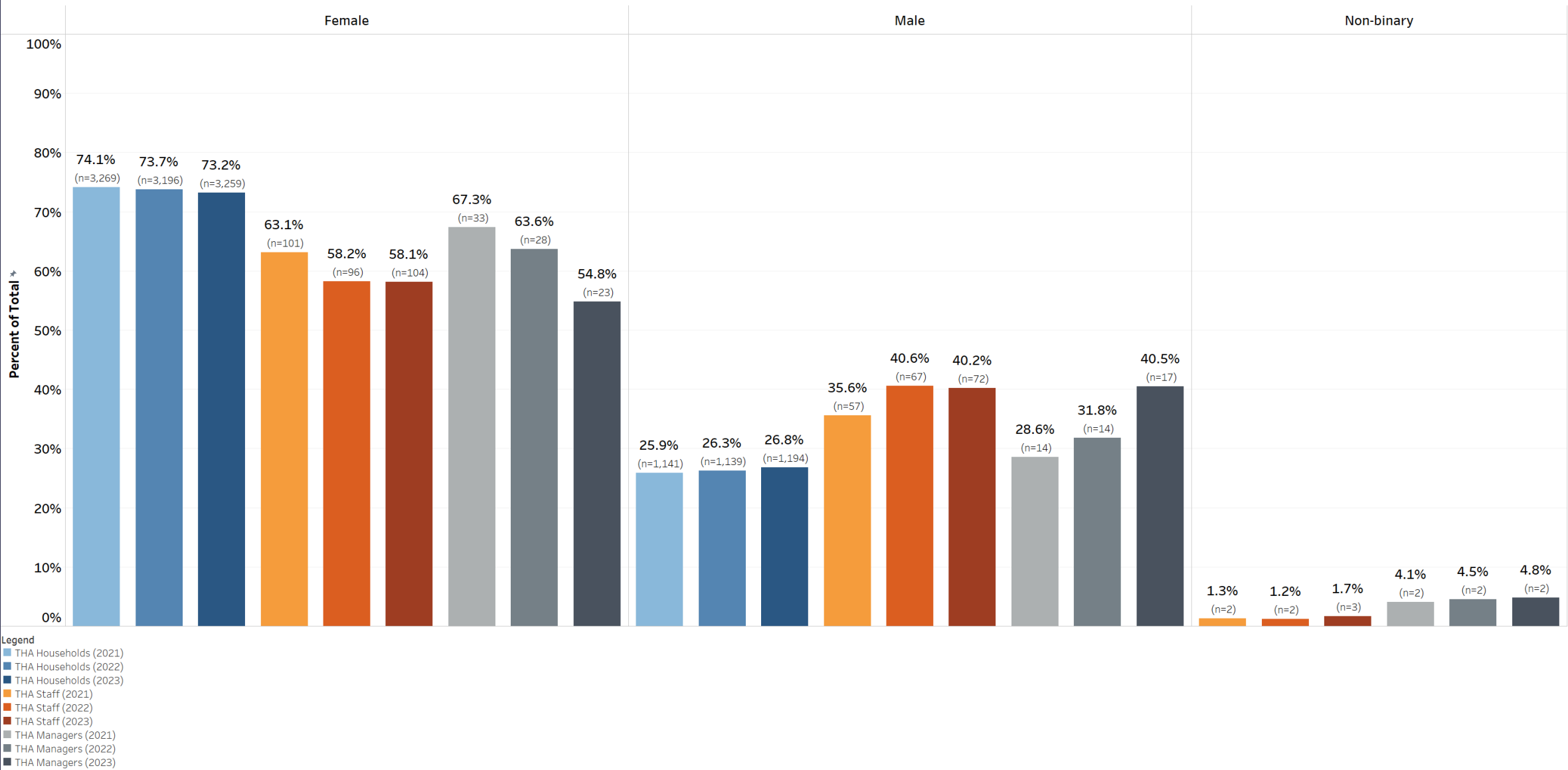
Demographic goals

- ▶ THA customers will see themselves reflected in THA staff and leadership
 - ▶ Data: demographics of THA staff and customers will be similar.
 - ▶ BIPOC staff will be represented in management positions.
- ▶ THA staff will be at least as diverse as the City of Tacoma
 - ▶ Data: THA demographics compared to City of Tacoma
- ▶ We hope to show more indicators of diversity in our 2024 data.

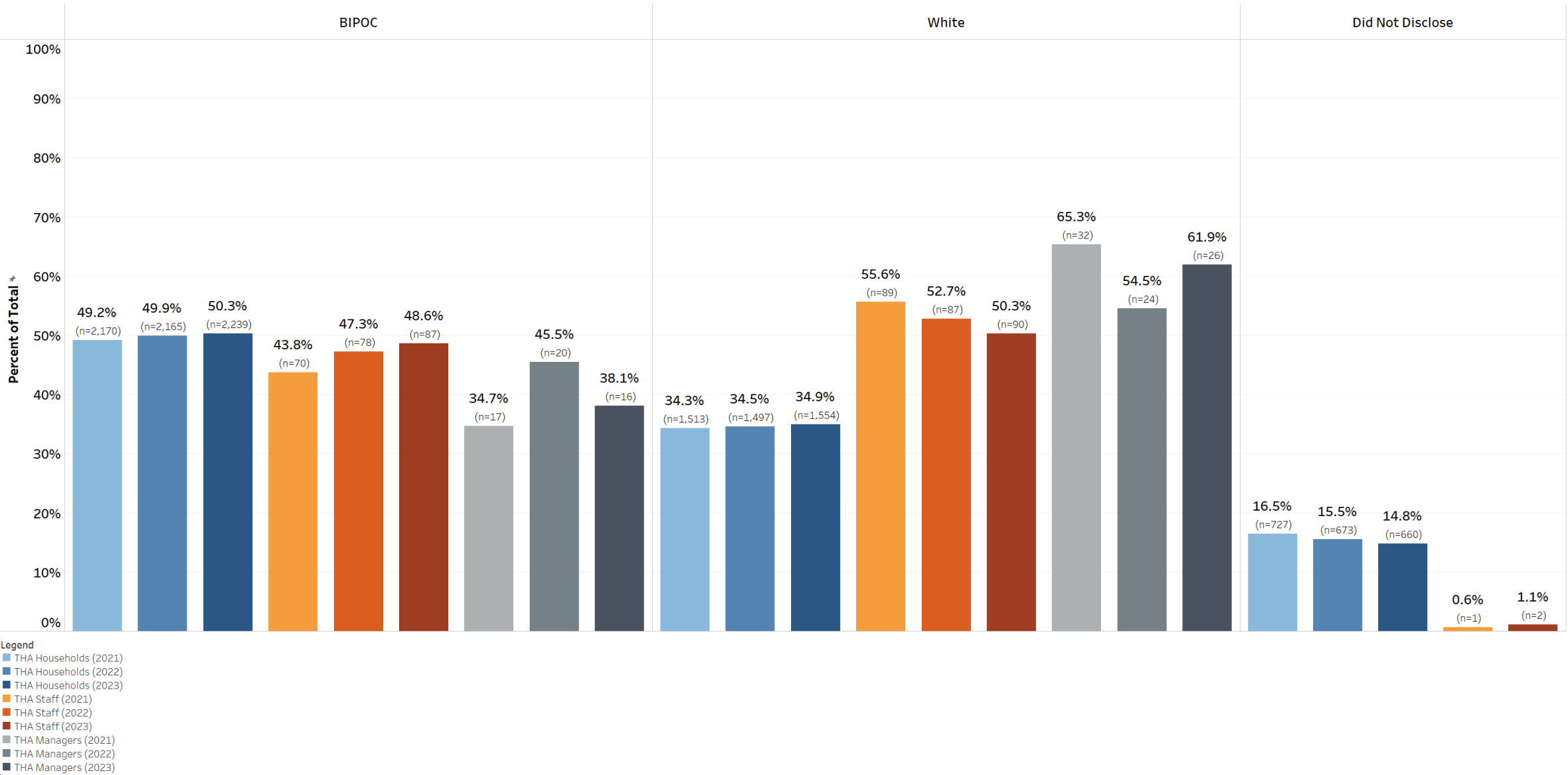
2021-2023 THA Households and Staff, by Race and Ethnicity



2021-2023 THA Households, Staff, and Managers, by Gender



2021-2023 THA Households, Staff, and Managers, by BIPOC and White Black, Indigenous, and People of Color (BIPOC) compared with White (not Hispanic or Latinx)

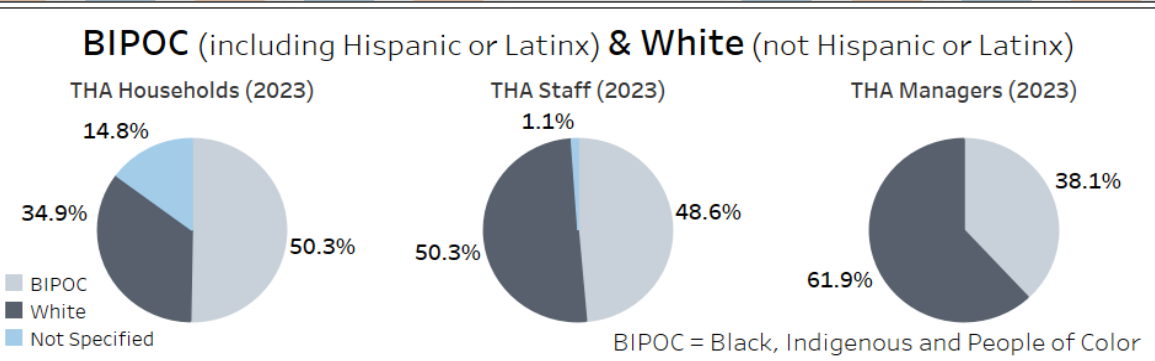
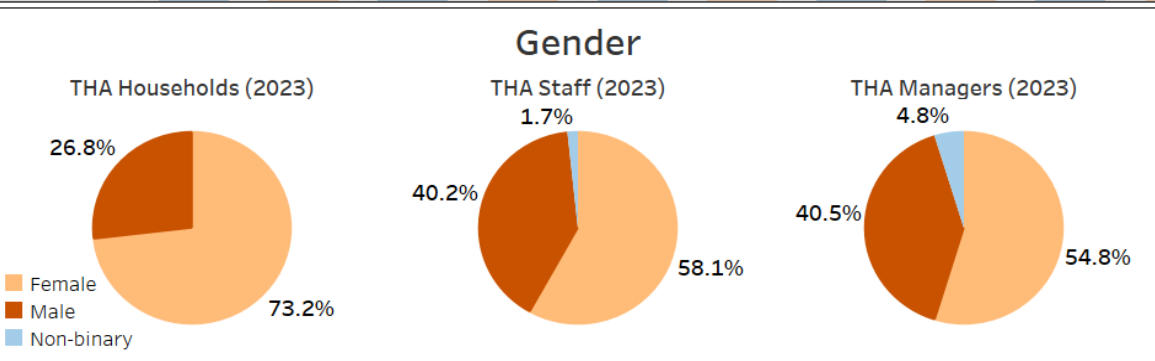
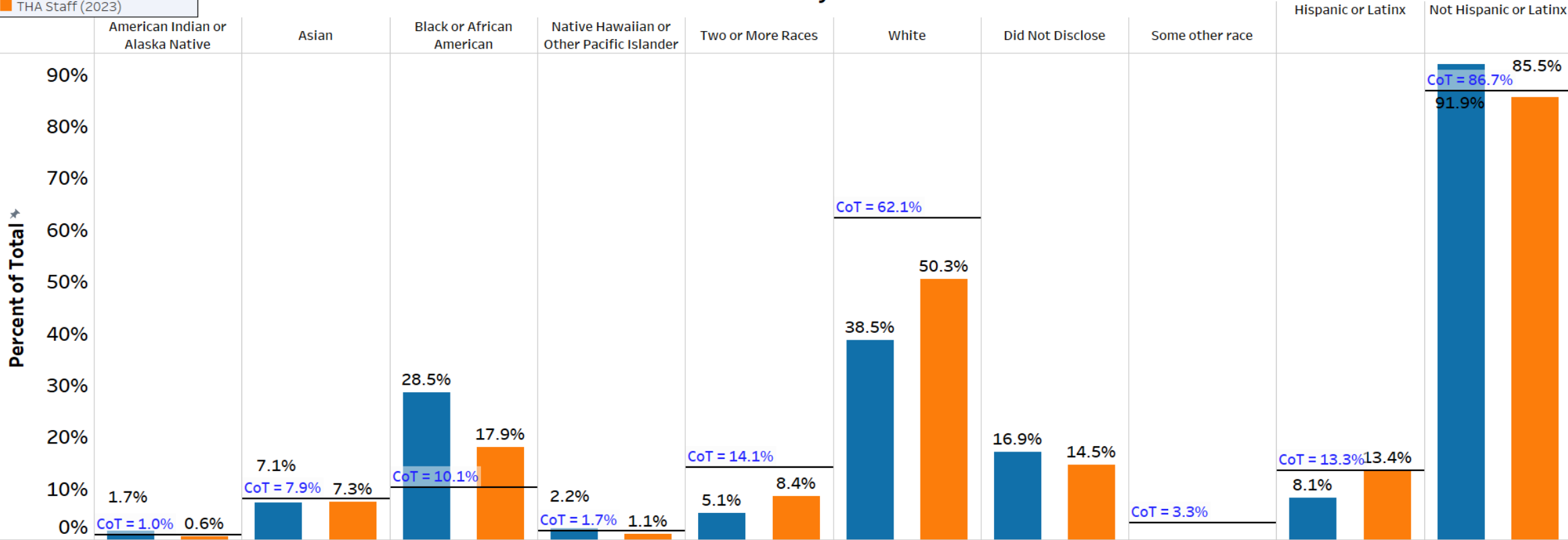


2023 Tacoma Housing Authority Demographic Breakdown As of December 2023

THA Households (2023)
THA Staff (2023)

Ethnicity and Race

CoT = City of Tacoma, Source: 2022 American Community Survey 1-Year Estimates



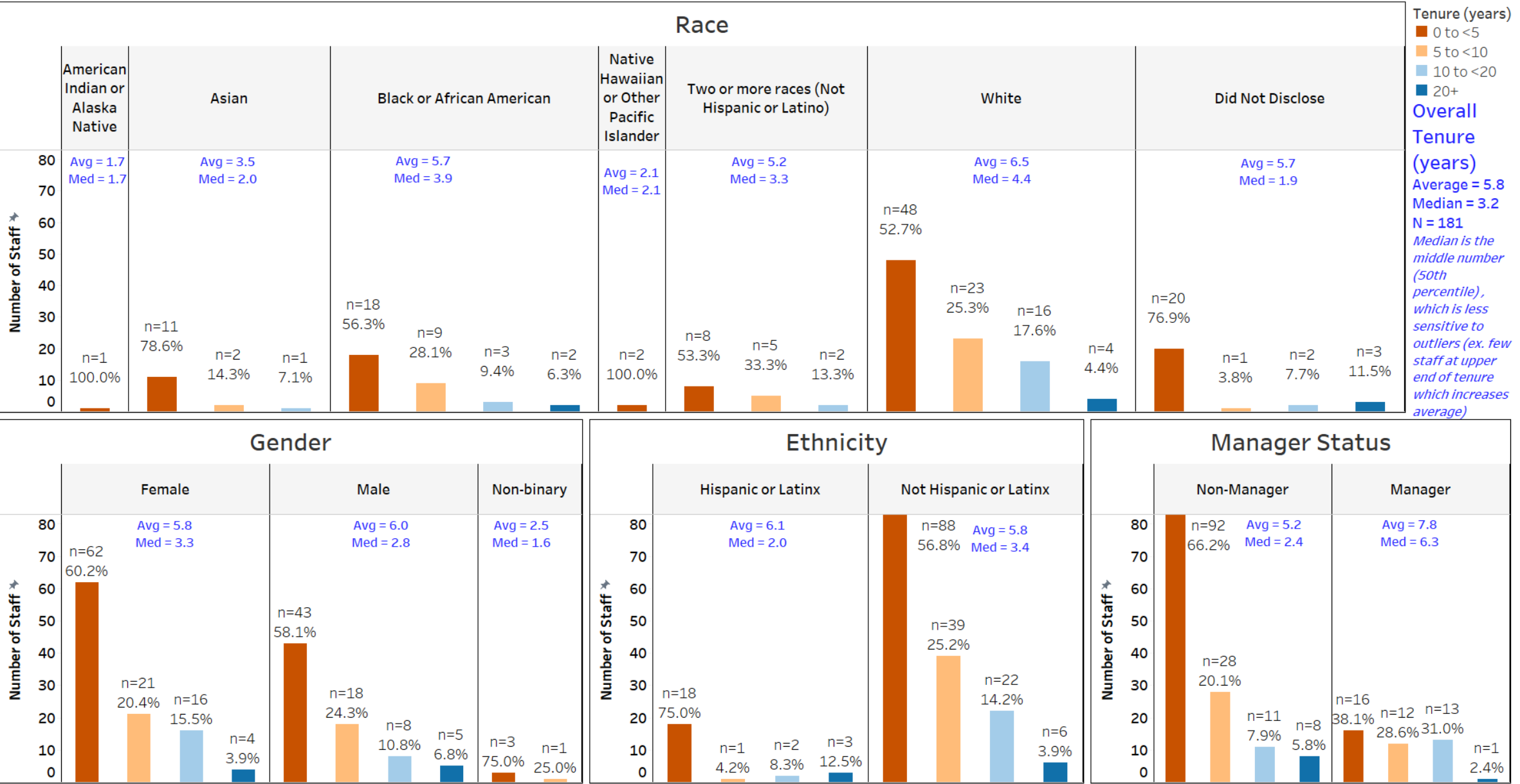
Tenure Review

Tenure goals

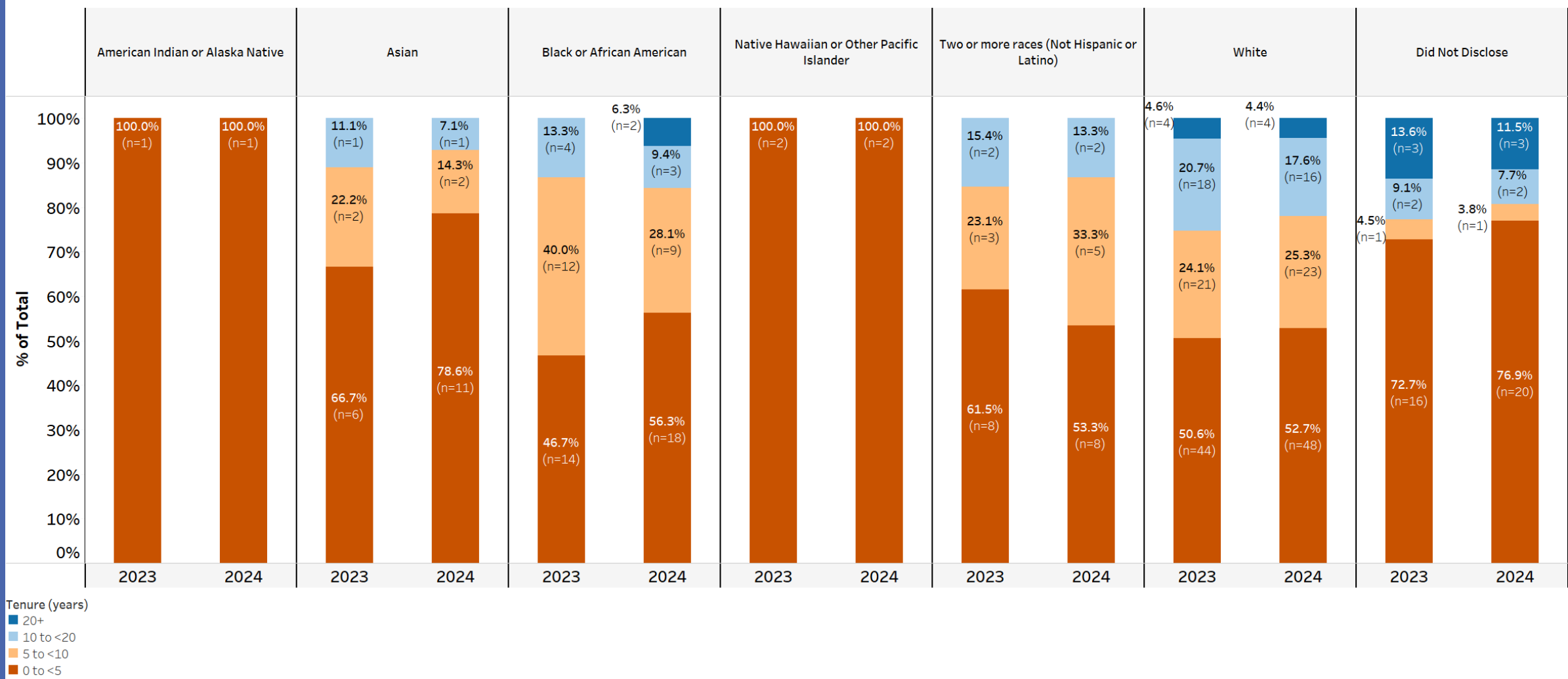
- ▶ There is a mixed of tenures amongst our staff.
- ▶ THA staff have an opportunity to grow here.
- ▶ We see an increase in the number and percentage of new BIPOC staff. This increase helps increase the overall diversity of THA.

Tacoma Housing Authority Staff Tenure

January 2024. Ethnicity = Did Not Disclose not shown (n=2, 100% in "0 to <5" year tenure group).



THA Staff Tenure Jan 2023 and 2024, by Race



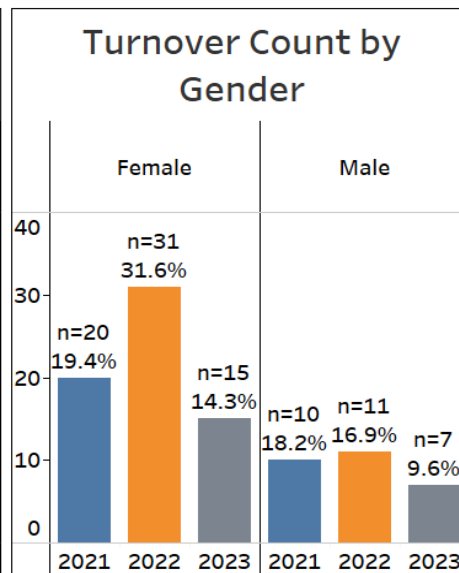
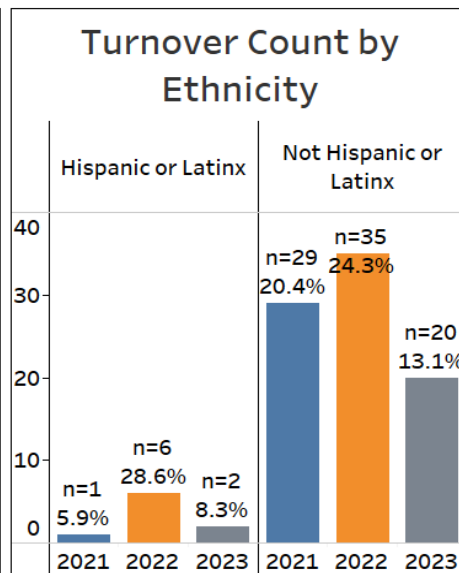
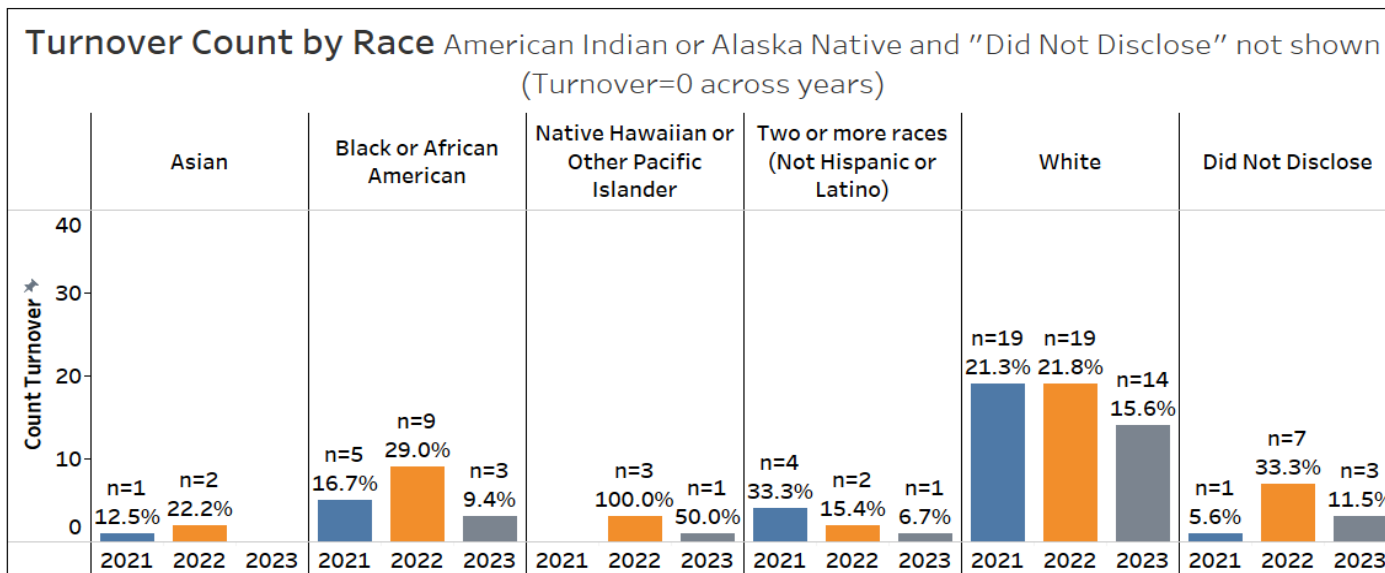
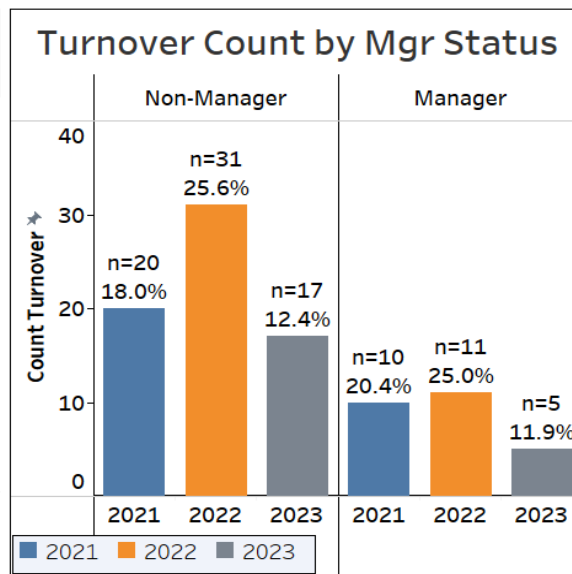
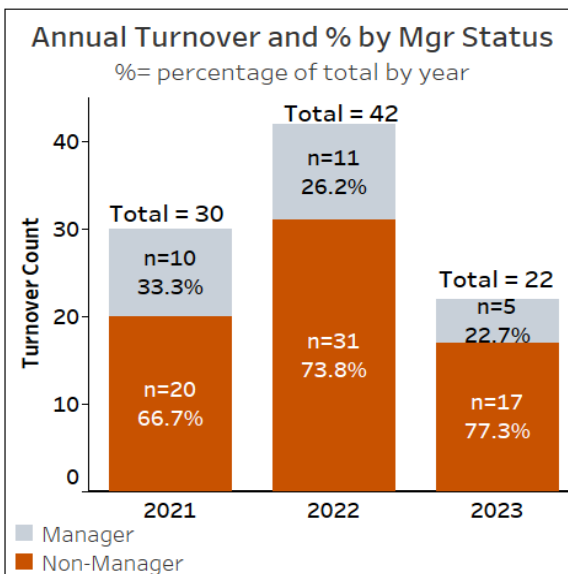
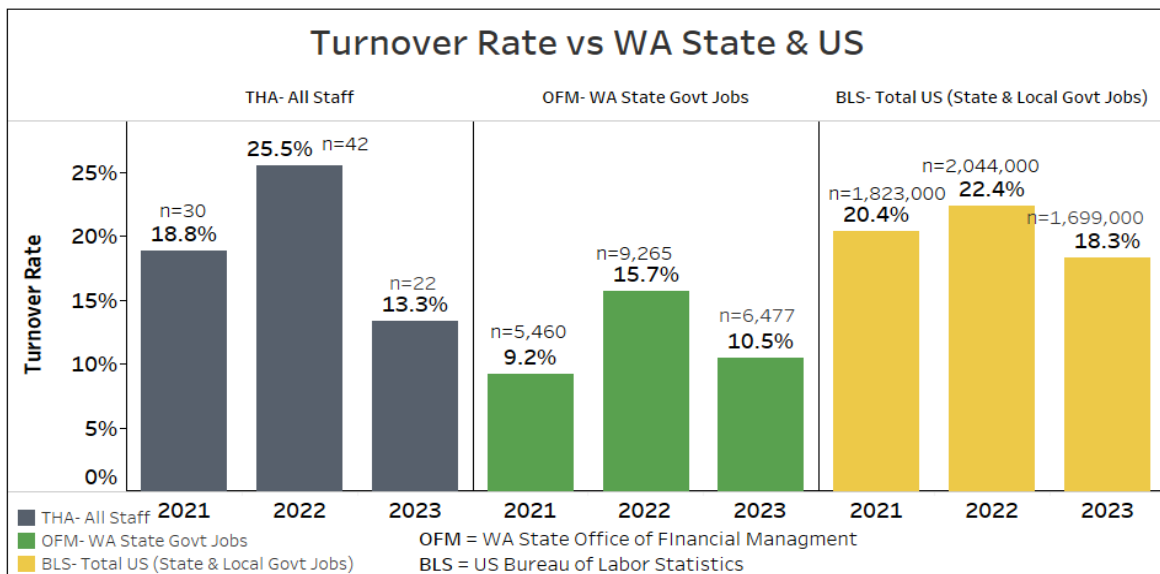
Turnover Review

Turnover goals

- ▶ THA turnover will be less than 25% and, ideally, equal to or better than state and local trends.
- ▶ We see no disparity in turnover amongst historically marginalized staff.

2021-2023 Tacoma Housing Authority Employee Turnover

In *Turnover Count* sheets, n = # group turnover, % = group turnover rate



Summary

In 2023, THA made positive progress with:

- Filling vacant positions
- Improving employee pay
- Improving staff turnover
- Diversifying the THA team

There is still work to do and we remain committed to being a great place to work.



Thank you



TACOMA HOUSING AUTHORITY

AGENCY MONTHLY REPORT



To: THA Board of Commissioners and Staff
From: April Black, Executive Director
Date: January 24, 2024
Subject: Review of 2023 Progress Toward Agency Goals

Increase the amount of available housing for low-income families		
<i>By 2028:</i>	<i>2023 Strategies</i>	<i>Progress</i>
500 newly affordable units of housing through development or partnerships.	<ul style="list-style-type: none">• Focus efforts on projects that are financially feasible and/or can be accomplished with partners.• Attempt to put project based vouchers in existing housing that is unaffordable.• Drive toward on time and on budget completion of Housing Hilltop.• Identify partners to build housing at Aviva Crossing.• Identify partners to build housing at Hillsdale Heights.	385 units fully funded and expected to be online before 2028. Added 28 project-based voucher units.
200 units purchased and/or made available to voucher holders.	Focus on partnerships that prioritize voucher holders.	35 units purchased to date
Rehabilitate or refinance at least 100 units.	Explore financing options for rehabilitating Hillside 2300 and Salishans 1-5	Currently reviewing financing options.
<i>By end of 2023:</i>		
Develop homeownership options	Explore homeownership options.	Board has approved prioritizing a portion of THA's Hillsdale Heights site for affordable homeownership.

Increase Housing Access and Stability		
	2023 Strategies	Progress
By end of 2025:		
Maintain 98% occupancy rate or higher in THA's portfolio.	<ul style="list-style-type: none"> • Hire staff to fill vacant positions • Reduce unit turn time • Reduce leasing time • Implement mitigation products and practices to reduce water damage in the portfolio 	92% occupancy rate in THA's portfolio
Develop a strategy for measuring customer success.	Create a comprehensive data system to better manage data.	In process with Yardi and Apricot conversions.
By end of 2024:		
Increase percent of households able to secure housing with a voucher from 55% to 60%.	<ul style="list-style-type: none"> • Hire Housing Navigation Specialist. • Continue Landlord Engagement. • Provide security deposit assistance. 	<ul style="list-style-type: none"> • 67.2% of total voucher households were successful. • The average time to lease a unit was 63 days.
By end of 2023:		
Maintain THA's MTW requirement to serve substantially the same number of households.	<ul style="list-style-type: none"> • Reduce staff turnover • Focus on voucher issuance and leasing • Advocate to HUD for changes in calculation of this metric 	<ul style="list-style-type: none"> • Ended 2023 at 94.2% of MTW requirement • THA housed 543 new households in 2023.
No more than 25% of households are paying more than 40% of their income for housing.	<ul style="list-style-type: none"> • Transition HOP households to HCV. • Establish a regular payment standard review schedule. • Redesign FSS and continue 2Gen. 	<ul style="list-style-type: none"> • 31.3% are paying more than 30% of their income as rent. We are no longer looking at the 40% measure.

Embed principles of diversity, equity, inclusion, & belonging (DEIB) in THA's programs, culture, & priorities		
	2023 Strategies	Progress
By end of 2025:		
Review THA policies and practices related to housing, procurement, and employment and revise them to make them more equitable.	<ul style="list-style-type: none"> HR will integrate values of DEIB into employment policies and practices. 	<ul style="list-style-type: none"> Added rich data fields for race/ethnicity, non-binary gender, pronouns, and preferred name in Yardi system. Hired a Strategic Advisor of DEIB to help move this work forward.
By end of 2024:		
Increase percentage of minority and women-owned businesses receiving contracts with THA or with THA funds.	<ul style="list-style-type: none"> Prioritize MWBE contractors in construction projects Begin collecting data on the number of disadvantaged business enterprises receiving contracts with THA. 	<ul style="list-style-type: none"> THA has centralized contracting to streamline the contracting process. Still building data collection tools for this metric.
By end of 2023:		
Increase percentage of invoices paid within 30 days from date of invoice.	Improve turnaround time between contract/invoice owner and accounts payable.	Still building data collection tools for this metric.
Review where and how we set goals related to use of Universal Design.	Audit the THA website for accessibility.	<ul style="list-style-type: none"> THA website audit complete. Hired a Strategic Advisor of DEIB to help move the remainder of this work forward.
Raise awareness and increase understanding of the foundational definitions of DEIB.	Provide training for Staff DEIB Steering Committee.	Hired a Strategic Advisor of DEIB to help move this work forward.
Develop an inclusive governance and collaboration structure and ensure THA's decision-making structures are audited through a DEIB lens.	Review The Lindsay Group recommendations for changes to THA bylaws.	Adopted changes to THA bylaws to clarify governance structure and annual audit.

Make THA a great place to work

<i>By 2028:</i>	<i>2023 Strategies</i>	<i>Progress</i>
Increase THA retention from 79% to 85%.	<ul style="list-style-type: none"> • Fill vacant positions. • Increase staff engagement. • Increase staff wages. • Improve communication. • Transition to new software systems that are easier to use. 	Achieved 85% retention in 2023
Increase number of THA residents and low-income Tacomans hired into THA jobs and THA-funded work.	<ul style="list-style-type: none"> • Host hiring events at THA properties. • Participate in employment outreach at partner events. 	<ul style="list-style-type: none"> • Hired two THA residents. • Installed computer labs at 3 THA properties. • Creating system for collecting information about low-income status of applicants.
Increase the number and percentage of THA staff earning a housing wage.	<ul style="list-style-type: none"> • Complete market analysis of wages. • Complete analysis of housing market. • Budget for wage increases. • Negotiate with both Unions. 	100% of full-time staff are earning a housing wage or greater.
Develop a strategy for measuring staff satisfaction and publish baseline data.	Work with third-vendor to complete employee “pulse” survey twice in 2023.	Two surveys conducted. Increase in employee satisfaction between the two surveys.



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: April Black, Executive Director
Date: January 24, 2024
Re: Agency Monthly Report

THA's Mission

We provide high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just.

In this report you will find our agency highlights for the month of January. The agency updates are categorized as they relate to our long-term goals:

- Increase the amount of available housing for low-income families
- Increase housing access and stability
- Embed principles of diversity, equity, inclusion and belonging (DEIB) in THA's program, culture, and priorities
- Make THA a great place to work

Every person at THA contributes to our work and is integral to fulfilling our mission. This report represents just a small percentage of the work our team does in service to our community.

We'll start this report by sharing some kind words from two THA customers—a note and a poem:

Attention: Tacoma Housing Authority

Reason for voluntary termination (optional): NO LONGER NEED. THANK YOU ALL FOR ALL YOU HAVE DONE FOR MY FAMILY AND MYSELF. I WOULD LIKE TO PASS THIS BLESSING ON TO SOMEONE ELSE IN NEED. THANKS OVER AGAIN!

The Head of Household on behalf of the family, by signing this form, is aware that the Housing Authority will stop the Housing Assistance Payment (HAP) to the owner on the 1st of the month following the tenancy termination date provided by the family. The Head of Household acknowledges that by signing this form, they give up all rights to their voucher or subsidy and will no longer be a participant in the applicable THA program. The Head of Household is also certifying that they have been made aware they are responsible to provide proper legal notice to vacate their unit to the landlord.

I authorize the Tacoma Housing Authority to withdraw my household from further Section 8 Housing Assistance effective: 1/31/24 (this date must be the end of the month as we do not prorate move outs)
THA Voucher/Subsidy Program: VASH

Title: "The Angels of Tacoma: A Tale of Love and Hope"

*Once upon a time in Tacoma town,
Where angels of love could always be found,
There stood a place for families in need,
With magical angels, indeed.*

*Noelle, the angel with a heart so bright,
She always listened, even in the night.
With understanding and a calming voice,
She made every child's heart rejoice.*

*Dana, the wise and gentle guide,
Whose words would always coincide.
She shared her wisdom, both old and new,
Helping families find the right path to pursue.*

*Cynthia, the angel strong and bold,
Her fearlessness a story often told.
She offered strength to those feeling weak,
With her, anyone could conquer any peak.*

*Miranda, the leader with a heart so pure,
Filled with love and compassion, for sure.
She guided the angels with grace and care,
Ensuring each family felt love in the air.*

*Together, these angels formed a team,
A source of hope, like a shining beam.
They helped families find a place called home,
A place where love and kindness would roam.*

*The children they met, with dreams in their eyes,
Found solace and comfort under their skies.*

*With wings of love, the angels would fly,
Bringing joy and wiping tears dry.*

*In the Tacoma Housing Authority's embrace,
Families found hope and a warm, safe space.
The angels worked tirelessly, day and night,
Spreading love and turning darkness into light.*

*So, dear child, know this story is true,
There are angels out there, just for you.
In times of need, they'll lend a hand,
Guiding you to a brighter land.*

*For the angels of Tacoma are always near,
To wipe away your worries, your doubts, and your fear.
With love and hope, they'll help you through,
For each and every dream, they believe in you.*

*Remember, dear child, you're never alone,
Because angels of love will always be known.
In your heart, you'll feel their embrace,
Guiding you with love and grace.*

*And so, the tale of the angels of Tacoma ends,
But their love and kindness will never bend.
They continue their mission, helping one and all,
Spreading love's magic, standing tall.*

*So, dream big, little one, and never forget,
Angels surround you, no need to fret.
With love as your guide, you'll always find,
A place where kindness and hope entwined.*

*The end.
And PS I Love you!!!*

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INCREASE THE AMOUNT OF AFFORDABLE HOUSING FOR LOW INCOME FAMILIES

New Units Added

THA added 75 affordable housing units to the community through a new Property Based Subsidy agreement in early January.

Housing Hilltop

Construction of the residential and commercial portions of the building are still on schedule. The South building will be delivered in July 2024 and the North building in December of 2024. Engagement with FPI (property management company) to develop and support lease up strategies/procedures continues.

The development and construction of the project is also projected to be completed within budget. We are currently trending at approximately 350k under budget. However, there is still a substantial amount of work to be completed so that number will change over the coming months.

The leasing of the commercial portion of the North building is being handled by a broker. He is currently contacting several community groups and local businesses to lease out the spaces. We are still engaged with Tupac regarding the commercial space in the South building. We have set the following goals for leasing the commercial space at Housing Hilltop:

- The commercial space is secondary to and secondary to THA's housing mission.
 - THA will attempt to maximize income and cash flow from the commercial spaces to support its housing mission.
 - The commercial spaces must be financially self-supporting and economically viable.
 - The commercial spaces pay for their proportion of the building and property management.
 - The commercial spaces generate cashflow that is adequate to fund capital improvements and some excess cashflow that flows back to affordable housing mission.
 - THA will not spend affordable housing dollars on commercial spaces or businesses.
- Mitigates displacement of small businesses in the neighborhood and Tacoma.
- Provides opportunities for minority and women-owned businesses.
- Leasing follows commercial real estate contracts process RCW 18.8, which governs real estate ethics; RCW 42.23.070 which governs the management of property that is owned by government entities; and fair housing law as it applies to commercial units in residential real estate.
- The commercial space is economically functional and returns cashflow to the building with excess flowing back to affordable housing units which is THA's primary mission.

Aviva

Design, permitting, delegation, and cost-sharing agreements for site utility work (domestic water, stormwater, electrical, and gas) are underway.

Both Mercy Housing and Koz are fully engaged with the project. This includes attending site utility meetings, THA meetings, cost share discussions, etc.

One commercial parcel has been listed, and an analysis regarding the other parcel is underway to determine the best course of action for THA. Selling, partnering with a developer, or developing by THA are all being considered.

Hillside 2300

Brawner has been re-engaged to have a fully developed rehab and financing plan in place by December 2024.

Hillside 1500

An application has been submitted to HUD to determine feasibility for a Faircloth to RAD project. Results are not expected for several months. Brawner has been re-engaged with the goal of having a full redevelopment and financing plan in place by December 2024. The development plan will incorporate the results of the potential Faircloth to RAD financing tool.

Two single-family homes adjacent to the site are being considered for potential acquisition to add additional density. However, only one homeowner is potentially interested in selling, and discussions are ongoing. Contact with the other owner will be maintained as their plans may change.

Hillsdale Heights

Currently engaged with Bridge Meadows, Reggie Brown, Habitat for Humanity, and Metro Parks on site redevelopment.

INCREASE HOUSING ACCESS AND STABILITY

The Property Management team has been working hard all year to accomplish many department goals. Early in 2023, our property, the Rise, experienced severe vandalism, resulting in a full building flood, relocation of over half the property, and months of added staffing support and rehab to the property. The department experienced several staffing changes which allowed the team to really focus on rebuilding in 2023. In addition to this, here are a few highlights. In 2023, the team completed:

- Over **10,500 work orders**.
- Over **145 unit turns**.
- Over **1,800 recertifications**. T
- Helped collect over **\$150,000 in COVID rent arrears**.

Thank you, PM team, for all your work and dedication this past year.

Rental Assistance **housed 548 new households in 2023**. Our data shows 67% of issued vouchers are being utilized and the average time to find a unit has dropped from 90 days in 2022 to 68 days in 2023.

All voucher utilization is at 94.15%. The average HAP cost continues to increase each month due to increasing contract rents. We will continue to monitor this to gauge the appropriate number of households that can be added because increased HAP could mean fewer households served.

The Housing Navigation team helped 17 households pay for applications, holding fees and deposits, increasing housing access and stability.

Yardi Conversion Update

THA worked with Yardi to compensate THA for the failure to meet the original October 2023 go-live schedule. The cause of the delay, again, was because Yardi configured the rent calculation tool incorrectly and did not discover the mistake until several weeks after our October go-live date. To address this error, Yardi has agreed to not charge THA for any additional data conversions, consulting or training that are now needed to meet the new April 2024 go-live schedule. This is a substantial concession on the part of Yardi to THA and while it does not cover internal staff costs or additional outside consulting and assistance THA needs, this does demonstrate Yardi's ownership of the issues that occurred and their commitment to the success of the project.

To support THA's new go-live schedule in April 2024, THA IT completed the last trial conversion for Yardi data in early December. The conversion appears to have gone very well and marks a continued improvement over prior data conversions. After the issues with rent calculation that caused a delay with the Yardi implementation, THA IT decided to use this extra time to further refine and improve both the data conversion process and the Yardi configuration itself with a goal of delivering a more robust implementation at go-live based on what the agency learned from its prior efforts. While the agency could have gone live with Yardi in October had it not been for Yardi's mistake with their rent calculation configuration, the extra time will not go to waste as we will have a Yardi system more thoroughly tested to better meet THA needs right out of the box. There will still be much work to do post go-live, but THA staff should have a system delivered to them that will be more effective and better tuned to their needs because of these additional efforts.

The data THA just converted will go into "Pilot 4" which will then be used for user acceptance testing (UAT). Yardi typically does not support such a process, so THA has developed its own testing scripts in collaboration with the PIE department so staff can effectively test Yardi functionality to ensure the system meets their needs. The goal of this testing is to break the system now so we can fix it in preparation for go-live.

The team is confident in the new schedule. Given that we have gone through almost the entire process already, we feel secure in what we are doing to prepare for April 2024.

Landlord-Tenant Laws: A Changing Landscape

In July 2023, the City of Tacoma updated its Rental Housing Code. In December 2023, the Measure 1 Initiative, “Tacoma For All,” now called the Landlord Fairness Code, went into effect. THA must comply with both. THA staff, with support from legal counsel, are hard at work updating leases, changing processes, training staff, and developing new documentation to be compliant with new landlord-tenant laws.

Compliance will be ongoing and complicated. Two conflicts between the Landlord Fairness Code and the Rental Housing Code surround late fees and rent increase notice periods. Additionally, we may have new state laws imposed after this year’s legislative session. Below is a comparison of the two codes. They have separate and distinct enforcement mechanisms. The Landlord Fairness Code contains no authorization for administrative enforcement, so essentially it is enforceable by private rights of action (tenants suing). The Rental Housing Code is enforced through City administrative processes. THA is particularly concerned about the inability to enforce parts of our lease during the Winter and School Year eviction bans. More detail about these changes are in the board packet as an attachment.

EMBED PRINCIPLES OF DIVERSITY, EQUITY, INCLUSION, AND BELONGING (DEIB) IN THA’S PROGRAMS, CULTURE, AND PRIORITIES

THA’s new Strategic Advisor for Diversity, Equity, Inclusion, and Belonging (DEIB) started on November 27. Priya D. Saxena (they / them) is focusing their time on learning about THA’s overall book of business, understanding the agency’s history as it relates to DEIB work, meeting with staff across the agency, and developing roles, responsibilities, and tasks that fall under this new role. Below is a snapshot of what they are currently working on.

Agency-Wide DEIB Efforts

Annual Plan

Priya will work with April and other key stakeholders within the agency to develop a plan that prioritizes actions to take in 2024. We are using the Board-adopted goals as a guide.

Organizational Guiding Statements.

Priya is working with April to explore options to refine THA’s guiding statements (mission, vision, values, and creating a social justice mission statement). According to the THA website, the current guiding statements were approved in 2013. This is a natural time in the organization’s history to ensure these statements align with agency goals and the environment in which we do our work.

Accessibility Audit

Priya is working with Ken Short on developing a scope of work and Request for Proposals for an accessibility audit of 902 and the Family Investment Center. This is also an opportunity for Priya to work with the Procurement Team on embedding DEIB principles into procurement and contracting.

DEIB Steering Committee

Priya is supporting the DEIB Steering Committee plan for their 2024 Annual Retreat. This will ideally be a one-day session where Committee members can come together to build stronger relationships, co-create Community Agreements, and begin brainstorming goals for the year.

MAKE THA A GREAT PLACE TO WORK

This month the Board will see a presentation about THA's efforts to make THA a great place to work.

Not included in that presentation is an update about THA IT Completes Cloud Migration. With the move of THA's file servers to the cloud, THA IT has completed the planned migration of almost all services to the cloud. The only remaining local services are internal authentication tools and those will be migrated in the first half of 2024. With this move, THA has built an infrastructure that is more reliable, more secure, easier to use and more flexible for our users. Largely consolidated within the Microsoft Office 365 environment, the toolset is comprehensive and cohesive, allowing far more opportunities for THA staff than were previously available. It will also allow more potential end-client flexibility, including the further deployment of bring your own device (BYOD) options which will save agency resources, or the use of Apple machines should staff prefer.

A survey of other public housing authorities shows that THA's environment is now one of the most advanced, if not the most advanced of any housing authority nation-wide while also being more cost effective. THA IT now intends to springboard off this potential by moving to other projects such as converting THA to fully digital documents and the development of a comprehensive data warehouse to better meet THA needs.

The foundation has now been completed. THA can now use that to accelerate both its service and success by being more efficient and effective.

A LOOK AHEAD: FEBRUARY BOARD FOCUS

Our February Board meeting will be focused on contracting and resident hiring.

ADVOCACY ITEMS

News from Congress

On January 18th, Congress passed legislation to keep funding HUD through a Continuing Resolution (CR) through March 1st. Like the CR in November, this is positive progress because we will continue to be funded at 2023 levels. Once the final budget is passed, it will be retroactive to October 1, 2023. This means an increase in the budget would ease our current budget constraints while a decrease would have to be made up over seven (7) months instead of twelve (12). We are watching this closely and will let you know as we know more.

State Legislative Session

A summary of the 2024 WA State Legislative Session is on the following pages.

Merger Discussions with Pierce County Housing Authority

A final recommendation not to pursue a discussion about a merger with Pierce County Housing Authority is on the following pages.



To: THA Board of Commissioners
From: Aley Thompson, Deputy Executive Director
Date: January 24, 2024
Subject: Comparison of Housing Code changes

In July 2023, the City of Tacoma updated its Rental Housing Code. In December 2023, the Measure 1 Initiative, "Tacoma For All," now called the Landlord Fairness Code, went into effect. Below is an overview of the how the codes differ.

	<i>Landlord Fairness Code / Measure 1 / Tacoma For All Effective 12/8/2023</i>	<i>Rental Housing Code Changes Effective 7/24/2023</i>
Notice for Increased Rents	Two notices required; first between 210-180 days, second between 120-90 days **Except subsidized tenancies when the administrator is notifying the tenant of a change in the tenant's portion of the total rent	120 day notice to increase rent Except subsidized tenancies and deed restricted affordable housing
Relocation Assistance	Pay relocation assistance if rent is raised 5% or more and tenant relocates Amount: 2x/2.5x/3x rent in assistance depending on the rent increase amount Does not apply to owners of four or fewer units, and other situations	No new changes, applies to substantial rehab, demolition or change of use
Fees	Late fees cannot exceed \$10 Total move in costs cannot exceed 1 month's rent Pet deposits (no fees allowed) cannot exceed 25% of rent Prohibits all other fees, unless specifically allowed under state law	Late fees cannot exceed 1.5% of monthly rent OR \$75. Pet deposits (no fees allowed) cannot exceed 25% of rent
Defense of Evictions	No school year eviction if a student or educator is in the household No winter evictions Nov 1 - April 1 *Exceptions applicable to THA - sexual harassment by tenant, drug related nuisance, waste nuisance or unlawful activity	Restricts evictions if landlord does not have a valid City of Tacoma business license

	<i>Landlord Fairness Code / Measure 1 / Tacoma For All Effective 12/8/2023</i>	<i>Rental Housing Code Changes Effective 7/24/2023</i>
Standardized Tenant Screenings		<p>Must provide rental criteria, inform of right to pay deposits nonrefundable move in fees and last month's rent in installments.</p> <p>Provide Rental Housing Code website & information</p> <p>Cannot require an SSN as the only way to conduct screening.</p> <p>No blanket ban for anyone with a felony conviction. Must consider individual assessment of the criminal history, severity and time since offense. (Can deny for pending charges or convictions in certain cases including sex offenses).</p>
Shared Housing Standards		4+ tenants in a dwelling unit must have separate leases for each habitable space, notices must be served to all tenants, and other requirements
Tenant Protection Laws Health & Safety Requirements	Landlords must comply with current Tenant Protection Laws before raising rent or evicting a tenant	
Security Deposit Assistance		<p>Security deposit, last month's rent and any nonrefundable move in fees can be paid in 6 installments (6+ month long lease). Can be 3 installments for 3-5 month leases and 2 installments for month to month.</p> <p>Unless they do not exceed 25% of the rent and last month rent is not required.</p>
Business License Requirements		<p>All landlords must be licensed and the property addresses and unit counts must be listed on the license.</p> <p>Cannot notice for a rent increase or evict without a business license</p>
Rent to Income Ratios		<p>Rent below HUD Fair Market Rent: Can require monthly gross income 3x the rent</p> <p>Rent above FMR: Can require monthly gross income 2.5x the rent</p>

	<i>Landlord Fairness Code / Measure 1 / Tacoma For All Effective 12/8/2023</i>	<i>Rental Housing Code Changes Effective 7/24/2023</i>
Changes to Lease		<p>Must list number of legal occupants (regardless of any occupancy standard)</p> <p>List uninhabitable spaces not permitted for occupancy</p> <p>Cannot deny pets based on breed unless insurance requires it (does not apply to service animals)</p> <p>Cannot assess penalties or forfeiture of deposit if tenant terminates tenancy before expiration of a minimum month-to-month rental agreement</p>
Enforcement & Penalties	<p>Penalties of at least \$500 and up to five times the monthly rent, per violation</p> <p>Tenant can sue landlord for violations</p>	



TACOMA HOUSING AUTHORITY

advocacy agenda

2024

increase the construction & rehabilitation of affordable housing

The need for increased housing affordability, stability, and units for Washington state's residents is well documented, and informed the historic investments and policy innovations in the 23-25 Legislative Session's prioritization of housing. This cannot be a one and done effort. The Legislature must continue to prioritize investments at historic levels to ensure long-term and equitable outcomes in housing, including capital funding for new construction, and policies that support these efforts.

1. Prioritize the continued robust investment in the Housing Trust Fund (HTF) for the FY23-25 Supplemental Budget
2. Support new construction with low-interest financing for private and nonprofit developers, housing authorities, and other public entities who are building workforce and affordable housing in the state (**HB 1892**)
3. Support the the Affordable Homes Act, which seeks to include another graduated tier of real estate transfer tax at the state level to provide a permanent source of revenue for the HTF
4. Expand state investment in and eligibility for the Connecting Housing to Infrastructure Program (**CHIP**)
 - Allow affordable housing developers, including Public Housing Authorities, to directly apply for this grant funding in partnership with eligible cities, counties, or utility districts
 - Ensure adequate supplemental capital budget investments are made for the program, as infrastructure needs for state prioritized affordable housing development continue to increase in cost and complexity
 - Increase the amount of the award ceiling from \$2 million to \$4 million
5. Support smart and locally prioritized Transit-oriented Development (TOD) regulations and incentives, avoiding a one-size-fits-all approach to this kind of unique partnership between housing and transit

preserve existing affordable housing stock

While we need to invest in the construction of new units to meet our needs in the next quarter century, ensuring that currently affordable housing stays affordable for its residents now and into the future should also be a priority. This includes land banking to limit real estate speculation and acquiring built units to stabilize rental increases, while ensuring that older units have capital funds to be repaired and upgraded as needed. We do need to build more affordable units, but we also need to ensure that we are not missing out on more cost-effective opportunities to stabilize and maintain affordable housing portfolios.

1. Support increased and more flexible acquisition funding for affordable housing and land banking to increase affordable housing projects, including more dedicated funding prioritizing cost-effective market acquisitions

increase affordable housing access & stability

Too many of our neighbors are cost burdened with rising costs and rental inflation, while wages and salaries remain stagnant in comparison. Providing increased access to homeownership and stabilizing rents are important to protecting the least fortunate among us from falling through the cracks. Please consider realistic and collaborative approaches to providing rental housing stability for those at risk, while recognizing that housing operating and maintenance costs, along with resident services are increasing exponentially.

1. Support robust increases in funding levels for supportive services and operations in both Permanent Supportive Housing (PSH) and other affordable housing developments
2. Continue efforts to enable increased affordable homeownership opportunities in the state, including continued support for the Covenant Homeownership Act and efforts to ensure it is successful
3. Work with housing stakeholders to address the increasingly unsustainable insurance premium and deductible costs on housing provider portfolios

on the horizon: THA projects & priorities

1. THA and the Association of Washington Housing Authorities (AWHA) are sponsoring a proviso to provide additional capital funding for the Washington State Housing Finance Commission (WSHFC) supporting new direction and flexibility for local acquisition of land and housing units to stabilize rents and create more long-term affordability in our communities
2. Support investment in the state's youth, by creating the **Washington Future Fund** to facilitate homeownership, entrepreneurial endeavors, or post-secondary educational attainment (**SB 5125**)
3. Advocate for progressive revenue that will ease the burden on low-income and working households, adequately fund affordable housing and homelessness programs, and make our economy more resilient in the long-term





To: THA Board of Commissioners and THA Staff
From: April Black, Executive Director
Date: January 24, 2024
Subject: Update on PCHA Merger Discussions

Over the past several months, a third-party consultant, JH Brawner & Co, has been working with THA and Pierce County Housing Authority (PCHA) to analyze the benefits and pitfalls of a potential merger.

Since early 2021, THA's Board and Leadership have held the following values in this conversation:

- THA is open to discussions about how the two housing authorities can better collaborate to provide high-quality housing and services to THA and PCHA customers;
- THA is not open to a discussion about a merger if: (1) it would in any way weaken THA's operational capacity, (2) require THA to take on unnecessary debt, or (3) put THA's Moving-to-Work authority at risk.
- No merger discussions will occur without the full support of Tacoma's Mayor and THA's Board.

Based on the information outlined below, **THA is not recommending a merger with PCHA:**

- THA and PCHA have differing agency priorities and values.
- There is a significant difference in value between the THA and PCHA vouchers. PCHA provides more subsidy to each family they serve. Aligning the two programs upon a merger would not be financially viable.
- PCHA has taken steps to set a long-term financing and staffing plan. With these plans, the PCHA Board and staff are focused on their standalone agency plans and any further discussion of a merger would be unwelcome.

Fuller details on the reasons for this recommendation are in the following memo.

1. Brawner Merger Analysis

1.1. Opportunities for saving

The analysis (attached) found there is an opportunity to realize \$1.5 to \$6M per year. Most of this is attributable to THA's Moving-to-Work authority that has allowed THA to make program changes that lower its voucher costs. These program changes include:

- Removal of utility reimbursement payments to program participants. This means THA does not provide checks to program participants if their estimated utility payments exceed their income based rent contribution. This change was primarily made because low income households have the opportunity to apply for separate utility assistance programs.
- A simplified utility schedule that results in lower rent "credits" for utility expenses. This change was made to make it easier for tenants and landlords to estimate THA and tenant rent contributions.
- A simplified occupancy standard that provides subsidies based on a calculation of 2 people per bedroom. This change was made to save money and more closely align with the choices households were making in the private market. THA does not tell households where they should sleep in their housing unit and does not prohibit households from renting units larger than their voucher size.

Additionally, THA conducts a thorough semi-annual analysis of the local rental market and the experience of its voucher holders. This analysis informs the maximum subsidy THA will pay, or its payment standard.

On average, THA pays \$204 less per household than PCHA.

1.1. Opportunities to serve more households

The analysis showed that under the conditions that existed in August 2023, we could have housed 583 additional households with the cost savings that would have resulted from a merger.

2. Differences in agency priorities

The PCHA and THA leadership teams met on October 18th to review the results of the third-party analysis. It became evident during that meeting that the two agencies are not aligned in their values and priorities.

THA has placed a value on:

- Increasing the amount of available housing for low-income families
- Increasing housing access and stability
- Embed principles of DEIB in THA's programs, culture, and priorities; and
- Make THA a great place to work

THA has driven toward these values by:

- Using data in our decision-making.
- Creating savings in the voucher program so we can serve more households.
- Creating a goal to have families pay no more than 40% of their income toward rent.
- Investing in agency infrastructure to support THA's customers and staff.
- Paying staff a housing wage.

PCHA's values are not as clear. However, during our meeting PCHA leadership articulated their priorities as:

- Maintaining high payment standards so voucher shoppers can find housing more quickly. (This means paying more for each voucher rather than serving more people)
- Minimizing the percentage of household income being paid toward housing. (Again, this means paying more for each household rather than serving more people)
- Maintaining low overhead.
- Maintaining staff wages where they currently are, well below a housing wage.

3. Payment Standards

Shortly before the merger analysis was completed, HUD released in 2024 Fair Market Rents (FMRs). Housing authorities use FMRs to set its payment standard, or the maximum an agency will pay in housing subsidy for a household. Housing authorities are expected to set payment standards at 90-110% of the FMR. Housing authorities are expected to examine internal and market data before recommending changes to their payment standards.

THA

In Fall 2023, THA's Policy, Improvement & Evaluation Department staff concluded THA's semi-annual Payment Standards Analysis. The goal of this analysis is to ensure that we serve our customers well. We evaluate data, including rent burden, voucher success, vacancy rates, and market rents, to determine how well our customers are faring. This process helps inform and assist us in making decisions that align with our agency's goals and ensure we are not leading the market. We aim to reduce rent burden, increase housing choice, reduce unplanned relocation, and increase housing success while meeting our Moving-to-Work Substantially the Same requirement and maintaining a balanced budget.

Based on this year's analysis, we believe our customers are faring well in the market for several reasons.

Rent Burden

- Median rent burdens are decreasing.
- The percentage of households paying more than 30% of their income to rent is decreasing across all programs (down 15%).

Voucher Success

- Rates of voucher success appear to have decreased when compared to the same period last year.
- Median shopping days among households which were successful leasing up decreased when compared to the same period last year.

Rent Comparisons

- Payment Standards increased at a much faster rate than average market rents from 2022 to 2023.
- Overall, New Contract Rents (new and existing customer rents) are significantly below HUD's FMRs. 2-bedroom units are 25% below FMRs.
- HUD FMRs are increasing at an increasing rate for 2024, which seem to match THA New Contract Rent increases somewhat.
- Therefore, following the HUD FMR methodology change may need to be evaluated in comparison to THA Contract Rents later in 2024 with future analyses

These indicators provide the evidence to recommend maintaining the payment standards that went into effect in January 2023.

4. Changes in PCHA Staffing

As part of their succession planning, PCHA has hired its next Deputy Executive Director. Tamara Meade was selected for this position. She is a long-term PCHA staff member, and she currently leads the PCHA Voucher department. Tamara's values and priorities align with the other management team members who oppose a merger.

Conclusion

The difference in payment standards would preclude a merged housing authority from operating a single voucher program. Trying to merge with the differences in the two voucher programs would be potentially financially destabilizing for PCHA customers or THA.

PCHA has made staffing decisions that indicate long-term independence as an agency. This, partnered with the PCHA Board and leadership team's vocal disinterest in merging, indicate any further discussion of a merger would be unwanted and blocked. THA does not have an interest in forcing this discussion.

While THA is not recommending a merger at this time, we learned a lot through this process. We learned there are ways THA and PCHA can work more closely together in service to our customers.

We do not plan to analyze this matter any further. If there is a change in PCHA Board and staff leadership that results in more interested in setting policy priorities for the agency that are more aligned with THA's we would be open to revisiting a discussion.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



RESOLUTION 2024-01-24 (1)

Date: January 24, 2024

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Executive Director approval to sign Nims & Associates Contract for Yardi Consulting

This resolution is to approve Tacoma Housing Authority's Executive Director to execute a contract with Nims & Associates for the 2024 budgeted funds for the Yardi Conversion.

BACKGROUND

On March 23, 2022, THA Board of Commissioners approved Resolution 2022-03-23 (1) which authorized THA's Executive Director to execute a contract with Wise Consulting for the Yardi conversion. THA didn't fully utilize the value previously approved.

On November 8, 2023, THA Board of Commissioners approved Resolution 2023-11-08 (4) for THA to enter into an Interlocal agreement with King County Housing Authority in order to rely on KCHA's formal procurement of a consultant to assist THA with the Yardi software conversion.

THA recommends entering into a contract with Nims & Associates for costs associated with the Yardi conversion not to exceed \$500,000.00.

RECOMMENDATION

Approve Tacoma Housing Authority's Executive Director to sign a contract with Nims & Associates.



RESOLUTION 2024-01-24 (1)

(Executive Director approval to execute Nims & Associates Contract)

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

WHEREAS, Tacoma Housing Authority approved the expenditure for Yardi Consulting services in the 2024 budget; and

WHEREAS, on March 23, 2022, THA Board of Commissioners approved Resolution 2022-03-23 (1) which authorized THA's Executive Director to execute a contract with Wise Consulting Services; and

WHEREAS, on November 8, 2023, THA Board of Commissioners approved Resolution 2023-11-08 (4) for THA to enter into an Interlocal agreement with King County Housing Authority to rely on KCHA's formal procurement of Nims & Associates; and

WHEREAS, THA recommends entering into a contract with Nims & Associates for costs associated with the Yardi conversion; and

WHEREAS, THA is still within the Yardi implementation budget; now, therefore, be it

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

Approve THA's Executive Director to execute a contract with Nims & Associates not to exceed \$500,000.00.

Approved: January 24, 2024

Dr. Minh-Anh Hodge, Chair

Resolution 2



RESOLUTION 2024-1-24 (2)

Date: January 24, 2024

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Heritage Bank \$2 million Line of Credit.

This resolution would change the interest rate index from LIBOR to the Wall Street Journal Prime Rate and extend the maximum maturity date for the existing \$2 million Taxable Revolving Line of Credit Revenue Note, 2014, with Heritage Bank.

BACKGROUND

On December 17, 2014, the Board approved Resolution 2014-12-17(4) authorizing the Executive Director to set up a \$2 million line of credit with Heritage Bank for short-term needs (under one year) without directing any particular use of the line of credit. The initial maturity date of the line of credit was October 31, 2015.

The resolution authorized the Executive Director to extend the maturity date of the Note up to October 31, 2024, as well as modify the interest rate for the Note based on the LIBOR Note Rate (LIBOR plus 2.50% per annum, as long as the modification does not cause the Note to bear interest at a rate in excess of 5% per annum.

On December 12, 2018, the Board approved Resolution 2018-12-12(4) authorizing the Executive Director to execute documents increasing the “not to exceed” LIBOR Note Rate for the \$2 million line of credit from 5% per annum to 10% per annum due to changing market rates.

Banks have discontinued the LIBOR note rate index, and it is being replaced with other index rates, such as the Secured Overnight Financing Rate (SOFR) and the Wall Street Journal (WSJ) Prime Rate index. The WSJ defines its Prime Rate as the “base rate posted by at least 70% of the nation’s largest banks”.

Heritage Bank uses the WSJ Prime Rate index and defines its Prime Note Rate as the WSJ Prime Rate minus 0.65% per annum.

RECOMMENDATION

Approve Resolution 2024-1-24 (2) authorizing the Executive Director to execute documents modifying the Note interest rate index from the LIBOR Note Rate to the Wall Street Journal Prime Note Rate index, not to exceed 10% per annum, and authorizing the Executive Director to extend the maturity date of the Note up to October 31, 2034.



RESOLUTION 2024-1-24 (2)

Amendment to note rate index and maximum maturity date for the \$2 million Heritage Bank Taxable Revolving Line of Credit Revenue Note, 2014

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 housing for low-income persons residing in the City of Tacoma, Washington; and

WHEREAS, on December 17, 2014, the Board approved Resolution 2014-12-17(4) approving an unsecured line of credit of \$2 million with Heritage Bank and authorizing the Executive Director to extend the Maturity Date through October 31, 2024; and

WHEREAS, on December 12, 2018, the Board approved Resolution 2018-12-12(4) approving increasing the cap of the interest rate to 10% per annum on the LIBOR Note Rate to accommodate changing market conditions; and

WHEREAS, banks no longer use the LIBOR rate index, and Heritage Bank defines its Prime Rate as the Wall Street Journal Prime Rate, minus 0.65% per annum; and

WHEREAS, the Authority continues to have a need to use the Taxable Revolving Line of Credit Revenue Note, 2014, beyond the maximum maturity date of October 31, 2024; now, therefore, be it

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

The Executive Director is authorized to execute documents allowing Heritage Bank to modify the Note interest rate index used to determine Heritage Bank’s Prime Rate from the LIBOR Note Rate to the Wall Street Journal Prime Note Rate index to where any modification does not cause the Note to bear interest at a rate in excess of 10% per annum as of the effective date of such modification.

With the consent and approval of Heritage Bank, the Executive Director is authorized to extend the then-current Maturity Date of the Note to any date on or before October 31, 2034.

Approved: January 24, 2024

Dr. Minh-Anh Hodge, Chair

Resolution 3



RESOLUTION 2024-01-24 (3)

Date: January 24, 2024

To: THA Board of Commissioners

From: April Black
Executive Director

Re: LASA Transfer

This resolution would authorize the Executive Director to negotiate and execute the transfer of the physical and financial assets and debt associated with Prairie Oaks to LASA's ownership.

BACKGROUND

In 2014, THA developed a 15-unit, permanent supportive housing apartment building on land owned by LASA. The Department of Commerce issued a 40-year recoverable loan on the project.

The partnership's intent was to transfer the permanent supportive housing units to LASA ownership in year 10.

In November 2023, THA met with the department of commerce regarding potentially transferring the property. The Department of Commerce will transfer the loan and the property's affordable housing covenants to LASA. Key elements of the transfer include LASA qualifying to be the new provider/operator of the affordable housing units; appraising the property so the deed can be transferred to LASA and transferring the debt to the new ownership.

Since November, THA and LASA staff have conducted their due diligence together. We assessed whether the parties would meet the requirements to transition this property and the debt from THA to LASA. The teams have conducted preliminary activities required for the Department of Commerce's transfer application.

The teams are now assembling the approvals and documents from their respective organizations.

- In December 2023, the Board of directors of the Prairie Oaks Condominium association affirmed a desire to transfer ownership to LASA upon THA's approval. The Board of directors includes LASA's executive director and two Board members. Also on the Board is Aley Thompson, THA's deputy executive director, and Ken Short, THA's director of asset management and real estate development.
- LASA appraised the property and is verifying LASA's provider qualifications under the Department of Commerce.
- THA's Board will hear a resolution in January.
- LASA's Board will vote on their resolution at their January 24 Board meeting.
- THA and LASA will jointly prepare the draft transfer application.
- The Department of Commerce has given soft verbal support for a transfer and loan recast.

RECOMMENDATION

The THA leadership team recommends the transfer of Prairie Oaks to LASA in 2024 for the following reasons. The property has struggled to cashflow primarily because of the small unit count and type of property. Prairie Oaks is a permanent supportive housing (PSH) property which falls outside THA's scope and LASA specializes in permanent supportive housing. PSH properties are extremely difficult to insure, and the premiums are prohibitive. THA's insurance premiums are a burden to the cashflow for the property and for the organization. LASA's operational model will be more cost effective and help to offset the cashflow challenges. The property is located outside of THA's jurisdiction. THA has the burden of maintaining a Board for the property.

Approve Resolution 2024-01-24 (3) authorizing the Executive Director to facilitate, negotiate and execute the transfer physical and financial assets, and debt associated with Prairie Oaks to *LASA's ownership*.



RESOLUTION 2024-01-24 (3)

(LASA Transfer)

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

WHEREAS, a resolution authorizes THA's Executive Director to facilitate, negotiate and execute the transfer physical and financial assets, and debt associated with Prairie Oaks to LASA; and

WHEREAS, the partners, THA and LASA support the transfer of the 15 Prairie Oaks permanent supportive housing building to LASA to own and operate; and

WHEREAS, THA desires to transfer the building to LASA at no cost to LASA except for fees associated with closing and the transfer process; and

WHEREAS, THA desires to transfer the debt and property and financial assets associated with Prairie Oaks to LASA; and

WHEREAS, LASA desires to receive all financial and property assets related to Prairie Oaks; and

WHEREAS, LASA desires to operate Prairie Oaks according to the uses prescribed in the Dept. of Commerce's use covenants, now, therefore be it

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

THA's Executive Director is authorized to negotiate and execute the transfer of the physical and financial assets and debt associated with Prairie Oaks to LASA's ownership.

Approved: January 24, 2024

Dr. Minh-Anh Hodge, Chair

Resolution 4



RESOLUTION 2024-01-24 (4)

Date: January 24, 2024

To: THA Board of Commissioners

From: April Black
Executive Director

Re: RBC Exits Salishan 4, 5, and 6

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to engage a consultant to establish an exit structure and prepare an offer to buy back RBC's partnership interests in Salishan 4, 5, and 6 in 2024.

BACKGROUND

The compliance period for Salishan 4 and 5 expired 12-31-2023. The compliance period for Salishan 6 expires on 12-31-2024. RBC, the investor in the partnership, notified THA that they are looking to exit the partnerships for Salishan 4, 5, and 6. RBC proposed that they sell their LP interest to the partnership.

Purchase Price – RBC let us know that since this LLLP has a right of first refusal clause in it, RBC expects to receive a nominal purchase price offer for the LP interest in each partnership. Additionally, there will be a \$7,500 disposition fee and outstanding Asset Management Fee balances to pay at the time of closing.

Timing: THA would like to exit in 2024. Closing times vary between 30 days up and 9 months. Some factors that impact the timing include:

- RBC obtaining the consent of the Limited Partners. We expect the limited partners for Salishan 4 and Salishan 6 to return consents in 30 days. The limited partner for Salishan 5 is expected to return consent within two weeks.

- THA obtaining required agency and/or lender consents required for the dispositions.
- THA obtaining any of the 3rd party approvals required in the loan documents. For example, if there are HUD financing or subsidy it may require HUD's approval which is taking close to 6 months to receive.
- The availability of attorneys to negotiate the exit documents.

Preparation: THA will need to provide a broker's opinion of value for each limited partnership, budget expenses, hire legal counsel, and prepare a written offer to buy back RBC's interest.

RECOMMENDATION

The directors of finance and asset management and real estate develop recommend that THA buy back RBC's partnership interests in Salishan 4-6. It is a priority to exit the partnership in 2024 for the following reasons. THA gains full benefit of cashflow. With the compliance period over, RBC has the option to sell its interest to another investor. It's to THA's advantage avoid another partner and gain 100% ownership of the physical and fiscal assets of these properties.



RESOLUTION 2024-01-24 (4)

(RBC Exits Salishan 4, 5, and 6)

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

WHEREAS, this resolution authorizes THA's Executive Director to engage a consultant to establish an exit structure and prepare an offer to buy back RBC's partnership interests in Salishan 4, 5, and 6 in 2024;
and

WHEREAS, RBC desires to sell its partnership interests in Salishan, 4, 5, and 6 at the end of the compliance periods; and

WHEREAS, THA can buy back the partnership interests; and

WHEREAS, THA would gain 100% ownership of the physical and fiscal assets of these properties;
and

WHEREAS, THA would gain full benefit of cashflow; and now, therefore, be it

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

This resolution authorizes THA's Executive Director to engage a consultant to establish an exit structure and prepare an offer to buy back RBC's partnership interests in Salishan 4, 5, and 6 in 2024.

Approved: January 24, 2024

Dr. Minh-Anh Hodge, Chair

Resolution 5



RESOLUTION 2024-01-24 (5)

Date: January 24, 2024
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Koz Sale

This resolution would approve the adjusted sales price of James Center North / Aviva Crossings lot 1 to Koz Development.

BACKGROUND

On October 27, 2021, the THA Board of Commissioners approved resolution 2021-10-27 (2) which authorized the Executive Director to negotiate and execute a Purchase and Sale Agreement (PSA) with Koz Development for lot 1 at James Center North / Aviva Crossings.

Following this approval, the Executive Director negotiated a purchase price of \$1,250,000 for the 45,638 square foot lot. The lot was subsequently reconfigured and boundary lines were adjusted which resulted in a reduction of the Koz lot down to 36,607 square feet. Based on the reduction in the size of the lot, the sales price should be reduced to \$1,002,667.

Aviva / Koz Purchase Price			
Original Sq Ft	45,638	Original Cost	1,250,000
Size Reduction	(8,901)	Size Reduction	(243,794)
Street Reduction	(130)	Street Reduction	(3,561)
Revised Sq Ft	36,607	Revised Cost	1,002,646

RECOMMENDATION

Approve Resolution 2024-01-24 (5) authorizing the adjusted sales price of James Center North / Aviva Crossings lot 1 to Koz Development.



RESOLUTION 2024-01-24 (5)

(Koz Sale)

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

WHEREAS, on October 27, 2021, the board approved resolution 2021-10-27 (2) which authorized the Executive Director to negotiate and execute a Purchase and Sale Agreement (PSA) with Koz Development for lot 1 at James Center North / Aviva Crossings; and

WHEREAS, resolution 2021-10-27 (2) referenced a Koz Development purchase price of \$1,250,000, the lot size and price have now been reduced; and

WHEREAS, a resolution authorizes THA's Executive Director to finalize the Koz Development Purchase and Sale Agreement (PSA) lot 1 at James Center North / Aviva Crossings at the revised price; now, therefore, be it

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

THA's Executive Director is authorized to negotiate and execute the transfer of the physical and financial assets and debt associated with Prairie Oaks to LASA's ownership.

Approved: January 24, 2024

Dr. Minh-Anh Hodge, Chair