



TACOMA HOUSING AUTHORITY

Resolution Number 2012-6-27 (4)

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

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

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

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

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

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

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

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



TACOMA HOUSING AUTHORITY

RESOLUTION NUMBER 2012-6-27 (4)

ENDORSEMENT OF LONG-TERM HAP FISCAL PLANNING

WHEREAS, THA has funding flexibility with its MW authority.

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

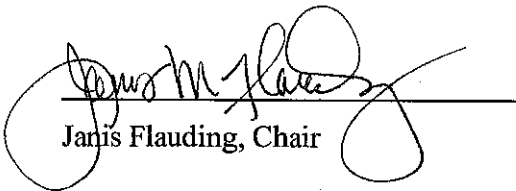
WHEREAS, THA needs to make long-term financial and strategic decisions about the use of MTW funds in order to achieve desired outcomes.

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

Authorize the following activities:

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

Approved: June 27, 2012


Janis Flauding, Chair

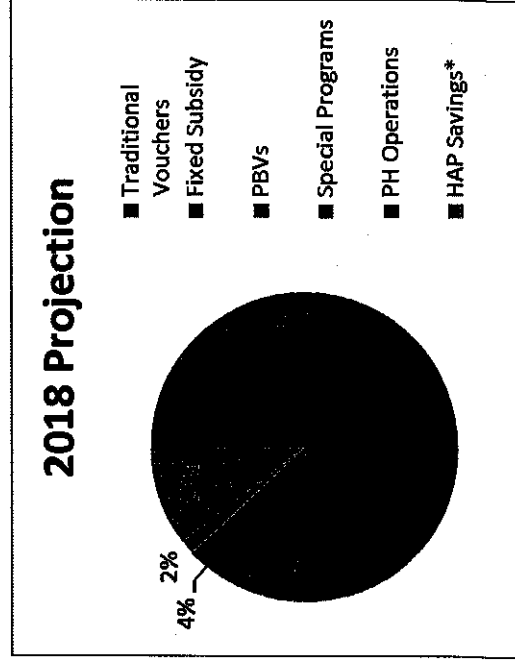
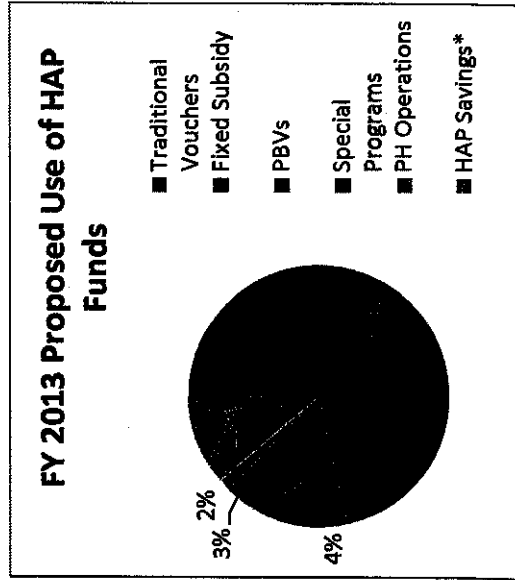


TACOMA HOUSING AUTHORITY

Funding and Expenditure Projections FY2011 Through FY2018

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

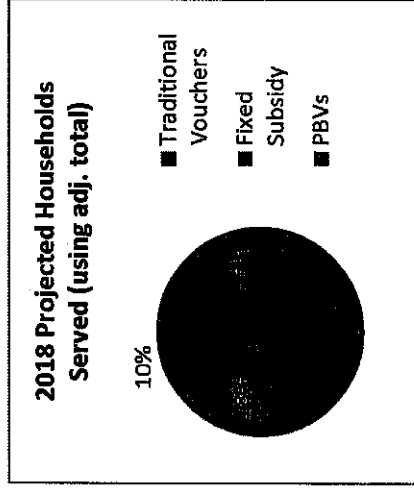
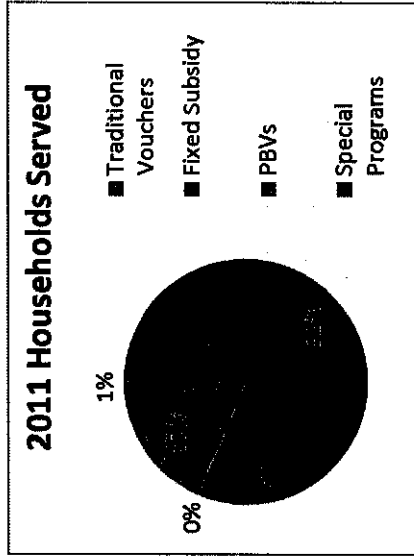
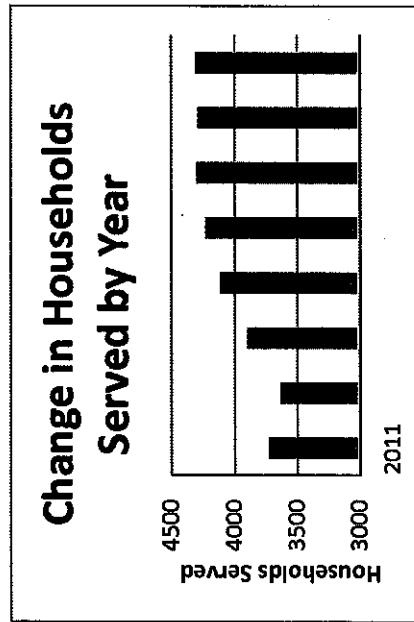
*HAP savings will be used for (1) serving more households, (2) developing more housing units, and/or (3) agency operations and supportive services



Households Served Projections FY2011 Through FY2018*

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

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



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

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

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

*** Assumes 3% annual rent inflation rate

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

* Assumes an average monthly subsidy of

\$540/unit/month in year 1

** Assumes 3% annual rent inflation rate

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

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

* Assumes a 3% annual rent inflation rate

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

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

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

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

**Assumes 3% annual rent inflation rate

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

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

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