



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-9-25 (6)

**Date:** September 25, 2013  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** MTW Reserve Commitment

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### Background

This resolution commits THA's MTW reserves for specified purposes. This commitment is necessary to better preserve those reserves for those purposes and protected from some sort of recapture or offset by HUD. Such a recapture or offset seems to be contemplated in some versions of the 2014 federal budget. On June 18, 2013 the House Appropriations Committee released its version of the Fiscal Year 2014 Transportation, Housing and Urban Development (THUD) funding bill. This version specifies that "*...public housing agencies participating in the MTW demonstration shall be funded pursuant to their MTW agreements and shall be subject to the same pro rata adjustments under the previous provisos: Provided further, That the Secretary may offset public housing agencies' calendar year 2014 allocations by the excess amount of agencies' reserves as established by the Secretary; Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the offset, as determined by the Secretary, from the agencies' calendar year 2014 MTW funding allocation...*"

This issue is related to our recent settlement with HUD of our dispute over HUD's "rebenchmarking" of our Section 8 funding. According to that settlement, we received \$1.2 million. The settlement makes clear that HUD shall deem the \$1.2 million to be committed by THA, and not subject to a sweep of reserves, provided that THA describes in its MTW plan how the funds will be used and provides a schedule for spending them.

For these reasons, this resolution commits our MTW reserves according to the attached Schedule of MTW Reserve Commitments. THA wishes to include this schedule in the 2014 MTW Plan along with a detailed narrative description of the reasons why this funding is needed and that THA reserves the right to shift monies between these line items as the need may arise. We believe this will allow for the flexibility required in predicting our future funding streams, while at the same protect our MTW reserves from an otherwise detrimental offset.

**Recommendation**

Approve Resolution 2013-9-25 (6) committing THA MTW reserves as identified in the attached Schedule of MTW Reserve Commitments and directing that this commitment be included in the 2014 MTW Plan.



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## RESOLUTION 2013-9-25 (6)

### COMMITMENT OF MOVING TO WORK RESERVES

**Whereas**, HUD has identified that uncommitted MTW Reserves are subject to offset; and

**Whereas**, THA has MTW Reserves that are currently not specifically committed but are included in the Authority's plans for future capital and operational expenditures; and

**Whereas**, the attached Schedule of MTW Reserve Commitments reflects the Authority's current plans for such capital and operational expenditures of MTW Reserves; and

**Whereas**, the Authority intends to include this Schedule of MTW Reserve Commitments in the 2014 MTW Plan including language that allows for shifting monies between the identified commitments.

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

1. The Board commits THA's MTW Reserves as outlined in the attached Schedule of MTW Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board directs the Executive Director to include these MTW Reserve Commitments in the 2014 MTW Plan.

Approved: September 25, 2013

  
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Greg Mowat, Chair

# Tacoma Housing Authority Schedule of MTW Reserve Commitments

September 25, 2013

Planned Expenditure	Committed Funds	Planned Expenditure Date
2nd Phase of Hillside Terrace redevelopment project	\$ 2,420,000	12/31/2015
Renovation/Remodel of 2nd Floor of Administrative Building	\$ 700,000	12/31/2014
Renovation/Remodel of Salishan Family Investment Center	\$ 300,000	12/31/2014
RAD Conversion Costs - Capital Contributions to Projects	\$ 1,000,000	6/30/2015
Software Conversion for Unsupported/Obsolete ERP Software (Visual Homes)	\$ 600,000	6/30/2015
Education Projects - McCarver & Others	\$ 310,000	12/31/2015
Exigent Health & Safety Issues (Meth Remediation)	\$ 500,000	12/31/2014
<b>Total Committed Funds</b>	<b>\$ 5,830,000</b>	