



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-12-14 (8)

Date: December 14, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2017 Agency Budget

This resolution would adopt Tacoma Housing Authority's THA's budget for 2017. The details are set forth in the attachments.

BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2017. Each year THA budgets 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 budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget through discussions with the liaison from the Finance Committee, the current chair, and other board members. I have provided additional direction to the staff based on discussions, and the Finance Director facilitated multiple meetings with the other Directors to come up with a budget to present to both me, and now the Board. At its December 7th budget study session, the Board indicated approval of the budget that staff now submits. Here are some of its notable features:

- The budget is based on current year federal funding.
- The 2017 budget accounts for our strategic objectives.
- The 2017 budget fits recurring and non-projected oriented expenses within recurring income.
- The budget provides funding for ongoing Community Service support of our tenants. It focuses on properties we manage; assisting families in asset building and preparing for successful exits of our Housing Opportunity Program (HOP) participants at the end of their assistance. Funding from the Gates Foundation has provided us with the ability to continue and grow our education program, along with our administering our Youth asset activities.

- We have community partners that will provide funding for youth asset building activities for the foreseeable future.
- The budget invests in THA's financial future, and promotes redevelopment of additional affordable housing in the community by providing due diligence funds for existing and future opportunities.
- It takes into account the Rental Assistance Demonstration (RAD) conversion, and the funds needed to complete the property upgrades, and the Moving to Work (MTW) supplement needed for the properties with a return in cash flow in 2018.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather the continuing budget challenges. As we remain in an unsettled environment for predicting future Housing and Urban Development (HUD) funding, this approach should continue to serve the agency well.
- The 2017 Budget proposal leaves THA with adequate reserves of both MTW and non-MTW funds. There are also substantial reserves accumulated by the sale of ACC property (Salishan lots and AMP 6 Single Family homes), which are designated by HUD under the terms of the demo/diso application for rehab or existing and developing of new affordable housing in the community.

I am pleased to present this budget proposal to the Board. It reflects discussions throughout the year by both the Board and staff. The proposed budget leaves THA in relatively good shape considering continuing Congressional budget uncertainties, especially as we try to anticipate what a Trump Administration will mean for our work. It allows THA to continue core programs. It also allows THA to continue its special programs that continue to distinguish THA nationally for its innovation, such as the Education program, Children's match savings accounts, community services to help families prosper, rapid rehousing, and assistance to TCC students who are homeless.

Even though we write this budget by presuming on funding in 2017 at 2016 levels, we must note that Congress is not scheduled to pass a 2017 until March. When it does, it may impose some cuts that will require THA to adjust. We will watch Congress carefully between now and then to try and anticipate what it will do in March,

PRINCIPLES GUIDING THE BUDGET CHOICES

The following principles have long guided THA's budgeting. We followed them in devising the present proposal.

- **THA's Strategic Directives**

THA's statement of vision, mission and values, and our strategic objectives remain our primary principles that guide our work, including budget choices. Each department considered the priority of programs and projects serving each strategic objective when proposing its own budget. The budget proposal allows us to proceed with our most important initiatives.

As in the past, this budget seeks to retain what is distinctive about THA: we do not confine our mission to being a landlord and disbursing monthly rental

assistance checks. We also are real estate and community developers. We seek ways to spend our housing dollar to leverage other outcomes: increased earned income of our families, improved educational outcomes; improved asset building. Our efforts to do this have become signature attributes of THA. This has distinguished THA from its counterparts. We would rather retain a meaningful measure of these functions even on a reduced scale rather than derail the significant movement forward on important initiatives due to fear of reduced funding. If we retain at least a minimal presence in these areas it allows us to later pick these initiatives back up and move them forward easier than if we had to start from scratch.

- **Conservative Assumption About Congressional Appropriations**

Congress is supposed to adopt a federal budget by October 1st. If it did that, we would know our federal allocation in time to adopt our own budget by January 1st. Unfortunately, Congress is usually late. It is late again this year. This forces us to place some bets on what Congress will later do. To do that we budget to the worst of the plausible appropriation levels.

This year presents some additional new uncertainties about Congress will do. A new President will take office in January. Congress has deferred to his wish that Congress not pass a budget until March, giving him a chance to influence it. Until then we will operate under a Continuing Resolution.

This budget proposal presumes upon the levels of HUD appropriations set forth in the version of the budget approved earlier this year by the House Appropriation Committee. This is essentially a flat line budget. Our advisors on such questions judge that these levels will likely govern what the new Congress does in March.

- **Recurring Income and Expenses**

We seek a budget where our recurring income pays for our recurring, and non-project oriented expenses. Using reserves to cover recurring expenses is unwise. Our proposed budget will show a minimal aggregate surplus of recurring income over recurring expenses.

- **Reserves and Reserve Spending**

We continue to identify minimum and optimal levels of reserves overall and for each type of reserve. This budget would keep reserves at approximately optimal levels for overall reserves without restrictions. It would keep us above minimum levels for non-MTW reserves.

We do so pursuant to the principles that govern our use of reserves. It is better to spend reserves on nonrecurring rather than recurring expenses. 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. Most of the spending of non-MTW reserves is on development projects that we expect will earn us a developer fee in 2017 and beyond, as well as increase the number of

affordable housing units for the community. For the MTW portion of the budget, reserves will be used for supplementing the RAD rents for the Renew Tacoma Housing RAD portfolio; finalizing the IT conversion; and remodel of the Family Investment Center, and the Salishan maintenance building. We will also continue to support our families with services.

NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones for this budget:

- **Budgeting at 2016 Funding Levels**
As noted above, we are budgeting at the FY 2016 federal funding levels.
- **Public Housing Occupancy Fund**
We are budgeting at 86% of authorized amount, which is relatively equivalent to what we received in 2016. As our traditional Public Housing portfolio transitioned to RAD in 2016, this applies only to our Salishan and Hillside Terrace portfolios.
- **HAP Savings**
THA has saved over \$6.5 million since 2013 because of programmatic changes, including changes to our occupancy standards to 2 individuals per bedroom; discontinuing utility allowance payments and instituting minimum rents at \$75 per unit. We also transitioned new rental assistance clients to the HOP program. The rate of savings will diminish as Tacoma's rental market continues to rise.
- **Section 8 Admin Fee**
We assume that Congress will fund only 80% of the Section 8 Admin Fees. That is what it did in 2016.
- **Wages and Salaries**
For 2017, we are budgeting to include a 3% increase for OPEIU and non-represented staff, along with an extra 2.0% for variable pay based on performance. Our trades personnel is being budgeted for a 2.5% salary increase with a 2.0% variable pay amount. Scheduled increases are budgeted for July 1.
- **Employee benefits**
We calculated the costs of employee benefits on the following assumptions:

Health Care benefits
We plan for a 5% increase in the Laborers trust for our maintenance staff, effective July 1st. For our OPEIU and non-represented staff, the increase for 2017 will be 13% over 2016. We are maintaining the same employee % contribution amount as in 2016.

Dental

There is a 5% increase over 2016's costs.

Retirement

Washington State employer portion of retirement plan is budgeted at the 11.31% that we incurred in 2016.

Short and Long Term Disability/Life Insurance

The costs for these benefits remain at 2016 levels.

Unemployment Insurance

THA self-insures its unemployment claims. We are maintaining the accrual at 1.5% in 2017. THA pays for all of the claims from this accrual.

Benefits, on average, remain approximately 42.5% of salary dollars.

SOME BUDGET DETAIL

- **HAP Utilization:**
The intent is to serve as many families as possible under THA's rental assistance programs. The budget assumes housing tenants at 97% of our Section 8 ACC authorization, which is our current utilization. The households served under Special Program initiatives are not included in this %.
- **Special Program Initiatives**
The budget provides approximately \$1.3 million for special program initiatives that the Board will recognize from past discussions:
 - DSHS-PHA child welfare collaboration
 - Rapid rehousing for homeless families
 - Housing for unaccompanied youth
 - TCC homeless students program
 - Scholars incentive programs

The funding for special programs represents housing an equivalent of approximately 140 families per year.

- **HAP Expenditures**
Due to increasing upward pressure in the area's housing market, our HAP average has been increasing by approximately \$2 per month in 2016. We are budgeting for our 2017 HAP anticipating this trend will continue. Thus, we are anticipating HAP for our traditional and HOP families will increase by approximately \$625K over 2016 amounts.
- **IT Improvements**
We will be transitioning over to our new IT platform (OpenDoor and Intacct) on January 1. Even though we will have expended the bulk of the funds for

programming, \$150K will be budgeted in 2017 for programming for enhancements and changes that might be needed to existing programming.

- **Community Service Grants**

THA continues to move forward with both the Education and Children Savings Accounts Programs. We have received funding from a variety of grantees.

- **Bay Terrace Redevelopment**

Bay Terrace 2 (74 units) will be completed and substantially leased in the first half of 2017. We will be turning our focus to redevelopment of the final phase (1800 block) in 2017.

- **Hilltop**

The redevelopment of the Hilltop area will be a priority in 2017. The New Look Apts. (Alberta Canada) will be re-syndicated as a new 4% tax credit deal in 2017, and the Key Bank building will undergo rehab to house community partners (Sound families consortium) that will be working primarily with our families.

We will continue outreach into the community and finalize plans for development in the area in anticipation of redevelopment of hard units in 2018 and beyond.

We will also be on the lookout for opportunities to purchase land for our redevelopment efforts in this part of the community.

- **Renovation of the Family Investment Center**

The renovation of the Family Investment Center and the Maintenance Shop has been on the schedule since 2012. The renovation is scheduled to commence the latter part of 2017, with the bulk of the construction costs expended in 2018.

- **Reserve Appropriations/Operating Transfers**

In the budget, we specify certain areas where we will either make transfers from certain areas, or pull from reserves rather than operations for expenditures. For the FY-2015 we made the following choices:

- Fund the FIC renovation in the amount of \$110,000 from reserves. The remaining amount of the rehab will be funded in 2018 (\$569K).
- Fund the Salishan Maintenance shop renovation in the amount of \$68,000 from reserves. The remaining amount of the rehab (218K) will be funded in 2018.
- Fund the purchase of \$80K of replacement of maintenance vehicles and equipment from reserves. \$25K is budgeted for replacement of a Community Services vehicle to come from reserves.
- \$100K is budgeted to upgrade the Security Cameras and other safety upgrades in 902 for 2017.
- \$162K is budgeted for finalization and additional enhancements to the new IT platform, as well as upgrade of IT equipment.

- Approximately \$1.9 million will be used from the ACC sales proceeds reserve category for Bay Terrace 3 pre-development costs to be reimbursed upon closing. It is anticipated some of those funds may be need to fill a funding gap for permanent financing.
 - \$675K budgeted for remodel of Key Bank building to house the Sound Family consortium.
 - \$750K for possible land/property purchases in the Hilltop neighborhood.
 - \$1.5 million is budgeted for potential new acquisitions.
 - \$75K is budgeted for Outrigger improvements. \$450K was set aside upon purchase in 2015. This would be for upgrades to units upon turn.
 - We are also shopping to purchase additional apartment complexes.
- **Use of MTW Flexibility**
Due to our MTW flexibilities, we combine 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 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. In 2017, the utilization of this flexibility will change somewhat, as Public Housing Operating Subsidies will be for Public Housing units in existing tax credit properties, and will flow to those properties directly. These funds will not be used for any other purpose, other than 5% that THA is able to keep.
 - **Reserves**
The budget will leave us with the following reserves as indicated in Attachment A:

○ MTW Reserves	\$ 154,973
○ Business Activities (Non-MTW) reserves	\$ 5,767,128
○ PH Owned Property reserves	\$ 61,700
○ Reserves with Restrictions	<u>\$ 4,739,300</u>
	\$ 11,423,100

Recommendation

I recommend that the Board adopt Resolution 2016-12-14 (2) to formally approve THA's Fiscal Year 2017 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-12-14 (8) (FISCAL YEAR 2017 ANNUAL BUDGET)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2017; and

WHEREAS, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2017 annual budget; now, therefore be it

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 2017 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 1,040,784
Human Resources	600,306
Finance	1,247,856
Administration	1,836,968
Community Services	2,262,024
Real Estate Development	2,589,550
Policy, Innovation and Evaluation	1,055,421
Property Management Overhead	808,452
Rental Assistance	39,626,808
Property Management	<u>2,310,729</u>
Subtotal	53,379,898

<u>Additional Cash Outflows</u>	
Capital Expenditures	7,458,370
Debt Service	<u>67,581</u>
Subtotal	7,525,951

TOTAL APPROVED BUDGET \$60,905,849

Approved: December 14, 2016


Dr. Arthur C. Banks, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2017 Budget
December, 2016

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

Type/Purpose of Reserves	Projected Reserves 01/01/17
a. MTW Reserves	\$1,500,000
b. Business Activities (Non-MTW) reserves	\$8,000,000
c. PH Owned Property Reserves	\$763,700
d. Reserves with Restrictions (ACC sale proceeds)	\$3,415,000
e. Section 8 Reserves held at HUD.	\$400,000
Totals	\$14,078,700

Minimum necessary and Optimal Reserves

Minimum	Optimal or Maximum	Amount to Reserve
\$ 500,000	\$ 4,100,000	\$500,000
\$4,000,000	\$5,750,000	\$5,750,000
\$400,000	\$750,000	\$750,000
\$0	\$0	\$0
\$0	\$0	\$0
\$4,900,000	\$10,600,000	\$7,000,000

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Amount of reserves available to use in FY017
\$1,000,000
\$2,250,000
\$13,700
\$3,415,000
\$400,000
\$7,078,700

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum	Maximum
	Period	Period
\$12,297,024	1/2 month	4 months
	Amount	Amount
	\$ 500,000	\$ 4,100,000
	Total \$	Total \$
	500,000	4,100,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2017

	Recurring Income
MTW	\$43,355,600
Non-MTW	\$6,301,600
Total	\$49,657,200

	Cost of Recurring operations (with proposed savings)
	\$42,827,100
	\$6,820,800
	\$49,647,900

	Surplus or (Shortfall) in recurring operations ¹
	\$528,500
	(\$519,200)
	\$9,300

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3. BUDGET IMPACT - RESERVES - FY-2017

	MTW	Non - MTW				Total
		Business Activities	PH Owned Property Reserves	Reserves with Restrictions (ACC sale proceeds)	Section 8 Reserves held at HUD	
Estimated Reserves - 01/01/17	\$1,500,000	\$8,000,000	\$763,700	\$3,415,000	\$400,000	\$14,078,700
a. Recurring Surplus/(Shortfall) ¹	\$528,500	(\$1,017,200)	\$498,000			\$9,300
Non-Recurring Income/(Expense)						Amount
b. Non Recurring Income - Operational ²	\$0	\$2,150,000				\$2,150,000
c. Non Recurring Income - Capital ³	\$257,600	\$1,375,000		\$3,200,000		\$4,832,600
d. Operations & Support Department Expenses - Operational ⁴	(\$2,047,828)	(\$365,473)				(\$2,413,300)
e. Operations & Support Departments Expenses- Capital ⁵	(\$895,300)	(\$119,300)				(\$1,014,600)
f. Development Department - Operational ⁶	(\$680,400)	(\$705,900)				(\$1,386,300)
g. Development Department - Capital ⁷	(\$257,600)	(\$4,300,000)		(\$1,875,700)		(\$6,433,300)
h. Operating Transfers	\$1,750,000	(\$850,000)	(\$500,000)		(\$400,000)	\$0
i. Lease sale of New Look upon resyndication		\$1,600,000				\$1,600,000
j. Projected Reserves - 12/31/17	\$154,973	\$5,767,128	\$761,700	\$4,739,300	\$0	\$11,423,100

4. FY-2017 PROJECTED END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves *	Projected Reserves 12/31/17	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal
a. MTW Reserves	\$154,973	\$500,000	\$4,100,000	(\$3,945,028)
b. Business Activities (Non-MTW) reserves	\$5,787,128	\$4,000,000	\$5,750,000	\$17,128
c. PH Owned Property Reserves	\$ 761,700	\$400,000	\$750,000	\$11,700
d. Reserves with Restrictions (ACC sale proceeds)	\$ 4,739,300	\$0	\$0	\$4,739,300
e. Section 8 Reserves held at HUD.	\$ -	\$0	\$0	\$0
f. Totals	\$11,423,100	\$4,900,000	\$10,600,000	\$823,100

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$500,000	(\$345,028)
\$5,750,000	\$17,128
\$750,000	\$11,700
\$0	\$4,739,300
\$0	\$0
\$7,000,000	\$4,423,100

5. A LOOK AHEAD TO FY-2017 and beyond (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

5.1	Recurring FY017 Income	Recurring FY017 Expense	Amount
a.	Admin Fee for RAD units		\$525,000
b.		MTW Supplement for RAD rents (HAP)	\$1,500,000
c.		HAP expenditures due to increasing rents	\$625,000
5.2	Recurring FY018 Income	Recurring FY018 Expense	Amount
a.	Cash Flow - Tax Credit Properties		TBD
b.		HAP expenditures due to increasing rents	TBD
5.3	Non-Recurring FY018 Income	Non-Recurring FY018 Expense	Amount
a.	Developer Fee - Bay Terrace - Phase 2		\$165,500
b.	Developer Fee - Bay Terrace - Phase 3		\$200,000
c.	Developer Fee - RAD		\$7,000,000
d.	Capitalized Loan Payment - RAD		\$3,325,000
e.	Bond Issuance Fee - RAD		\$675,000
f.	Sale of Scattered Site Homes (6)		\$960,000
5.4	Non-Recurring FY019 Income	Non-Recurring FY019 Expense	Amount
a.	Developer Fee - Bay Terrace - Phase 3		\$1,000,000
5.5	Projected Cash Flow to THA- TC properties		Amount
a.	2017 - Renew Tacoma Housing deferred until after rehab completion		\$0
b.	2018 - Renew Tacoma Housing deferred until after rehab completion, will include 2017 & 2018		TBD
c.	2019 Salishan/Hillside Renew Tacoma Housing - recurring amount thereafter		TBD

6. MTW Commitments passed by Board - 2016					
	Current Commitment	Projected Balance at end of 2016	Included in 2017 Budget	Revised Commitment Amount	
a. Renovation/Remodel of Family Investment Center Building	\$579,500	\$579,500	\$110,100	\$669,100	MTW- Still pending
b. Renovation of Salishan Maintenance Shop	\$286,500	\$286,500	\$68,200	\$286,500	MTW-Still pending
c. Software Conversion of Yardi/VisualHOME Platform (Open Door/Intacct)	\$750,000	\$25,000	\$25,000	\$150,000	MTW- Remaining Balance from 2016
d. Education Projects - McCarver and Others	\$310,000	\$310,000	\$0	\$310,000	MTW
e. Childrens Savings Account Cohort payments	\$300,000	\$270,000	\$36,000	\$270,000	MTW
f. Development Projects (Hilltop)	\$2,000,000	\$2,500,000	\$0	\$2,500,000	MTW , BA, or demo/dispo funds
g.	\$4,226,000	\$3,971,000	\$239,300	\$4,185,600	

Back-up Detail

7. Non-Recurring Income: FY-2017

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
Sources of Non-Recurring Income						
Operational²						
a. 2016 HAP income carryover to 2017	\$0					
b. Developer Fee Income						
1. RAD		\$1,000,000				
2. Bay Terrace - Phase 2		\$500,000				
3. New Look Resyndication		\$650,000				
c. <i>Operations Subtotal²</i>	\$0	\$2,150,000	\$0	\$0	\$0	\$0
Capital³						
d. Bay Terrace - Phase 3						
1. CBDG funds						
2. TCRA funds		\$1,000,000				
e. RAD						
1. Relocation Staff Costs (Capitalized)	\$257,600					
f. Sale of 20 Single Family Scattered Site Homes (Prog Inc)		\$3,200,000				
g. Crisis Residential Center - City payment		\$375,000				
h. <i>Capital Subtotal³</i>	\$257,600	\$4,575,000	\$0	\$0	\$0	\$0

8. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes

Operations & Support Departments

8.1 Operations & Support Department Non-Recurring - Operational⁴

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 10.1 e-i.	\$328,948	\$69,353				
2. New project oriented positions - 10.1- r.	\$0	\$0				
3. Existing project oriented Positions - 10.2 c-f.	\$184,400	\$156,100				
4. Overtime/Interns	\$220,780	\$45,220				
b. Office Supplies (Line 21)						
1. Replace tenant files	\$5,000					
c. Office Equipment Expensed (Line 26)						
1. Community Services staff IT equipment	\$13,500					
d. Administrative Contracts (Line 30)						
1. Leadership Team Development (HR)	\$24,900	\$5,100				
3. New Performance Evaluation System (HR)	\$8,300	\$1,700				
4. MTW Consultant- 2016/2017 planning (PIE)	\$50,000					
5. Marketing Material Evaluation (PIE)	\$5,000					
6. HOP Analysis (PIE)	\$75,000					
7. Fundraising Consultant (PIE)		\$10,000				
8. RDA Analyst (PIE)	\$25,000					
9. Community Health Advocate focus groups (PIE)	\$15,000					
e. Tenant Services - Relocation (Line 36)						
1. Relocation - Scattered Site Home Sales	\$80,000					
f. General Expenses (Line 48)						
1. Buyout incentives/ separation agreements (HR)		\$50,000				
g. Extraordinary Maintenance (Line 52)						
1. Elevator Maintenance - 902	\$40,000					
h. Section 8 Payments						
1. MTW supplement for RAD will be for full year in 2017. Cash flow will return portion of it commencing 2018. This represents amount projected returning to agency.	\$950,000					
i. Contingency	\$24,000	\$28,000				
j. Operational Subtotal⁴	\$2,047,828	\$365,473	\$0	\$0	\$0	\$0

8.2 Operations & Support Departments - Capital⁵

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Reserve Replacement Funding - Salishan 7 & Prairie Oaks		\$44,300				
b. FIC Building Renovations	\$110,100					
c. Salishan Maintenance shop renovations	\$68,200					
d. Maintenance vehicle replacement with outfitting	\$80,000					
e. Community Services Vehicle	\$25,000					
f. Security Cameras - 902	\$100,000					
g. Transition IT Platform to new system	\$150,000					
h. IT Hardware upgrades	\$12,000					
i. Funds set aside for Outrigger repairs		\$75,000				
j. PH Scattered Site homes - Prepare units for sale	\$350,000					
k. Capital Subtotal ⁵	\$895,300	\$119,300	\$0	\$0	\$0	\$0

Real Estate Development Department Activity

8.3 Development Department Nonrecurring - Operational⁶

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 10.1 j.-m.	\$293,100	\$193,800				
2. Existing project oriented Positions - 10.2 a.-b.	\$374,800	\$232,100				
b. Legal (Line 27)						
1. Hilltop Master Plan		\$10,000				
2. New Look Apts.		\$10,000				
3. Other Acquisitions		\$15,000				
3. Miscellaneous		\$15,000				
c. Administrative Contracts (Line 30)						
1. Miscellaneous		\$20,000				
d. Due Diligence - Development Opportunities						
1. Hilltop Master Plan		\$50,000				
2. Potential land/building acquisitions		\$100,000				
3. Many Lights		\$25,000				
4. New Look		\$0				
5. New Tax Credit Project		\$0				
6. Other Opportunities		\$25,000				
7. Salishan Core Master Planning		\$10,000				
e. Relocation Costs (Line						
1. Relocation needs for FIC remodel	\$12,500					
f. Contingency (Line 33)		\$0				
g. Development Activity - Operational - Subtotal ⁶	\$680,400	\$705,900	\$0	\$0	\$0	\$0

8.4 Development Department - Capital⁷

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Bay Terrace - Phase 3						
1. THA - MTW funds	\$0	\$1,875,700				
2. TCRA loan		\$1,000,000				
b. RAD						
1. Relocation Staff Costs (Capitalized)	\$257,600					
c. Key Bank upgrade in order to lease		\$675,000				
d. Land/Property purchases - MLK corridor		\$750,000				
e. New Acquisitions		\$1,500,000				
f. Crisis Residential Architecture and Construction		\$375,000				
g. Purchase Hillside 1500 - Year 15 exit (early)						
h. Development Activity - Capital - Subtotal ⁷	\$257,600	\$6,175,700	\$0	\$0	\$0	\$0

9. Operating Transfers/Reserve Appropriations Requested

9.1 Operations	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Community Services expenses received Prior Year grants		\$0				
b. Operations Subtotal	\$0	\$0	\$0	\$0	\$0	\$0

9.2 Capital	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. FIC Building Renovations	\$110,000					
b. Salishan Maintenance shop renovations	\$88,000					
c. Maintenance vehicle replacement with outfitting	\$80,000					
d. Community Services Vehicle	\$25,000					
e. Security Cameras - 902	\$100,000					
f. Transition IT Platform to new system	\$150,000					
g. IT Hardware upgrades	\$12,000					
h. Bay Terrace 3 Redevelopment		\$1,875,000				
i. Key Bank upgrade in order to lease		\$675,000				
j. Land/Property purchases - MLK corridor		\$750,000				
k. New Acquisitions		\$1,500,000				
l. Outrigger Turn improvements		\$75,000				
m. Capital Subtotal	\$545,000	\$4,875,000	\$0	\$0	\$0	\$0

10. Notable Recurring Operational/Support Department Costs

	Staff Positions			Change	Comments
	Increase/ Decrease fm previous year budget	Original	Mid-Year Revision		
10.1 Position Changes - FY-2017					
<i>Currently Occupied</i>					
a. Technical Business Analyst	(1.0)	(1.0)			With switchover to Salesforce Platform, the types of duties assigned to this position will be handled by Salesforce Administrator
b. Subtotal	(1.00)	(1.00)			
<i>New Positions - Recurring</i>					
c.					
d. Subtotal	0.00	\$0			
<i>Sunset Positions</i>					
e. Accounting Specialist (Fin)	0.0	\$65,100			Assist staff during RAD and IT software conversions
f. Project Manager Asset Mgt/RAD (Admin)	0.0	\$81,000			RAD
g. Business Process Improvement Specialist (Exec)	0.5	\$105,400			To assist with Process Improvement
h. Inspector (RA)	1.0	\$72,400			To assist with additional inspections needed for RAD
i. Landlord Liaison (RA)	1.0	\$72,400			To work with landlords to assist in increasing client leasing rate
j. Senior Project Manager (RED)	0.0	\$118,100			RAD
k. Construction Site Manager (RED) (2)	0.0	\$223,900			RAD
l. Senior Office Assistant (RED)	0.0	\$69,200			RAD
m. Program Specialist (RED)	1.0	\$75,700			Hilltop Redevelopment
n. Program Manager - Relocation	0.0				Capital Budget - RAD
o. Relocation Specialist (2)	0.0				Capital Budget - RAD
p. Subtotal	3.50	\$883,200			
<i>New Positions - Project Oriented</i>					
q.					
r. Subtotal	0.00	\$0			
10.2 Project Oriented Positions (Non Grant funded)					
a. Sr. Project/Construction Manager (RED) (3)		\$418,100			BA
b. Project Manager 1 (RED) (2)		\$188,800			BA
c. After School Coordinator (2 PT) (CS)		\$16,300			MTW
d. Community Resource Planner (PIE)		\$121,400			BA
e. Project Manager 1 (PIE) (2)		\$202,800			MTW/BA
f. Subtotal	0.00	\$947,400			

10.3 Operations & Support Department - Notable Recurring Information

Income

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Section 8 Admin Fee Increase for RAD	\$328,500					
a. Special Program Assistance Payments						
1. Rapid Rehousing for Homeless Families	\$1,000,000					
2. Unaccompanied Youth Vouchers	\$288,000					
3. RAD Supplemental Rents	\$1,500,000					
b. FSS paypoints - Replaces HAP FSS escrow amounts (Included with HAP)	\$75,000					
c. Increase in MTW due to escalating rents in community	\$625,000					
d. MTW Security Deposit Program	\$20,000					
e.						
Totals	\$3,508,000	\$0				

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. 07/31/2019)

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: WA-005

PHA Fiscal Year Beginning: January 1, 2017

Board Resolution Number: 2016-12-14(8)

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: 12/14/2016
- ☐ 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:
Arthur C. Banks		12/14/2016