



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

April 3, 2020



TACOMA HOUSING AUTHORITY

Michael Mirra
Executive Director

BOARD OF COMMISSIONERS

Derek Young, Chair
Stanley Rumbaugh, Vice Chair
Dr. Minh-Anh Hodge
Dr. Arthur C. Banks
Shennetta Smith

STUDY SESSION Board of Commissioners

FRIDAY, APRIL 3, 2020

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Study Session on **Friday, April 3, 2020, at 12:00 pm** to discuss the 2020 Budget.

Join Zoom Meeting

<https://zoom.us/j/161609775?pwd=bUorK1dqSnFvazA0cnBXRHgzNit3Zz09>

+1 301 715 8592 US

Meeting ID: 161 609 775 / Password: 426366

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 March 30, 2020, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5300 email: CityClerk@cityoftacoma.com
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	email: tips@q13fox.com
KSTW-TV/CW 11	2211 Elliott Avenue, Suite 200 Seattle, WA 98121	
Tacoma News Tribune	1950 South State Tacoma, WA 98405	
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	

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

Sha Peterson
Executive Administrator



TACOMA HOUSING AUTHORITY

AGENDA

BOARD OF COMMISSIONERS STUDY SESSION

April 3, 2020

Join Zoom Meeting

<https://zoom.us/j/161609775?pwd=bUorK1dqSnFvazA0cnBXRHgzNit3Zz09>

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1. **CALL TO ORDER**
2. **ROLL CALL**
3. **2020 BUDGET**
 - Memo to the Board re. FY 2020 Proposed Budget
 - Board Decision Point – Attachment A
 - THA 2020 Budget – Attachment B
 - THA 2020 Property Budget – Attachment C
 - Budget Visualization Document
4. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: Michael Mirra
Date: March 30, 2020
Re: Proposed Budget for FY 2020

At its meeting on April 22nd, the Board is scheduled to adopt Tacoma Housing Authority's (THA) final budget for FY 2020, which began on January 1st. This new budget would replace the Continuing Resolution Budget passed by the Board December 12, 2019. The Board has a study session on April 3rd at 12 pm to review the proposed budget. I have had discussions with various board members regarding the draft, and what is in store for 2020. I write to describe this proposal.

PLEASE REMEMBER:

All Board meetings during the COVID-19 pandemic, until further notice, will occur remotely and not in person.

1. BUDGET PRINCIPLES

The draft budget resolution conforms to the following four budget principles that have served us well for the past 16 years.

- *Presume upon the worst of the plausible budgets pending in Congress.*
In a more orderly world, by October 1st Congress would pass a budget for the following year. That would allow THA to write its own budget knowing its income. However, usually Congress is late. That was the case this year. When this happens THA has to place its bets. To do this THA uses an important budget principle: it budgets to the worse of the plausible budget proposals pending in Congress.

This year, we adopted a similar strategy. The THA Board adopted a continuing resolution of its own in December. This kept THA functioning upon the same expenditure levels in 2019. We then waited for Congress to pass a real budget, and for Housing and Urban Development (HUD) then to tell us under that budget what our allocation would be.

We have just received good news from HUD about our allocation. We will receive an increase of **\$3.6 million**. This is more than the \$2.5 million increase we had estimated when we drafted this budget. That estimate turned out to be conservative, as we intended it to be.

- *Recurring income covers recurring expenses.*
We strive for a budget in which recurring income covers recurring expenses. We try not to spend reserves on recurring expenses. We are pleased to submit this budget proposal and its anticipated recurring operating surplus of about **\$1.6 million**. This is the highest we have seen in years. This is primarily due to our conservative estimate on what our increase this year would be.

This budget principle requires us to characterize an income or an expenditure as either recurring or nonrecurring. The main characterization challenge is how to regard the substantial amounts of income THA receives from its real estate development activities. This income varies a lot from year to year, and its amount is always hard to anticipate. In that respect it is not recurring. Yet, it has been reliable enough within some ranges to invite us to rely on it. This budget finds a middle ground. It regards deferred developer fee as recurring, and the remaining development income as nonrecurring. Also, we characterize all development related expenses as nonrecurring.

- *We use reserves for nonrecurring expenditures that make us money, save us money, or make us more efficient or stronger.*
As I explain above, we do not like to use reserves on recurring expenses. Our main use of reserves continues to be real estate development. We are budgeting \$2 million for property purchases, which will either make us money and/or house more people that need affordable housing in an underserved market. We are also budgeting \$1.5 million for additional improvements to the 902 building. For 2020, we would continue to invest in our IT structure and our Business Process Improvement Project.
- *We keep reserves that are within the designated ranges for each type of monies: not too much and not too little.*
THA needs adequate reserves for three main reasons. **First**, reserves help us operate safely with some measure of assurance and stability, especially considering the uncertainties of federal funding. Our reserves, for example, were reassuring to have during the recent governmental shutdowns. For this purpose, we like to have at least 2 months of operating expenses, or about \$8 million. **Second**, we need a healthy balance sheet to make THA credit worthy when it seeks financing and partners. **Third**, we must amass reserves in anticipation of a real estate purchase or development.

Yet, THA does not want too much in reserve. We have too many needs to address in our community to be leaving too much money idle. Also, HUD has taught us that it is capable of sweeping our reserves. For this reason, for example, we like to keep our Moving to Work (MTW) reserves low.

For all these purposes we seek to have between \$9.2 million and \$16.1 million. This budget proposal would leave THA with approximately \$23.5 million in reserves for all purposes. Although this is higher than we need, this budget commits most of that amount for specific purposes. Also, approximately \$7 million of those funds are restricted by HUD to particular uses.

2. SUMMARY

I attach budget documents that describe the proposal in summary and in detail. The actual budget resolution, along with agency commitments, will be in the Board packet for the April 22nd Board meeting. We have changed the software we use to develop the budget. In addition to the documents, we will present the budget using the new software. We will summarily present the budget by department. If the Board wishes, the software will allow us to drill down into granular detail at both the study session and the board meeting.

Of the attached documents, Attachment A shows the reserve levels at both the beginning and end of the year. It will also show notable non-recurring items. We will also provide a THA property budget as in the past. The following gives an overview of the budget and the important factors that we considered in drafting this budget proposal.

2.1 Operating Surplus

This proposal presents an operational budget of about \$64.7 million. In its operational aspect, there is a surplus of approximately **\$1.6 million**. The surplus is due to approximately \$5.5 million in Renew Tacoma Rental Assistance Demonstration (RAD) proceeds consisting of the final developer fee payment and deferred cash flow. The budget also includes the \$3.6 million increase in Housing Assistance Program (HAP) funding over 2019 levels.

2.2 Capital Expenditures

The capital budget would have the agency expend a little more than \$10.5 million in 2020.

- The primary focus of this expenditure is about \$6 million for the development of Arlington Drive Campus for Homeless Youth and Young Adults, and The Rise at 19th. Approximately \$1 million comes from reserves associated with our restricted ACC sales proceeds, with the remaining from the city, county, and state.
- \$2 million is set aside for Property Purchases and \$1.5 million for additional rehab needs at the Administrative Office Building at 902 South L.
- The budget anticipates \$575K of income from the sale of the remaining Salishan lots.
- There are approximately \$500K in capitalized IT equipment and programming.

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2.3 Adequate Reserves Committed to Specific Purposes

The budget anticipates that we will start FY 2020 with reserves of approximately \$23.7 million and end with \$23.5 million. We do not dip into reserves to end up with a balanced budget even with our nonrecurring expenses. But the budget commits those reserves to important purposes:

- \$2.5M are property reserves.
- \$2.5 million are restricted until mid-2021 as requested by BFIM upon its buyout in 2018. This amount covers any potential Tax Credit losses.
- The budget restricts approximately \$7 million of funds coming from the sale proceeds of property that formerly was public housing, with funds being used for affordable housing development or purchases.
- In the MTW pot of funds, at the end of 2019, THA held \$2.2 million and HUD held \$2.4 million of THA funds due to the HUD rules of Cash Management rules. For 2020, we propose to fully use most of these funds, leaving THA with a MTW balance of \$942K that THA will hold and approximately \$2 million that HUD will hold.
- Attachment A, #3, provides a snapshot of the Budget Impact on Reserves based on the 2020 budget.
- The proposal for the 2020 Board reserve commitments are shown in Attachment A, # 6.

2.4 Uses of THA Funding

An important consideration for the Board and the budget asks how THA is spending the money it gets that is available to pay for housing vouchers. Vouchers are the main way we house people. THA's MTW status allows it to spend that money also on other purposes. Of the \$39.8 million we receive that we could spend on vouchers, we spend about \$6.9 million on other purposes. Doing that leaves 670 households unserved. This means that those other purposes need to be important. We judge that they are:

- maintaining the portfolio because Congress underfunds it
- administering the voucher program, because Congress underfunds it as well
- supportive services to the clients we house or pay to house
- the Education Project
- administrative services to maintain our standards of stewardship and customer service (We are grateful for the IT and staff investments we have made as we manage through this pandemic.)

The attachment entitled *Uses of THA Funding* provides more detail about these choices.

We must be mindful of these choices. We use some metrics that would warn us if we are spending too much on these other purposes. By those metrics we are doing well.

- *Utilization Rate of 100%*
The main metric is whether we are at 100% utilization. HUD assigns to all MTW agencies a “baseline” number of families we must serve. Serving them all would be a utilization rate of 100%. Meeting this standard is the main benchmark that we are spending the funds appropriately. We met this standard in 2019. We are pleased to present a budget that would have us meet it again in 2020.

This is a notable achievement considering Tacoma’s very tight and expensive rental market. This market makes it hard for our voucher holders to find landlords willing to rent to them. In general, landlords prefer other tenants with stronger rental, credit or criminal histories. We have reached 100% utilization in two main ways: increasing the number of Project Based units and inventing a new Property Based Subsidy model that has proved popular with landlords. Both of these programs reserve housing for our clients, sparing them the challenge of shopping for housing in a brutal market. The increase funding for 2020 also helps keep our utilization at 100%.

- *Amount Spent on Voucher Administration Below HUD’s Standard*
HUD calculates how much it should cost a Public Housing Authority (PHA) to manage its voucher program. Congress then appropriates some portion of that, usually around 80%. That underfunding is called a proration. We spend HAP dollars backfilling these loses. Yet we do not want to backfill too much. The attachment shows that we don’t. If we fully backfilled, we would spend \$882,700 on voucher administration and spend what HUD says it should cost us to manage the voucher program. Instead, we backfill with \$676,500. This means we are still spending less on voucher administration than HUD thinks is necessary. That too is a reassurance.
- *Spending 12.68% Overall on Administration*
We do not want to spend too much on overall administration. The attachment shows that we are spending 12.68% of our money on “administration.” We judge this is a reasonable percentage for such a highly regulated organization like a public housing authority, especially one like THA with high standards of stewardship.

2.5 RAD Transition

In 2020, all of our public housing units (except for 5) will have transitioned over to Project Based Section 8 units under the RAD program. We will therefore no longer be receiving any substantial public housing subsidy or capital funds. We have used HAP money to increase the contract rents for these tax credit properties, so they cash flow. That too is a backfilling of Congressional underfunding.

2.6 Budget Continues THA’s Project Priorities

The proposed budget funds THA’s mainline programs and allows THA to continue the following notable initiatives:

Rapid rehousing for homeless families/youth
Education Program Expansion – Youth & College
Section 8 lease up support
Continued IT and Process Improvement
Arlington development
Property purchases
James Center North predevelopment
Savings Account for the Children of Salishan
Enhanced client support
The Rise at 19th development
Hilltop redevelopment
902 South L improvements

3. A LOOK AHEAD TO FY 2020

We can look ahead to 2020 to see some challenges as well as opportunities. Here are some notable examples of each.

3.1 COVID-19 Pandemic

The COVID-19 pandemic poses an important uncertainty to this budget. We have never before experienced something like this. Along with the rest of the country, we are living through an experiment in improvisation. We do not know what it will mean for THA and its finances. We are struggling with operational challenges of social distancing, the dislocation of staff, arranging to serve and feed vulnerable clients, temporary shut down or slowdown of business, and the general unease. We may also face some notable new expenditures. These include:

- *Increased HAP expenditures.* Of the nearly 5,000 households that THA houses or pays to house, 1,350 of them are dependent on earned income. Most of their jobs are in the low-wage service trade. Many of these clients may be losing their jobs as the economy shuts down in response to the Governor’s Stay Home order. Most of them may be entitled to have THA decrease their rent or their share of rent to reflect their loss of income. For those households who are THA tenants, THA will lose that rental income.

For those households who are voucher clients, THA will reduce the tenant's share of the rent and increase its share. All this may be very expensive.

- THA is also incurring new expenses because of the pandemic. *E.g.*, sanitizing our properties twice a day; deep cleaning when we have reason to think a tenant has the virus; enhanced services to our clients.

On April 27th, the President signed the CARES Act. This Act expends \$2 trillion to help the nation cope with the pandemic. \$12 billion of that money goes to HUD. Of that amount about \$ 2 billion goes to public housing authorities for public housing and voucher programs. We will not for a while know how much of it will find its way to THA.

We are tracking our expenses associated with the Coronavirus. We do that with the hope of reimbursement from HUD or other sources.

We have not made any adjustments to the budget to account for the COVID-19 pandemic. There are too many uncertainties. We will keep the Board informed as the picture clarifies.

3.2 Tacoma's Rental Market and Federal Funding

In 2018, we received our first increase in HAP in approximately 5 years (3.6%). In 2019, we received a 7.9% increase or \$2.9 million. We just found out last week the 2020 increase would be 9.4%, or \$3.6 million. This increase will allow us some flexibility. It will also help us meet the extra expenditures the COVID-19 pandemic may impose.

It is important we be mindful that future funding may not be so generous, even with escalating rental costs. Also, if budgeting gets tight, we may see inflation factors close to the market with larger pro-ration deductions, which could effectively reduce funding in the future. So we need to remain cautious in our decisions.

3.3 Moving to Work (MTW) Changes

With the current MTW contract ending in 2028, we do not have to worry about any contract changes unless they come through federal appropriations. With the conversion of all but 5 of our Public Housing units to RAD, our federal funding will consist solely of Section 8 HAP and Administrative expense, starting this year. Our HAP funding is tied to HUD's inflation factor and pro-ration. Section 8 funding has traditionally been better for the agency than public housing, so we believe the movement to RAD of our Public Housing units will assist us in funding and stability.

3.4 Property Purchases

We will continue to hunt for properties to buy. Let us remember that there are three reasons why we would consider such a purchase:

- the property will make us money either in its rental stream or its investment value;
- the purchase will make or keep a property affordable to low-income households;
- the property is poorly managed or maintained and THA's purchase can help a neighborhood and the tenants by improving the property's management or maintenance.

Let us also remember that our chances to buy property often come by surprise. We need to be flexible to take advantage of the chances when they come. So this may have us spend deeper into reserves than we are budgeting to do.

3.5 Property Sales

We anticipate selling the remaining Salishan lots for \$575K in 2020. Also, we may sell the Bismark single family home. We have been using it as a Crisis Residential Center. We will no longer need it for that purpose when the Arlington Drive Crisis Residential Center opens later this year.

Writing a budget for an organization as complex as THA takes a lot of work. I thank the entire staff for their effort, diligence, and good humor. Their effort was especially notable because, at the same time, we had to puzzle our way through this pandemic. I especially thank our Finance Director, Ken Shalik. He led the many discussions. He also applied his customary excellent judgment. He brings a necessary caution to the question, nicely spiced with a full appreciation for THA's mission and ambition. THA is very fortunate in its staff all year long. We are also lucky with our Board and its good judgment, its appetite for risk, and its own focus on THA's mission and ambitions. That good fortune shows particularly at budget time, especially during a pandemic.

Thank you.



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2020 Budget
April, 2020

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. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Reserves 01/01/20	-	Minimum	Maximum	Amount to Reserve	=	Amount of reserves available to use in FY-2020
a. MTW Reserves	\$2,157,000		\$ 600,000	\$ 4,600,000	\$750,000		\$1,407,000
b. Business Activities (Non-MTW) reserves	\$7,011,000		\$4,000,000	\$6,500,000	\$6,500,000		\$511,000
c. THA Owned Rental Property	\$2,388,000		\$2,100,000	\$3,000,000	\$2,500,000		(\$112,000)
d. Reserves with Restrictions (ACC sale proceeds)	\$7,299,000		\$0	\$0	\$0		\$7,299,000
e. Heritage Line Of Credit - BFIM investor buyout Reserve	\$2,500,000		\$2,500,000	\$2,500,000	\$2,500,000		\$0
f. Section 8 Reserves held at HUD.	\$2,427,000		\$0	\$0	\$0		\$2,427,000
Totals	\$23,782,000		\$9,200,000	\$16,600,000	\$12,250,000		\$11,532,000

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$13,680,700	1/2 month	\$ 600,000	4 months	\$ 4,600,000
	Total	\$ 600,000	Total	\$ 4,600,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2020

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$52,899,000		\$51,685,000		\$1,214,000
Non-MTW	\$4,706,000		\$5,407,000		(\$701,000)
Properties	\$3,695,000		\$2,579,000		\$1,116,000
Total	\$61,300,000		\$59,671,000		\$1,629,000

3. BUDGET IMPACT - RESERVES - FY-2020

	MTW	Non - MTW				Section 8 Reserves held at HUD.	Total
		Business Activities	THA Owned Rental Property	Reserves with Restrictions (ACC sale proceeds)	Heritage Line Of Credit - BFIM investor buyout Reserve		
Estimated Reserves - 01/01/20	\$2,157,000	\$7,011,000	\$2,388,000	\$7,299,000	\$2,500,000	\$2,427,000	\$23,782,000
a. Recurring Surplus/(Shortfall) ¹	\$1,214,000	(\$701,000)	\$1,116,000				\$1,629,000
Non-Recurring Income/(Expense)							Amount
b. Non Recurring Income - Operational	\$1,136,000	\$7,306,000					\$8,442,000
c. Non Recurring Income - Capital	\$0	\$5,252,000		\$575,000			\$5,827,000
d. Non Recurring Expenses - Operational	(\$1,524,000)	(\$3,737,000)	(\$12,000)				(\$5,273,000)
e. Non Recurring Expenses - Capital	(\$2,041,000)	(\$7,582,000)	\$0	(\$906,000)			(\$10,529,000)
f. Operating Transfers		\$992,000	(\$992,000)			\$0	\$0
g. HUD HAP Drawdown						(\$350,000)	(\$350,000)
h. Projected Reserves - 12/31/20	\$942,000	\$8,541,000	\$2,500,000	\$6,968,000	\$2,500,000	\$2,077,000	\$23,528,000

4. **FY-2020 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/20	Minimum	Maximum
a. MTW Reserves	\$942,000	\$600,000	\$4,600,000
b. Business Activities (Non-MTW) reserves	\$8,541,000	\$4,000,000	\$6,500,000
c. THA Owned Rental Property	\$2,500,000	\$2,100,000	\$2,500,000
d. Reserves with Restrictions (ACC sale proceeds)	\$6,968,000	\$0	\$0
e. Heritage Line Of Credit - BFIM investor buyout Reserve	\$2,500,000	\$2,500,000	\$2,500,000
f. Section 8 Reserves held at HUD.	\$2,077,000	\$0	\$0
g. Totals	\$23,528,000	\$9,200,000	\$16,100,000

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$750,000	\$192,000
\$6,250,000	\$2,291,000
\$2,500,000	\$0
\$0	\$6,968,000
\$2,500,000	\$0
\$0	\$2,077,000
\$12,000,000	\$11,528,000

5. **A LOOK AHEAD AT FY-2020 and beyond (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)**

5.1	New Recurring FY020 Income	New Recurring FY020 Expense	Amount
a.	Section 8 HAP - HUD increase		\$36
b.	Section 8 Admin Fee- Salishan & Hillside RAD units		\$250,000
c.	Cash Flow - RTH Tax Credit Properties		\$500,000
d.		HAP MTW Supplement - Salishan/Hillside RAD conversion	(\$475,000)
e.		HAP expenditures due to increased occupancy and rents	(\$500,000)
f.		Chelsea Heights Lease	(\$150,000)
g.		Staffing Costs - Prorated based on projected 2020 hire date.	(\$410,000)
5.2	Recurring FY021 Income	Recurring FY021 Expense	Amount
a.	Section 8 HAP - HUD increase		TBD
b.	Cash Flow - Tax Credit Properties (Salishan & Hillside RAD)		TBD
5.3	Non-Recurring FY021 Income	Non-Recurring FY021 Expense	Amount
a.	Developer Fee - Bay Terrace - Rise at 19th		\$755,000
b.	Developer Fee - Arlington Rental Housing		\$1,021,800
5.4	Non-Recurring FY022 Income	Non-Recurring FY022 Expense	Amount
a.	Developer Fee - ?		

6. Board Commitments	2019 Commitments	Balance at end of 2019	Included in 2020 Budget	Future Commitments	MTW or Non- MTW	Period
a. Arlington Youth Housing	\$500,000	\$500,000	\$581,000	\$0		
b. Bay Terrace 3 Funding Gap	\$500,000	\$500,000	\$180,000	\$0		
c. Business Process Improvement Project			\$500,000	\$1,500,000	MTW	2021-2022
d. Childrens Savings Account Cohort payments	\$270,000	\$270,000	\$0	\$300,000	MTW	
e. Development Projects	\$2,500,000		\$0	\$2,500,000	Non MTW	2021 Forward
f. Education Projects - CHAP/TSHAP	\$310,000	\$310,000	\$0	\$1,200,000	MTW	2021-2025
g. Faircloth RAD units				\$1,500,000	MTW	2021-2024
h. James Center North Loan Payment				\$1,000,000	Non MTW	2021
i. James Center North Loan Payment				\$3,000,000	Non MTW	2023
j. James Center North Loan Payment				\$2,000,000	Non MTW	2025
k. Key Bank Loan Payment				\$715,000	Non MTW	2024
l. Open Door Future Enhancements	\$500,000	\$500,000	\$530,000	\$1,000,000	MTW	2021-2022
m. Property Acquisitions			\$2,000,000	\$2,000,000	Non MTW	2021 -
n. Section 8 HOPP Increases	\$0	\$0	\$0	\$1,500,000	MTW	2021 -
o. Reserves						
1. Business Activity Reserves				\$6,750,000	Non MTW	In pertuity
2. MTW Reserves				\$750,000	MTW	In pertuity
3. THA Property Reserves				\$2,500,000	Non MTW	In pertuity
Totals	\$4,580,000	\$1,580,000	\$3,791,000	\$28,215,000		

Back-up Detail - Notable Items

7. Non-Recurring Income: FY-2020

Sources of Non-Recurring Income	Amount	MTW/Non-MTW/Properties	Department
Operational			
a. 2019 HAP income carryover to 2020	\$0	MTW	RA
b. Arlington Crisis Center Project Admin Fee	\$87,500	Non-MTW	RD
c. Developer Fee Income			
1. Renew Tacoma Housing RAD - (Final Payment)	\$3,400,000	Non-MTW	PM
2. Alberta J Canada Renovation (RD)	\$450,000	Non-MTW	RD
d. Public Housing Capital Funds (Final Year carryover)	\$786,000	MTW	PM
e. Grant Income (All grants with end dates)	\$1,294,000	Non-MTW	CS/PI
f. Other Revenue			
1. Renew Tacoma Housing Waterfall pymt (2016-2018)	\$2,100,000	Non -MTW	PM

Capital	Amount	MTW/Non-MTW/Properties	Department
g. Court F (Rise at 19th)			
1. City of Tacoma (COT) -CBDG Loan	\$300,000	Non -MTW	RD
h. Arlington - CRC			
1. City of Tacoma Funds	\$1,808,000	Non -MTW	RD
2. Pierce County Funds	\$366,000	Non -MTW	RD
3. Solar Loans	\$78,000	Non -MTW	RD
i. Arlington - Rental Unit Development			
1. State HTF - \$4.29 mill; 1.15 mill remaining 2020	\$1,150,000	Non -MTW	RD
2. FHLB	\$800,000	Non -MTW	RD
3. AHP Loan	\$750,000	Non -MTW	RD
j. Salishan- Market Rate Lots sale (ACC sales proceeds)	\$575,000	Reserves w/ restrictions	RD

8. Notable Non-Recurring Expenses (Non Grant Funded) - 2020

8.1 Operational

	Amount	MTW/Non-MTW/Properties	Department
a. Salaries		\$975,000	
1. New project oriented positions	\$550,000	MTW/Non-MTW	Multiple
3. Overtime/Interns/Transitions	\$250,000	MTW/Non-MTW	Multiple
4. Executive Special Recognition Funds	\$175,000	MTW/Non-MTW	EX
b. Information Technology Expenses		\$250,000	
1. Open Door Programming	\$200,000	MTW/Non-MTW	AD
2. Software Implementation Costs	\$50,000	MTW/Non-MTW	AD
c. Office Equipment		\$60,000	
1. Office Furniture & Equipment	\$17,000	MTW/Non-MTW	Multiple
2. Computer Replacements & Smartboard	\$43,000	MTW/Non-MTW	Multiple
d. Legal		\$180,000	
1. New or upcoming Development Projects/Acquisitions	\$80,000	Non-MTW	RD
2. Sal 4 - 6 Investor Buyout, Faircloth	\$100,000	MTW/Non-MTW	AD
e. Staff Training/Out of Town Travel		\$82,000	
1. Marketing Cloud Training	\$40,000	MTW/Non-MTW	AD
2. Lean Training -BPI	\$20,000	MTW/Non-MTW	AD
3. Executive Coaching	\$22,000	MTW/Non-MTW	Multiple
f. Administrative Contracts		\$145,000	
1. PIE initiatives/evaluations	\$120,000	MTW	PI
2. Leadership Team Development (HR)	\$25,000	MTW/Non-MTW	HR
g. Due Diligence - Development Opportunities		\$950,000	
1. Existing Opportunities	\$785,000	Non-MTW	RD
2. New Opportunities	\$65,000	Non-MTW	RD
3. Potential land/building acquisition (RD)	\$100,000	Non-MTW	RD
h. Tenant Services		\$115,000	
1. Security Deposit Assistance (RA)	\$45,000	MTW	PM/RA
2. Safe Streets Grant - Community Engagement	\$70,000	MTW	CS
i. General Expenses		\$65,000	
1. Buyout Alliant - Hillside 1500	\$65,000	Non MTW	RD
j. Contingency (Line 33)	\$105,000	Non-MTW	EX

8.2 Capital

	Amount	MTW/Non-MTW/Properties	Department
a. IT Equipment	\$231,000	MTW	AD
b. Website/Portal Development	\$250,000	MTW	AD
c. Maintenance Vehicles	\$50,000	MTW	PM
d. Arlington - CRC		\$2,587,000	
1. City of Tacoma Funds	\$1,808,000	Non-MTW	RD
2. Pierce County Funds	\$366,000	Non-MTW	RD
3. Solar Loans	\$78,000	Non-MTW	RD
4. THA Sponsor Loan	\$335,000	Reserves w/ restrictions	RD
e. Arlington - Rental Unit Development		\$2,830,000	
1. State HTF - \$4.29 mill; 1.15 mill remaining 2020	\$1,150,000	Non-MTW	RD
2. FHLB	\$800,000	Non-MTW	RD
3. AHP Loan	\$750,000	Non-MTW	RD
4. THA Sponsor Loan (ACC Sales Proceeds)	\$130,000	Reserves w/ restrictions	RD
f. Court F (Rise at 19th)		\$871,000	
2. City of Tacoma (COT) -CBDG Loan	\$300,000	Non-MTW	RD
3. THA Sponsor Loan (ACC Sales Proceeds) - remaining for 2020 expenses)	\$571,000	Reserves w/ restrictions	RD
g. New Acquisitions	\$2,000,000	Non-MTW	RD
h. 902 Additional Remodel	\$1,500,000	MTW	RD

\$6,288,000

10. Notable Postion Changes - FY 2020

Position	Department
##### <i>Currently Occupied Position Upgrades</i>	
a. Compliance Auditor Upgrade	AD
b. Project Manager 1 to Project Manager 2	AD
c. Project Manager 1 to Project Manager 2 (2)	RD
d. Salesforce Analyst to Salesforce Administrator	AD
##### <i>New Positions - Recurring</i>	
a. Associate Director	RA
b. Caseworkers (2)	CS
c. Electronic Content Manager	AD
d. Housing Specialist	RA
e. Maintenance Specialist (Rise & Arlington)	Properties
f. Office Assistant - FIC	PM
g. Program Specialist	CS
h. Property Manager (Rise & Arlington)	Properties
i. Property Specialist (2) Rise & Arlington	Properties
##### <i>New Positions - Classified as Non Recurring in 2020</i>	
a. BPI Project Managers (4)	AD
b. Arlington & Rise staff pre leasing (3)	PM
c. Program Speicalist (Grant Funded)	CS
##### <i>Postions deteted</i>	
a. Operations Coordinator	RA

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Attachment B
Tacoma Housing Authority
FY-2020 Budget

Accounts	<u>AD Admin</u> <u>Overhead</u>	<u>CS Client</u> <u>Support and</u> <u>Empowerment</u>	<u>EX Executive</u>	<u>FD Finance</u>	<u>HR Human</u> <u>Resources</u>	<u>PI Policy,</u> <u>Innovation &</u> <u>Evaluation</u>	<u>PM Property</u> <u>Management</u> <u>Overhead</u> <u>(Rollup)</u>	<u>RA Rental</u> <u>Assistance</u>	<u>RD Real Estate</u> <u>Development</u>	<u>Agency Total</u>
Revenue - Operations										
Revenue	659,181	1,251,832	143,148	686,668	115,119	390,000	11,054,504	54,615,398	827,268	69,743,118
Total Revenue	659,181	1,251,832	143,148	686,668	115,119	390,000	11,054,504	54,615,398	827,268	69,743,118
Expenses - Operations										
Operating Expense	3,649,941	2,033,216	1,150,743	1,532,223	725,002	1,251,061	3,883,336	4,606,213	2,761,683	21,593,418
Non-Operating Expenses	-	-	-	-	-	-	46,100	43,057,450	-	43,103,550
Total Expenses - Operations	3,649,941	2,033,216	1,150,743	1,532,223	725,002	1,251,061	3,929,436	47,663,663	2,761,683	64,696,968
Surplus/(Loss) - Operations	<i>(2,990,760)</i>	<i>(781,384)</i>	<i>(1,007,595)</i>	<i>(845,555)</i>	<i>(609,883)</i>	<i>(861,061)</i>	7,125,068	6,951,735	<i>(1,934,415)</i>	5,046,150
Capital Expenses/(Revenue)	<i>(481,000)</i>	0	0	0	0	0	<i>(232,650)</i>	0	<i>(4,161,000)</i>	<i>(4,874,650)</i>
Liabilities and Equities	0	0	0	0	0	0	<i>(74,994)</i>	0	0	<i>(74,994)</i>
Net Surplus/(Loss)	<i>(3,471,760)</i>	<i>(781,384)</i>	<i>(1,007,595)</i>	<i>(845,555)</i>	<i>(609,883)</i>	<i>(861,061)</i>	6,817,424	6,951,735	<i>(6,095,415)</i>	96,506

Attachment C
Tacoma Housing Authority - Property Budget
FY- 2020

Accounts	<u>902L 902 South</u> <u>L St - Admin</u> <u>Office (Rollup)</u>	<u>FIC1 Salishan-</u> <u>Family</u> <u>Investment</u> <u>Center (Rollup)</u>	<u>SALM Salishan-</u> <u>Maintenance</u> <u>Shop</u>	<u>SAL7 Salishan 7</u>	<u>HLCR Highland</u> <u>Crest</u> <u>Apartments</u>	<u>JAMC James</u> <u>Center North</u>	<u>KEYB Key Bank</u> <u>Building</u>	<u>MMAC Mr Mac</u> <u>1124 MLK</u>	<u>OUTR Outrigger</u> <u>Apartments</u>	<u>POAK Prairie</u> <u>Oaks</u>	<u>Subtotal</u>
Revenue - Operations											
Revenue	-	-	-	1,118,870	973,914	775,863	36,000	11,160	554,770	224,010	3,694,587
Total Revenue	0	0	0	1,118,870	973,914	775,863	36,000	11,160	554,770	224,010	3,694,587
Expenses - Operations											
Operating Expense	273,837	122,741	12,330	773,534	594,231	474,177	1,200	1,530	316,919	170,246	2,740,745
Non-Operating Expenses	-	33,500	-	11,100	-	-	-	-	-	-	44,600
Total Expenses - Operations	273,837	156,241	12,330	784,634	594,231	474,177	1,200	1,530	316,919	170,246	2,785,345
Surplus/(Loss) - Operations	(273,837)	(156,241)	(12,330)	334,236	379,683	301,686	34,800	9,630	237,851	53,764	909,242
Capital Expenses/(Revenue)	(1,510,000)	-	-	(72,000)	(32,850)	(50,000)	-	-	(12,550)	(5,250)	(1,682,650)
Liabilities and Equities	-	-	-	(12,500)	-	-	-	-	(62,494)	-	(74,994)
Net Surplus/(Loss)	(1,783,837)	(156,241)	(12,330)	249,736	346,833	251,686	34,800	9,630	162,807	48,514	(848,402)

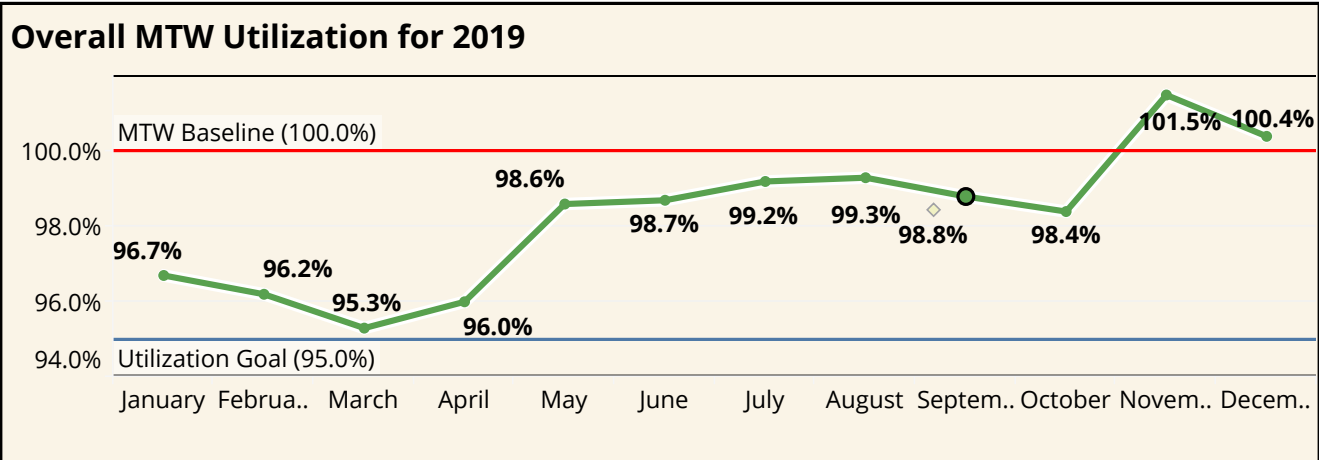
TACOMA HOUSING AUTHORITY

THA USES OF FUNDING - 2020 Budget

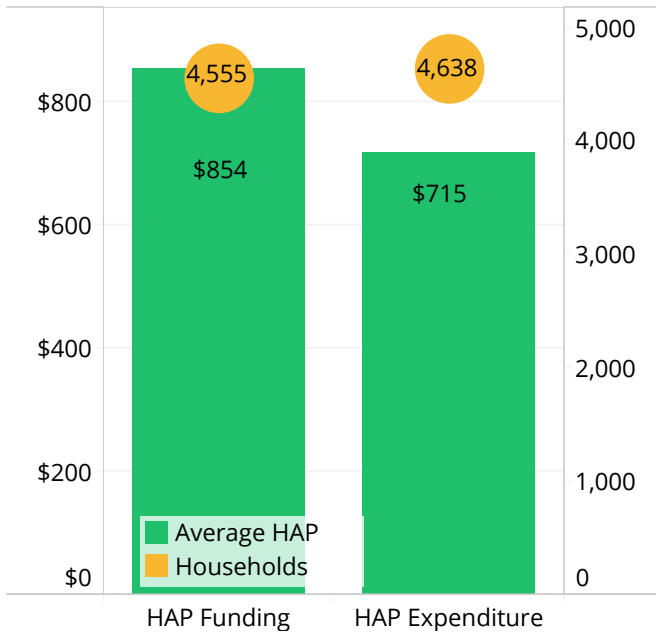
March 27, 2020



This document illustrates the choices THA faces when allocating its housing resources to housing and other related purposes. THA uses 87.8% of rental assistance funding on rental assistance. With this funding, THA projects it will serve 100% of its MTW baseline in 2020. It spends the balance on managing its rental housing portfolio, supportive services, administrative support, and other agency activities including backfilling HUD's underfunding of those functions.

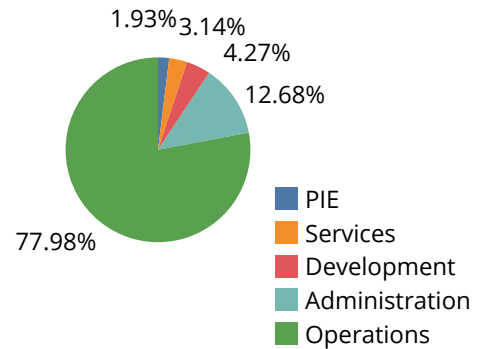


MTW Households Served in 2020



HAP Funding: **\$46,660,500** | HAP Expenditure: **\$39,793,800**

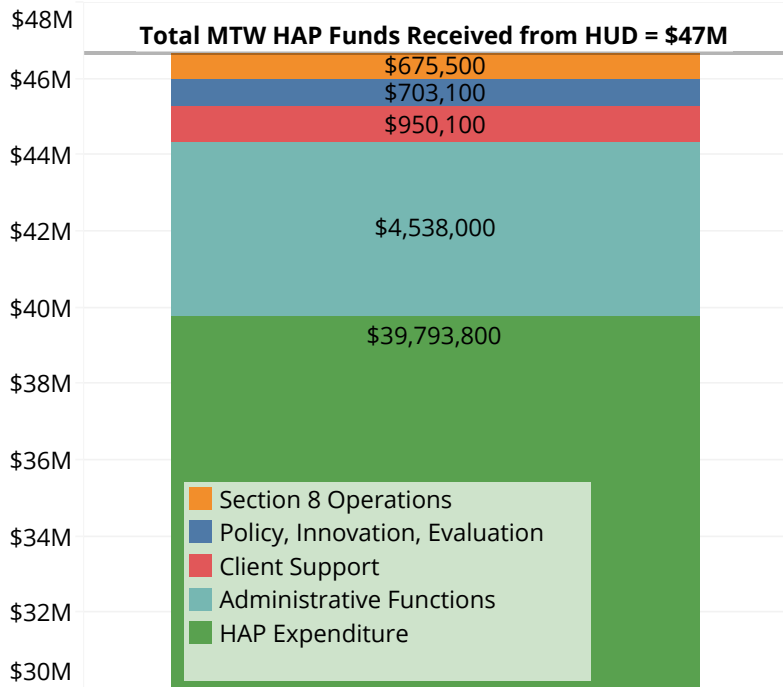
Agency Wide Expenditures by Type



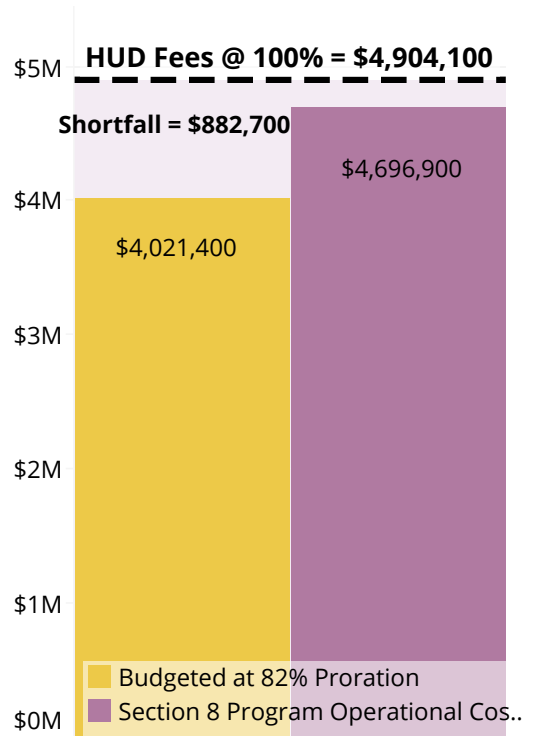
Agency Wide Expenditures by Type

	% Amount	Amount
Operations	77.98%	\$50,449,000
Administration	12.68%	\$8,202,000
Development	4.27%	\$2,761,700
Services	3.14%	\$2,033,200
PIE	1.93%	\$1,251,000
Grand Total	100.00%	\$64,696,900

MTW HAP, HAP Expenses, and HAP Reprogrammed Uses



HUD Section 8 Admin Fees



MTW HAP/ Reprogrammed Uses with Households Unserved

