



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13 (1)

**Date:** December 05, 2017  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Fiscal Year 2018 Agency Budget

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*This resolution would adopt Tacoma Housing Authority's (THA) budget for 2018. It provides for the expenditure of \$63,028,799. The details show in the attachments. This budget proposal closely tracks the version that received tentative approval from the Board's Finance Committee and from the Board at its budget study session on November 29<sup>th</sup>.*

### 1. SOME BACKGROUND AND SUMMARY

Each year THA budgets for its upcoming fiscal year. THA's fiscal year aligns with the calendar year. By this resolution, the Board would adopt a THA budget for FY 2018. 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 its Finance Committee, the current chair, and other Commissioners. The Board also reviewed the budget proposal at its study session on November 29<sup>th</sup>. I have provided additional direction to staff based on these discussions. 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.

This proposal denotes a lot of work and thought by Board and staff. This budget has to account for some particular puzzles and challenges we face from our Congressional funding uncertainties, Housing and Urban Development (HUD) directives, and most of all Tacoma's steeply rising rental market that is increasing the cost of our vouchers at unsustainable rates. This budget has to account for THA's own ambitions in ways that will keep us innovative and effective for the people and communities we serve. Most of all, this budget has to reflect the Board's vision, mission and values and its strategic objectives for THA and its work. I believe it does.



**Third**, we use reserves for expenditures that have a plausible chance to make us money, save us money or make us more effective. Much of that expenditures is on building and buying properties, rapid rehousing expenses for homeless families with children and homeless young adults, the software conversion and other administrative investments.

THA will receive another \$5 million in developer fee in early 2019. That \$5 million does not feature in this budget, but it will help next year.

Below I show more details about these aspects of the budget proposal.

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. 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, the community services to help families prosper, and rapid rehousing for homeless families with children and homeless young adults.

I must note an important uncertainty about this budget. As I write this, Congress has not yet passed a budget for 2018. Its present deadline for keeping the government operating and avoiding its shutdown is midnight December 8<sup>th</sup>. This budget assumes that when Congress does pass a budget for 2018 we will receive at least flat funding form 2017. If we assume incorrectly, this budget may require the Board's adjustment once we do learn what Congress does.

## **2. PRINCIPLES GUIDING THE BUDGET CHOICES**

Staff have used the following principles to guide the preparation of this budget proposal:

### **2.1 THA's strategic directives**

The Board's Statements of vision, mission and values, and its seven 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 real estate developer, a landlord and a distributor of rent checks. We are also community developers. We seek ways to spend our housing dollar to leverage other outcomes: increased earned income of our families, improved educational outcomes, and improved asset building. Our efforts to do this have become signature attributes of THA. They have distinguished THA from its counterparts. Even in the face of budget cuts, we have sought to retain a meaningful measure of these functions, even on a reduced scale, rather 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 again from scratch.

**Here are the notable examples of this work that the budget proposals funds:**

**2.1.1 *THA's Real Estate Development***

We are continuing to build or buy properties. We do this with a new urgency as Tacoma's rental market continues its steep climb. We judge that in five years the only housing in large parts of Tacoma that will be affordable to the households we serve, even with a voucher, and the only notable measure of racial and economic integration in those areas, will come from properties we and our partners own or buy now.

**2.1.2 *THA's Education Project***

- expansion of the Elementary School Housing Assistance Program
- expansion of the College Housing Assistance Program
- Children's Savings Account

**2.1.3 *Community Services***

The budget funds ongoing Community Service to help our assisted households succeed, not just as tenants, but also, as our vision statement contemplates as "parents, students, wage earners and builders of assets".

**2.1.4 *Policy, Innovation and Evaluation***

This budget continues to fund our department of Policy, Innovation and Evaluation. This is where we envision THA's programmatic future, decide what programs to try, design them, and then evaluate them. Next year this work will focus on at least these four main areas:

- redesign and expansion of the Elementary School Housing Assistance Program
- expansion of the College Housing Assistance Program
- evaluation of the HOP Program as we approach the expiration next spring of the first of the 5 year time limits.
- improvement of our collection and use of data

**2.2 *Board's Three Budget Principles***

The Board has three long established budget principles. They have served us well. This proposed budget conforms to all three.



### 2.2.1 Recurring Income Must Cover Recurring Expenses

We seek a budget where our recurring income pays for our recurring expenses, including our non-project oriented expenses that are part of our mainstream work. Our proposed budget will show an aggregate surplus of recurring income over these recurring expenses of \$129,300.

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2018					
	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations <sup>1</sup>
MTW	\$43,637,100		\$43,048,300		\$588,800
Non-MTW	\$7,613,900		\$8,073,400		(\$459,500)
<b>Total</b>	<b>\$51,251,000</b>		<b>\$51,121,700</b>		<b>\$129,300</b>

I note that characterizing income or expenditure as either recurring or non-recurring is not a precise exercise. It requires judgment. In general, we defer the judgment to the Finance Department and its conservative budget sensibilities. They have served us well.

One of the ways to make this judgment is to regard as non-recurring expenses on not only time limited activities like our software conversion or our Rental Assistance Demonstration (RAD) fix-up, but also projects that are longer duration but outside THA's mainline housing programs, e.g.: \$1.288 million for rapid rehousing, \$5.490 million for real estate purchases, due diligence and development staff. One way to think of these expenditures is to regard them as what we would consider first to reduce if we had to cut the budget.

### 2.2.2 Reserve Levels: Not Too Little, Not Too Much

The Board has identified minimum and optimal levels of reserves overall and for each type of reserve. This budget would keep overall reserves at \$9 million, or enough to cover about 2 months of operations. This amount is \$1.8 million above the Board's optimal levels. The non-MTW reserves, a subset of all reserves, is at minimal levels.

Type/Purpose of Reserves	Projected Reserves 01/01/18	-	Minimum	Optimal or Maximum	Amount to Reserve	=	Amount of reserves available to use in FY018
a. MTW Reserves	\$750,000		\$ 500,000	\$ 1,000,000	\$500,000		\$250,000
b. Business Activities (Non-MTW) reserves	\$4,500,000		\$4,000,000	\$5,750,000	\$5,750,000		(\$1,250,000)
c. PH Owned Property Reserves	\$1,000,000		\$400,000	\$750,000	\$1,000,000		\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$6,175,000		\$0	\$0	\$0		\$6,175,000
e. Section 8 Reserves held at HUD.	\$250,000		\$0	\$0	\$0		\$250,000
<b>Totals</b>	<b>\$12,675,000</b>		<b>\$4,900,000</b>	<b>\$7,500,000</b>	<b>\$7,250,000</b>		<b>\$5,425,000</b>



Type/Purpose of Reserves *	Projected Reserves 12/31/18	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal	Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
a. MTW Reserves	\$118,400	\$500,000	\$1,000,000	(\$881,600)	\$500,000	(\$381,600)
b. Business Activities (Non-MTW) reserves	\$4,614,900	\$4,000,000	\$5,750,000	(\$1,135,100)	\$5,750,000	(\$1,135,100)
c. PH Owned Property Reserves	\$ 1,250,000	\$750,000	\$1,250,000	\$0	\$1,000,000	\$250,000
d. Reserves with Restrictions (ACC sale proceeds)	\$ 3,075,000	\$0	\$0	\$3,075,000	\$0	\$3,075,000
e. Section 8 Reserves held at HUD.	\$ -	\$0	\$0	\$0	\$0	\$0
f. Totals	\$9,058,300	\$5,250,000	\$8,000,000	\$1,058,300	\$7,250,000	\$1,808,300

### 2.2.3 Uses of Reserves

The best use of reserves would pay for activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. Here are the notable examples in this budget:

- \$5.528 million – real estate development*

Most of the spending of reserves is on building or buying properties. We would build or buy a property for one or more of five reasons:

  - (i) to preserve a property's affordability to low-income households that might otherwise be lost either as a affordability requirement expires or, more commonly, as the rental market rises around the property;
  - (ii) to buy a property that needs investment or management that the present owner cannot provide and in that way help its residents and its neighborhood;
  - (iii) to make our vouchers more usable in parts of Tacoma where the rental market is on such a trajectory that the only housing accessible to our voucher holders and the only notable measure of racial or economic integration will be the properties that THA or its nonprofit partners own or control;
  - (iv) to further our educational partnerships. For example, our purchases of Outrigger Apartments, Highland Crest Apartments and James Center North are an easy walk to the Tacoma Community College Campus. Those apartments will be very useful to our program that houses homeless enrolled TCC students;
  - (v) to make money, in one or more of three ways: earning a developer fee, rental stream, investment value.
- \$1.288 million to Pierce County for Rapid Rehousing of Homeless Families with Children and Homeless Young Adults*

- *\$1.242 million to fix up the Family Investment Center (including cost of tenant improvements for Heritage Bank's new branch at Salishan).*
- *\$500,000 for continuing software conversion costs*  
This amount for the software conversion may rise further.
- *\$350,000 for James Center North capital items*
- *\$750,000 for the Salishan and Hillside properties for RAD capital needs.*
- *\$30,000 to replace maintenance vehicles and other equipment*

### **3. NOTABLE BUDGET ASSUMPTIONS**

All budgets rely on assumptions. These are the notable ones for this 2018 budget proposal:

#### **3.1 Congressional Appropriations for 2018: Flat Funding**

We will presume on flat funding from Congress.

Congress is supposed to adopt a federal budget by October 1<sup>st</sup> every year. If Congress did that, the Board would know THA's funding when it adopts its budget in December. Unfortunately, Congress usually misses its own deadline. When that happens THA must place its bets on what Congress will do. That is true this year. As I write, the government is operating on a continuing resolution that will expire at midnight on December 8<sup>th</sup>. All we have are budget proposals from the House and the Senate.

As in past years when Congress has been late with a budget, we have written our own budget presuming on the worse of the plausible versions of the budget pending in Congress. To make this judgement, we consult with HUD, Congressional budget staff, our Congressional offices, and our legislative liaison.

This year, we judge that we should budget to the House version of the budget. That version would give us in 2018 the same funding we received in 2017. This flat funding would mean we would receive only 80% of what HUD calculates to be necessary to administer the housing voucher program. We would receive only 86% of what HUD calculates to be necessary to manage public housing units.

NOTE: As our traditional public housing portfolio transitions to Section 8 RAD, this budget shortfall afflicts only our Salishan and Hillside Terrace portfolios.

I must note some uncertainty about this judgment in a year that is unusual even for Congress. As late as last week, flat funding was a reasonable bet. It still may



be reasonable. Yet, within the last week the budget prospects have been roiled by other contentions. The main one seems to be the huge new deficits that will result from the pending tax reform. Congressional voices are already projecting an effort to pay for those deficits by reducing federal spending on programs for poor people. Other complicating contentions include the need to raise the debt ceiling to avoid a governmental default, DACA, the "wall" and the ongoing efforts to repeal the Affordable Care Act or renew the Children's Health Insurance Program (CHIP). We are also told that the prospect is increasing that on December 9<sup>th</sup> the government will shut down because Congress will not be able to agree on even a temporary spending extension.

I propose that the Board adopt this budget and its presumption of flat funding despite these uncertainties. We will watch Congress carefully. When it does pass either a real budget for 2018 or another continuing resolution we then consider whether the Board needs to adjust this budget to account for what Congress does.

NOTE: At its study session on November 29<sup>th</sup> the Board discussed what THA would do in the event the government shuts down on December 9<sup>th</sup>. The Board directed that we would do what we have done with past governmental shutdowns: initially, we would do nothing. We would not curtail any expenditures. We would not layoff staff. We would not suspend or terminate contracts. We have reserves to last us two months. Instead, we would watch Congress carefully. We would consult with our advisors on such questions. If the shutdown lasts into early January, the Board will reconvene then, consider the advice we will collect and judge how much longer the shutdown will likely last. If we judge that the shutdown will last into February, we will begin planning to wind down our operations as necessary. We presently judge such a prolonged shutdown to be very unlikely. On those grounds, we do not wish to disrupt and alarm our clients and partners now with shutdown planning that our present information tells us will be unnecessary.

### **3.2 Tacoma's Rental Market and Voucher Utilization Rate: 95%**

This budget includes expenditures that we hope will have THA as close as reasonably possible to 100% of our HUD assigned baseline number of families. But for purposes of a budget that must balance, it will presume on a 95% utilization rate. This judgment pertains mainly to THA's rental assistance program.

To write a budget, THA must presume on the expenditures necessary for its rental assistance programs. These programs are THA's largest, measured by either persons served or money spent.

The calculation begins with a requirement of the MTW statute. That statute requires that each MTW agency plan to serve "substantially the same" number of families we would serve if we were not MTW.

HUD and the MTW agencies have contended over the meaning of this requirement for the past several years. HUD assigns to each MTW agency a "baseline" number of families calculated from the number each agency was serving right before it became an MTW agency. For THA, which became an MTW agency in 2010, our baseline number for 2018 is 4,570.

HUD has recently clarified its view that the requirement to serve "substantially the same" as the baseline number means serving the baseline number. This is called 100% utilization. In the discussions with HUD over its interpretation, THA has offered its legal opinion that HUD's interpretation clashes with the statute. See my letter to HUD of February 21, 2017.

Up to 2017, THA has been able to reach 100% utilization easily enough. However, beginning in 2017, the steeply rising Tacoma rental market caught up to us. That market had been rising quickly since 2015. Tacoma's rental market is now among the fastest rising in the nation. That market presents two different and reinforcing challenges to our families and to our budget. **First**, the value of our vouchers has trouble keeping up with the rising rents. **Second**, as vacancies diminish, landlords get fussier. Our families do not compete well against other tenants with stronger credit or rental histories. About 40% of our families who receive a new voucher from THA, after waiting years for it, cannot find a landlord willing to rent to them within the 3 months they have to use it. They require extensions of up to another 6 months, and more frequently longer.

At the same time, THA has received no increase in funding. Indeed, our funding has been essentially flat since 2013. Our judgment about Congress does not allow us to anticipate any increases in funding in 2018 or beyond.

In response to the market, THA has increased the value of its vouchers in an effort to keep its assisted families somewhat competitive. This has direct budget consequences. THA has increased what it has spent on rent payments for the same number of families by \$600,000 each year for the past three years, for a total increase of \$1.8 million. We have done that by redirecting funds from reserves and other uses. We do not see an end to the market's rise. For 2018, we expect the rising cost to THA of subsidizing same number of vouchers to be an additional \$625,000. This increase is not sustainable.

THA now must face the brutal arithmetic. HUD does not adjust the baseline number to account for either the changes in our rental market since 2010 or flat congressional funding. In such a circumstance, the arithmetic tells us that we simply cannot serve the same number of families at such increasing costs when congressional funding is flat.

The Board has considered the four main options available to THA to manage this challenge. I describe them below. At the Board's direction, this budget adopts



the fourth option. Pursuant to that option, while the budget funds efforts to try for 100% utilization rate, it presumes that we will end up with a 95% utilization rate. Here are the four options and the reasons why the Board chose the fourth one:

**3.2.1 *First Option: Lower the Value of Vouchers: "Thin the Soup"***

We could lower the value of our vouchers to spread the money over more families and perhaps raise our utilization rate. We did this in 2010 in response to that year's Congressional funding shortfalls. Doing that allowed THA to avoid removing anyone from our programs for lack of funds. We call this option "thinning the soup". The first choice we now face is to thin the soup further and further reduce the value of our voucher. We judge that doing this in 2018 would be a mistake. Our market is much tighter now. Our present voucher values are having trouble competing in the market. Lowering their value further would make them less competitive and instead may lower rather than raise our utilization rate.

**3.2.2 *Second Option: Favor Higher Income Households***

We could purposefully redirect vouchers away from lower-income households to higher income households. Doing this may increase our utilization rate in two ways. **First**, those higher income households are probably more competitive in the market than lower-income households. **Second**, vouchers for those higher income households cost less because the households pay more of the rent. However, we will not do this because it would clash with THA's strategic objective directs that us to it "focus this assistance to meet the greatest need."

**3.2.3 *Third Option: Redirect Money from Other Services and Purposes***

We can redirect funds from other services, support and investments to pay for the increased cost of 100% utilization. For example, THA spends \$3.4 million on supportive services, the Education Project, and administrative support. I attach the chart we use to depict these expenditure choices. We could serve more families if we redirected the money to vouchers. This budget does not propose we do that. We do not propose it for three main reasons.

**First**, this budget does not propose to cut those other services because they are valuable. These services include the following:

- Supportive services: These services help our families succeed as tenants. Some families need help to stabilize coming to us from homelessness, domestic violence or other trauma. Services make their success as tenants a lot more likely. These services also drive our mission to help them succeed, not just as tenants, but also "parents, students, wage earners and builders of assets."

- THA's Education Project: This project is a THA signature initiative. It seeks ways to help the people we assist succeed in school and help the success of Tacoma schools and colleges in educating low-income students. This project too is central to THA's mission.
- Real Estate Development: Above I review why THA is buying or building housing, and why doing so now is urgent as Tacoma's market continues to climb.
- Administrative Services: We spend the money it takes to administer THA and its programs. We must always be mindful that we are reasonably efficient. We have some benchmarks to assure us that we are. **First**, Congress does not fund us at levels that HUD judges it takes to administer the Section 8 program and the portfolio. We use funds to backfill these shortfalls. But we do not backfill our operations to more than what 100% funding would give us. **Second**, we spend only 6% on our back office functions of Finance, Administration, HR and Executive functions. This is well within the normal range, especially for such a heavily regulated business like a housing authority.

**Second**, we do not propose to curtail these expenditures and redirect money to more vouchers because these expenditures are necessary to serve more families, for our voucher families to find housing and to our hopes of getting as close as possible to 100% utilization. For example:

- Real Estate Development: The budget will allow us to build or buy more housing. This will increase the number of families we serve. That will help our utilization rate. This housing development will also ensure that those properties at least will remain one of the dwindling number of properties in town that will welcome vouchers. We will know that they will welcome vouchers because THA will own them. That too will help our utilization rate.
- Supportive Services Helps Families Find and Keep Housing: Our services will help families find and keep housing. For the first time, we are budgeting a landlord-liaison function to help recruit landlords to the voucher program and to help families shop for landlords. Our supportive services will intervene when problems arise in a tenancy. This too will help recruit landlords. It will also save tenancies that may otherwise end. All this will help our utilization rate.



- Administrative Services: We are spending a lot of money on our software conversion. We also spend a lot on staffing our programs. This is necessary to provide the customer service necessary to recruit landlords to our voucher programs.

**Third,** we do not propose to redirect other expenditures to vouchers because doing so is not sustainable. Our rental market is increasing our voucher payment costs by \$625,000 a year. We do not see an end in sight. If we cannibalized our other services and operations at that rate it quickly would so weaken THA that we would not be able to function at acceptable levels of competency and customer service.

#### 3.2.4 *Fourth Option: Face the Arithmetic*

The Board has chosen a fourth option. This option would have THA face the arithmetic directly. That arithmetic tells us that it is impossible to serve the same number of families at such an increasing cost with flat funding. Therefore, while this budget provides services that we hope will get us to 100% utilization, for purposes of devising a balanced budget, this budget proposal presumes on a 95% utilization rate. That rate is about where THA's utilization currently is.

NOTE: THA serves other households that do not count toward our utilization rate. For example, the budget provides approximately \$1.3 million for special program initiatives:

- Rapid rehousing for homeless families
- Housing for unaccompanied youth

The funding for special programs represents housing an equivalent of approximately 140 families per year that does not count toward HUD's baseline. If we did count them toward HUD's baseline, it would increase our utilization rate by 3% or so. Also, we house still other families in our properties that receive no HUD funding. They do not count either. Counting them would increase our utilization rate even further.

We come to this first option after extensive consultation with HUD staff, other housing authorities, our congressional offices and consultants. We understand that this lowered utilization rate will be acceptable as long as we explain our choice. We do so in this memo and resolution.

We also mean to reflect and explain this choice in an amendment to THA's Moving to Work Plan that we will submit to HUD. To do that, THA will consult our community and ask it for its views and suggestions on how to face this arithmetic. We will do that in early 2018. If the community offers other ideas or suggestions to balance our budget, the Board could take that chance to revise the budget.

### **3.3 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. We budget a 2.5% salary increase for our trades staff, with a 2.0% variable pay amount. These increases are budgeted for July 1<sup>st</sup>.

### **3.4 Employee benefits**

Affording the cost of employee health coverage and other benefits continue to be a challenge. We calculate 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 1<sup>st</sup>. For our other staff, we switched plans from Regence to PEBB for 2018. This will give us approximately a 10% decrease in overall premiums.

#### *Dental*

We budget for a 3.5% increase over 2017's costs.

#### *Retirement*

THA participates in Washington State's retirement systems. This budget would assumed that THA's required contribution to that system will be at the same 12.67% rate that we incurred in 2017. This rate has been increasing the last couple of years.

#### *Short and Long Term Disability/Life Insurance*

The costs for these benefits remain at 2017 levels.

#### *Unemployment Insurance*

THA pays out all unemployment claims and remains self-insured for 2018. We are maintaining the accrual at 1.5% in 2018. THA pays for all of the claims from this accrual.

The cost of benefits, on average, remain approximately 43.5% of salary dollars.

## **4. SOME MISCELLANEOUS ITEMS**

### **4.1 THA's Education Project; Community Service grants**

This budget continues THA's substantial investment in its Education Project, including its Children Savings Account program. A variety of grant sources, including generous philanthropies, help us do that.



## 4.2 Hilltop Redevelopment

We cut the ribbon this last summer on Bay Terrace: 148 new apartments. The Hilltop remains a priority for THA's further investments. It is quickly gentrifying. THA seeks by its investments to deflect the arc of that development in equitable directions. This budget funds the following:

- *New Look Apts. (Alberta Canada):* THA will re-syndicate this property as a new 4% tax credit deal. That will finance an extensive fix-up of the building.
- *Hillside 1800 Block:* THA owns this land. It is vacant. We plan to apply in 2018 for tax credits to build 70 – 90 units. We hope this is our next big project for the Hilltop.
- *New Purchases:* THA continues to seek new purchases on the Hilltop, especially along the street car line extension.

## 4.3 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 carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under public housing or Section 9 programs. In 2017, the utilization of this flexibility will change somewhat. As the Board has long directed, we are converting our public housing financing to Section 8 financing. We do this as part of HUD's RAD program. This conversion is not complete for the public housing units that remain in Salishan and Hillside. Their public housing operating subsidies will flow to those properties directly. THA cannot use these funds for any other purpose, other than 5% that THA is able to keep for its administration services.

## Recommendation

I recommend that the Board adopt Resolution 2017-12-13 (1) to formally approve THA's Fiscal Year 2018 Annual Budget.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2017-12-13(1) (FISCAL YEAR 2018 ANNUAL BUDGET)

**WHEREAS**, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2018; and

**WHEREAS**, 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 2018 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 2018 Agency wide budget. Expenses and other cash outflows are projected as follows:

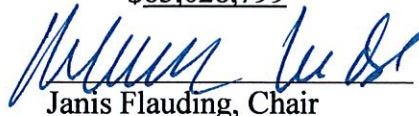
<u>Expenses</u>	
Executive	\$ 879,197
Administration	2,738,178
Finance	1,246,007
Human Resources	587,119
Policy, Innovation and Evaluation	1,056,211
Real Estate Development	2,753,246
Client Services Overhead	438,994
Community Services	2,043,555
Rental Assistance	39,698,095
Property Management Overhead	684,855
Property Budgets	<u>3,231,636</u>
Subtotal	55,357,093

<u>Additional Cash Outflows</u>	
Debt Service	67,581
Capital Expenditures	7,492,075
Replacement Reserves	<u>112,050</u>
Subtotal	7,671,706

**TOTAL APPROVED BUDGET**

**\$63,028,799**

**Approved: December 13, 2017**

  
Janis Flauding, Chair

## Attachment A

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.

Type/Purpose of Reserves	Projected Reserves 01/01/18
a. MTW Reserves	\$750,000
b. Business Activities (Non-MTW) reserves	\$4,500,000
c. PH Owned Property Reserves	\$1,000,000
d. Reserves with Restrictions (ACC sale proceeds)	\$6,175,000
e. Section 8 Reserves held at HUD.	\$250,000
<b>Totals</b>	<b>\$12,875,000</b>

### Minimum necessary and Optimal Reserves

Minimum	Optimal or Maximum	Amount to Reserve
\$ 500,000	\$ 1,000,000	\$500,000
\$4,000,000	\$5,750,000	\$5,750,000
\$400,000	\$750,000	\$1,000,000
\$0	\$0	\$0
\$0	\$0	\$0
\$4,900,000	\$7,500,000	\$7,250,000

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Amount of reserves available to use in FY018	
	\$250,000
	(\$1,250,000)
	\$0
	\$6,175,000
	\$250,000
	\$5,425,000

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$12,504,220	1/2 month	\$ 500,000	4 months	\$ 4,200,000
	Total \$ 500,000		Total \$ 4,200,000	

**MTW Reserves**

MTW Expenses Non-HAP



2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2018

	Recurring Income	Cost of Recurring operations (with proposed savings)	Surplus or (Shortfall) in recurring operations <sup>1</sup>
MTW	\$43,637,100	\$43,048,300	\$588,800
Non-MTW	\$7,613,900	\$8,073,400	(\$459,500)
Total	\$51,251,000	\$51,121,700	\$129,300

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3. BUDGET IMPACT - RESERVES - FY-2018

	MTW	Non - MTW				Total
		Business Activities	PH Owned Property Reserves	Reserves with Restrictions (ACC sale proceeds)	Section 8 Reserves held at HUD.	
Estimated Reserves - 01/01/18	\$750,000	\$4,500,000	\$1,000,000	\$6,175,000	\$250,000	\$12,675,000
a. Recurring Surplus/(Shortfall) <sup>1</sup>	\$588,800	(\$807,500)	\$348,000			\$129,300
Non-Recurring Income/(Expense)						Amount
b. Non Recurring Income - Operational <sup>2</sup>	\$0	\$6,542,000				\$6,542,000
c. Non Recurring Income - Capital <sup>3</sup>	\$0	\$1,255,000		\$900,000		\$2,155,000
d. Operations & Support Department Expenses - Operational <sup>4</sup>	(\$2,561,000)	(\$252,000)				(\$2,813,000)
e. Operations & Support Departments Expenses- Capital <sup>5</sup>	(\$1,602,000)	(\$508,000)				(\$2,110,000)
f. Development Department - Operational <sup>6</sup>	(\$132,400)	(\$1,357,600)				(\$1,490,000)
g. Development Department - Capital <sup>7</sup>	(\$25,000)	(\$1,255,000)		(\$4,000,000)		(\$5,280,000)
h. Operating Transfers	\$3,100,000	(\$2,752,000)	(\$98,000)		(\$250,000)	\$0
i. Transfer to Salishan/Hillside RAD Physical Needs		(\$750,000)				(\$750,000)
j. Projected Reserves - 12/31/18	\$118,400	\$4,614,900	\$1,250,000	\$3,075,000	\$0	\$9,058,300

4. FY-2018 PROJECTED END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves *	Projected Reserves 12/31/18	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal	Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
a. MTW Reserves	\$118,400	\$500,000	\$1,000,000	(\$881,600)	\$500,000	(\$381,600)
b. Business Activities (Non-MTW) reserves	\$4,614,900	\$4,000,000	\$5,750,000	(\$1,135,100)	\$5,750,000	(\$1,135,100)
c. PH Owned Property Reserves	\$ 1,250,000	\$750,000	\$1,250,000	\$0	\$1,000,000	\$250,000
d. Reserves with Restrictions (ACC sale proceeds)	\$ 3,075,000	\$0	\$0	\$3,075,000	\$0	\$3,075,000
e. Section 8 Reserves held at HUD.	\$ -	\$0	\$0	\$0	\$0	\$0
f. Totals	\$9,058,300	\$5,250,000	\$8,000,000	\$1,058,300	\$7,250,000	\$1,808,300

5. A LOOK AHEAD TO FY-2018 and beyond (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

5.1	Recurring FY018 Income	Recurring FY018 Expense	Amount
a.	Cash Flow - RTH Tax Credit Properties		\$900,000
b.	Net Income - Highland Crest Apts.		\$150,000
c.	Net Income - James Center North		\$50,000
d.		HAP expenditures due to increasing rents	\$600,000
5.2	Recurring FY019 Income	Recurring FY019 Expense	Amount
a.	Cash Flow - Tax Credit Properties (Salishan & Hillside RAD)		TBD
b.		HAP expenditures due to increasing rents	\$600,000
5.3	Non-Recurring FY019 Income	Non-Recurring FY019 Expense	Amount
a.	Developer Fee - RTH		\$5,000,000
b.			
c.			
5.4	Non-Recurring FY020 Income	Non-Recurring FY019 Expense	Amount
a.	Developer Fee - Bay Terrace - Phase 3		TBD
b.	Developer Fee - Alberta Canada		\$500,000

6. MTW Commitments passed by Board - 2017					Projected Balance at end of 2017	Included in 2018 Budget	Revised Commitment Amount - 2018
a.	Renovation/Remodel of Family Investment Center Building				\$600,000	\$1,241,650	\$1,241,650
b.	Renovation of Salishan Maintenance Shop	\$669,100			\$286,500	\$68,200	Included above
c.	Software Conversion of Yard/VisualHOME Platform (Open Door/Intacct)	\$286,500			\$0	\$500,000	\$500,000
d.	Education Projects - McCarver and Others	\$150,000			\$310,000	\$0	\$310,000
e.	Childrens Savings Account Cohort payments	\$310,000				\$36,000	\$270,000
f.	Development Projects (Hilltop)	\$270,000				\$0	\$2,500,000
g.	Bay Terrace 3 Funding Gap	\$2,500,000				\$25,000	\$2,500,000
g.							
		\$4,185,600			\$1,196,500	\$1,870,850	\$7,321,650



# Back-up Detail

## 7. Non-Recurring Income: FY-2018

Sources of Non-Recurring Income	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
<b>Operational<sup>2</sup></b>						
a. 2017 HAP income carryover to 2018	\$0					
b. Developer Fee Income						
1. RAD		\$2,000,000				
2. Bay Terrace - Phase 2		\$333,000				
3. New Look Resyndication		\$0				
c. RTH - Interest from RAD cash collateral loan		\$3,309,000				
d. RTH RAD - THA Issuance Fee		\$900,000				
e. Operations Subtotal <sup>2</sup>	\$0	\$6,542,000	\$0	\$0	\$0	\$0
<b>Capital<sup>3</sup></b>						
f. Bay Terrace 3						
1. TCRA loan		\$300,000				
g. Arlington - CRC						
1. COT Funds						
1.1 Architectural		\$205,000				
1.2 Construction		\$750,000				
h. 2. Sale of 8 Single Family Scattered Site Homes (Prog Inc)		\$900,000				
i. Capital Subtotal <sup>3</sup>	\$0	\$2,155,000	\$0	\$0	\$0	\$0



8. Non-recurring Operational/Support Department Costs Reserve Requests/Budget Changes (Non-grant funded)

Operations & Support Departments

8.1 Operations & Support Department Non-Recurring - Operational<sup>4</sup>

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
<b>a. Salaries</b>						
1. Sunset positions identified in 10.2 a - d.	\$340,000	\$65,000				
2. New project oriented positions - 10.2- k.	\$0	\$0				
3. Existing project oriented Positions - 10.3	\$0	\$0				
4. Overtime/Interns	\$288,000	\$49,000				
<b>b. Information Technology Expenses (Line 20)</b>						
1. Proivity Open Door Contractor	\$50,000	\$10,000				
<b>c. Office Equipment Expensed (Line 26)</b>						
1. Mitel phone system upgrades (AD)	\$15,000					
2. New Failover cluster server (AD)	\$10,000					
3. 902 Interview phones (RA)	\$10,000					
4. Headsets (RA)	\$8,000					
<b>d. Legal (Line 27)</b>						
1. RAD Conversion - Salishan & Hillside (AD)	\$130,000					
2. Union Contract Negotiations (HR)	\$30,000					
<b>e. Administrative Contracts (Line 30)</b>						
1. RAD Conversion - Salishan & Hillside (AD)	\$60,000					
2. Leadership Team Development (HR)	\$40,000					
3. MTW Consultant- 2016/2017 planning (PIE)	\$50,000					
4. Marketing Material Evaluation (PIE)						
5. HOP Analysis (PIE)	\$50,000					
6. McCarver Redesign (PIE)	\$50,000					
7. McCarver Evaluation (PIE)	\$25,000					
8. RDA Analyst (PIE)	\$25,000					
9. Community Health Advocate focus groups (PIE)	\$15,000					
<b>f. Tenant Services - Relocation (Line 36)</b>						
1. Relocation - Scattered Site Home Sales	\$60,000					
<b>g. General Expenses (Line 48)</b>						
1. Buyout incentives/ separation agreements (HR)		\$25,000				
<b>h. Section 8 HAP Payments (line 54)</b>						
1. Rapid Rehousing/Homeless Youth	\$1,288,000					
<b>i. Contingency (Line 33)</b>	\$17,000	\$103,000				
<b>j. Operational Subtotal<sup>4</sup></b>	<b>\$2,561,000</b>	<b>\$252,000</b>	<b>\$0</b>	<b>\$9</b>	<b>\$0</b>	<b>\$0</b>

8.2 Operations & Support Departments - Capital<sup>5</sup>

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. FIC/Saishan Maintenance Shop Renovations	\$1,242,000					
b. Maintenance vehicle replacement with outfitting	\$30,000					
c. Transition IT Platform to new system	\$130,000					
d. PH Scattered Site homes - Prepare units for sale	\$200,000					
e. Highland Crest Roof Replacements		\$158,000				
f. James Center North Capital Items		\$350,000				
g. Capital Subtotal <sup>5</sup>	\$1,602,000	\$508,000	\$0	\$0	\$0	\$0

Real Estate Development Department Activity

8.3 Development Department Nonrecurring - Operational<sup>6</sup>

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. Salaries						
1. Sunset positions identified in 10.2 e.-i.	\$50,000	\$303,000				
2. Existing project oriented Positions - 10.3 h.-i.	\$82,400	\$550,600				
b. Legal (Line 27)						
1. Hilltop Master Plan		\$10,000				
2. New Look Apts.						
3. Other Acquisitions		\$15,000				
3. Miscellaneous		\$15,000				
c. Administrative Contracts (Line 30)						
1. Moving and Storage during FIC renovation		\$9,000				
2. Miscellaneous		\$20,000				
d. Due Diligence - Development Opportunities (Line 32)						
1. Hilltop Master Plan		\$50,000				
2. Potential land/building acquisitions		\$100,000				
3. Many Lights						
4. Hillside Terrace 1800		\$250,000				
5. New Tax Credit Project						
6. Other Opportunities		\$25,000				
7. Saishan Core Master Planning		\$10,000				
e. Contingency (Line 33)		\$0				
f. Development Activity - Operational - Subtotal <sup>6</sup>	\$132,400	\$1,357,600	\$0	\$0	\$0	\$0



8.4 Development Department - Capital <sup>7</sup>	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	\$25,000					
2. TCRA loan		\$300,000				
b. Land/Property purchases - MLK corridor		\$0				
c. New Acquisitions		\$4,000,000				
d. Crisis Residential Architecture and Construction		\$955,000				
e. Purchase Hillside 1500 - Year 15 exit (early)						
f. Development Activity - Capital - Subtotal <sup>7</sup>	\$25,000	\$5,255,000	\$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. Transfer to Salishan/Hillside for RAD capital improvements		(\$750,000)				
b. Operations Subtotal	\$0	(\$750,000)	\$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/Salishan Maintenance Shop Renovations	\$1,242,000					
b. Maintenance vehicle replacement with outfitting	\$30,000					
c. Transition IT Platform to new system	\$130,000					
d. Bay Terrace 3 Redevelopment	\$25,000					
e. Land/Property purchases - MLK corridor		\$0				
f. New Acquisitions		\$4,000,000				
g. James Center North Capital Items		\$350,000				
h. Capital Subtotal	\$1,427,000	\$4,350,000	\$0	\$0	\$0	\$0



10. Notable Non-Recurring Operational/Support Department Costs

		Staff Positions			Change	Comments
		Increase/ Decrease fm previous year budget	Original	Mid-Year Revision		
10.1	Position Changes - FY-2018 -Recurring					
	Currently Occupied					
a.	Sr. Office Assistant to Operations Coordinator (AD)	1.00				
b.	Desktop Support Specialist Reclassification (AD)	1.00				
c.	Project Manager to Project Manager 2 (PIE)	1.00				
d.	Subtotal	3.00	0			
	New Positions - Recurring					
e.	Senior Office Assistant (AD)	1.0	\$68,124			Allows for realignment of needs in dept.
f.	Technical Support Analyst (AD)	1.0	\$96,845			Open Door Support
g.	Inspector (RA)	1.0	\$72,000			RAD Inspections
h.	Subtotal	3.00	\$72,000			
10.2	Positions classified as non-recurring					
	Sunset Positions					
a.	Open Door/Salesforce Administrator (AD)	1.0	\$195,000			
b.	Project Manager 2 - Asset Mgt (AD)	1.0	\$116,000			
c.	Accounting Specialist (Fin)	1.0	\$66,000			Assist staff during RAD and IT software conversions
d.	Community Builder (Bay Terrace) (CS)	0.6	\$28,000			New- 2018
e.	Construction Site Manager (RED)	1.0	\$105,000			Transition from RAD to other projects
f.	Senior Office Assistant (RED)	1.0	\$68,000			Transition from RAD to other projects
g.	Program Specialist (RED)	1.0	\$79,000			Transition from RAD to other projects
h.	Program Manager (RED)	1.0	\$101,000			Hilltop
i.	Subtotal	5.60	\$758,000			
	New Positions - Project Oriented					
j.						
k.	Subtotal	0.00	\$0			
10.3	Project or MTW Oriented Positions (Non Grant funded) classified as non-recurring					
a.	Sr. Project/Construction Manager (RED) (3)		\$437,000			BA
b.	Project Manager 1 (RED) (2)		\$196,000			BA
c.	Subtotal	0.00	\$633,000			



10.4 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	\$900,000					
<b>Expenses</b>						
b. Workato Integration between Open Door and Intacct	\$60,000					
c. FSS paypoints - Replaces HAP FSS escrow amounts (Included with HAP)	\$125,000					
d. Increase in MTW due to escalating rents in community	\$625,000					
e. MTW Security Deposit Program	\$40,000					
f. Totals	\$790,000	\$0				

11. Positions hired after MTW conversion to strengthen operations or support new initiatives resulting from MTW conversion (rounded salaries & benefits) - Included in recurring

	# positions	Salary & Benefits			
a. Risk Manager (AD)	1.0	\$118,000			
b. Compliance Auditor (AD)	1.0	\$96,000			
c. Project Manager - Asset Management (AD)	1.0	\$96,000			
d. Business Process Improvement Specialist (AD)	1.0	\$113,000			
e. Technical Support Analyst (AD)	1.0	\$97,000			
f. Department Manager (PIE)	1.0	\$140,000			
g. Policy & Planning Analyst (PIE)	1.0	\$102,000			
h. Communications Manager (PIE)	1.0	\$108,000			
i. Project Manager 1 (PIE) (2)	2.0	\$228,000			
j. Operations Coordinator (CLS)	1.0	\$95,000			
k. Community Service Staff (Non RAD, non Grant)	1.0	\$341,000			
l. Landlord Liaison (RA)	1.0	\$85,000			
m. Subtotal	13.00	\$1,619,000			

**FY 2018 Tacoma Housing Authority Budget  
Agency Total by Departmental Areas**

	Executive	Administration	Finance	Human Resources	PTE	Development	Client Services Overhead	Rental Assistance	Community Services	PM Overhead	Property Budgets	Agency Total
<b>INCOME</b>												
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,043,912	\$3,043,912
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$123,250	\$123,250
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,903,047	\$0	\$0	\$0	\$37,903,047
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,312,617	\$0	\$0	\$0	\$3,312,617
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,003,125	\$1,003,125
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$274,779	\$0	\$0	\$274,779
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$506,585	\$506,585
8 Management Fee Income	\$314,833	\$1,194,078	\$949,235	\$235,294	\$0	\$0	\$0	\$216,568	\$252,403	\$237,159	\$0	\$3,299,571
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$6,755	\$0	\$0	\$151,747	\$0	\$0	\$158,502
10 Investment income	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$4,750	\$0	\$0	\$4,213,530	\$4,258,280
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$10,000
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$388,863	\$0	\$0	\$0	\$0	\$2,000,000	\$2,388,863
13 Other Revenue	\$0	\$0	\$32,000	\$0	\$193,000	\$158,000	\$0	\$17,500	\$424,230	\$0	\$685,750	\$1,510,480
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$314,833</b>	<b>\$1,194,078</b>	<b>\$921,235</b>	<b>\$235,294</b>	<b>\$193,000</b>	<b>\$553,818</b>	<b>\$0</b>	<b>\$41,464,483</b>	<b>\$1,103,169</b>	<b>\$237,159</b>	<b>\$11,576,162</b>	<b>\$57,763,011</b>

**OPERATING EXPENDITURES**

**Administrative**

14 Administrative Salaries	\$421,699	\$1,282,793	\$806,766	\$275,810	\$493,186	\$1,012,072	\$297,345	\$1,571,720	\$0	\$185,740	\$159,678	\$6,516,819
15 Administrative Personnel - Benefits	\$147,980	\$511,704	\$343,123	\$110,313	\$201,056	\$394,502	\$117,419	\$739,507	\$0	\$81,627	\$42,458	\$2,689,689
16 Audit Fees	\$0	\$0	\$15,000	\$0	\$0	\$15,000	\$0	\$35,000	\$0	\$0	\$13,028	\$78,028
17 Management Fees	\$0	\$0	\$0	\$0	\$0	\$739,333	\$0	\$1,267,710	\$388,679	\$0	\$179,054	\$2,574,776
18 Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,400	\$0	\$0	\$14,400
19 Advertising	\$0	\$0	\$0	\$0	\$1,500	\$3,000	\$0	\$0	\$1,000	\$4,000	\$4,035	\$13,535
20 Information Technology Expenses	\$200	\$522,068	\$0	\$0	\$0	\$0	\$0	\$0	\$16,600	\$5,000	\$5,550	\$549,418
21 Office Supplies	\$7,000	\$5,000	\$3,000	\$1,500	\$3,000	\$5,500	\$0	\$25,000	\$15,500	\$3,000	\$3,900	\$72,400
22 Publications & Memberships	\$39,690	\$750	\$750	\$1,342	\$18,165	\$550	\$0	\$1,000	\$2,000	\$1,895	\$0	\$66,082
23 Telephone	\$4,300	\$30,770	\$0	\$1,500	\$0	\$5,832	\$1,350	\$7,500	\$15,000	\$11,000	\$11,250	\$88,502
24 Postage	\$500	\$1,000	\$1,250	\$50	\$300	\$500	\$0	\$25,000	\$4,500	\$100	\$920	\$34,120
25 Leased Equipment & Repairs	\$0	\$75,500	\$0	\$0	\$0	\$3,460	\$0	\$38,000	\$18,440	\$0	\$2,450	\$137,850
26 Office Equipment Expensed	\$1,000	\$33,405	\$2,000	\$500	\$3,000	\$998	\$1,500	\$44,500	\$15,000	\$2,000	\$1,500	\$105,403
27 Legal	\$40,000	\$130,000	\$0	\$50,000	\$4,000	\$40,000	\$0	\$3,000	\$0	\$10,000	\$8,750	\$283,750
28 Local Mileage	\$2,000	\$0	\$1,500	\$100	\$2,400	\$500	\$0	\$500	\$2,000	\$250	\$150	\$9,400
28 Staff Training/Out of Town Travel	\$64,500	\$27,597	\$28,950	\$26,500	\$44,000	\$10,000	\$19,800	\$35,750	\$26,800	\$25,650	\$1,500	\$311,047
30 Administrative Contracts	\$25,000	\$79,500	\$33,000	\$78,450	\$275,000	\$29,000	\$0	\$17,500	\$5,000	\$52,500	\$11,160	\$806,110
31 Other Administrative Expenses	\$20,000	\$4,900	\$5,000	\$11,500	\$5,000	\$10,000	\$0	\$32,000	\$11,200	\$17,800	\$7,890	\$125,290
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$435,000	\$0	\$0	\$0	\$0	\$0	\$435,000
33 Contingency	\$100,000	\$0	\$0	\$3,000	\$2,500	\$0	\$0	\$5,000	\$0	\$10,000	\$0	\$120,500
<b>Total Administrative Expenses</b>	<b>\$873,869</b>	<b>\$2,714,987</b>	<b>\$1,240,339</b>	<b>\$560,564</b>	<b>\$1,053,117</b>	<b>\$2,705,247</b>	<b>\$437,414</b>	<b>\$3,848,686</b>	<b>\$536,119</b>	<b>\$410,503</b>	<b>\$451,273</b>	<b>\$14,832,119</b>

**Tenant Services**

34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$889,902	\$0	\$0	\$889,902
35 Tenant Services Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$425,884	\$0	\$0	\$425,884
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,500	\$62,500
37 Tenant Service - other	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$177,100	\$20,000	\$22,750	\$245,050
<b>Total Tenant Services</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$1,492,886</b>	<b>\$20,000</b>	<b>\$85,250</b>	<b>\$1,623,336</b>

FY 2018 Tacoma Housing Authority Budget

Agency Total by Departmental Areas



	Executive	Administratio n	Finance	Human Resources	PTE	Development	Client Services Overhead	Rental Assistance	Community Services	PM Overhead	Property Budgets	Agency Total
<b>Utilities</b>												
38 Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,600	\$62,750	\$72,350
39 Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,000	\$35,300	\$64,300
40 Gas	\$0	\$0	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$3,000	\$1,625	\$5,125
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$11,710	\$0	\$0	\$0	\$14,250	\$150,170	\$176,130
<b>Total Project Utilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,210</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$55,850</b>	<b>\$249,845</b>	<b>\$317,905</b>

<b>Ordinary Maintenance &amp; Operations</b>												
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,000	\$156,378	\$192,378
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,286	\$31,557	\$48,843
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$2,500	\$0	\$2,500	\$1,500	\$18,000	\$84,750	\$109,250
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$10,775	\$0	\$3,500	\$1,250	\$76,750	\$455,465	\$547,740
<b>Total Routine Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,275</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$2,750</b>	<b>\$148,036</b>	<b>\$728,150</b>	<b>\$898,211</b>

<b>General Expenses</b>												
46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	\$1,300	\$13,800
47 Insurance	\$5,128	\$23,191	\$5,668	\$1,555	\$3,094	\$17,514	\$1,580	\$33,077	\$11,800	\$20,466	\$68,652	\$191,724
48 Other General Expense	\$0	\$0	\$0	\$25,000	\$0	\$5,000	\$0	\$85,213	\$0	\$2,500	\$1,067,200	\$1,184,913
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,524	\$12,524
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0	\$29,742	\$59,742
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$532,700	\$532,700
<b>Total General Expenses</b>	<b>\$5,128</b>	<b>\$23,191</b>	<b>\$5,668</b>	<b>\$26,555</b>	<b>\$3,094</b>	<b>\$22,514</b>	<b>\$1,580</b>	<b>\$148,290</b>	<b>\$11,800</b>	<b>\$35,466</b>	<b>\$1,712,118</b>	<b>\$1,995,403</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>\$879,187</b>	<b>\$2,738,178</b>	<b>\$1,246,007</b>	<b>\$687,119</b>	<b>\$1,056,211</b>	<b>\$2,753,246</b>	<b>\$438,994</b>	<b>\$4,027,976</b>	<b>\$2,043,555</b>	<b>\$669,855</b>	<b>\$3,226,636</b>	<b>\$19,666,974</b>
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<b>Nonroutine Expenses and Capital Expenditures</b>												
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,670,119	\$0	\$0	\$0	\$35,670,119
<b>Total Nonroutine Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,670,119</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$5,000</b>	<b>\$35,690,119</b>

<b>TOTAL EXPENSES</b>	<b>\$879,187</b>	<b>\$2,738,178</b>	<b>\$1,246,007</b>	<b>\$687,119</b>	<b>\$1,056,211</b>	<b>\$2,753,246</b>	<b>\$438,994</b>	<b>\$39,698,095</b>	<b>\$2,043,555</b>	<b>\$684,855</b>	<b>\$3,231,636</b>	<b>\$55,357,093</b>
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<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(\$564,364)</b>	<b>(\$1,544,100)</b>	<b>(\$324,772)</b>	<b>(\$351,825)</b>	<b>(\$863,211)</b>	<b>(\$2,199,628)</b>	<b>(\$438,994)</b>	<b>\$1,766,388</b>	<b>(\$940,396)</b>	<b>(\$447,697)</b>	<b>\$8,344,516</b>	<b>\$2,435,918</b>
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55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$67,581)	(\$67,581)
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<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(\$564,364)</b>	<b>(\$1,544,100)</b>	<b>(\$324,772)</b>	<b>(\$351,825)</b>	<b>(\$863,211)</b>	<b>(\$2,199,628)</b>	<b>(\$438,994)</b>	<b>\$1,766,388</b>	<b>(\$940,396)</b>	<b>(\$447,697)</b>	<b>\$8,276,935</b>	<b>\$2,368,337</b>
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56 Reserve Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Operations/Transfers In/(Out)	\$0	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	(\$900,000)	(\$750,000)

<b>Surplus/Deficit Before Capital Expenditures</b>	<b>(\$564,364)</b>	<b>(\$1,544,100)</b>	<b>(\$324,772)</b>	<b>(\$351,825)</b>	<b>(\$863,211)</b>	<b>(\$2,049,628)</b>	<b>(\$438,994)</b>	<b>\$1,766,388</b>	<b>(\$940,396)</b>	<b>(\$447,697)</b>	<b>\$7,376,935</b>	<b>\$1,618,337</b>
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58 Capitalized Items/Development Projects	\$0	(\$130,000)	\$0	\$0	\$0	(\$6,521,985)	\$0	\$0	\$0	(\$30,000)	(\$598,040)	(\$7,380,025)
59 Reserve for Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$112,050)	(\$112,050)
60 Revenue - Capital Grants/Sale of property	\$0	\$0	\$0	\$0	\$0	\$1,255,335	\$0	\$0	\$0	\$0	\$900,000	\$2,155,335
61 Reserve Appropriations - Capital	\$0	\$130,000	\$0	\$0	\$0	\$5,266,650	\$0	\$0	\$0	\$30,000	\$350,000	\$5,776,650

<b>AGENCY WIDE BUDGET SURPLUS/(DEFICIT)</b>	<b>(\$564,364)</b>	<b>(\$1,544,100)</b>	<b>(\$324,772)</b>	<b>(\$351,825)</b>	<b>(\$863,211)</b>	<b>(\$2,049,628)</b>	<b>(\$438,994)</b>	<b>\$1,766,388</b>	<b>(\$940,396)</b>	<b>(\$447,697)</b>	<b>\$7,816,845</b>	<b>\$2,058,247</b>
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Attachment C  
2018 Tacoma Housing Authority Budget  
THA Properties

Unit#										
AMP 6 Single Family Homes Family		Tax Credit AMP's AMP's 7-15 601		Highland Crest 73	James Center North	Key Bank	Outrigger	Prairie Oaks	Sallisban 7	Totals
INCOME										
1	Revenue - Dwelling rent	\$4,920	\$0	\$790,000	\$643,750	\$35,500	\$405,000	\$148,380	\$1,018,392	\$3,043,912
2	Tenant Revenue - Other	\$0	\$0	\$65,000	\$0	\$0	\$40,000	\$750	\$17,500	\$123,250
3	HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	HUD grant - Public Housing subsidy	\$28,125	\$977,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,003,125
6	HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	HUD grant - Capital Fund Operating Revenue	\$0	\$508,585	\$0	\$0	\$0	\$0	\$0	\$0	\$508,585
8	Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Investment income	\$0	\$4,208,500	\$0	\$0	\$0	\$280	\$250	\$4,500	\$4,213,530
11	Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Other Revenue- Developer Fee Income	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
13	Other Revenue	\$0	\$875,000	\$0	\$0	\$0	\$8,000	\$2,250	\$2,500	\$885,750
TOTAL OPERATING RECEIPTS		\$31,045	\$9,387,085	\$865,000	\$643,750	\$35,600	\$461,280	\$151,610	\$1,040,882	\$11,578,102

**OPERATING EXPENDITURES**

**Administrative**

14	Administrative Salaries	\$6,000	\$0	\$45,000	\$0	\$0	\$47,000	\$0	\$61,678
15	Administrative Personnel - Benefits	\$2,400	\$0	\$3,443	\$0	\$0	\$8,100	\$0	\$28,518
16	Audit Fees	\$200	\$4,278	\$0	\$0	\$0	\$0	\$0	\$8,550
17	Management/Service Fees	\$857	\$0	\$47,400	\$32,480	\$0	\$23,000	\$5,250	\$67,087
18	Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Advertising	\$0	\$0	\$2,000	\$1,205	\$0	\$800	\$0	\$200
20	Information Technology Expenses	\$200	\$0	\$3,250	\$0	\$0	\$1,000	\$1,000	\$100
21	Office Supplies	\$100	\$0	\$800	\$0	\$0	\$1,500	\$200	\$1,500
22	Publications & Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Telephone	\$200	\$0	\$2,500	\$0	\$0	\$1,750	\$4,400	\$2,400
24	Postage	\$20	\$0	\$900	\$0	\$0	\$0	\$0	\$900
25	Leased Equipment & Repairs	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$2,400
26	Office Equipment Expensed	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$500
27	Legal	\$250	\$0	\$1,000	\$0	\$0	\$500	\$1,000	\$4,000
28	Local Mileage	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$125
29	Start Training Out of Town Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
30	Administrative Contracts	\$250	\$0	\$0	\$5,680	\$0	\$1,000	\$0	\$4,250
31	Other Administrative Expenses	\$0	\$0	\$4,500	\$990	\$0	\$1,000	\$400	\$1,000
32	Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total Administrative Expenses</b>	<b>\$10,852</b>	<b>\$4,278</b>	<b>\$109,893</b>	<b>\$40,345</b>	<b>\$88,450</b>	<b>\$16,250</b>	<b>\$184,408</b>	<b>\$481,273</b>

**Tenant Services**

34	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Relocation Costs	\$80,000	\$0	\$0	\$0	\$0	\$0	\$2,500	\$82,500
37	Tenant Service - other	\$0	\$0	\$0	\$0	\$2,500	\$8,000	\$11,250	\$22,750
	<b>Total Tenant Services</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$8,000</b>	<b>\$13,750</b>	<b>\$86,250</b>

	AMP 6	Tax Credit AMP's	Highland Crest	James Center North	Key Bank	Outigger	Prairie Oaks	Salliehan 7	Totals
<b>Utilities</b>									
38 Water	\$500	\$0	\$15,950	\$0		\$7,250	\$1,750	\$37,500	\$62,750
39 Electric	\$500	\$0	\$5,500	\$0		\$7,500	\$18,500	\$3,500	\$35,300
40 Gas	\$75	\$0	\$0	\$0		\$1,200	\$0	\$350	\$1,625
41 Sewer	\$1,000	\$0	\$41,800	\$5,870		\$27,500	\$9,000	\$65,000	\$150,170
<b>Total Project Utilities</b>	<b>\$1,675</b>	<b>\$0</b>	<b>\$63,250</b>	<b>\$5,870</b>	<b>\$0</b>	<b>\$43,450</b>	<b>\$29,250</b>	<b>\$106,350</b>	<b>\$249,645</b>
<b>Ordinary Maintenance &amp; Operations</b>									
42 Maintenance Salaries	\$2,500	\$0	\$40,000	\$0		\$40,000	\$4,000	\$68,877	\$158,377
43 Maintenance Personnel - Benefits	\$1,000	\$0	\$3,000	\$0		\$0	\$0	\$27,487	\$31,557
44 Maintenance Materials	\$1,000	\$0	\$55,000	\$0		\$0	\$1,750	\$27,000	\$84,750
45 Contract Maintenance	\$2,000	\$0	\$75,000	\$178,565		\$82,500	\$8,500	\$108,400	\$455,465
<b>Total Routine Maintenance</b>	<b>\$7,000</b>	<b>\$0</b>	<b>\$173,000</b>	<b>\$178,565</b>	<b>\$0</b>	<b>\$122,600</b>	<b>\$14,250</b>	<b>\$232,774</b>	<b>\$728,149</b>
<b>General Expenses</b>									
46 Protective Services	\$300	\$0	\$0	\$0		\$0	\$500	\$0	\$1,300
47 Insurance	\$2,205	\$0	\$14,000	\$5,670	\$3,378	\$9,202	\$7,500	\$28,488	\$68,652
48 Other General Expense	\$0	\$128,000	\$0	\$0	\$0	\$0	\$40,000	\$98,200	\$1,087,200
49 Payment in Lieu of Taxes	\$0	\$11,800	\$0	\$0	\$0	\$0	\$185	\$750	\$12,524
50 Collection Loss	\$0	\$0	\$15,800	\$0	\$0	\$1,200	\$742	\$12,000	\$29,742
51 Interest Expense	\$0	\$0	\$288,000	\$155,000	\$0	\$77,875	\$11,825	\$0	\$532,700
<b>Total General Expenses</b>	<b>\$2,505</b>	<b>\$839,608</b>	<b>\$317,800</b>	<b>\$160,670</b>	<b>\$3,878</b>	<b>\$89,277</b>	<b>\$60,732</b>	<b>\$138,448</b>	<b>\$1,713,118</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$81,732</b>	<b>\$843,887</b>	<b>\$664,103</b>	<b>\$385,650</b>	<b>\$3,878</b>	<b>\$343,177</b>	<b>\$128,482</b>	<b>\$876,728</b>	<b>\$3,228,835</b>
<b>Nonroutine Expenses and Capital Expenditures</b>									
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Nonroutine Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>TOTAL EXPENSES</b>	<b>\$81,732</b>	<b>\$843,887</b>	<b>\$664,103</b>	<b>\$385,650</b>	<b>\$3,878</b>	<b>\$343,177</b>	<b>\$128,482</b>	<b>\$880,728</b>	<b>\$3,233,835</b>
<b>OPERATING SURPLUS(DEFICIT)</b>	<b>(\$50,687)</b>	<b>\$7,423,198</b>	<b>\$180,898</b>	<b>\$265,100</b>	<b>\$31,824</b>	<b>\$108,103</b>	<b>\$23,128</b>	<b>\$360,153</b>	<b>\$8,344,616</b>
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	(\$55,081)	\$0	(\$12,500)	(\$67,581)
<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(\$50,687)</b>	<b>\$7,423,198</b>	<b>\$180,898</b>	<b>\$265,100</b>	<b>\$31,824</b>	<b>\$53,022</b>	<b>\$23,128</b>	<b>\$347,653</b>	<b>\$8,276,935</b>
56 Reserve Appropriations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Operations/Transfers In/(Out)	\$0	(\$750,000)	\$0	(\$150,000)	\$0	\$0	\$0	\$0	(\$900,000)
<b>Surplus/Deficit Before Capital Expenditures</b>	<b>(\$50,687)</b>	<b>\$6,673,198</b>	<b>\$180,898</b>	<b>\$105,100</b>	<b>\$31,824</b>	<b>\$53,022</b>	<b>\$23,128</b>	<b>\$347,653</b>	<b>\$7,376,935</b>
58 Capitalized Items/Development Projects	(\$190,000)	\$0	(\$158,040)	(\$350,000)	\$0	\$0	\$0	\$0	(\$698,040)
59 Reserve for Replacement	\$0	\$0	\$0	(\$50,000)	\$0	(\$12,550)	\$0	(\$49,500)	(\$112,050)
60 Revenue - Capital Grants/Sale of property	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$900,000
61 Reserve Appropriations - Capital	\$0	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0	\$350,000
<b>Surplus/Deficit</b>	<b>\$659,313</b>	<b>\$6,673,198</b>	<b>\$32,858</b>	<b>\$55,100</b>	<b>\$31,824</b>	<b>\$40,472</b>	<b>\$23,128</b>	<b>\$298,153</b>	<b>\$7,816,845</b>



**FY17 Budget - Supporting Schedule for Housing Development Capital Expenditures**  
**January 1, 2018 through December 31, 2018**

Project	Funding Source	Total	THA MTW/CFF/RHF	THA BA/Demo-dispo funds	THA Reserves & Program Income	WSHFC	State & Local Grants
Bay Terrace Phase 3 redevelopment							
TCRA		300,000					300,000
THA		25,000	25,000				
CBDG		-					
SUBTOTAL		325,000	25,000	-	-	-	300,000
RAD Conversion							
THA Funds - Transfer to Salishan/Hillside Properties		750,000		750,000			
SUBTOTAL		750,000	-	750,000	-	-	-
THA Homes for Sale Rehab							
Prepare Scattered Site homes for sale		200,000	200,000				
SUBTOTAL		200,000	200,000	-	-	-	-
Renovations - THA (2018 portion)							
Family Investment Center Remodel		1,242,000	1,242,000				
Bank Addition - FIC		-	w/ above				
Salishan Maintenance Shop renovations		-	w/above		350,000		
James Center North Capital Items					158,000		
Highland Crest Roof Replacement					508,000		
SUBTOTAL		1,750,000	1,242,000	-	508,000	-	-
		640,553					
Crisis Residential Center							
Architectural (COT)		205,335					205,335
Construction		750,000					750,000
SUBTOTAL		955,335	-	-	-	-	955,335
Property Purchases							
New Acquisitions		4,000,000		\$4,000,000			
Purchase of Land		-					
SUBTOTAL		4,000,000	-	4,000,000	-	-	-
Total Capital Expenditures:		7,980,335	1,467,000	4,750,000	508,000	-	1,255,335

**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 of City of Tacoma

PHA Code: WA005

PHA Fiscal Year Beginning: January 1, 2018

Board Resolution Number: 2017-12-13(1)

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: 12/13/2017
- ☐ 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:
Janis Flauding		12/13/2017



# TACOMA HOUSING AUTHORITY

## Statements of Vision, Mission and Values

Amended by the THA Board: February 27, 2013

### THA's Vision

THA envisions a future where everyone has an affordable, safe and nurturing home, where neighborhoods are attractive places to live, work, attend school, shop and play, and where everyone has the support they need to succeed as parents, students, wage earners and neighbors.

### THA's Mission

THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just.

### THA's Values

#### Service

Work in service to others is honorable. We will do it honorably, effectively, efficiently, with pride, compassion and respect.

#### Integrity

We strive to uphold the highest standards of integrity and ethical behavior.

#### Stewardship

We will be careful stewards of the public and private financial and environmental resources entrusted to us.

#### Communication

We value communication. We strive to be open and forthcoming with our customers, employees and colleagues, our partners, and our communities. We will listen to others.

#### Diversity of Staff

We value the diversity of our staff. It makes us stronger and more effective.

#### Collegial Support and Respect

The work we do is serious. We seek to create an atmosphere of teamwork, support and respect. We also value a good humor.

#### Excellence

We strive for excellence. We will always seek to improve.

#### Leadership

Everyone at THA, the Board, management and staff, shares the leadership it will take to extend these values throughout THA's work, to fulfill the mission and to advance the vision for our city.





# TACOMA HOUSING AUTHORITY

## Strategic Objectives

Amended by the THA Board: February 27, 2013

### **Housing and Supportive Services**

THA will provide high quality housing, rental assistance and supportive services. Its supportive services will help people succeed as tenants, parents, students, wage earners and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

### **Housing and Real Estate Development**

THA will efficiently develop housing and properties that serve primarily families and individuals unable to find the affordable and supportive housing they need. Its work will promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.

### **Property Management**

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

### **Financially Sustainable Operations**

THA seeks to be more financially self-sustaining.

### **Environmental Responsibility**

THA will develop and operate its properties in a way that preserves and protects natural resources.

### **Advocacy and Public Education**

THA will advocate for the value of its work and for the interests of the people it serves. It will be a resource for high quality advice, data and information on housing, community development, and related topics. THA will do this work at the local, state and national levels.

### **Administration**

THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.

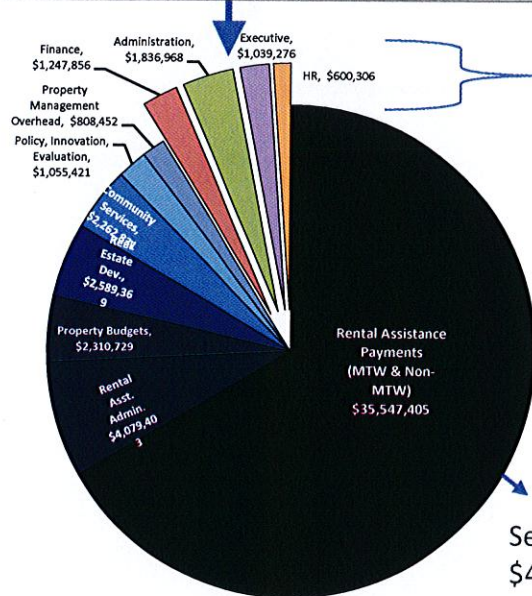
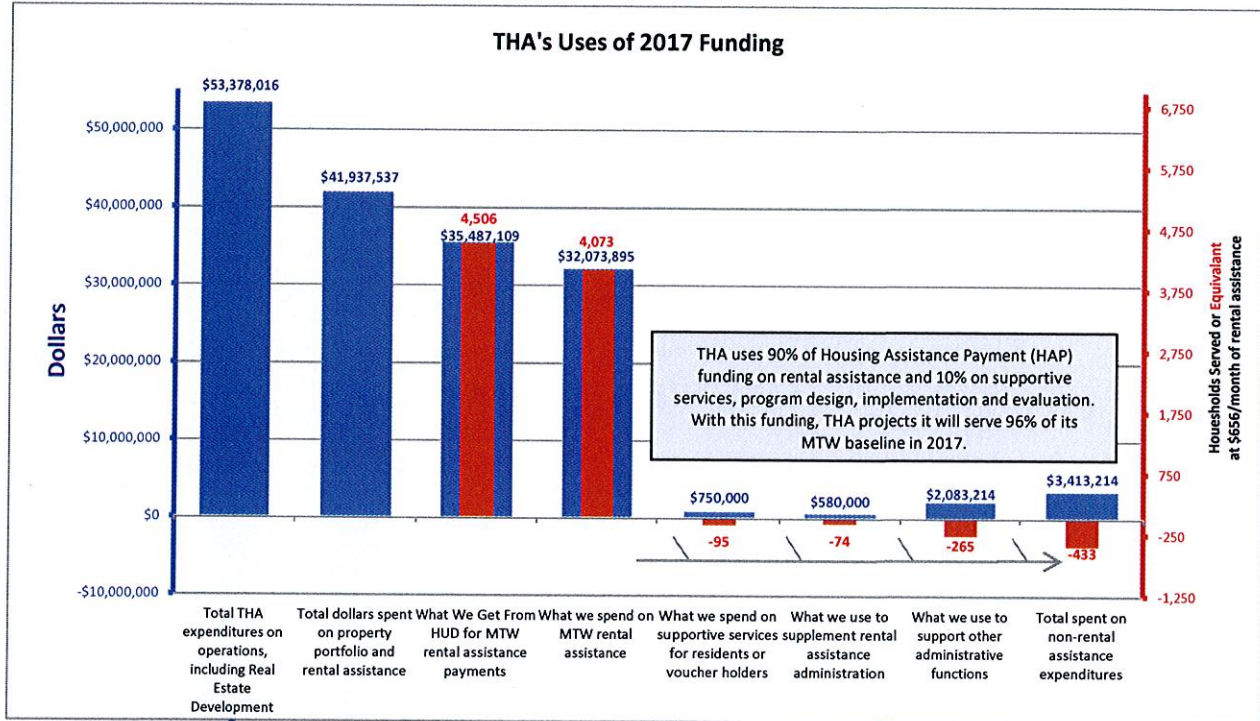


# TACOMA HOUSING AUTHORITY

## THA USES OF FUNDING

October 13, 2017

This document illustrates the choices THA faces when allocating its housing resources to housing and other related purposes.



VOUCHER PROGRAM: DOES NOT RECEIVE FULL HUD FUNDING FOR ADMINISTRATIVE COSTS

