



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2012-12-14 (2)

**Date:** December 14, 2011  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Fiscal Year 2012 Agency Budget

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By this resolution, the Board would adopt a THA budget for fiscal year 2012. (You may recall that our fiscal year now coincides with the calendar year.)

Each year THA prepares a budget for the upcoming fiscal year. The Annual Budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The overall agency budget is based on individual department expense budgets for management purposes, with the expectation that each department director will manage and control their department budget in accordance with Federal, State and Local regulations. The budget also denotes strategic choices.

The budget outline is on the attached Chart. This final budget proposal resembles the evolving drafts the Board has been reviewing for the last several meetings. It is, in fact, the same proposal that the Board reviewed at its study session on December 2<sup>nd</sup>.

I am very pleased to present this budget proposal to the Board. It reflects some very good work and discussion among staff and the Board that began in the Spring. And it leaves THA in good shape to continue as an effective and lively public housing authority serving its city in innovative ways, while leaving money for investments to make us still stronger.

### SUMMARY

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

- The budget identifies notable savings and efficiencies within THA's operations, but leaves us with an adequate capacity to operate at a high level of performance. Overall, we are doing without ten (10) positions. This is about a 10% reduction. All but two of these positions are vacancies that we will leave unfilled. We starting leaving vacancies unfilled in the Spring in anticipation of these budget

challenges. I am pleased that, as a result, we have spared ourselves the notable layoffs occurring in other local public agencies, including PHAs.

I am also grateful for the Board's interest, expressed at the Study Session, to review our capacity during the year to see if we left our operations too lean.

- The budget continues significant investments in THA's operational capacity in other ways, such as asset management, the digital dashboard and a redo of the first floor of our administrative building.
- The budget also invests in THA's financial future. For example, it allows for up to \$1.7 million for investments in property or other financing that we will now seek out for the purpose of increasing THA's source of non-federal money.
- The budget leaves THA with lowered but adequate reserves. For each type of reserve, we have identified a minimum amount that we need, and an optimal amount. We do not want too little or too much. This budget leaves us at the optimal levels.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather the current budget challenges. Next year, when we write the 2013 budget, we will likely be grateful for the caution built into this year's budget.

## **PRINCIPLES THAT GUIDED THE BUDGET CHOICES**

The Board may recall the principles we used to begin this budget discussion earlier this year. I summarize them here. They served as well.

- **Projecting THA's HUD Income Using the House of Representatives' Numbers**  
We began by presuming on the lower budget numbers from the proposals of the House of Representatives. Doing this put us in better shape to manage the appropriation levels in the final budget that the President signed. They were still steep cuts but not as deep as the House proposal would have made.
- **Looking Ahead to FY013 and Beyond: A Mixed Picture**  
Our spending decisions depend in part on what we expect by way of income and expenses over the next several years. For example, if we believe we are on a downward long term trajectory then we should be more cautious spending reserves. If we believe that our income and expenses will not worsen beyond FY012 levels and perhaps improve beyond that, then we can use reserves with more confidence. THA's forward picture is mixed. On the one hand, I propose that we do not presume on better HUD funding in FY013 or beyond. However, we anticipate substantial increased savings from program changes we have

already chosen. We will not realize all of those savings until FY013. We will estimate these 2013 savings.

- **Spending Reserves on Recurring and Non-Recurring Expenses**  
We should be cautious about spending reserves on recurring operational expenses. At the same time, it is important to adequately staff our core functions. Spending reserves on activities on worthy non-recurring activities may be a better use of reserves.
- **Spending Reserves on Activities That Save or Earn THA Money, That Make Us More Effective or That Protect From Future HUD Reserve Sweeps**  
The best use of reserves is to fund activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective; (iv) complying with HUD's directive to reduce PH operating reserve balance to the 4 month level.

### **SOME BUDGET DETAIL**

The accompanying chart and documents show the budget in detail. Here are some highlights:

- **HUD Public Housing Operating Fund Offset:**  
In order to comply with HUD's reduction of Operating Subsidy to offset "excess reserves" THA is designating a reserve appropriation of \$431,800 to cover the offset portion.
- **Interest on the Citibank loan for Area infrastructure**  
\$1.8 million of the original \$3.3 million dollar THA guarantee remains. Payment of interest on the loan reduces the guarantee. THA will draw \$300,000 on the guarantee to pay for 2012 interest payments.
- **Community Services grants**  
THA received funds up front in previous years for specific grants facilitated by Community Services. \$64,400 is budgeted to be used in FY 2012.
- **Investments**  
This budget allows for up at least \$1.7 million for investments, such as property purposes or loans to Hillside Terrace.
- **Hillside Terrace Redevelopment**  
This budget, I am very pleased to confirm, includes the redevelopment of Old Hillside Terrace. This affects the expense side by setting aside about \$3.5 million for that project. Much of this amount includes grants we received for the purpose and cannot spend on other uses. The budget also includes anticipated revenue from the project, including \$480,000 of developer fee.

- **Renovation of 902 South L, 1<sup>st</sup> Floor**  
We included \$400,000 for the renovation to our administration building for safety and efficiency reasons.
- **Use of MTW flexibility**  
Due to our MTW flexibilities, we are combining our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. We will use this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs to carry out the mission of the MTW Demonstration Program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act.

Even with this flexibility, we will continue to budget at a programmatic level, but we will use the funds interchangeably as needed to fulfill our affordable housing mission.

Due to this flexibility we are including funds spent on capital improvements from the Capital Fund program as part of our income (line 7), and expenses (line 55). This is a change from FY 2011.

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

●	MTW Reserves	\$ 5,580,000
●	Business Activities (Non-MTW) reserves	\$ 2,726,000
●	Citibank Guarantee	\$ 1,500,000
●	Salishan lot sale additional set aside	<u>\$ 2,400,000</u>
		\$12,206,000

## NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones built into this proposal.

- **Congressional Appropriation: HR 2112**  
The main assumption arises from our interpretation of the appropriation levels set forth in the HUD budget that Congress passed on November 1<sup>st</sup>. The bill number is HR 2112. We will not know for sure what it means for us until it works its way through HUD's complicated funding formulas. In the meantime, we rely on our understanding of those formulas, aided by informed advice from HUD, CLPHA and NAHRO. Part of the uncertainty arises from vague budget language that gives the HUD Secretary wide discretion.

We judge as follows:

*Low Income Public Housing – Operating Subsidy*

We will get 95% of what full funding of public housing operations would mean for us, minus an additional offset of “excess reserves” as determined by HUD. This appears to be an aggregate pro ration of about 68%. We are allocating \$431,800 from reserves to cover this loss.

*Housing Choice Voucher Housing Assistance Payments*

Even though HUD funding for MTW vouchers is supposedly set at 100% of 2011 funding, it is possible that THA will receive a lower percentage due to “rebenchmarking of Non-MTW Housing Authorities”, and other set asides. This is somewhat complicated. As a measure of caution and to account for the possibility that we do not fully understand it all, we are not presuming on 100%. Instead, our budget proposal assumes 97.5% pro-ration for FY 2012.

*Section 8 Administrative Fees*

THA is assuming it will receive 75% of full funding to run the voucher program.

*Capital Fund*

The budget includes a \$695,400 transfer of funds from the CFP program to the Moving to Work program.

- **Housing Occupancy Rates**

The rental income for our LIPH and Local fund (Wedgewood, Stewart Court, Alaska 9 Homes, and North Shirley) properties is based on the September 2011 rent roll and assumes 97% occupancy.

- **HAP Savings**

With our changes in our occupancy standards, minimum rents and the elimination of utility reimbursement checks to our tenants, this budget estimates a savings of approximately \$1,000,000 in HAP for FY 2012 from 2011, with an additional \$600,000 in savings in FY 2013.

- **Wages and Salaries**

Due to the serious reductions in HUD funding, this budget assumes no raises for any staff. Also, at my request, it includes a five percent reduction in the executive director’s salary.

- **Employee Benefits**

Benefits were calculated based on the following assumptions:

*Health Care benefits*

Laborers trust for our maintenance staff has a 5% increase effective July 1<sup>st</sup>. We are calculating a 15% increase for benefit increases for the remainder of the staff effective January 1<sup>st</sup>. It is anticipated with working with our brokers, and

charging the employee a higher portion of the benefits we will come in at an approximate 10% increase.

*Dental*

No increase budgeted for dental in 2012.

*Retirement*

Washington State employer portion of retirement plan remains budgeted at the current 7.25% level. When the 2011 budget was prepared in June 2011, this amount was 5.29%

Benefits, on average, are now 42.05% of salary dollars. The main increase has been health care costs.

- **Salishan Area 3 Lots Interest Payment to Citibank**  
The budget includes interest payments for the Salishan Area 3 lot bond issue with Citibank as an operational cost for this budget. The payments we make to Citibank will continue to reduce the \$1.8 million pledge.
- **Hillside Terrace**  
The budget assumes that we will be receiving Tax Credits for the redevelopment of the 104 Hillside Terrace Public Housing units, and receiving an initial developer fee of \$480,000 for the project in FY2012.

**Recommendation**

I recommend that the Board adopt Resolution 2011-12-14 (2) to formally approve THA's Fiscal Year 2012 Annual Budget.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2012-12-14(2) FISCAL YEAR 2012 ANNUAL BUDGET

**Whereas**, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2012; and

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

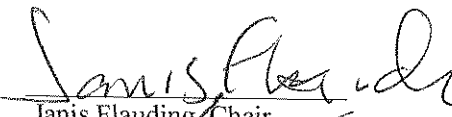
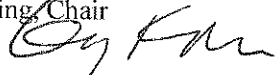
**Whereas**, Authority staff has prepared and the the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2012 annual budget,

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2012 Agency wide budget. The HUD required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board of Commissioners hereby authorizes the Executive Director to implement and execute said budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	530,509
Human Resources	305,713
Finance	842,639
Administration	993,005
Community Services	1,525,339
Development	2,228,600
Rental Assistance	34,261,882
Property Management	<u>6,858,377</u>
Subtotal	47,546,064
<u>Additional Cash Outflows</u>	
Capital Expenditures	10,628,521
Debt Service	<u>506,465</u>
Subtotal	11,134,986
<b>TOTAL APPROVED BUDGET</b>	<u><b>58,681,050</b></u>

Approved: December 14, 2011

  
Janis Flauding, Chair  




Attachment A

BOARD OF DIRECTORS DECISION POINTS: THA FY012 BUDGET  
December 2, 2011



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



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

1. CUTS AND EFFICIENCIES FOR FY012:

Cuts and Efficiencies	Amount of Savings			Comments
	Staff Positions			
	Unfilled Vacancies	Layoffs	Total	
a. Senior Project Manager - Development		1	1	\$111,000 Effective November 1, 2011
b. Manager - Property Management	1		1	\$65,000 Department Restructuring
c. Site Assistant - Property Management	2		2	\$90,000 Department Restructuring
d. Maintenance Specialist	1		1	\$55,000 Department Restructuring
e. Leasing & Occupancy Specialist - Leasing	1		1	\$60,000 Department Restructuring
f. Homeownership Specialist		1	1	\$60,000 Funding ends 12/31/11. 2012 funding not yet secured.
g. Accounting Specialist	1		1	\$60,000 Salishan - Left open when employee departed.
h. MTW Caseworkers			2	\$120,000 Scheduled in MTW analysis. Left vacant due to funding challenges for 2012.
i. HAP savings due to Occupancy Charges and Minimum rents and elimination of utility payments to tenants				\$1,000,000
j. Benefit savings to offset totals over budgeted 15% increase				Unknown at this time.
<b>Totals</b>	<b>8</b>	<b>2</b>	<b>10</b>	<b>\$1,621,000</b>



5. AVAILABLE RESERVES

Type/Purpose of Reserves	Projected Reserves 12/31/11
MTW Reserves <sup>2</sup>	\$ 5,500,000
Business Activities (Non-MTW) reserves	\$ 2,800,000
Citibank Guarantee	\$ 1,800,000
Sailshah Lot Sale additional set aside	\$ 2,400,000
<b>Totals</b>	<b>\$ 12,500,000</b>

Minimum necessary and Optimal Reserves

	Minimum	Optimal	Amount to Reserve
	\$ 2,582,000	\$ 4,597,000	\$ 4,597,000
	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000
	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000
	\$ 7,982,000	\$ 10,497,000	\$ 10,497,000

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Amount of reserves available to use in FY012
\$ 903,000
\$ 800,000
\$ 300,000
\$ -
\$ 2,003,000

<sup>2</sup>MTW Reserves

Section 8 HAP

Section 8 Administrative Expenses

PH AMP 1 - 6 Expenses

Annual Amount	Minimum		Optimal	
	Period	Amount	Period	Amount
\$29,035,000	1/2 month	\$ 1,210,000	1 month	\$ 2,420,000
\$3,141,000	2 months	\$ 524,000	4 months	\$ 1,047,000
\$3,390,000	3 months	\$ 848,000	4 months	\$ 1,130,000
	<b>Total</b>	<b>\$ 2,582,000</b>	<b>Total</b>	<b>\$ 4,597,000</b>



7. 2012 RESERVE LEVELS

Type/Purpose of Reserves	Projected Reserves 12/31/12	Minimum	Optimal	Excess Reserves Over Optimal
MTW Reserves	\$ 5,580,000	\$ 2,582,000	\$ 4,597,000	\$ 983,000
Business Activities (Non-MTW) reserves	\$ 2,726,000	\$ 1,500,000	\$ 2,000,000	\$ 726,000
Citibank Guarantee	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -
Salishan Lot Sale additional set aside	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000	\$ -
<b>Totals</b>	<b>\$12,206,000</b>	<b>\$ 7,982,000</b>	<b>\$10,497,000</b>	<b>\$ 1,709,000</b>

**FY 2012 Tacoma Housing Authority Budget  
Agency Total by Departmental Areas**

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
<b>INCOME</b>										
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,798,822	\$3,798,822
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,879	\$60,879
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,528,957	\$0	\$33,528,957
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$142,416	\$0	\$0	\$2,384,443	\$0	\$2,526,859
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,813,264	\$1,813,264
6 HUD grant - Community Services/HOPE	\$0	\$0	\$0	\$0	\$193,160	\$0	\$0	\$0	\$1	\$193,161
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$6,903,041	\$0	\$0	\$0	\$6,903,041
8 Management Fee Income	\$47,500	\$0	\$366,402	\$396,852	\$64,006	\$0	\$2,148,451	\$109,941	\$0	\$3,133,152
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Investment Income	\$0	\$0	\$48,000	\$0	\$0	\$0	\$0	\$0	\$5,072	\$53,072
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$0	\$35,000
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$530,000	\$0	\$0	\$0	\$530,000
13 Other Revenue	\$0	\$0	\$42,980	\$0	\$347,247	\$87,280	\$0	\$31,000	\$32,136	\$540,643
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$47,500</b>	<b>\$0</b>	<b>\$457,382</b>	<b>\$396,852</b>	<b>\$972,705</b>	<b>\$7,717,121</b>	<b>\$2,148,451</b>	<b>\$36,089,341</b>	<b>\$5,710,174</b>	<b>\$53,539,526</b>

<b>OPERATING EXPENDITURES</b>										
<i>Administrative</i>										
14 Administrative Salaries	\$268,093	\$157,349	\$556,259	\$462,516	\$0	\$529,498	\$485,715	\$981,315	\$420,100	\$3,860,846
15 Administrative Personnel - Benefits	\$97,920	\$74,689	\$231,218	\$189,358	\$0	\$168,456	\$238,574	\$498,869	\$178,697	\$1,677,781
16 Audit Fees	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$25,000	\$32,880	\$67,880
17 Management Fees	\$0	\$0	\$0	\$0	\$106,799	\$76,837	\$161,995	\$1,248,524	\$960,518	\$2,554,673
18 Rent	\$0	\$0	\$0	\$0	\$0	\$25,200	\$36,550	\$170,547	\$48,710	\$281,007
19 Advertising	\$667	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$0	\$898	\$5,565
20 Information Technology Expenses	\$720	\$0	\$0	\$164,807	\$24,956	\$0	\$0	\$0	\$8,106	\$198,589
21 Office Supplies	\$1,750	\$700	\$5,000	\$2,000	\$11,900	\$4,500	\$2,550	\$20,000	\$13,980	\$62,380
22 Publications & Memberships	\$31,965	\$4,480	\$820	\$500	\$5,500	\$1,000	\$1,000	\$0	\$0	\$45,265
23 Telephone	\$4,200	\$1,300	\$0	\$24,000	\$6,170	\$3,000	\$5,000	\$1,200	\$43,255	\$88,125
24 Postage	\$600	\$60	\$0	\$500	\$4,450	\$700	\$5,000	\$28,000	\$6,171	\$45,481
25 Leased Equipment & Repairs	\$350	\$0	\$0	\$41,136	\$2,000	\$0	\$0	\$2,500	\$5,621	\$51,607
26 Office Equipment Expensed	\$0	\$0	\$2,000	\$33,500	\$900	\$2,000	\$1,000	\$12,000	\$4,150	\$55,550
27 Legal	\$3,000	\$10,000	\$0	\$0	\$0	\$20,000	\$5,000	\$3,000	\$15,270	\$56,270
28 Local Mileage	\$600	\$140	\$250	\$500	\$1,600	\$500	\$2,000	\$500	\$2,130	\$8,220
29 Staff Training/ Out of Town Travel	\$22,500	\$16,350	\$9,250	\$20,200	\$11,600	\$13,655	\$8,200	\$5,600	\$11,215	\$118,570
30 Administrative Contracts	\$10,000	\$30,450	\$26,600	\$40,600	\$55,190	\$160,000	\$43,000	\$17,500	\$4,930	\$388,270
31 Other Administrative Expenses	\$15,500	\$9,150	\$1,500	\$0	\$8,409	\$2,000	\$26,500	\$5,700	\$17,174	\$85,933
32 Due Diligence - Prospective Development	\$0	\$0	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
33 Contingency	\$25,000	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$35,000
<b>Total Administrative Expenses</b>	<b>\$482,865</b>	<b>\$304,668</b>	<b>\$837,897</b>	<b>\$979,617</b>	<b>\$249,474</b>	<b>\$1,264,346</b>	<b>\$1,024,084</b>	<b>\$3,020,255</b>	<b>\$1,773,806</b>	<b>\$9,937,012</b>

FY 2012 Tacoma Housing Authority Budget  
Agency Total by Departmental Areas

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM	Rental Assistance	Property Budgets	Agency Total
<b>Tenant Services</b>										
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$826,920	\$0	\$0	\$0	\$0	\$826,920
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$371,769	\$0	\$0	\$0	\$0	\$371,769
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$394,300	\$0	\$0	\$10,799	\$405,099
37 Tenant Service - other	\$20,000	\$0	\$0	\$0	\$22,000	\$0	\$1,200	\$2,000	\$25,102	\$70,302
<b>Total Tenant Services</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,220,689</b>	<b>\$394,300</b>	<b>\$1,200</b>	<b>\$2,000</b>	<b>\$35,901</b>	<b>\$1,674,090</b>
<b>Utilities</b>										
38 Water	\$0	\$0	\$0	\$0	\$1,500	\$100	\$2,100	\$0	\$119,790	\$123,490
39 Electric	\$0	\$0	\$0	\$0	\$4,250	\$100	\$25,000	\$0	\$171,175	\$200,525
40 Gas	\$0	\$0	\$0	\$0	\$3,750	\$100	\$0	\$0	\$62,730	\$66,580
41 Sewer	\$0	\$0	\$0	\$0	\$1,000	\$38,100	\$6,000	\$0	\$337,170	\$382,270
<b>Total Project Utilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,500</b>	<b>\$38,400</b>	<b>\$33,100</b>	<b>\$0</b>	<b>\$690,865</b>	<b>\$772,865</b>
<b>Ordinary Maintenance &amp; Operations</b>										
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$7,500	\$0	\$45,000	\$0	\$526,007	\$578,507
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$2,500	\$0	\$13,881	\$0	\$148,371	\$164,752
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$4,000	\$500	\$10,500	\$5,000	\$173,477	\$193,477
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$16,000	\$74,000	\$60,250	\$4,000	\$576,697	\$730,947
<b>Total Routine Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$74,500</b>	<b>\$129,631</b>	<b>\$9,000</b>	<b>\$1,424,553</b>	<b>\$1,667,684</b>
<b>General Expenses</b>										
46 Protective Services	\$0	\$0	\$0	\$0	\$1,800	\$500	\$18,000	\$0	\$149,646	\$169,946
47 Insurance	\$2,645	\$1,045	\$4,742	\$13,388	\$12,877	\$6,236	\$11,477	\$28,949	\$121,478	\$202,837
48 Other General Expense	\$25,000	\$0	\$0	\$0	\$0	\$6,000	\$0	\$93,549	\$834,019	\$958,568
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,152	\$12,152
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,720	\$39,720
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$439,318	\$0	\$0	\$501,445	\$940,763
<b>Total General Expenses</b>	<b>\$27,645</b>	<b>\$1,045</b>	<b>\$4,742</b>	<b>\$13,388</b>	<b>\$14,677</b>	<b>\$452,054</b>	<b>\$29,477</b>	<b>\$122,498</b>	<b>\$1,658,460</b>	<b>\$2,323,985</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$530,509</b>	<b>\$305,713</b>	<b>\$842,639</b>	<b>\$993,005</b>	<b>\$1,525,339</b>	<b>\$2,223,600</b>	<b>\$1,217,493</b>	<b>\$3,153,753</b>	<b>\$5,583,584</b>	<b>\$16,375,635</b>
<b>Nonroutine Expenses and Capital Expenditures</b>										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$52,300	\$57,300
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,108,130	\$0	\$31,108,130
<b>Total Nonroutine Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$31,108,130</b>	<b>\$57,300</b>	<b>\$31,170,430</b>
<b>TOTAL EXPENSES</b>	<b>\$530,509</b>	<b>\$305,713</b>	<b>\$842,639</b>	<b>\$993,005</b>	<b>\$1,525,339</b>	<b>\$2,228,600</b>	<b>\$1,217,493</b>	<b>\$34,261,882</b>	<b>\$5,640,884</b>	<b>\$47,546,064</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(\$483,009)</b>	<b>(\$305,713)</b>	<b>(\$385,257)</b>	<b>(\$596,153)</b>	<b>(\$552,634)</b>	<b>\$5,488,521</b>	<b>\$930,958</b>	<b>\$1,827,459</b>	<b>\$69,290</b>	<b>\$5,993,461</b>
55 Capitalized Items/Development Projects	\$0	\$0	\$0	\$0	\$0	(\$5,478,577)	(\$400,000)	(\$20,000)	\$0	(\$5,898,577)
56 Debt Service Principal Payments						(\$310,000)	\$0		(\$196,465)	(\$506,465)
<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(\$483,009)</b>	<b>(\$305,713)</b>	<b>(\$385,257)</b>	<b>(\$596,153)</b>	<b>(\$552,634)</b>	<b>(\$300,056)</b>	<b>\$530,958</b>	<b>\$1,807,459</b>	<b>(\$127,175)</b>	<b>(\$411,581)</b>
57 Reserve Appropriations	\$0	\$0	\$0	\$0	\$64,404	\$300,000	\$0	\$0	\$431,800	\$796,204
<b>Surplus/Deficit</b>	<b>(\$483,009)</b>	<b>(\$305,713)</b>	<b>(\$385,257)</b>	<b>(\$596,153)</b>	<b>(\$488,231)</b>	<b>(\$56)</b>	<b>\$530,958</b>	<b>\$1,807,459</b>	<b>\$304,625</b>	<b>\$384,623</b>

**2012 Tacoma Housing Authority Budget  
Rental Portfolio**

	AMP 1 K, M & G St. Apts. Elderly Disabled 160 Units	AMP 2 Fawcett, Wright, 6th St. Apts (Elderly/Disabled) 152 Units	AMP 3 Lawrence, Bergerson Terrace, Dixon Village 144 Units	AMP 4 Hillside Terrace (1800 & 2500 Blocks) 104 Units	AMP 6 Single Family Homes 34 Units	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate Properties	Portfolio Total
<b>INCOME</b>										
1 Revenue - Dwelling rent	\$422,183	\$405,351	\$448,290	\$234,140	\$72,155	\$0	\$1,582,119	\$1,162,847	\$1,053,856	\$3,798,822
2 Tenant Revenue - Other	\$9,750	\$6,000	\$11,250	\$10,500	\$3,500	\$0	\$41,000	\$8,000	\$11,879	\$60,879
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 HUD grant - Public Housing subsidy	\$282,741	\$240,767	\$270,997	\$222,056	\$80,074	\$716,630	\$1,813,264	\$0	\$0	\$1,813,264
6 HUD grant - Community Services/HOPE	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$0	\$0	\$1
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Investment income	\$0	\$2,376	\$0	\$0	\$0	\$0	\$2,376	\$900	\$1,796	\$5,072
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Other Revenue	\$9,765	\$9,482	\$2,531	\$7,545	\$750	\$0	\$30,073	\$1,000	\$1,063	\$32,136
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$724,439</b>	<b>\$663,976</b>	<b>\$733,068</b>	<b>\$474,241</b>	<b>\$156,478</b>	<b>\$716,631</b>	<b>\$3,468,833</b>	<b>\$1,172,747</b>	<b>\$1,068,594</b>	<b>\$5,710,174</b>
<b>OPERATING EXPENDITURES</b>										
<b>Administrative</b>										
14 Administrative Salaries	\$74,784	\$71,045	\$83,534	\$59,517	\$20,371	\$0	\$309,251	\$55,926	\$54,923	\$420,100
15 Administrative Personnel - Benefits	\$31,783	\$30,194	\$35,502	\$25,295	\$8,658	\$0	\$131,432	\$23,769	\$23,497	\$178,697
16 Audit Fees	\$3,840	\$3,648	\$3,456	\$2,496	\$816	\$3,648	\$17,904	\$6,000	\$8,976	\$32,880
17 Management Fees	\$219,646	\$208,664	\$179,142	\$124,050	\$40,555	\$0	\$772,057	\$107,351	\$81,110	\$960,518
18 Rent	\$9,715	\$9,230	\$8,744	\$6,315	\$2,064	\$0	\$36,068	\$5,465	\$7,177	\$48,710
19 Advertising	\$194	\$183	\$174	\$126	\$41	\$0	\$718	\$0	\$180	\$898
20 Information Technology Expenses	\$0	\$0	\$3,960	\$3,960	\$0	\$0	\$7,920	\$180	\$6	\$8,106
21 Office Supplies	\$2,000	\$1,225	\$2,000	\$1,853	\$339	\$0	\$7,417	\$2,800	\$3,763	\$13,980
22 Publications & Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Telephone	\$14,366	\$12,172	\$8,777	\$4,750	\$252	\$0	\$40,317	\$892	\$2,046	\$43,255
24 Postage	\$1,267	\$1,204	\$1,140	\$1,373	\$269	\$0	\$5,254	\$475	\$442	\$6,171
25 Leased Equipment & Repairs	\$564	\$562	\$554	\$2,979	\$11	\$0	\$4,670	\$780	\$171	\$5,621
26 Office Equipment Expensed	\$1,470	\$1,550	\$510	\$0	\$0	\$0	\$3,530	\$100	\$520	\$4,150
27 Legal	\$1,120	\$3,300	\$2,500	\$2,800	\$1,500	\$0	\$11,220	\$2,300	\$1,750	\$15,270
28 Local Mileage	\$300	\$30	\$750	\$300	\$500	\$0	\$1,880	\$150	\$100	\$2,130
29 Staff Training/ Out of Town Travel	\$1,975	\$2,280	\$2,160	\$1,560	\$510	\$0	\$8,485	\$1,350	\$1,380	\$11,215
30 Administrative Contracts	\$935	\$1,645	\$1,000	\$700	\$155	\$0	\$4,435	\$150	\$345	\$4,930
31 Other Administrative Expenses	\$2,315	\$2,370	\$3,000	\$2,070	\$650	\$0	\$10,405	\$2,400	\$4,369	\$17,174
32 Due Diligence - Prospective Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Administrative Expenses</b>	<b>\$366,275</b>	<b>\$349,302</b>	<b>\$336,904</b>	<b>\$240,144</b>	<b>\$76,691</b>	<b>\$3,648</b>	<b>\$1,372,963</b>	<b>\$210,088</b>	<b>\$190,755</b>	<b>\$1,773,806</b>

2012 Tacoma Housing Authority Budget  
Rental Portfolio

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate Properties	Portfolio Total
<b>Tenant Services</b>										
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Relocation Costs	\$3,100	\$450	\$1,175	\$1,000	\$600	\$0	\$6,225	\$4,674	\$0	\$10,799
37 Tenant Service - other	\$16,991	\$4,838	\$2,000	\$55	\$2	\$0	\$23,886	\$1,216	\$0	\$25,102
<b>Total Tenant Services</b>	<b>\$20,091</b>	<b>\$5,288</b>	<b>\$3,175</b>	<b>\$1,055</b>	<b>\$502</b>	<b>\$0</b>	<b>\$30,111</b>	<b>\$5,790</b>	<b>\$0</b>	<b>\$35,901</b>
<b>Utilities</b>										
38 Water	\$18,660	\$17,990	\$27,310	\$20,350	\$870	\$0	\$85,180	\$27,000	\$7,610	\$119,790
39 Electric	\$64,080	\$53,230	\$26,700	\$14,080	\$1,340	\$0	\$159,430	\$4,275	\$7,470	\$171,175
40 Gas	\$33,700	\$20,750	\$5,910	\$550	\$550	\$0	\$61,460	\$360	\$910	\$62,730
41 Sewer	\$65,960	\$57,630	\$81,610	\$58,830	\$1,960	\$0	\$265,990	\$48,000	\$23,180	\$337,170
<b>Total Project Utilities</b>	<b>\$182,400</b>	<b>\$149,600</b>	<b>\$141,530</b>	<b>\$93,810</b>	<b>\$4,720</b>	<b>\$0</b>	<b>\$572,060</b>	<b>\$79,635</b>	<b>\$39,170</b>	<b>\$690,865</b>
<b>Ordinary Maintenance &amp; Operations</b>										
42 Maintenance Salaries	\$98,246	\$93,334	\$106,319	\$65,508	\$26,785	\$0	\$390,192	\$51,689	\$84,126	\$526,007
43 Maintenance Personnel - Benefits	\$29,210	\$28,000	\$31,896	\$19,652	\$8,036	\$0	\$116,794	\$15,507	\$16,071	\$148,371
44 Maintenance Materials	\$22,000	\$26,500	\$37,000	\$35,635	\$20,000	\$0	\$141,135	\$7,500	\$24,842	\$173,477
45 Contract Maintenance	\$130,730	\$96,022	\$80,000	\$97,776	\$46,000	\$0	\$450,528	\$55,180	\$70,989	\$576,697
<b>Total Routine Maintenance</b>	<b>\$280,186</b>	<b>\$243,856</b>	<b>\$255,215</b>	<b>\$216,571</b>	<b>\$100,821</b>	<b>\$0</b>	<b>\$1,098,649</b>	<b>\$129,875</b>	<b>\$196,029</b>	<b>\$1,424,553</b>
<b>General Expenses</b>										
46 Protective Services	\$37,554	\$30,681	\$60,000	\$10,373	\$100	\$0	\$138,708	\$134	\$10,804	\$149,646
47 Insurance	\$22,517	\$18,652	\$24,910	\$16,702	\$7,058	\$410	\$90,249	\$14,202	\$17,027	\$121,478
48 Other General Expense	\$2,354	\$1,564	\$831	\$770	\$33	\$716,630	\$722,182	\$86,400	\$25,437	\$834,019
49 Payment in Lieu of Taxes	\$2,498	\$2,374	\$2,249	\$1,624	\$531	\$2,876	\$12,152	\$0	\$0	\$12,152
50 Collection Loss	\$6,340	\$6,080	\$6,730	\$3,510	\$1,080	\$0	\$23,740	\$3,490	\$12,490	\$39,720
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$199,434	\$302,011	\$501,445
<b>Total General Expenses</b>	<b>\$71,263</b>	<b>\$59,351</b>	<b>\$94,720</b>	<b>\$32,979</b>	<b>\$8,802</b>	<b>\$719,916</b>	<b>\$987,031</b>	<b>\$303,660</b>	<b>\$367,769</b>	<b>\$1,658,460</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$920,216</b>	<b>\$807,397</b>	<b>\$831,543</b>	<b>\$586,559</b>	<b>\$191,536</b>	<b>\$723,564</b>	<b>\$4,060,813</b>	<b>\$729,048</b>	<b>\$793,723</b>	<b>\$5,583,584</b>
<b>Nonroutine Expenses and Capital Expenditures</b>										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$30,000	\$0	\$12,500	\$5,000	\$0	\$0	\$47,500	\$0	\$4,800	\$52,300
53 Casualty Loss	\$0	\$0	\$0	\$5,000	\$0	\$0	\$5,000	\$0	\$0	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Nonroutine Expenditures</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$12,500</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$52,500</b>	<b>\$0</b>	<b>\$4,800</b>	<b>\$57,300</b>
<b>TOTAL EXPENSES</b>	<b>\$950,216</b>	<b>\$807,397</b>	<b>\$844,043</b>	<b>\$596,559</b>	<b>\$191,536</b>	<b>\$723,564</b>	<b>\$4,113,313</b>	<b>\$729,048</b>	<b>\$798,523</b>	<b>\$5,640,884</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(\$225,777)</b>	<b>(\$143,421)</b>	<b>(\$110,975)</b>	<b>(\$122,318)</b>	<b>(\$35,057)</b>	<b>(\$6,933)</b>	<b>(\$644,480)</b>	<b>\$443,699</b>	<b>\$270,072</b>	<b>\$69,290</b>
55 Capitalized Items/Development Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$28,842)	(\$167,623)	(\$196,465)
<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(\$225,777)</b>	<b>(\$143,421)</b>	<b>(\$110,975)</b>	<b>(\$122,318)</b>	<b>(\$35,057)</b>	<b>(\$6,933)</b>	<b>(\$644,480)</b>	<b>\$414,857</b>	<b>\$102,449</b>	<b>(\$127,175)</b>
57 Reserve Appropriations	\$110,530	\$94,121	\$109,045	\$86,802	\$31,302	\$0	\$431,800	\$0	\$0	\$431,800
<b>Surplus/Deficit</b>	<b>(\$115,247)</b>	<b>(\$49,299)</b>	<b>(\$1,930)</b>	<b>(\$35,516)</b>	<b>(\$3,755)</b>	<b>(\$6,933)</b>	<b>(\$212,680)</b>	<b>\$414,857</b>	<b>\$102,449</b>	<b>\$304,625</b>

Attachment D

FY 2012 Budget - Supporting Schedule for Housing Development Capital Expenditures  
January 1, 2012 through Dec. 31, 2012

Project	Funding Source	Total Amount	Market Loans	Low-interest Loans	HUD Capital Grant	MTW-CAP	State & Local Grants	RHF Equity	Land Sales	Reserves & Program Income	HTF	Federal Appropriation	Developer Fees
<b>Hillside Demolition/repair location</b>													
	Salaries	723,895						723,895					
	RHF	723,895						723,895					
	<b>TOTAL</b>												
<b>Hillside Terrace Community Rm</b>													
	Reserves	114,791								114,791			
	CAP Funds	904,000			904,000								
	Reserves	-											
	OFFP	1,881,652			1,881,652								
	<b>TOTAL</b>	2,900,443			2,785,652					114,791			
<b>Hillside Terrace Housing Ph I</b>													
	Salaries	2,000,000									2,000,000		
	HTF	256,049	256,049										
	Construction Loan	1,250,000					1,250,000						
	TCRA	3,506,049	256,049				1,250,000				2,000,000		
	<b>TOTAL</b>												
<b>Hillside Terrace Housing Ph II</b>													
	Salaries	500,000											
	HTF	500,000					500,000						
	Construction Loan	500,000					500,000						
	TCRA	500,000					500,000						
	<b>TOTAL</b>												
<b>THA Admin</b>													
	Program Income	420,000								420,000			
	<b>TOTAL</b>	420,000								420,000			
<b>Stewart Court</b>													
	HTF	1,269,543						1,269,543					
	MTW/CAP	1,269,543						1,269,543					
	<b>TOTAL</b>												
<b>Scattered Sites</b>													
	Salaries	480,115											
	Capital Funds	480,115			480,115								
	<b>TOTAL</b>	480,115			480,115								
<b>AMP 3</b>													
	Dixon	828,476											
	Salaries	828,476			828,476								
	Capital Funds	828,476			828,476								
	<b>TOTAL</b>	10,628,521	256,049		4,084,243	1,269,543	1,750,000	723,895		534,791	2,000,000		

**PHA Board Resolution**  
Approving Operating Budget

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

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

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

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

PHA Name: Housing Authority City of Tacoma PHA Code: WA005

PHA Fiscal Year Beginning: January 1, 2012 Board Resolution Number: 2011-12-14 (2)

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

DATE

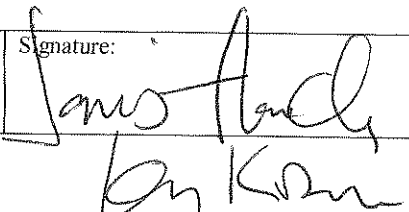
- Operating Budget approved by Board resolution on: 12/14/2011
- Operating Budget submitted to HUD, if applicable, on: \_\_\_\_\_
- Operating Budget revision approved by Board resolution on: \_\_\_\_\_
- Operating Budget revision submitted to HUD, if applicable, on: \_\_\_\_\_

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

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

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

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

Print Board Chairperson's Name:	Signature:	Date:
Janis Flauding		12/14/2011