



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2014-12-17 (3)

**Date:** December 17, 2014  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** MTW Reserve Commitment

---

### **Background**

This resolution would approve the continued commitment of THA reserves for specific purposes. This commitment serves two purposes. It is an important part of THA's fiscal planning. It also protects against HUD's sweep of reserves. Such commitments also align THA with discussions that the MTW agencies are having with HUD. Those discussions seek to identify a "safe harbor" amount in reserves that would be protected. Those discussions also contemplate protection for amounts that the boards of commissioners would commit for specific purposes.

These commitments have also preserve the protection HUD has conferred on \$1.2 million of THA reserves. In 2013, we disputes HUD's "rebenchmarking" of THA's funding that lowered our annual allocation. We settled the dispute. As part of the settlement, HUD gave us a one-time payment of \$1.2 million. The settlement stipulated that HUD would deem this amount to be obligated by THA, and not subject to any sweep of reserves, provided that THA describes in its MTW plan how it will use the funds and provides a schedule for spending them.

By resolution 2013-09-25(6) the Board committed THA reserves. This new resolution will update that list.

### **Recommendation**

Approve Resolution 2014-12-17(3) committing THA MTW reserves as identified in the attached Schedule of MTW Reserve Commitments to be included in the 2014 MTW Final report.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2014-12-17 (3)

### COMMITMENT OF MOVING TO WORK RESERVES

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

**Whereas**, the Authority 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 final report 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 the Authority'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 authorizes the Executive Director to include these MTW Reserve Commitments in the annual MTW Report submitted to HUD.

Approved: December 17, 2014

  
Stanley Rumbaugh, Chairman

## Schedule of MTW Reserve Commitments

Planned Expenditure	Current Commitment	Revised Commitment	Planned Expenditure Date
2nd Phase of Hillside Terrace redevelopment project	\$ 2,420,000	\$ 2,420,000	12/31/2016
Renovation/Remodel of 2nd Floor of Administrative Building	\$ 700,000	\$ 1,550,000	12/31/2015
Renovation/Remodel of Salishan Family Investment Center	\$ 300,000	\$ 579,500	06/30/2016
Renovation of Salishan Maintenance Shop	\$ -	\$ 286,500	06/30/2016
RAD Conversion Costs - Capital Contributions to Projects	\$ 1,000,000	\$ 1,500,000	12/31/2017
Software Conversion for Unsupported/Obsolete ERP Software (Visual Homes)	\$ 600,000	\$ 600,000	6/30/2016
Education Projects - McCarver & Others	\$ 310,000	\$ 310,000	12/31/2016
Exigent Health & Safety Issues (Meth Remediation)	\$ 500,000	\$ 260,000	12/31/2015
<b>Total Committed Funds</b>	<b>\$ 5,830,000</b>	<b>\$ 7,506,000</b>	