



# **TACOMA HOUSING AUTHORITY**

## **BOARD OF COMMISSIONERS**

### **BOARD PACKET**

**December 18, 2013**



# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

## BOARD OF COMMISSIONERS

Greg Mowat, Chair  
Stanley Rumbaugh, Vice Chair  
Janis Flauding  
Dr. Arthur C. Banks  
Rose Lincoln Hamilton

## REGULAR MEETING BOARD OF COMMISSIONERS

**WEDNESDAY, December 18, 2013**

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold their Board Regular Meeting on **Wednesday, December 18, 2013 at 4:45 PM**

The meeting will be held at:

**902 South L. Street  
Tacoma, WA**

The site is accessible to persons with disabilities. Persons requiring special accommodations should contact Christine Wilson at (253) 207-4421, before 4:00 p.m. the day before the scheduled meeting.

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I, Christine Wilson, certify that on or before December 13, 2013, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE to:

City of Tacoma	747 Market Street Tacoma, WA 98402	fax: 253-591-5123
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	emailed to tips@q13fox.com
KSTW-TV/Channel 11	1000 Dexter Avenue N #205 Seattle, WA 98109	fax: 206-861-8865
Tacoma News Tribune	1950 South State Tacoma, WA 98405	fax: 253-597-8274
The Tacoma Weekly	PO Box 7185 Tacoma, WA 98406	fax: 253-759-5780

*and other individuals and resident organizations with notification requests on file*

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Christine Wilson  
Executive Administrator



# TACOMA HOUSING AUTHORITY

**AGENDA  
REGULAR MEETING  
BOARD OF COMMISSIONERS  
December 18, 2013 4:45 PM  
902 South L. Street**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**
  - 3.1 Minutes of November 20, 2013 – Regular Session
  - 3.2 Minutes of December 6, 2013 – Study Session
- 4. GUEST COMMENTS**
- 5. COMMITTEE REPORTS**
- 6. COMMENTS FROM THE EXECUTIVE DIRECTOR**
- 7. ADMINISTRATION REPORTS**
  - 7.1 Finance
  - 7.2 Real Estate Management and Housing Services
  - 7.3 Real Estate Development
  - 7.4 Community Services
- 8. NEW BUSINESS**
  - 8.1 2013-12-18 (1), Approval of Tenant Account Receivable Write-offs
  - 8.2 2013-12-18 (2), Fiscal Year 2014 Agency Budget
  - 8.3 2013-12-18 (3), LASA (**WALK ON**)
- 9. COMMENTS FROM THE COMMISSIONERS**
- 10. EXECUTIVE SESSION (if any)**

None this month.
- 11. ADJOURNMENT**

# MEETING MINUTES



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, November 20, 2013

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 911 North K Street, Tacoma, WA at 4:45 PM on Wednesday, November 20, 2013.

### 1. CALL TO ORDER

Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 5:15 PM.

### 2. ROLL CALL

Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
<b>Commissioners</b> Greg Mowat, Chair  Stanley Rumbaugh, Vice Chair (arrived at 5:55 PM) Arthur C. Banks, Commissioner, Janis Flauding, Commissioner	Rose Lincoln Hamilton, Commissioner (excused)
<b>Staff</b> Michael Mirra, Executive Director Christine Wilson, Executive Administrator Ken Shalik, Finance and Administration Director April Davis, REMHS Director Barbara Tanbara, Human Resources Director Greg Claycamp, Community Services Director Tina Hansen, Interim RED Director Todd Craven, Administration Director	

Chair Mowat declared there was a quorum present @ 5:16 PM and proceeded.

Pastor Banks started the meeting with a moment of silence in tribute to Pastor Ron Vignec who passed away on November 10.

### **3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING**

Chair Mowat asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 23, 2013. Commissioner Banks moved to adopt the minutes, Commissioner Flauding seconded.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	2

**Motion approved.**

### **4. GUEST COMMENTS**

Carl Mastberg, resident of Ludwig Apartments, addressed the board. He is concerned about some recent activities that he views as retaliatory. Those activities include security called, and the TPD questioning him. Mr. Mastberg did not provide specifics. He has asked other residents to witness his discussions with THA staff. Mr. Mastberg is questioning THA's communication with him. He recently contacted the Washington State Auditor about the documents he claims to have found in the dumpster.

Betina Carson, resident of K Street Apartments, addressed the board. She provided written comments to the Board of Commissioners and read them out loud. The comments regard the public restrooms in the THA buildings that are kept locked except during resident activities. Ms. Carson noted that the building Key Holders are employees of THA. She offered the view that this means Key Holders cannot properly represent the tenants in this matter because they must say what THA directs. Ms. Carson is hopeful that the recent discussions lead by THA staff will result in the unlocking of the restrooms. If they are not unlocked by December 18, Ms. Carson will take her concerns to entities outside of THA: Pierce County Health Department, The Fair Housing Center, the news media, and elected officials. Pastor Banks asked about the discussions on the matter. Director Black stated staff is continuing to engage with residents.

Geraldine Warren, Key Holder and resident of K Street Apartments, addressed the board. She provided comments related to Ms. Carson's testimony regarding Keyholders. She believes she is representing the tenants. She loves what she is doing. Donna Miller, resident of K Street Apartments, addressed the board. She wanted to thank THA staff for their hard work.

Hope Rehn, resident of Wright Street Apartments, addressed the board. She is also president of SAFE and a Keyholder. She reported that SAFE members recently took a trip to Leavenworth and locally to the Lobster Shop. Ms. Rehn mentioned that is her

job as building rep. to stand up for the tenants. The majority of tenants she talked to want the restrooms locked for security and safety and health reasons. This has reduced drug activity in the buildings and individuals can no longer sleep in the restrooms. She stated her appreciation to Property Management keeping the building rules consistent in each building. Ms. Rehn spoke with property manager Nadine Silvestre about building reps and Key Holders cleaning up biohazards. She was informed they are not to clean-up biohazards. She also mentioned that THA employees do not have a restroom to use in the buildings, this is their only restroom. Ms. Rehn stated she does not believe THA needs to provide the restrooms for tenants as they are able to use their own private bathroom in their units. She finished stating she believes Key Holders represent the tenants and do not come to these views at THA's direction.

Ethan Trelease, resident of K Street Apartments, addressed the board. He is concerned about drug use in the building. Tenants are allowing non-residents into the building. Mr. Trelease has submitted complaints to security, TPD, and THA staff. Nothing is happening. Chair Mowat asked Director Black to follow-up on this concern.

## **5. COMMITTEE REPORTS**

Real Estate Development Committee – No report

Finance Committee – No report

Citizen Oversight Committee – Commissioner Banks stated there was no meeting.

## **6. ADMINISTRATIVE REPORTS**

### **Executive Director**

ED Mirra referred the board to his report and welcomed questions. THA staff is currently writing two proposed budgets. The two budgets include a flat line budget and a "sequestration" budget. THA will await the congress to determine which budget will be implemented. The RAD application has been submitted. Congress capped the number of units eligible for conversion to 60,000 units. Although THA submitted the RAD application in October, we did not make the 60,000 unit cut-off. ED Mirra anticipates that HUD will disqualify some applications not make the 60,000 cut which may give us the chance to make the initial 60,000 unit cap cut-off. Otherwise, we would hope that Congress raises the cap. It would have to raise it to 74,000 to include THA's application. ED Mirra reviewed the ongoing meth discussions with the Tacoma Pierce County Health Department and the Northwest Justice Project. The discussions are difficult and necessary. He remains optimistic the proposed policy changes will make us stronger. ED Mirra mentioned his trip to the CLPHA conference and distributed the CLPHA reports that featured THA's work.

## **Finance**

Director Shalik directed the board to the finance report. He referred to the agency financials, discussions ensued. THA is financially in good shape.

2012 Washington State Audit is completed. The pre-exit conference is scheduled for next week, and the final exit conference is scheduled on December 11th.

Director Shalik shared news that ED Mirra and Director Black brought back from the CLPHA conference. They reported a very important clarification related to the flat line budget THA is writing. THA will write the flat line budget at the 2013 pre-sequestration level. Upon hearing this report, Director Shalik then confirmed this information online. This is very good news. He is busy working with department directors to change the approach in writing both budgets. Similar to writing the 2013 budget, directors will have a sequestration list for THA agency wide.

Commissioner Flauding moved to ratify the payment of cash disbursements totaling \$5,470,105 for the month of October, 2013. Commissioner Banks seconded.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	2

## **Motion Approved**

## **Real Estate Management and Housing Services**

Director Black directed the board to her report. She discussed the budget she is currently writing for her department. Director Black reviewed unit turns and meth units information included in her board report. She was very pleased to report that 46 units were turned in October. Her department has worked very hard to get these units turned and she thanked her maintenance and leasing staff to turn and lease up these units. She reported the Salishan Association Board hired a second employee who will oversee community building. Voucher numbers on traditional program continue to trend well. Chair Mowat inquired about the VASH voucher program and if that program is moving along. Director Black confirmed the program is moving forward provided some details.

## **Real Estate Development**

Interim Director Hansen directed the board to her report. The Salishan Association will receive a rebate from the city to account for the fact that the Association maintains the bio-swales that the city owns. It will total about \$20,000 yearly. Director Hansen followed up on the board request in October for the EEO status of Absher's work on Bay Terrace (formerly Hillside Terrace). Those numbers are included in the board report.



DR Horton was asked at the last board meeting for a breakdown of the bids from businesses they work with. DR Horton simply stated they provided opportunities for minorities. THA will continue to ask DR Horton for a breakdown on their bids. THA responded to a construction management RFP for these City of Tacoma services; Single Family Homeowner Occupied Rehab, Single Family Blight Abatement and Multi-family Development. THA is being considered as one of the providers for these services. Director Hansen reported a THDG board meeting will need to be scheduled. ED Mirra, Chair Mowat, and Vice Chair Rumbaugh will meet either before or after the December board meeting. ED Mirra briefly discussed the funding status of the LASA project, we hope to learn more specific details soon.

### **Community Services**

Director Claycamp directed the board to his report. He noted several data report changes that have been made in this report. He also reported on his review of the CS programs and CS staff. He noted that CS Programs fall into one of two categories, Special Projects and General Services. The McCarver Housing Program is an example of a special project. He updated that project's performance and the course correction that will be necessary. Some discussion followed Commissioner Rumbaugh's questions about the earned income of McCarver families.

## **7. OLD BUSINESS**

None.

## **8. NEW BUSINESS**

### **8.1 RESOLUTION 2013-11-20 (1), GENERAL CONTRACTOR SELECTION FOR PRAIRIE OAKS**

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

**Whereas,** On October 3, 2013 THA issued an Invitation to Bid (ITB) for construction of Prairie Oaks a 15-unit permanent supportive housing project for the homeless and new office and client service center for LASA located at 8954-60 Gravelly Lake Drive SW, Lakewood;

**Whereas,** The ITB was posted in the Blue Book, Washington Electronic Business Solutions and on THA's website and The Tacoma News Tribune and Puyallup Herald;

**Whereas,** Four firms (4) submitted responsible and responsive bids by the deadline of October 23, 2013;

The bid results from lowest to highest bid are as follows:

Company	Base Bid	Deductive Bid Alt. #1	Deductive Bid Alt. #2	Deductive Bid Alt. #3	Deductive Bid Alt. #4	Responsive-Responsible Y / N
Pavilion Construction NW	\$3,343,223	\$36,000	\$14,000	\$7,000	\$1,800	Y
CDK	\$3,372,000	\$130,900	\$22,650	\$11,650	\$3,050	Y
Neely Construction	\$3,785,000	\$125,000	\$15,000	\$12,000	\$3,000	Y
Washington Patriot Construction	\$3,850,000	\$162,000	\$27,311	\$6,011	\$3,072	Y

**Whereas,** Staff determined the lowest responsive and responsible bidder is Pavilion Construction NW.;

**Whereas,** Total financing for the work is from a variety of funding sources including WA State Housing Trust Fund, HOME, 2163 and THA for the housing portion and CDBG, 2163 and Section 108 for the office/client service center;

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

The Executive Director is authorized to negotiate and award a Construction Contract for Prairie Oaks in the bid amount of \$3,343,223 with a not to exceed amount of \$3,927,491 including contingency and sales tax on materials to Pavilion Construction NW.

Commissioner Flauding motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

AYES: 3  
NAYS: None  
Abstain: None  
Absent: 2

**Motion Approved:** November 20, 2013

\_\_\_\_\_  
Greg Mowat, Chairman

## 9. COMMENTS FROM COMMISSIONERS

None.

**10. EXECUTIVE SESSION**

none

**11. ADJOURNMENT**

There being no further business to conduct the meeting ended at 6:55 PM.

**APPROVED AS CORRECT**

**Adopted:** December 18, 2013

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Greg Mowat, Chair



# TACOMA HOUSING AUTHORITY

## BOARD OF COMMISSIONERS MEETING MINUTES SPECIAL SESSION Friday, December 6, 2013

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session at 902 South L Street, Tacoma, WA at 12:00 PM on December 6, 2013.

### 1. CALL TO ORDER

Chair Mowat called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:05 PM.

### 2. ROLL CALL

Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
<b>Commissioners</b> Greg Mowat, Chair Stan Rumbaugh, Vice Chair Janis Flauding, Commissioner*  Rose Lincoln Hamilton, Commissioner	Arthur C. Banks, Commissioner
<b>Staff</b> Michael Mirra, Executive Director Christine Wilson, Executive Administrator Ken Shalik, Finance Director April Davis, REMHS Director Greg Claycamp, Community Services Director Tina Hansen, Interim RED Director Barbara Tanbara, Human Resources Director Todd Craven, Administration Director * participated by telephone	

Chair Mowat declared there was a quorum present @ 12:06 pm and proceeded.

### 3. DISCUSSION OF THE FY 2014 BUDGET

ED Michael Mirra opened the discussion about the FY 2014 budget that staff is preparing for the Board to consider and adopt at its meeting on December 18<sup>th</sup>. He said that he will present the proposal in outline form with details available in the material given to the Board. Although the Board need not make any decision today, he said it would be

helpful for the staff to know if the Board wishes to redirect staff. If so, staff can adjust its work on the budget in time for the December 18<sup>th</sup> Board meeting.

ED Mirra reviewed the Board's direction from November. In response to that direction, staff has prepared two budgets to account for the continuing uncertainty from Congress over 2014 appropriations. The first budget assumes a "flat line" funding equal to the 2013 pre-sequestration levels. The second budget presumes on a \$3 million cut below that level, which is what a full "sequestration" budget for 2014 would be for THA. This "sequestration" is a list of hierarchical cuts or expenditure delays totaling \$3 million. If Congress does not direct otherwise, the full "sequester" budget will take effect on January 1, 2014.

ED Mirra also recounted the general principles that THA has used to write budgets. The most important is that recurring expenses fit within recurring income. He explained that the staff proposal for the "sequester" budget departs from this principle. It proposes to cover the \$3 million in cuts in the ways that the Board directed in November by a combination of the following:

- cuts in recurring expenses.
- cuts in nonrecurring expenses
- dip into reserves

We cannot cover \$3 million in cuts in staff without crippling our operations. The most important of the cuts will have to come from our largest expense: the rent payments we make on behalf of participants in our rental assistance programs. There are two main ways to cut this amount from our rental assistance program:

- mass terminations (to cover \$3 million, 400 families would have to lose their assistance)
- "thinning the soup" (asking each family to pay more so THA can serve the same number of families and even increase the number we serve).

The Board has directed that we plan to "thin the soup". Our 2014 budget presumes on the savings that will result if we start that thinning in 2014. Specific proposals for doing this are coming to the Board in January.

ED Mirra also noted that the Board directed us to "thin" the soup even if "sequester" cuts do not occur in 2014. He reviewed the four reasons why we would do this:

- to serve more families
- to serve them better or differently (e.g, enhanced supportive services, the Education Project, rapid rehousing investment, asset building):
- to support our portfolio

- to be ready to manage budget cuts that we judge are likely in the near or mid-term future even if they do not happen in 2014. If we are to respond to such cuts without mass terminations we have to do it by changing the rent structure (“thinning the soup”) Yet that takes long term planning. We would not be able to do that quickly if we waited for Congress to act.

Commissioner Lincoln Hamilton suggested that we understand the “thinning the soup” as a way to become more sustainable.

ED Mirra also noted that the “thinning the soup” will deliver on-going savings to THA of \$1.8 million per year once it is fully implemented. This provides an added measure of comfort allowing us to rely on cuts in non-recurring expenses and a dip in reserves.

Director Shalik reviewed the hierarchal “sequester” cuts. Commissioner Rumbaugh noted the natural tension between the reserve amounts we need and the acquisition we hope to make of property. ED Mirra stated that the budget proposal would leave us with adequate reserves that might be useful for acquisition. Commissioner Flauding stated concerns regarding rent reform and whether tenants know they can seek a hardship exemption. Director Claycamp stated that Community Services will be implementing a program that more assertively follows up on households that need the exemption. Chair Mowat appreciates Community Services’ new approach to assist in bringing those services to clients, and looking for additional partnerships in the community. There was more discussion on what such intervention would look like.

ED Mirra noted that both versions of the budget preserved THA’s core activities and signature projects, including the portfolio’s management, the Education Project and assistance to homeless families and youth. He also noted that both versions of the budget presumed that we would significantly decrease the cost of our Meth Plan. He reviewed why these decreases are plausible.

The Board expressed satisfaction with the budget proposal.

#### **4. GUEST COMMENT**

None

#### **5. OLD BUSINESS**

None

#### **6. NEW BUSINESS**

None

#### **7. ADJOURNMENT**

There being no further business to conduct the meeting ended at 1:10 PM.

**APPROVED AS CORRECT**

**Adopted:** December 18, 2013

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Greg Mowat, Chair

Finance Committee  
*Commissioner Lincoln Hamilton*

Real Estate and Development Committee  
*Commissioner Rumbaugh*

Citizen Oversight Committee  
*Commissioner Banks*



# ADMINISTRATION REPORTS

# EXECUTIVE DIRECTOR REPORT



# TACOMA HOUSING AUTHORITY

**To:** THA Board of Commissioners  
**From:** Michael Mirra, Executive Director  
**Date:** December 10, 2013  
**Re:** Executive Director's Report

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This is my monthly report for December 2013. The departments' reports supplement it.

## 1. **THA's FY 2014 BUDGET: BREAKING NEWS FROM CONGRESS**

As the Board knows, drafting THA's budget for 2014 has been the preoccupation for all of us these last several months. The budget we present to the Board for adoption shows a lot of good work and careful thought by Commissioners and staff. For reasons that I recount in my resolution memo, I think the choices the budget makes should serve us very well, especially amid the Congressional budget uncertainty.

As I write this, the New York Times reports that Senator Murray and Representative Ryan have reached a two year budget deal to replace the sequester cuts due to start on January 1<sup>st</sup>. I attach a reprint of the on-line Times articles published tonight. As it reports, the deal would not only avoid the scheduled sequester cuts to discretionary domestic spending but would increase that spending by \$31 billion dollars. If Congress passes this proposal, it will take a while for the appropriation to work through HUD's complex funding formulas to produce details we would recognize. But the news does seem to be good. The Times article also reports that the proposal will face some stiff opposition in the House and Senate.

I do not think this news should redirect our budget proposal for THA's FY 2014. That proposal assumes flat line funding and then provides flexibility to manage the sequester cuts should they happen. With this news from Congress, our budget may appear to be conservative after all. That too is a good thing. We can always adjust later to receiving more funding than we planned.

## 2. **STRATEGIC PLANNING: UPDATE**

Staff continue to draft the baselines and targets for the performance measures the Board chose in February for our strategic objectives. Our efforts have been periodically delayed by more urgent if less important work. This year's change in two department directors has also slowed us down. I am pleased to report that we should have the staff's recommendations to the Board in February. I attach the present schedule.

Although this project has been long pending, I am not overly concerned at the delay. We understand our strategic choices well enough to keep us on track even without the explicit performance measure targets. Those targets, however, will be very useful, especially when we build the digital dashboard around them.

### 3. **THA APPOINTMENT TO ADVISORY GROUPS**

Over the years, THA has been asked to participate in a wide array of advisory groups serving the city, the county, the state, community organizations and regional authorities. This work is time consuming but it serves several purposes. It makes us useful to our community. It allows us to influence public policy that affects our work and the lives of the people we serve. Finally, it acquaints us with a broader set of community leaders who have become supporters of THA in their separate ways. For example, this work has led to new funding opportunities. For these reasons, the Board included service on such advisory groups among the performance measures for the advocacy and public education strategic objective.

THA has been asked to participate in two more advisory groups:

<b>Advisory Group</b>	<b>Convening Authority</b>	<b>Notes</b>
Tacoma Light Link Extension Stakeholders Group	Sound Transit City of Tacoma Pierce Transit	THA served on the initial advisory group that recommended the route for the extension. The selected route will extend from downtown up to the Hilltop.  This new group is the successor panel. It will advise on the design details for that extension.
Tacoma Gang Project Executive Committee	City of Tacoma	The Gang Project is the City's effort to devise a plan governing the use of funds and the exercise of City influence to curb the growth of gangs in Tacoma.

### 4. **MISCELLANEOUS**

#### 4.1 **Annual Reminder of Open Public Meeting Act Requirements**

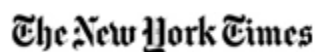
I append my annual reminder to the Board about the Open Public Meetings Act requirements. I sent this to the Commissioners by email on December 2<sup>nd</sup>. This is a good time of the year for this reminder. Commissioners may find themselves at the same social gatherings. This memo reminds us that if 3 or more Commissioners find themselves together the Open Public Meetings Act imposes some important restrictions on what they can discuss together. These restrictions should be quite manageable without limiting your ability to attend, and enjoy, these gatherings.

**4.2 Staff Appreciation Luncheon**

THA will host its annual staff appreciation lunch. It will occur on Thursday, December 19<sup>th</sup> at 11 AM at Shenanigans. I hope the Commissioners will be able to attend. These lunches have become an enjoyable, shared moment to reflect on the challenges and accomplishments of the year and to thank the staff who do this work and make it meaningful.

**5. STAFF THANKS TO THE BOARD**

This is also a good time for staff to reflect on the Board THA is fortunate to have. This work is hard. It is essential to have the Commissioners we do: who set the mission and give it a definition grounded in the community, who believe the mission is important, who are unafraid of the risks and choices we must face, who back up the staff when they take risks and make mistakes, and who have the confidence of community. The staff is grateful to all the Commissioners for their service.



"A STORY THAT  
SEIZES YOU WITH A  
VISCERAL FORCE."  
MANONHA DARGIS *The New York Times*

December 10, 2013

# Capitol Leaders Agree to a Deal on the Budget

By JONATHAN WEISMAN

WASHINGTON — House and Senate budget negotiators reached agreement Tuesday on a budget deal that would raise military and domestic spending over the next two years, shifting the pain of across-the-board cuts to other programs over the coming decade and raising fees on airline tickets to pay for airport security.

The deal, while modest in scope, amounts to a cease-fire in the budget wars that have debilitated Washington since 2011 and gives lawmakers breathing room to try to address the real drivers of federal spending — health care and entitlement programs like Medicare and Social Security — and to reshape the tax code.

For a Capitol used to paralyzing partisan gridlock, the accord between Representative Paul D. Ryan of Wisconsin, chairman of the House Budget Committee, and Senator Patty Murray of Washington, chairwoman of the Senate Budget Committee, was a reminder that even fierce political combatants can find common ground. Mr. Ryan praised the deal in the most elementary terms as a way to “get our government functioning at its very basic levels.”

Both negotiators promised an end to uncertainty and the lurching from crisis to crisis, at least for a year.

The deal drew praise from House Republican leaders, who are likely to put it to a vote by Thursday.

“While modest in scale, this agreement represents a positive step forward by replacing one-time spending cuts with permanent reforms to mandatory spending programs that will produce real, lasting savings,” Speaker John A. Boehner of Ohio said in a statement.

President Obama also weighed in. “This agreement doesn’t include everything I’d like — and I know many Republicans feel the same way. That’s the nature of compromise,” he said. “But it’s a good sign that Democrats and Republicans in Congress were able to come together and break the cycle of shortsighted, crisis-driven decision making to get this done.”

The proposal quickly drew fire from conservatives who saw it as a retreat from earlier spending cuts and a betrayal by senior Republicans. Some excoriated Mr. Ryan, the party's vice-presidential nominee in 2012, for rolling back immediate spending cuts in exchange for promised savings that may never materialize.

"We need a government with less debt and an economy with more good paying jobs, and this budget fails to accomplish both goals, making it harder for more Americans to achieve the American dream," said Senator Marco Rubio, Republican of Florida and a top prospect for a 2016 presidential run. "Instead, this budget continues Washington's irresponsible budgeting decisions by spending more money than the government takes in and placing additional financial burdens on everyday Americans."

The agreement eliminates about \$63 billion in across-the-board domestic and military cuts while adding \$23 billion in deficit reduction by extending a 2 percent cut to Medicare through 2022 and 2023, two years beyond the cuts set by the Budget Control Act of 2011.

For Democrats and their negotiator, Ms. Murray, the deal is a turning point in the spending wars that have dominated the Capitol since Republicans swept to control of the House in 2011.

For Republicans and their negotiator, Mr. Ryan, the deal should mean the political focus can remain on Mr. Obama's health care law and not on another round of budget brinkmanship next month, as the government moves to another shutdown.

While the agreement had the backing of senior House Republicans, Heritage Action, the political arm of the Heritage Foundation and a group influential with rank-and-file House Republicans, came out against the deal even before it was announced, as did Americans for Prosperity, the advocacy group backed by the conservative Koch brothers, and Koch Industries, the brothers' energy and paper conglomerate.

"We will hold members accountable, Republican and Democrat, if they go forward and vote to raise spending above sequester levels," said Tim Phillips, president of Americans for Prosperity.

Senator Mitch McConnell of Kentucky, the Republican leader who is up for re-election next year, also expressed reluctance to reverse automatic, across-the-board spending cuts mandated by the 2011 Budget Control Act if a broader, multitrillion-dollar deficit reduction deal could not be reached.

"I remain convinced the Budget Control Act has done what it was supposed to do," he said. "We've reduced government spending for two years in a row for the first time since right after the Korean War."

Under the agreement, military and domestic spending for the current fiscal year that is under the annual discretion of Congress would rise to \$1.012 trillion, from the \$967 billion level it would hit if spending cuts known as sequestration were imposed next month. Spending would inch up to \$1.014 trillion in the 2015 fiscal year.

The figure for this year is about halfway between the \$1.058 trillion passed by the Senate this spring and the \$967 billion approved by the House.

Military spending would be set at \$520.5 billion this fiscal year, while domestic programs would get \$491.8 billion. The \$63 billion increase over the next two years would be spread evenly between Pentagon and domestic spending, nearly erasing the impact of sequestration on the military. Domestic programs would fare particularly well because the 2 percent cut to Medicare health providers would be kept in place, alleviating cuts to programs like health research, education and Head Start.

The increase would be paid for in part with higher airline fees that underwrite airport security. Higher contributions from federal workers to their pensions would save about \$6 billion. Military pensions would see slower cost of living increases, a \$6 billion savings over 10 years. Private companies would pay more into the federal [Pension Benefit Guaranty Corporation](#).

States receiving mineral revenue payments will have to help defray the costs of managing the mineral leases, saving \$415 million over 10 years. Deep water, natural gas and other petroleum research programs would end.

Democrats gave up their demand that the deal extend unemployment benefits that expire at the end of the month, but they hope to press for an extension in a separate measure.

For Republican leaders, the deal would erase the threat of another government shutdown on Jan. 15, when the stopgap spending measure that reopened the government in October runs out. The government's statutory borrowing authority will lapse as early as March, however, another potential crisis, but a budget deal allows Republicans to remain singularly focused on the health care law.

It will now be up to Mr. Ryan to sell the accord to wary congressional Republicans.



Mr. Ryan said that the deal advanced the cause of deficit reduction without raising taxes, and that it alleviated the strain of military cuts.

“I’m not going to go a mile in the direction I want to, but I’m going to go a few steps,” he said.



**Tacoma Housing Authority**  
**Project Database**  
**PROJECT OUTLINE**

**Project Number:** EX-2008-21

**Project:** STRATEGIC PLANNING PROCESS DESIGN AND INITIAL IMPLEMENTATION

**Date:** December 10, 2013

**Deadline:** May 1, 2014

**Project Manager:** Michael Mirra

Task or Objective	Who	Deadline	Status
<b>1. MISSION STATEMENT AMENDMENTS AND STRATEGIC OBJECTIVES</b>	M. Mirra	4/25/2011	Closed
1.1 Draft proposed amendments for circulation	M. Mirra	9/30/2008	Closed
1.2 Board Chair approval of draft	M. Mirra	12/31/2008	Closed !
1.3 Post proposed amendments on the shadow drive	M. Mirra	10/1/2008	Closed
1.4 Post in staff newsletter	M. Mirra	10/10/2008	Closed
1.5 Request to Cabinet to convene department discussions	M. Mirra	10/7/2008	Closed
<b>1.6 Department Staff Discussions of Proposed Amendments</b>	M. Mirra	12/8/2008	Closed
1.6.1 Finance	K. Shalik	12/3/2008	Closed
1.6.2 Real Estate Development	J. Rice+	11/9/2008	Closed
1.6.3 Real Estate Management	R. Sowerby+	11/9/2008	Closed
1.6.4 Community Services	M. Fait+	11/9/2008	Closed
1.6.5 Human Resources	B. Tanbara	12/1/2008	Closed
1.7 Cabinet Review	M. Mirra	12/8/2008	Closed
<b>1.8 Board Approval Of Statements of Vision and Mission and Strategic Objectives</b>	M. Mirra	12/31/2008	Closed
1.8.1 Proposal in Board packet	M. Mirra	12/8/2008	Closed
1.8.2 Board approval	M. Mirra	12/17/2008	Closed !

**Project:** STRATEGIC PLANNING PROCESS DESIGN AND INITIAL IMPLEMENTATION  
**Date:** December 10, 2013  
**Deadline:** May 1, 2014  
**Project Manager:** Michael Mirra

Task or Objective		Who	Deadline	Status
<b>1.9 Publish Amended Statements of Vision, Mission and Values, and Strategic Objectives</b>		C. Wilson	5/1/2009	Closed
1.9.1	Email to all staff	M. Mirra	12/31/2008	Closed
1.9.2	Share drive	M. Mirra	1/16/2009	Closed
1.9.3	Desk Manuals	T. Craven	2/27/2009	Closed
1.9.4	Post at THA properties	C. Wilson	5/1/2009	Closed
1.9.5	Web site	M. Mirra	1/16/2009	Closed
1.9.6	Send to Community Partners	N. Vignec+	12/31/2008	Closed
1.9.7	Send to Media	M. Mirra	1/2/2009	Closed
<b>2. MODIFY PROJECT DATA BASE DESIGN</b>		M. Mirra	1/28/2009	Closed
<b>3. PRELIMINARY DISCUSSIONS, CONSULTATIONS AND ENVIRONMENTAL SCAN</b>		M. Mirra	10/1/2011	Closed
3.1	General	M. Mirra	10/1/2011	Closed
3.2	Design Survey Tool	M. Mirra	6/21/2011	Closed
<b>3.3 Arrange Staff Participation</b>		M. Mirra	8/8/2011	Closed
3.3.1	Email to Staff to Sign Up for Committee Work	M. Mirra	6/23/2011	Closed
3.3.2	Email Invitation to Staff to Take Survey	M. Mirra	6/23/2011	Closed
Monkey Survey				
3.3.3	Convene Committees	M. Mirra	8/1/2011	Closed
<b>3.4 Community Consultation</b>		M. Mirra	9/15/2011	Closed
3.4.1	Compile List of Community Partners to Consult	M. Mirra	6/6/2011	Closed
Monkey				
3.4.2	Email Community Invitation to Take Survey	M. Mirra	6/23/2011	Closed
Monkey				

**Project:** STRATEGIC PLANNING PROCESS DESIGN AND INITIAL IMPLEMENTATION  
**Date:** December 10, 2013  
**Deadline:** May 1, 2014  
**Project Manager:** Michael Mirra

Task or Objective		Who	Deadline	Status
3.4.3	Close SurveyMonkey	M. Mirra	8/16/2011	Closed
<b>4.</b>	<b>REVIEW STRATEGIC DIRECTIVES</b>	M. Mirra	3/30/2013	Closed !
4.1	Draft Chart to Record Discussions	M. Mirra	2/16/2011	Closed
4.2	Cabinet Review of Vision Statement, Mission Statement and Strategic Objectives	M. Mirra	3/7/2011	Closed
<b>4.3</b>	<b>Arrange for Consultant</b>	M. Mirra	6/27/2011	Closed
4.4	General Discussion of Performance Measurement Techniques with Teams	M. Mirra	8/8/2011	Closed
<b>4.5</b>	<b>Staff Draft Performance Measures for Strategic Objectives, Strategies and Performance Measures for Strategies</b>	M. Mirra	1/31/2012	Closed
<b>4.5.1</b>	<b>Housing and Supportive Services</b>	N. Vignec+	1/1/2012	Closed
<b>4.5.2</b>	<b>Housing and Real Estate Development</b>	W. Zisette+	1/31/2012	Closed
<b>4.5.3</b>	<b>Creating Community</b>	W. Zisette+	1/31/2012	Closed
<b>4.5.4</b>	<b>Property Management</b>	A. Black	1/1/2012	Closed
<b>4.5.5</b>	<b>Financially Sustainable Operations</b>	K. Shalik	10/31/2011	Closed
<b>4.5.6</b>	<b>Environmental Responsibility</b>	W. Zisette+	1/31/2012	Closed
<b>4.5.7</b>	<b>Advocacy/Public Education</b>	M. Mirra	10/31/2011	Closed
<b>4.5.8</b>	<b>Administration</b>	T. Craven	1/1/2012	Closed
4.6	Compile Drafts for Cabinet Review	M. Mirra	4/4/2012	Closed
4.7	Cabinet Review	M. Mirra	10/8/2012	Closed !
4.8	Executive Director Review and Approval	M. Mirra	10/8/2012	Closed !
<b>4.9</b>	<b>Board Review</b>	M. Mirra	3/30/2013	Closed !
4.9.1	Board Study Sessions	M. Mirra	2/1/2013	Closed

**Project:** STRATEGIC PLANNING PROCESS DESIGN AND INITIAL IMPLEMENTATION  
**Date:** December 10, 2013  
**Deadline:** May 1, 2014  
**Project Manager:** Michael Mirra

Task or Objective		Who	Deadline	Status
4.9.2	Board Review and Adoption of Statements of Vision and Mission, Strategic Objectives, and Their Performance Measures	M. Mirra	2/28/2013	Closed !
<b>5.</b>	<b>DISTRIBUTE NEW STRATEGIC DIRECTIVES</b>	M. Mirra	<b>11/30/2013</b>	Open
5.1	Post New Directives Around THA	C. Wilson	3/29/2013	Closed
5.2	Post New Directives on THA's Web Site and Intranet	C. Wilson	4/15/2013	Closed
5.3	To Media and Friends of THA List Serve	M. Mirra	<b>11/30/2013</b>	Open
<b>5.4</b>	<b>Present Directives to Staff</b>	M. Mirra	5/31/2013	Closed
5.4.1	All Staff Email	M. Mirra	5/31/2013	Closed
5.4.2	Present at All Staff Retreat	M. Mirra	4/24/2013	Closed
<b>6.</b>	<b>CHOOSE BASELINES AND TARGETS FOR PERFORMANCE MEASURES</b>	M. Mirra	2/28/2014	Open
<b>6.1</b>	<b>Committees Proposals</b>	M. Mirra	12/31/2013	Open
6.1.1	Housing and Supportive Services	G. Claycamp	12/31/2013	Open
(a)	Convene first meeting	N. Vignec+	6/19/2013	Closed
(b)	Convene second meeting	N. Vignec+	6/26/2013	Closed
6.1.2	Housing and Real Estate Development	T. Hansen	12/31/2013	Open
(a)	Convene First Meeting	T. Hansen	12/31/2013	Open
(b)	Convene 2nd meeting	T. Hansen	12/31/2013	Open
6.1.3	Property Management	A. Black	12/31/2013	Open
(a)	Convene first meeting	A. Black	12/31/2013	Open
(b)	Convene second committee meeting	A. Black	12/31/2013	Open
6.1.4	Financially Sustainable Operations	K. Shalik	12/31/2013	Open

**Project:** STRATEGIC PLANNING PROCESS DESIGN AND INITIAL IMPLEMENTATION  
**Date:** December 10, 2013  
**Deadline:** May 1, 2014  
**Project Manager:** Michael Mirra

	<b>Task or Objective</b>	<b>Who</b>	<b>Deadline</b>	<b>Status</b>
	(a) Convene Committee	K. Shalik	12/31/2013	Open
	(b) Convene Second Meeting	K. Shalik	12/31/2013	Open
6.1.5	Environmental Responsibility	T. Hansen	12/31/2013	Open
	(a) Convene first meeting	T. Hansen	12/31/2013	Open
	(b) Convene second meeting	T. Hansen	12/31/2013	Open
6.1.6	Advocacy and Public Education	M. Mirra	7/4/2013	Closed
	(a) Convene committee - first meeting and review performance measures and draft targets	M. Mirra	6/10/2013	Closed
	(b) Second committee meeting - preliminary choices of targets	M. Mirra	6/21/2013	Closed
	(c) Final committee meeting - choose targets	M. Mirra	6/28/2013	Closed !
6.1.7	Administration	T. Craven	7/4/2013	Closed
	(a) Convene first committee meeting	T. Craven	6/24/2013	Closed
	(b) Second committee meeting	T. Craven	7/1/2013	Closed
6.2	Cabinet Review	M. Mirra	1/15/2014	Open
6.3	Executive Director Review and Approval	M. Mirra	1/31/2014	Open !
6.4	Board Review and Approval	M. Mirra	2/28/2014	Open
<b>7. DEVISE STRATEGIES AND THEIR PERFORMANCE MEASURES</b>		M. Mirra	5/1/2014	Open
7.1	Committee Proposals	M. Mirra	3/31/2014	Open
7.2	Cabinet Review and Approval	M. Mirra	4/11/2014	Open !
7.3	Executive Director Review and Approval	M. Mirra	5/1/2014	Open !
<b>8. ENTER NEW DIRECTIVES INTO PROJECT DATA BASE</b>		M. Mirra	5/1/2014	Open



# TACOMA HOUSING AUTHORITY

Michael Mirra  
*Executive Director*

Date: December 2, 2013

To: THA Board of Commissioners

From: Michael Mirra

Re: Social Gatherings of Three or More Commissioners

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At this time of year, it is more likely that Commissioners may find themselves attending the same social gathering. THA may even host some of them. These will not be publicly noticed as a regular or special meeting of the Board. I review below the requirements of the Open Public Meetings Act and the precautions Commissioners must take during these gatherings to avoid violations. These precautions should not deter any of you from attending and enjoying these gatherings.

Three Commissioners constitute a Board quorum. If at least three of you attend such informal gatherings, the state's Open Public Meeting Act imposes limits on what you can discuss together. In general, you may not take "action" as the Board. The Act defines "action" broadly to include even "discussions:"

"Action" means the transaction of the official business of a public agency by a governing body **including** but not limited to receipt of public testimony, deliberations, **discussions, considerations**, review, evaluations, and final actions.  
[emphasis added]

This means that three or more Commissioners should not discuss Board or THA business at such informal gatherings. If they do, they would violate two rules: the rule that all action occur at a properly called meeting; the rule that all meetings be open to the public.

The Act, however, permits such informal gatherings as long as no "action" takes place:

It shall **not** be a violation of the requirements of this chapter for a majority of the members to travel together or gather for purposes other than a regular meeting or special meeting as these terms are used in this chapter: **PROVIDED, That they take no action as defined in this chapter.** [emphasis added]

Commissioners also avoid the appearance of a violation. For this reason, they should avoid sitting or congregating in groups of three or more if possible.

If you have any questions, please call me. Thank you for your understanding.

# FINANCE





# TACOMA HOUSING AUTHORITY

## **Motion**

Adopt a consent motion ratifying the payment of cash disbursements totaling \$5,468,813 for the month of November, 2013.

Approved: December 18, 2013

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Greg Mowat, Chairman

**TACOMA HOUSING AUTHORITY**  
**Cash Disbursements for the month of November, 2013**

		Check Numbers					
		From	To	Amount		Totals	
A/P Checking Account							
Low Rent Module Checks	Check #'s	2,767	-	2,769	2,824		
Accounts Payable Checks	Check #'s	81,032	-	81,279			
Business Support Center				240,648		Program Support	
Moving To Work Support Center				75,871			
Section 8 Programs				36,297		Section 8 Operations	
SF Non-Assisted Housing - N. Shirley				4			
SF Non-Assist Housing - 9SF Homes				2,342			
Stewart Court				70,700		Local Funds	
Wedgewood				422			
Salishan 7				30,690			
Tacoma Housing Development Group				198			
Hillsdale Heights				1,359			
Salishan Developer Fee				1,466			
NSP Grant				3,932			
Development Activity				27,183		Development	
Salishan Area 2B-Dev				2,015			
Salishan Area 4				100			
Hillside Terrace 2500 Court G Development				237,648			
Hillside Terrace 1800 Court G Development				194,439			
Hillside Terrace 2500 Yakima Development				1,121,479			
CS General Business Activities				1,339			
Weyerh. Homeless Grant				61			
Community Services MTW Fund				2,645			
Paul G. Allen Foundation Grant				2		Community Service	
Gates Scholar Incentive Grant				21			
Gates Ed Grant				324			
ROSS Svc Coord				5			
WA Families Fund				464			
WA Families Fund - Systems Innovation				992			
AMP 1 - No K, So M, No G				53,122			
AMP 2 - Fawcett, Wright, 6th Ave				46,164			
AMP 3 - Lawrence, Orchard, Stevens				55,346			
AMP 4 - Hillside Terr - 1800/2500				11,507			
AMP 5 - Salishan Common Areas				298			
AMP 6 - Scattered Sites				2,237			
AMP 7 - HT 1 - Subsidy				6,322			
AMP 8 - HT 2 - Subsidy				30		Public Housing	
AMP 9 - HT 1500 - Subsidy				5,448			
AMP 10 - SAL 1 - Subsidy				10,835			
AMP 11 - SAL 2 - Subsidy				9,752			
AMP 12 - SAL 3 - Subsidy				7,543			
AMP 13 - SAL 4 - Subsidy				10,244			
AMP 14 - SAL 5 - Subsidy				12,980			
AMP 15 - SAL 6 - Subsidy				11,634			
Allocation Fund				76,709		Allocations-All Programs	
THA SUBTOTAL				2,375,640			
Hillside Terrace 1 through 1500				4,444			
Salishan I - through Salishan 6				22,930		Tax Credit Projects - billable	
Salishan Association - Operations				8,112			
TAX CREDIT SUBTOTAL (Operations - billable)				35,487			2,411,127
Section 8 Checking Account (HAP Payments)							
SRO/HCV/TBRA/VASH/FUP/NED	Check #'s	480,366	-	480,548	280,007		
	ACH	51,750	-	53,095	2,270,943	\$	2,550,949
Payroll & Payroll Fees - ADP						\$	506,737
Other Wire Transfers							
Local Funds Semi-Annual Bond Payment - Heritage				-		\$	-
TOTAL DISBURSEMENTS						\$	5,468,813



# TACOMA HOUSING AUTHORITY

**Date:** December 18, 2013

**To:** THA Board of Commissioners

**From:** Ken Shalik  
Director of Finance

**Re:** Finance Department Monthly Board Report

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## 1. FINANCIAL STATEMENT COMMENTS

I present the November, 2013 disbursement report for your approval.

The Finance Department is submitting the financial statement for the month of October, 2013.

THA remains in good financial shape considering the reduced funding we are receiving from HUD, along with Meth coverage ending under our insurance policy in June. At the end of October's reporting period, THA had a surplus for the month of \$2,617,739 on Line 68, and a YTD surplus of 1,940,318. The main reason for this was that we received approximately \$2.7 million in HAP income that was being held at HUD due to cash management requirements. Approximately \$600K was 2012 funds, with the remainder being 2013. We requested this drawdown with the payoff of the Salishan 7 loan. This will allow THA to end the year with a surplus. At the moment, we are projecting a surplus of \$79,121. Also, we have intentionally been deferring draw down of Capital funds from budgeted levels (line 7) to properly position ourselves for MTW cash at Year end. We will continue to monitor the cash position, and if it appears we need to draw additional CFP funds up to the budgeted level, we will do so.

There are a number of categories that are experiencing variations from budget. In the community services area we are in the initial stages of implementation of our Youth asset building program, we have had salaries associated with this function, but the funds associated with payouts for Student scholarships will not occur this year. There are some categories that may have a fairly large % variance with minimal dollar variances. Some expense areas are ones that we anticipated expenditures at a certain level, but will not reach. Very few of the expense line items are above budget, and none of those are significant. In the cases of certain grants, the income is based on a dollar for dollar match. In those areas where we have not utilized the grant at budgeted levels, the income side will also be under budget. Below, I will address a few areas I would like to expound upon:

The following are major anomalies between budgeted and actual numbers.

## FINANCE DEPARTMENT MONTHLY REPORT

December 2013

Page 2

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- *Line 2 – Tenant Revenue* – This area is difficult to project. The majority of the income consists of charges passed on to the tenant for both legal proceedings heading towards eviction, as well as significant damages (including Meth damage) at move out. The challenge with this increase is due to the type of charge, we will most likely not be able to collect these funds, and they will be written off.
- *Line 7 – Capital Fund Operating Revenue* – As discussed in the narrative section, drawdowns designated for operations will be deferred until needed to keep our MTW cash at a certain level.
- *Line 9 – Other Government Grants* – Included in this line item is approximately \$60K that was budgeted for administering a type of Neighborhood Stabilization program with the city. We are just now in the implementation phase of that program, and will not reach budgeted income by year end.
- *Line 28 – Legal* – This category was adjusted at mid-year to reflect expenditures to date and anticipated needs. During the second half of the year, we will be incurring expenses for our Rental Assistance Demonstration (RAD) conversion, as well as costs for some of our pending development activities. We are seeing the expenses coming in closer to budget.
- *Line 32 – Administrative Contracts* - Even though we remain under budget at this point, it is still anticipated this category will be close to being fully expended by year end. We are just now utilizing our MTW contract with John Seasholz and we had \$25K budgeted for Leadership training which we have yet to access. We engaged a search firm for the hiring of our Real Estate Development director, and are working with a financial consultant to assist with our RAD conversion. Expenses will increase accordingly by the end of the year.
- *Lines 36-39 – Tenant Services* – Much of the variance has to do with timing. We are just getting our youth asset building function off the ground. There was funding for both the administration of the program and then funding of accounts that will either not be realized until later this year, or will most likely deferred until next year.
- *Lines 46 – 50 – Maintenance* – These costs have been increasing as the year goes on as we turn units that had been on hold due to Meth testing. There are also contracts such as exterior painting and window washing that we included in our Mid-Year Budget revision. Some of these Mid-Year requests will not be accomplished in 2013, and will be again requested in the 2014 budget. This category should not be fully utilized by year end.
- *Line 59 – Extraordinary Maintenance* – As this point, there are still minimal expenditures in this category, this will most likely change by year end, as unit repair costs due to Meth contamination that are not covered by insurance will be charged to this category. We are not yet sure of the overall impact by the end of the year, as it appears the number of contaminated units is higher than anticipated in the Mid-Year budget.
- *Line 60 – Casualty Loss* - The Year to date amount is higher than the projected actual amount. This is due to payments that have been made that have not been reimbursed by the insurance carrier. It is anticipated the final amount will be closer to the projected actual amount.

- *Lines 69 – 71 – Capital Items* - The amounts in these categories only reflect active projects that we have contracts on. In the budget, we have the purchase of New Look Apts., and the LASA development included. As we have not closed on LASA, and are still in the predevelopment phase of New Look, these amounts are not included in the projected actual category.

In our cash positions, we are including the commitment of funds passed by the Board in the September board meeting. These commitments, along with designated Public Housing and Section 8 reserves, leave the agency with minimal unobligated MTW cash levels. Due to the fact that even though funds are committed by the board, our MTW cash level is adequate, and keeps us from recapture even if HUD does not honor our commitments.

## **2. INVESTMENTS**

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank currently remain at .40%. The Washington State Local Government Investment Pool currently provides a return rate of .17%.

## **3. AUDIT**

In October, the Washington State auditors came out and completed the final portion (accountability) of the audit for 2012. There were no findings for the 2012 audit. The exit conference with the auditors is scheduled for the December 11<sup>th</sup> regularly scheduled Finance committee meeting.

## **4. BUDGETS**

The cabinet has been diligent in the preparation of the 2014 budget. We have been tasked to budget at the FY 2013 Federal funding level and to prepare a sequestration list of \$3 million additional reductions in case Congress does not stop the sequester that will take effect on January 1 for 2014. A board study session was held on December 6<sup>th</sup> to discuss the 2014 budget. The resolution is being presented for consideration of passage at this board meeting.

## **YEAR END CLOSING UPDATE**

The Finance department is in the process of preparing to close the books for both THA, and all of the Tax Credit properties that it manages. The Fiscal Year ends on December 31<sup>st</sup> for all entities.

**TACOMA HOUSING AUTHORITY  
AGENCY WIDE**

	October, 2013				Thru 12/31/2013		
	CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
<b>OPERATING RECEIPTS</b>							
1 Tenant Revenue - Dwelling rent	287,218	2,852,338	2,965,714	-3.82%	3,422,806	3,558,857	-3.82%
2 Tenant Revenue - Other	9,573	69,934	49,056	42.56%	73,921	58,867	25.57%
3 HUD grant - Section 8 HAP reimburseme	5,345,940	28,590,989	28,107,184	1.72%	33,448,571	33,728,621	-0.83%
4 HUD grant - Section 8 Admin fee earned	194,005	2,066,945	2,044,893	1.08%	2,360,334	2,453,872	-3.81%
5 HUD grant - Public Housing subsidy	187,946	1,878,760	1,783,743	5.33%	2,204,652	2,140,491	3.00%
6 HUD grant - Community Services	9,532	97,928	117,487	-16.65%	117,514	140,984	-16.65%
7 HUD grant - Capital Fund Operating Reve	82,262	197,907	1,079,022	-81.66%	860,821	1,294,826	-33.52%
8 Management Fee Income	271,414	2,715,082	2,917,607	-6.94%	3,358,098	3,501,128	-4.09%
9 Other Government grants	10,251	133,230	201,193	-33.78%	154,720	241,432	-35.92%
10 Investment income	1,798	377,508	314,958	19.86%	387,593	377,950	2.55%
11 Fraud Recovery Income - Sec 8	5,182	24,390	25,000	-2.44%	29,268	30,000	-2.44%
12 Other Revenue- Developer Fee Income	0	379,743	363,500	4.47%	379,743	436,200	-12.94%
13 Other Revenue	86,357	569,954	672,162	-15.21%	683,945	806,594	-15.21%
14 <b>TOTAL OPERATING RECEIPTS</b>	<b>6,491,478</b>	<b>39,954,708</b>	<b>40,641,518</b>	<b>-1.69%</b>	<b>47,481,986</b>	<b>48,769,822</b>	<b>-2.64%</b>
<b>OPERATING EXPENDITURES</b>							
<i><b>Administrative Expenses</b></i>							
15 Administrative Salaries	354,609	3,509,435	3,715,196	-5.54%	4,393,968	4,458,235	-1.44%
16 Administrative Personnel - Benefits	138,246	1,272,934	1,495,973	-14.91%	1,627,521	1,795,167	-9.34%
17 Audit Fees	9,383	61,917	59,118	4.73%	70,942	70,942	0.00%
18 Management Fees	220,039	2,212,413	2,238,935	-1.18%	2,654,896	2,686,722	-1.18%
19 Rent	23,526	235,260	235,249	0.00%	282,312	282,299	0.00%
20 Advertising	0	4,181	15,542	-73.10%	5,017	18,650	-73.10%
21 Information Technology Expenses	32,702	169,425	230,189	-26.40%	233,310	276,227	-15.54%
22 Office Supplies	3,049	37,315	77,531	-51.87%	74,778	93,037	-19.63%
23 Publications & Memberships	457	37,560	45,221	-16.94%	45,072	54,265	-16.94%
24 Telephone	7,478	77,578	97,991	-20.83%	93,094	117,589	-20.83%
25 Postage	2,193	27,247	33,279	-18.13%	32,696	39,935	-18.13%
26 Leased Equipment & Repairs	6,171	66,871	53,613	24.73%	80,245	64,335	24.73%
27 Office Equipment Expensed	6,378	50,606	71,403	-29.13%	60,727	85,684	-29.13%
28 Legal	17,302	142,133	195,204	-27.19%	230,560	234,245	-1.57%
29 Local Milage	647	4,494	12,819	-64.94%	5,393	15,383	-64.94%
30 Staff Training/Out of Town travel	11,093	108,451	168,013	-35.45%	195,212	201,616	-3.18%
31 Administrative Contracts	32,108	222,985	496,592	-55.10%	567,582	595,910	-4.75%
32 Other administrative expenses	8,031	69,951	78,558	-10.96%	93,941	94,270	-0.35%
33 Due diligence - Perspective Development	34,638	215,014	304,167	-29.31%	258,017	365,000	-29.31%
34 Contingency	0	0	83,292	-100.00%	0	99,950	-100.00%
35 <b>Total Administrative Expenses</b>	<b>908,050</b>	<b>8,525,770</b>	<b>9,707,884</b>	<b>-12.18%</b>	<b>11,005,282</b>	<b>11,649,461</b>	<b>-5.53%</b>

		October, 2013				Thru 12/31/2013		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	<b>Tenant Service</b>							
36	Tenant Service - Salaries	70,238	668,613	773,866	-13.60%	863,555	928,639	-7.01%
37	Tenant Service Personnel - Benefits	28,219	258,642	317,956	-18.65%	330,370	381,547	-13.41%
38	Relocation Costs	14,017	59,703	49,508	20.59%	71,644	59,410	20.59%
39	Tenant Service - Other	3,348	42,354	177,688	-76.16%	100,825	213,225	-52.71%
40	<b>Total Tenant Services</b>	<b>115,822</b>	<b>1,029,312</b>	<b>1,319,018</b>	<b>-21.96%</b>	<b>1,366,394</b>	<b>1,582,821</b>	<b>-13.67%</b>
	<b>Project Utilities</b>							
41	Water	4,784	97,939	101,092	-3.12%	117,527	121,310	-3.12%
42	Electricity	371	152,500	180,042	-15.30%	183,000	216,050	-15.30%
43	Gas	0	37,283	54,558	-31.66%	44,740	65,470	-31.66%
44	Sewer	9,938	297,362	300,104	-0.91%	356,834	360,125	-0.91%
45	<b>Total Project Utilities</b>	<b>15,093</b>	<b>585,084</b>	<b>635,796</b>	<b>-7.98%</b>	<b>702,101</b>	<b>762,955</b>	<b>-7.98%</b>
	<b>Ordinary Maintenance &amp; Operations</b>							
46	Maintenance Salaries	49,932	459,819	520,373	-11.64%	591,060	624,448	-5.35%
47	Maintenance Personnel - Benefits	19,492	143,948	159,171	-9.56%	182,738	191,005	-4.33%
48	Maintenance Materials	18,851	181,643	220,167	-17.50%	237,972	264,200	-9.93%
49	Contract Maintenance	121,144	779,037	866,293	-10.07%	969,844	1,039,552	-6.71%
50	<b>Total Routine Maintenance</b>	<b>209,419</b>	<b>1,564,447</b>	<b>1,766,004</b>	<b>-11.41%</b>	<b>1,981,614</b>	<b>2,119,205</b>	<b>-6.49%</b>
	<b>General Expenses</b>							
51	Protective Services	14,207	127,900	124,083	3.08%	153,480	148,900	3.08%
52	Insurance	15,710	147,121	153,144	-3.93%	176,545	183,773	-3.93%
53	Other General Expense	104,637	917,507	936,450	-2.02%	1,101,008	1,123,740	-2.02%
54	Payment in Lieu of Taxes	1,198	11,987	12,051	-0.53%	14,384	14,461	-0.53%
55	Collection Loss	29,991	85,600	67,643	26.55%	100,600	81,171	23.94%
56	Interest Expense	16,889	503,091	533,961	-5.78%	640,753	640,753	0.00%
57	<b>Total General Expenses</b>	<b>182,632</b>	<b>1,793,206</b>	<b>1,827,332</b>	<b>-1.87%</b>	<b>2,186,771</b>	<b>2,192,798</b>	<b>-0.27%</b>
58	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,431,016</b>	<b>\$ 13,497,819</b>	<b>\$ 15,256,033</b>		<b>\$ 17,242,162</b>	<b>\$ 18,307,240</b>	
	<b>Nonroutine Expenditures</b>							
59	Ext. Maint/Fac Imp/Gain/Loss Prop Sale	740	68,363	301,108	-77.30%	350,000	361,329	-3.14%
60	Casualty Losses	(17,410)	76,720	50,985	50.48%	76,720	61,182	25.40%
61	Sec 8 HAP Payments	2,500,313	24,459,391	24,926,470	-1.87%	29,660,017	29,911,764	-0.84%
62	<b>Total Nonroutine Expenditures</b>	<b>2,483,643</b>	<b>24,604,474</b>	<b>25,278,563</b>	<b>-2.67%</b>	<b>30,086,737</b>	<b>30,334,275</b>	<b>-0.82%</b>
63	<b>TOTAL EXPENDITURES</b>	<b>3,914,659</b>	<b>38,102,293</b>	<b>40,534,596</b>	<b>-6.00%</b>	<b>47,328,899</b>	<b>48,641,515</b>	<b>-2.70%</b>
64	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>2,576,819</b>	<b>1,852,415</b>	<b>106,923</b>	<b>1632.48%</b>	<b>153,087</b>	<b>128,307</b>	<b>19.31%</b>
65	Debt Service Principal Payments	0	(369,065)	(465,628)	-20.74%	(539,844)	(558,753)	-3.38%
66	<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>2,576,819</b>	<b>1,483,350</b>	<b>(358,705)</b>	<b>-513.53%</b>	<b>(386,757)</b>	<b>(430,446)</b>	
67	Reserve Appropriations - Operations	33,799	456,968	361,868	26.28%	465,878	434,241	7.29%
68	<b>Surplus/Deficit Before Capital Expenditures</b>	<b>2,610,618</b>	<b>1,940,318</b>	<b>3,163</b>		<b>79,121</b>	<b>3,795</b>	
69	Revenue - Capital Grants	868,437	6,073,208	(10,393,387)	-158.43%	10,822,087	(12,472,064)	-186.77%
70	Capitalized Items/Development Projects	(873,148)	(6,581,697)	8,864,220	-174.25%	(11,528,505)	10,637,064	-208.38%
71	Reserve Appropriations - Capital	4,711	508,489	1,529,167	-66.75%	706,418	1,835,000	-61.50%
71	<b>THA SURPLUS/(DEFICIT)</b>	<b>2,610,618</b>	<b>1,940,318</b>	<b>3,163</b>		<b>79,121</b>	<b>3,795</b>	

# TACOMA HOUSING AUTHORITY

## CASH POSITION - November 2013

Account Name	Current Balance	Interest
<b>HERITAGE BANK</b>		
Accounts Payable	\$ 1,040,789	0.40%
Section 8 Checking	8,420,988	0.40%
THA Investment Pool	287	0.40%
THA LIPH Security Deposits	89,536	0.40%
THDG - Tacoma Housing Development Group	46,811	0.40%
LF - Stewart Court	585	0.40%
LF - Stewart Ct Security Deposit Account	1	0.40%
LF - SF 9Homes Alaska	97,014	0.40%
LF - SF 9Homes Alaska Sec Dep Acct	4,558	0.40%
LF - SFH No. Shirley	12,945	0.40%
LF - SFH N Shirley Security Deposit Acct	1,002	0.40%
LF - Wedgewood Homes	288	0.40%
Salishan 7	1,220,013	0.40%
Salishan 7 Security Deposit	25,793	0.40%
Salishan 7 Replacement Reserve	81,451	0.40%
Salishan 7 Operating Reserve	197,543	0.40%
Payroll Account	6,656	0.40%
General Fund Money Market	1,083,539	0.40%
IDA Account	16,180	0.40%
<b>WASHINGTON STATE</b>		
Investment Pool	\$ 1,625,695	0.12%
<b>1. TOTAL THA CASH BALANCE</b>	<b>\$ 13,971,673</b>	
<b>Less:</b>		
<b>2. Total MTW Cash Balance</b>	<b>\$ 7,223,238</b>	
<i>Less MTW Reserve Commitments</i>		
2.01 2nd Phase Hillside Terrace Redevelopment	\$ 2,420,000	
2.02 Renovation/Remodel of 2nd Floor of Admin Building	700,000	
2.03 Renovation/Remodel of Salishan FIC Building	300,000	
2.04 RAD Conversion Costs - Capital Contributions to Projects	1,000,000	
2.05 Software Conversion for Unsupported Software (VH)	600,000	
2.06 Education Projects - McCarver & Others	310,000	
2.07 Exigent Health & Safety Issues (Meth Remediation)	500,000	
2.10 Total Reserve Commitments	\$ 5,830,000	
<i>Add MTW Reserves Not Yet Received from HUD</i>		
2.11 Undisbursed CFP funds for RAD Conversion	1,000,000	
2.20 Total Undisbursed Reserves held by HUD	\$ 1,000,000	
<i>Less Minimum Operating Reserves</i>		
2.21 Public Housing AMP Reserves (4 months Operating Exp.)	1,130,000	
2.22 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.30 Total Minimum Operating Reserves	\$ 1,856,000	
<b>3. MTW Cash Available (Lines 2 - 2.10 + 2.20 - 2.30)</b>	<b>\$ 537,238</b>	



# TACOMA HOUSING AUTHORITY

## CASH POSITION - November 2013

### 4. Non MTW Cash

#### Other Restrictions:

4.01 FSS Escrows	\$	105,354		
4.02 VASH, FUP & NED HAP Reserves		148,187		
4.03 Mod Rehab Operating Reserves		172,833		
4.04 Security Deposit Accounts		122,475		
4.05 Salishan Sound Families - 608		135,979		
4.06 IDA Accounts - 604		16,180		
4.07 Gates Foundation - 612, 614 & 623		320,900		
4.08 WA Families Fund - 673, 674, 712, 713		139,135		
4.09 Wedgewood Replacement Reserve		803,975		
4.10 Bond Financed Single Family Homes Reserve		90,000		
4.11 Salishan 7 Reserves		703,994		
4.12 THDG - 048		46,811		
4.20 Total - Other Restrictions			\$	2,805,823

#### Agency Liabilities:

4.30 Windstar Loan - 042		315,888		
4.40 Total - Agency Liabilities			\$	315,888
4.45 Development Draw Receipts for Pending Vendor Payments			\$	230,076
4.50 Development Advances/Due Diligence Commitments <sup>1</sup>			\$	10,204

<b>5. Total Non MTW Cash Restrictions (Lines 4.20+4.40+4.50)</b>			\$	3,361,990
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<b>6. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-5)</b>			\$	3,386,445
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Agency Current Commitments:		Board Approval	Expended	Obligation Balance
LASA Development advance	\$	425,000	\$	456,462
Salishan Campus (2012 exp plus 2013 budget)	\$	167,840	\$	126,174
<b><sup>1</sup> Total Current Commitments outstanding</b>				<b>\$ 10,204</b>

#### Agency Advances that resulted in reduced amount of Unencumbered Cash (line 6)

LASA Development advance		\$	456,462	
Hillside Terrace Redevlpmnt - HTF, HOME, CDBG and COT Funds		\$	20,000	
<b>Total Agency Advances</b>		\$	<b>476,462</b>	



# Tacoma Housing Authority

## Exit Conference

### December 11, 2013

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**Washington  
State Auditor  
Troy Kelley**

**Director of Local  
Audit  
Kelly Collins**  
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## Meeting Agenda

The purpose of our exit conference is to share the results of our independent audit and to provide a forum for open discussion. We are pleased to review our draft report and discuss other topics as listed below with you.

- Accountability audit report
- Financial statement audit report and other required communications
- Federal grant compliance audit report
- Agreed-upon services/Other engagements
- Recommendations not included in our audit reports
- Status of prior audit recommendations
- Audit cost analysis
- Your next scheduled audit
- Report publication
- Customer service survey

Preliminary audit results and recommendations were shared in detail with the Housing Authority management and personnel as they were developed during the audit.

We take seriously our responsibility of serving citizens by promoting accountability, fiscal integrity and openness in state and local government. We believe it is critical to citizens and the mission of the Housing Authority that we work together as partners in accountability to prevent problems and constructively resolve issues. As such, we encourage your comments and questions.

## Accountability Audit

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### Report

Our draft accountability report summarizes the results of our risk-based audit work related to safeguarding of public resources and legal compliance. The report does not include any findings.

**LASA project** – We noted no issues with the location of the Living Access Support Alliance (LASA) project. It appears to be within the five mile radius of the City of Tacoma.

**Hillside Terrace** – We examined the construction contract within the General Contractor/Construction Manager contract for the project. We tested the bidding and evaluation process for the lending agency. No exceptions noted.

**Employee recognition** – We followed up on the prior year finding. We tested miscellaneous payments for food and drink and employee recognition to ensure payments were allowable, approved, and supported. We reviewed the new policies drafted to address these type of events. Our testing resulted in partial resolution of the finding. Recommendations are presented on a separate page.

**Procurement** - We tested procurement of the architecture and engineering firm for the LASA project. We made a recommendation regarding following the Housing Authority's set purchasing policies. Recommendations are presented on a separate page.

## Financial Statement Audit

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### Report

Our financial statement report includes our opinion on the financial statements. It also includes our report on internal control over financial reporting and on noncompliance and other matters as required by *Government Auditing Standards*.

An unmodified opinion was issued on the financial statements, which means that we believe they are presented fairly, in all material respects.

In relation to our report, we would like to bring to your attention:

- Uncorrected misstatements in the audited financial statements are summarized on the attached schedule. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.
- No significant deficiencies in internal control over financial reporting were identified.

- No instances of noncompliance were identified that could have a direct and material effect on the determination of financial statement amounts.

## Federal Grant Compliance Audit

### Report

Our report discloses the results of our audit of compliance and internal controls over federal grant programs. It includes no findings.

## Other Engagements

### REAC Filing Attestation

In addition to our audit, we performed the procedures required by HUD related to the Housing Authority's electronic submission to the Real Estate Assessment Center (REAC). The report was submitted to REAC electronically, as required. The cost of these services is included in the audit budget.

## Recommendations not included in the Audit Reports

### Exit Items

We have provided exit recommendations for management's consideration. They are not referenced in the audit report.

## Status of Prior Audit Recommendations

Prior Findings	Resolved	Unresolved
The Authority spent public funds meant for the administration of low-income, public housing programs on food and entertainment for its employees.		Partially

\*We received the final item to resolve the finding after the conclusion of the audit, but prior to our final exit with the Housing Authority.

## Concluding Comments

### Audit Cost Analysis

In 2011 the audit budget was increased due to a change in the fiscal year end resulting in an 18 month audit period. For fiscal year 2012, the State Auditor's Office decreased budgets of Housing Authorities statewide. The decrease for Tacoma Housing Authority was 80 hours.

	2010	2011	2012
Audit Hours	842.5	898.5	720.0
Audit Cost	\$66,220	\$75,115	\$60,192
Travel Costs	\$278	\$117	\$86
Total Costs	\$66,498	\$75,232	\$60,278

## **Your Next Scheduled Audit**

Your next audit is scheduled to be conducted in May 2014 and will cover the following general areas:

- Accountability for Public Resources
- Financial Statement
- Federal Programs

The estimated cost for the next audit based on the current billing rate is \$60,192. This is a budget of 720 hours. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

## **Report Publication**

Audit reports are published on our website and distributed via e-mail in an electronic .pdf file. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: [www.sao.wa.gov/EN/News/Subscriptions](http://www.sao.wa.gov/EN/News/Subscriptions)

## **Customer Service Survey**

An invitation to complete a customer service survey will be emailed to Duane Strom, Finance Manager. Your feedback is important to our commitment to continually develop and improve our audit process.

Please don't hesitate to contact our Office throughout the year when you have questions. Our website also offers many resources, including a client HelpDesk for your auditing and accounting questions.

We would like to thank staff for their cooperation and timely response to our requests during the audit

## Summary of Uncorrected Items

Description	Statement / Schedule	Opinion Unit
Accrued expenses for 2012	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit
Accrued expenses for 2012	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit
Accrued expenses for 2012	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit
Accrued expenses for 2012	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit
Accrued expenses for 2012	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit
Accrued expenses for 2012	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit
FY11 Income	Statements of Revenues, Expenses and Changes in Fund Net Position	Component Unit

# Housing Authority of the City of Tacoma

Audit period January 1, 2012 to December 31, 2012

## Exit items

1. We randomly sampled 32 tenant files to test for reporting compliance. We identified two files that lacked the required documentation. One file was missing a birth certificate and the other was missing the social security card.

**We recommend** the Authority continue to develop and follow policies and procedures that ensure required documentation is obtained and retained in tenant files.

We randomly sampled 32 tenant files to test for activities allowed. We identified one file where the utility allowance used in the calculation did not agree to the rental contract. Upon further inquiry, it appeared the error is an isolated instance of noncompliance. We expanded testing to included 110 randomly selected tenant files. The files were tested by Authority staff and we haphazardly selected every 15th file to validate Authority testing. No additional exceptions were noted.

**We recommend** the Authority continue to develop and follow policies and procedures that ensure the appropriate utility allowance is used when performing HAP calculations.

During activities allowed testing we identified one file where the address was beyond the operating area for the Authority without a current interlocal agreement with the county housing authority. The Authority has interlocal agreements with the county authority for certain voucher types and is working to include the identified voucher type to the agreement.

**We recommend** the Authority develop and follow policies and procedures to ensure approved interlocal agreements are obtained prior to issuance of vouchers beyond the Authority's operating area.

2. We found the contract for engineering services (LASA project) was dated one week prior to the Board of Commissioners meeting and approval of the contract and negotiation process.

**We recommend** the Housing Authority follow the purchasing policies as set out in PCI-01, Procurement Policy, and dated 12/16/2009. In section 7.3 Procurement authority levels, it states all expenditures over \$100,000 must be approved by the board of commissioners. After their approval the board chair, vice-chair or executive director may sign the procurement document.

3. The Tacoma Housing Authority developed a new policy, HR-10.15-Employee Recognition and Appreciation. If the relevant activity is over \$500 it requires the use of the form F-30.05(1). When testing activities covered by this policy we noted no forms were used. And upon further inquiry, we found no form existed.

**We recommend** the Authority make and then use the form as stated in the policy HR-10.15-Employee Recognition and Appreciation. The Housing Authority has subsequently provided this form.

REAL ESTATE MANAGEMENT  
AND  
HOUSING SERVICES





# TACOMA HOUSING AUTHORITY

Date: December 18, 2013

To: THA Board of Commissioners

From: April Black

Director of Real Estate Management and Housing Services

Re: Department of Real Estate Management and Housing Services Monthly Board Report

## 1. PROPERTY MANAGEMENT DIVISION

### *1.1 Occupancy:*

Unit occupancy is reported for the first day of the month. This data is for the month of November 2013. The high vacancy rate is attributable to THA's meth strategy.

OCCUPANCY SUMMARY REPORT					
PROGRAM	UNITS AVAILABLE	UNITS VACANT	UNITS OFFLINE	UNITS OCCUPIED	% MTH OCCUPIED
All Hillside	62	4	106	58	93.5%
Family Properties	206	23	0	183	88.8%
Salishan	631	33	0	598	94.8%
Senior/Disabled	353	23	4	326	92.4%
All Total	1,248	83	110	1,129	93.1%

### *1.2 Vacant Unit Turn:*

On page three (3) there is a table with all of the units turned in fiscal year 2013. Fourteen (14) units were turned and rented in the month of November. The average unit turn for the month of November was 163.64 days and 180.35 days FYTD. The average for the month increased due to the aged units coming on line. The FYTD has dropped from 186.802 from the previous month. Eight (8) of the units that were turned in November tested positive for meth and needed to be remediated.

As of December 5, 2013, 120 of the 268 units that have been tested for contamination have tested positive for methamphetamine. This is a 45% positive rate for the units that have been tested. THA implemented the home testing kits that are testing for contamination at the health-based contamination level. Of the 82 home tests that have been conducted since June 25, 2013, 23 or 28% have tested positive for contamination.

#### 1.2.1 Vacant clean unit turn status

There are 20 vacant, clean units as of December 6, 2013. Of these units, 13 are rent ready, awaiting lease up. Five (5) are scheduled to be completed and ready to rent in the month of December. The remaining two (2) are in modernization due to water damage. There were a total of 6 clean units turned in the month of November. Our Goal is to only have units that were vacated after December 10<sup>th</sup> on the vacant list at the end of the year.

Out of the 6 clean units turned in November, the average turn days were 129 days. One (1) of these units took 273 days because it was in modernization and received extensive repairs done by a contractor through the procurement process. Please keep in mind that as the aged units come on line, we capture all of the vacant days from key to key. It is anticipated that we will continue to see the average turn days climb as a result of more aged units that are scheduled to be rented in the month December. We would anticipate that we would start to trend these numbers down in the month of December because most if not all aged vacant units will be housed.

Out of the 6 units turned, 1 was a unit that became vacant on September 30. This unit was turned by maintenance in 16 days. The remaining 5 were aged units. Our goal is to be working the turns within 48 hours of a tenant moving out. This is the area we are trying to improve. Once are aged units are off our board this can be accomplished. We will continue to refine our processes to ensure that we address and eliminate all wasted time in the process. We have created a process improvement project team that is tackling unit turn times for clean units. This is a cross-departmental team that is being led by Michael Elenko with help from THA maintenance, property managers and leasing staff.

Property management and Leasing continue to process applicants at a steady pace to ensure clients are ready for units as they become available. All units that are rent ready have files ready to lease up except for 1 unit. The unit is a five (5) bedroom unit in Salishan.

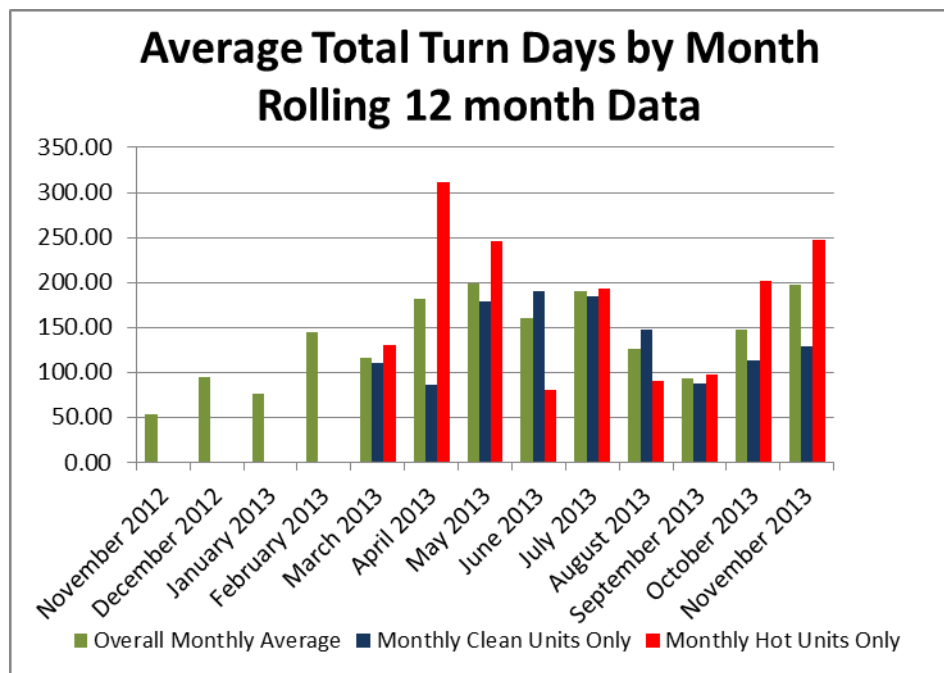
We will continue to work on strategies to help prevent the delay in obtaining qualified applicants to move into units that are ready to achieve our 20 day key to key unit turn goals. Our 2013 MTW plan included a deposit assistance program that could help qualified applicants overcome their barrier to lease up.

### 1.2.2 Contaminated unit turns

As of December 5, 2013 there were 69 vacant units in THA's portfolio. Of these units:

- 21 are not contaminated,
- 2 are awaiting testing,
- 16 are awaiting decontamination
- 10 are in remediation, (this includes dry-out)
- 18 units are in Put-Back
- 2 have been completed by the contractor and are ready for occupancy.

The table below shows the calendar year trend in average unit turn days each month:



1.3 *Work Orders*: In the month of October all emergency work orders were completed within 24 hours. This month, maintenance staff completed 234 non-emergency work orders and a total of 3,241 for the calendar year. The annual average number of days to complete a non-emergency work order is 12.48.

## Work Order Summary by Portfolio For the Month of November, 2013

Completed Work Orders								
Portfolio	Emergency				Non-Emergency			
	Month		YTD		Month		YTD	
	# Completed	% Completed in 24 Hrs	# Completed	% Completed in 24 hrs (99% HUD Std)	# Completed	Avg Completion Days	# Completed	Avg Completion Days (25 days HUD Std)
<b>All Hillside</b>								
HILLSIDE TERRACE 1500 Block	1	100.0%	2	100.0%	6	0.33	115	2.79
HILLSIDE TERRACE PH 1	0	0.0%	5	100.0%	3	0.00	129	1.55
HILLSIDE TERRACE PH II	0	0.0%	4	100.0%	4	0.25	166	2.06
	1	100.0%	11	100.0%	13	0.23	410	2.10
<b>Family Properties</b>								
ALL SCATTERED SITES	1	100.0%	4	100.0%	8	4.88	141	39.94
BERGERSON TERRACE	0	0.0%	10	100.0%	13	3.77	187	22.86
DIXON VILLAGE	0	0.0%	1	100.0%	8	4.50	118	21.25
STEWART COURT APARTMENTS	0	0.0%	4	100.0%	0		127	14.65
	1	100.0%	19	100.0%	29	4.28	573	24.91
<b>Salishan</b>								
SALISHAN I	0	0.0%	8	75.0%	19	13.37	279	11.82
SALISHAN II	0	0.0%	6	83.3%	19	16.32	352	13.72
SALISHAN III	0	0.0%	14	100.0%	25	11.40	276	13.72
SALISHAN IV	0	0.0%	11	100.0%	23	13.04	244	15.35
SALISHAN V	0	0.0%	6	100.0%	22	17.23	303	11.52
SALISHAN VI	0	0.0%	6	83.3%	12	18.33	275	10.47
SALISHAN VII	0	0.0%	10	100.0%	21	18.05	240	12.76
	0	0.0%	61	93.4%	141	15.09	1,969	12.75
<b>Senior / Disabled Properties</b>								
6TH AVE	0	0.0%	9	100.0%	5	5.00	114	6.79
E.B. WILSON	0	0.0%	24	100.0%	2	2.00	138	3.91
FAWCETT APARTMENTS	1	100.0%	9	100.0%	3	0.33	64	8.19
LUDWIG APARTMENTS	0	0.0%	11	100.0%	2	150.50	74	8.46
NORTH G ST	1	100.0%	8	100.0%	0		71	11.28
NORTH K ST	1	100.0%	10	100.0%	3	0.00	65	8.02
WRIGHT AVE	0	0.0%	13	92.3%	1	22.00	85	4.49
	3	100.0%	84	98.8%	16	22.06	611	6.82
<b>Agency Totals:</b>	<b>5</b>	<b>100.0%</b>	<b>175</b>	<b>97.1%</b>	<b>199</b>	<b>13.10</b>	<b>3,563</b>	<b>12.46</b>

## Open Work Order Summary by Portfolio For the Month of November, 2013

		Emergency		Non Emergency		
Portfolio		Opened Emergency WO	Days Open	Open Non- Emergency WO	< 25 Days	>25 Days
<b>All Hillside</b>						
HT1	HILLSIDE TERRACE PH 1	0	0	1	1	0
HT1500	HILLSIDE TERRACE 1500 Block	1	0	3	3	0
HT2	HILLSIDE TERRACE PH II	0	0	1	1	0
		1	0	5	5	0
<b>Family Properties</b>						
020	BERGERSON TERRACE	0	0	6	3	3
022	LOW RENT SCATTERED SITES (19)	1	0	0	0	0
023	DIXON VILLAGE	0	0	0	0	0
044	ALASKA 9 HOMES	0	0	1	0	1
045	STEWART COURT APARTMENTS	0	0	0	0	0
		1	0	7	3	4
<b>Salishan</b>						
SAL1	SALISHAN ONE LLC (S8)	0	0	20	9	11
SAL2	SALISHAN TWO LLC (PH)	0	0	21	10	11
SAL3	SALISHAN THREE LLC (S8)	0	0	17	13	4
SAL4	SALISHAN FOUR LLC (S8)	0	0	13	5	8
SAL5	SALISHAN V LLC (PH)	0	0	27	14	13
SAL6	SALISHAN SIX LLC (PH)	0	0	24	11	13
SAL7	SALISHAN SEVEN	0	0	21	8	13
		0	0	143	70	73
<b>Senior / Disabled Properties</b>						
006	NORTH K ST	4	97	22	10	12
008	E.B. WILSON	0	0	38	17	21
009	FAWCETT APARTMENTS	1	0	15	8	7
010	WRIGHT AVE	0	0	24	9	15
012	LUDWIG APARTMENTS	0	54	37	2	35
013	NORTH G ST	1	0	27	14	13
014	6TH AVE	1	23	38	15	23
		7	174	201	75	126
<b>Agency Totals:</b>		<b>9</b>	<b>174</b>	<b>356</b>	<b>153</b>	<b>203</b>

## 2. RENTAL ASSISTANCE DIVISION

Housing Choice Voucher utilization is reported at 99% for the month of November 2013. The Leasing Department has discontinued holding briefings as we puzzle through our plan to fill the projected budget deficit for 2014.

Below is a breakdown of the utilization of our special programs:

Program Name	Units Allocated	Units Leased	Number of shoppers*
Veterans Administration Supportive Housing (VASH)	145	128	7 shoppers 10 referrals needed
Non-Elderly Disabled Vouchers (NED)	100	96 ( including 18 port outs)	2 referrals pending, 2 referrals needed
Family Unification Program (FUP)	50	43	2 shoppers and 5 referrals needed
McCarver Program	50	44	

\* “Shoppers” are households that have been approved for the program and are searching for housing.

All referrals have improved over the last couple of months. We have worked closely with our partners to ensure we have our vouchers utilized.

After a successful all online wait list opening in June of this year, we are now testing online Change of Circumstance reporting. The clients will be able to report changes online and provide documents to go along with the changes. It will be a learning process for our customers but we hope it will make reporting easier and improve our heavy paperwork process. It will also give fewer reasons for failing to report.

We are also planning on adding Public Housing applications online. This will be a basic application that will automatically be added to Visual Homes. This would remove the need to enter these applications and improve accuracy since the clients themselves would be entering the information.



# TACOMA HOUSING AUTHORITY

**TO:** THA Board of Commissioners, Cabinet and Staff  
**From:** April Black, Director of Real Estate Management and Housing Services  
**Date:** December 10, 2013  
**Re:** Future Rent Reform

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## 1. INTRODUCTION

The THA Board has directed staff to develop further rent reform options for our rental assistance programs. This follows our implementation this year of our Housing Opportunities Program (HOP). The immediate reason for doing this is to allow THA to manage the budget cuts that we anticipate in 2014 should “sequestration” occur. A full version of those cuts would remove \$3 million from THA’s budget below 2013 pre-sequestration levels. The Board has also directed us to plan for these rent reform options even if sequestration cuts do not occur in 2014. We would do this for four reasons:

- to serve more families
- to serve residents better or differently
- to sustain our portfolio
  
- to make THA more sustainable in the face of budget cuts we judge to be likely in the near or mid-term, even if they do not occur in 2014.

To accomplish these goals we seek savings equal to \$500,000 to \$1 million dollars in 2014 and up to \$3 million per year by 2016. We also plan to extend to the work-able portion of our rental assistance program the 5- year time limit that presently applies to the HOP program.

This memo contains a staff proposal for rent reform that seeks to accomplish these goals. We will likely bring this to the Board in January for its tentative approval that would allow staff to undertake a robust community consultation. We would then return to the Board informed by that consultation with a final proposal for the Board’s final approval.

## 2. LINK TO THA’s STRATEGIC OBJECTIVES

This rent reform will ask most participants in our rental assistance programs to receive less from THA. The sections below describe these changes in detail and the effect we anticipate on program participants. We must acknowledge, and closely track, this burden on some of the city’s lowest income households. Aspects of rent reform are not reasons to celebrate. We would not do them if THA was well funded or if Tacoma’s affordable housing shortage was not so dire. Yet, we must make our choices with the resources and the market we face. With this in mind, the reasons for rent reform outweigh the increased burden it would impose on families who already have been receiving assistance under the standard provide. Those reasons align well with THA’s strategic objectives. Three in particular are pertinent:

## 2.1 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.”*

- The savings from rent reform will allow THA to serve more families. Initially, in the face of sequester cuts, it will prevent large scale terminations of families. Later, it should allow THA to add families to its programs.
- The savings will allow THA to serve the neediest persons. In particular, the savings will fund (i) THA’s rapid rehousing investments serving homeless families with children, (ii) programs serving homeless youth without families; and (iii) THA’s investment in housing for chronically homeless adults. These are populations that otherwise would find THA’s mainline housing programs inaccessible to them.
- The savings will allow THA to invest more in supportive services and programs designed to help people succeed as “tenants, parents, students, wage earners and builders of assets”. E.g, community services intervention to save tenancies of troubled families; THA’s Education Project; community services to help families improve their earnings; THA’s asset building programs.
- Rent reform will remove the disincentive for increasing earned income because it would allow people to retain all their increased earnings.
- The 5-year time limit for work-able persons would serve two purposes. **First**, it may impel people to invest more in their education and employment prospect because they know they will be back in the unsubsidized rental market in 5 years. The section below on research surveys the inconclusive studies on whether time limits work for this purpose. The **second** reason has nothing to do with data or expectation. It acknowledges that presently THA serves a relatively small handful of lucky people with deep, permanent subsidies. Meanwhile, tens of thousands of people look in from the outside getting nothing from THA. There is no way to distinguish between the two groups on the basis of need, race, language, or ability or disability. Instead, we can distinguish the two groups based only on luck and savvy. A 5 year time limit simply acknowledges that at some point it is someone else’s turn.
- The savings will allow THA to invest in the fix-up needs of its portfolio to retain its “high quality”. The congressional appropriations for public housing do not cover this cost. Keeping this portfolio in good shape is an important part of THA’s service to the neediest households.



## **2.2 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.”*

- The savings will allow THA to invest in its portfolio’s fix up needs. It will also allow THA to afford important operational needs such as its Meth Plan. This Meth Plan reflects THA’s values, its high levels of stewardship and its commitment to the law. The plan is vigorous, responsible and effective. It is also costly.

## **2.3 Financially Sustainable Operations**

*“THA seeks to be more financially self-sustaining.”*

The savings from rent reform will make THA more sustainable, especially during the budget cuts we judge to be likely in the future. This savings comes in two forms. **First**, the reforms will free up HAP dollars. **Second**, the reformed program will be a less costly to administer.

### 3. CHART OF RENT REFORM OPTIONS

	Option X	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
<b>Change</b>	<b>Terminate families from program<sup>0</sup></b>	<b>Increase Total Tenant Payment (TTP) to 30% from 28.5%- no deductions</b>	<b>\$150 minimum rent</b>	<b>Eliminate all utility allowances</b>	<b>Combine options 1-3.</b>	<b>Convert to HOP- a full year</b>	<b>Convert to HOP phasing in</b>
<b>Households Saved from Termination with options</b>	Calculation assumes average HAP of \$600 a month or \$7200 a year per household	28 households	59 households	102 households	152 households	432 households	217 households
<b>Date</b>	7/1/14	6/1/14	6/1/14	6/1/14	6/1/14	1/1/15 or 1/1/16	1/1/15 or 1/1/16
<b>Cost Savings Pro-Rated</b>	\$1,500,000	\$201,524	\$419,155	\$740,360	\$1,092,381	NA	\$1,567,243
<b>Cost Savings Full Year</b>	\$3,000,000	\$345,470	\$718,551	\$1,269,189	\$1,872,653	\$3,110,706	\$3,110,706
<b>% of households who earn \$5,000 or less who would see \$50 increase in rent or more</b>	Households terminated would have to take on full rent share.	0%	100%	0.8%	64.2%	98.8%	98.8%
<b>% of work-able households who would see \$50 increase in rent or more</b>	Households terminated would have to take on full rent share.	4.6%	33%	37.7%	52.2%	69.3%	69.3%
<b>% of senior/disabled households who would see \$50 increase in rent or more</b>	Households terminated would have to take on full rent share.	0%	18.6%	56.7%	58.1%	66.8%	66.8%
<b>% of large families (four or more people) who would see a rent increase of \$50 or more.</b>	All families terminated would have to pay full rent amount.	7.2%	29%	50%	64%	71.5%	71.5%

#### 4. STAFF RECOMMENDATION SUMMARY

The previous section summarized the several options that would allow THA to meet the goals outlined. Our recommendation is to use a two-phase approach over the course of two years that would allow THA to realize savings as soon as 2014 with an increase in savings in 2015 and 2016.

- **Phase I:** Implement Option 4, which is a combination of minimum rent increases, increased TTP and elimination of deductions and the utility allowance. THA could implement this option immediately effective June 1<sup>st</sup> or gradually over the course of one year.
- **Phase II:** Convert households to the Housing Opportunity Program in 2016.

These recommendations would result in the following savings:

Year	Dollars Saved
2014	\$1,000,000 if implemented immediately or \$540,000 if gradually implemented.
2015	Up to \$1,870,000 depending on implementation schedule
2016	Up to \$3,110,706 depending on implementation schedule

A detailed impact analysis is contained as an appendix to this memo.

##### 4.1 Performance Measures

Several performance measures are necessary to track dollars saved, households served, services provided and how THA would protect senior/disabled and extremely low income households through a hardship program.

- *Dollars to be saved*  
REMHS's has been asked to find an approach that would save around \$500,000 to \$1,000,000 in 2014 with that number escalating in future years. The proposed approach using two phases would accomplish that goal. The chart above how much would be saved over the course of implementation.
- *Additional People Served*  
Initially, THA would not count additional households served but households saved from termination. Throughout the country, agencies are terminating households off programs and looking for ways to cut costs. The proposal outlined would allow THA to forgo cutting anyone off the program and keep our baseline numbers near 100% or slightly over. This by itself would be a notable achievement. If there are dollars saved in excess of federal budget cuts, funds would be used in the following ways:
  - (1) increased resident services
  - (2) leasing new hop vouchers off the waitlist
  - (3) rapid rehousing program
  - (4) special program vouchers
  - (5) asset building

We project that the changes would also prevent THA from terminating the following number of households.

Year	Households not terminated
2014	152
2015	Additional 110 depending on implementation.
2016	Additional 170 depending on implementation.
<b>Total</b>	Up to 435

#### 4.2 Modifying THA's Hardship Policies

The policy changes are much different from the current rent reform models. We are discussing a major change to one rent reform group and then a transition of that group to HOP soon after. Let us also remember another difference from the HOP experience. The HOP imposed new rules on program participants from our waiting list who previously received nothing from THA. They had little reason to compare the diminished HOP subsidy with what they would have received under the standard program. Further reform would apply to current participants in the standard program. They will surely notice and feel the reduced subsidy. As such, it would be necessary to redefine the **hardship policy**.

The new hardship policy should account for two important variables:

1. A number of households may bear disproportionately large financial impacts based on income and family composition. THA would need to pick a dollar amount or rent burden percentage, limiting financial impact, and make a policy based on that number.
2. THA is making these changes to thin the soup due to budget cuts. That means THA is counting on these changes to make up some shortfalls. If the hardship is too liberal, the forecasted savings could be altered significantly.

We recommend analyzing a hardship policy where any family with a change over \$100 per month could have the amount over \$100 waived.

## **5. SUMMARY OF RESEARCH ON TIME LIMITS AND FIXED SUBSIDIES**

The research and information available on time limits and fixed subsidies in public housing is limited. There are several reports and studies on the subject; however, no hard conclusions or data are available. The reports and studies relied on limited data, focus groups, staff interviews and MTW reports. Most of the agencies that started time limits abandoned them because of fiscal constraints or the economy, but there are some promising results from a limited number of PHA's. This memo briefly summarizes the experience from other housing authorities that have established time limits. It also summarizes what THA has learned from its own HOP experience.

### **5.1 THA's HOP Program in 2013**

Below is some high level data about how the HOP program is performing in 2013. The sample size is small but so far the results have been promising.

- THA's average monthly HAP is \$451 compared to around \$600 for the traditional program.
- The average shelter burden is 36% compared to about 28% for the traditional program.
- The lease up rate is 80%
- The average time to lease a voucher has been 53 days.
- Opportunity maps have not shown marked differences in where households are leasing compared to the traditional program.

### **5.2 Agencies that have Adopted Time Limits**

The research on time limits in public housing is limited to Moving to Work (MTW) agencies that have attempted this type of policy. Eight MTW agencies have put some type of time limits on housing assistance over the course of the MTW program.<sup>1</sup> Several types of limits were proposed including:

- Five year time limits for all new admissions to the section 8 and public housing program (Tulare, Delaware, Vancouver).
- Five year time limits for section 8 new admissions only (Keene (NH)).
- Three year program for selected households for specific populations including those coming out of homelessness or off of welfare (Massachusetts Department of Housing).
- Five year time limits to a small segment of public housing and section 8 voucher holders (San Diego).

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<sup>1</sup> *The Experiences of Public Housing Agencies That Established Time Limits Policies Under the MTW Demonstration*, Prepared by Applied Real Estate Analysis, Inc. and The Urban Institute (2007) Page iii

- Six year time limits for select households who were given assistance over those on the waitlist(San Mateo)
- Seven year time limits for voucher program (Philadelphia)
- San Bernardino Housing Authority has implemented five (5) year time limits and fixed subsidies in 2012 for all new work-able households.

### 5.3 Results by Agency

- *Delaware:* Of the 1,124 persons who left the program, 9% reached the time limit but stayed on the program due to a safety net, 35% went on to become home owners or rent in the private market without being rent burdened, and 56% left without the agency knowing the final circumstances.
- *Massachusetts:* In 2006, 183 households reached the time limits. The results were varied with some households buying units, some renting market rate units and some renting but at a high rent burden. The population was split into two groups but the methodology used to evaluate those groups were not the same.
- *Tulare:* Over 700 households had timed out as of the report. Currently over 2,000 have timed out.<sup>2</sup> The households that came on the program in 1999 and left in 2005 saw an average increase in earned income of 7.2% every year on the program.
- *Keene:* A phone call to the MTW coordinator revealed that Keene had abandoned time limits. Keene Housing Authority has project-based 60% of its vouchers in its own units and the time limits would have been disruptive to leasing and the number of unit turns.<sup>3</sup> Before the program was discontinued, no one had reached their time limits as of the report. However, 70% of households were employed compared to 46% in the beginning of the program.
- *Vancouver:* Rescinded program in its fifth year
- *San Diego:* Never implemented the time limits
- *Philadelphia:* Never implemented time limits citing the bad economy.
- *San Mateo:* Their self-sufficiency program has time limits and another small program of 100 households have time limits.
- *San Bernardino:* The program has been in effect for two years. They will not have to time anyone out for another three years.

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<sup>2</sup> Tulare County Website: <http://www.hatc.net/Pdf/QuarterlyMTWStatistics.pdf>

<sup>3</sup> Phone call on 07/25/12

#### **5.4 Overall Effects of Time Limits and Fixed Subsidies**

On the positive side, some households were able to take advantage of time limits, altered rent structures and services to make progress towards self-sufficiency.<sup>4</sup> That included increasing incomes, buying houses and renting in the private market without being excessively rent burdened. On the negative side, some households may have become rent burdened or homeless due to the time limits. The Urban Institute's report noted that there was insufficient data to estimate the incidence of positive versus negative outcomes or establish cause and effect relationships between time limits ( or other policy and program changes) and such outcomes.<sup>5</sup>

ABT Associates completed an analysis for HUD on the Housing Authority of Tulare County. The study showed that participants in the fixed subsidy five year programs experienced much higher increases in income than participants in the agency's regular income based program.<sup>6</sup> Increases were 50% in the public housing program and 65% in the voucher program compared to an average of 9% in the income based programs. Upon examination of more recent numbers, the time limited fixed subsidy households are still outpacing their traditional income based counterparts but by a much smaller percentage.<sup>7</sup> The report concluded that the fixed subsidy opened up the housing market and increased housing choices for participants. The agency cited the fact that more landlords were open to leasing to residents in the MTW program vs. the income based program.

#### **5.5 Other Research**

A report by the National Center on Policy Analysis found that under the normal program rules federal housing policy effectively imposes a marginal tax on work of up to 30 percent, in addition to other taxes. This reduces incentives to find full-time employment or better paying jobs. In particular, it found:

- participation in the labor market by households on assistance is reduced by 5.4 to 6.8 percent, according to housing expert Will Fischer.
- public benefits (public housing, public assistance and food stamps) reduce the labor supply of female-headed households by 42 percent, according to economist Barbara Steinberg Schone.

The study concluded that federal housing programs create dependency by discouraging work.<sup>8</sup>

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<sup>4</sup> Urban Institute page 27

<sup>5</sup> Urban Institute page 27

<sup>6</sup> MTW Monitoring Visit: Housing Authority of Tulare County, Conducted by Abt Associates February 8, 2005

<sup>7</sup> Tulare County Housing Website at <http://www.hatc.net/Pdf/QuarterlyMTWStatistics.pdf>

<sup>8</sup> Public Housing Reform: National Center for Policy Analysis Joe Barnett <http://www.ncpa.org/pub/ba507>

7.Time for a New Model: The Journal of Housing and Community Development, Volume 61, Number 3 May/June 2004 pages 6-10

The Executive Director of the Tulare County Housing Authority states that the problem with federal housing programs is in the design. “The devil is in the design of income based rental programs that are conceptually flawed and provide incentives to hide income”.<sup>9</sup>



## **5.6 THA's Conclusion on Research**

The research and information on time limits and different subsidies is limited. If implemented across the board, THA would design a program that measured the success or failure of the program. THA would track the following metrics:

- the increase in earned incomes of time limited fixed subsidy households vs. the experience with our income based program.
- the rent burden of all households on the program
- the average time to lease up.
- the amount of administrative savings
- the increased number of households served
- the average time a household is on the waitlist
  
- THA would use GIS mapping to determine if undue numbers of households were leasing up in low opportunity areas.

## APPENDIX: DETAILED IMPACT ANALYSIS

### Scenario 1. 30.0% TTP and No Deductions Household Rent Changes

Change in Tenant Rent	All HHs		GRNC < \$5,000		V/Work-Able HHs		Elderly/Disabled HHs	
	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total
# Total Households	2507	100.0%	254	10.1%	1475	58.8%	1032	41.2%
# Households whose Tenant Rent decreased	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference of \$0 to -\$5	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$5 to -\$15	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$15 to -\$25	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$25 to -\$50	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$50 to -\$75	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$75 to -\$100	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$100 to -\$125	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$125 to -\$150	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$150 to -\$175	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$175 to -\$200	0	0.0%	0	0.0%	0	-	0	-
Difference < -\$200	0	0.0%	0	0.0%	0	-	0	-
# Households whose Tenant Rent did not change	1430	57.0%	247	97.2%	411	27.9%	1019	98.7%
# Households whose Tenant Rent increased	1077	43.0%	7	2.8%	1064	72.1%	13	1.3%
Difference of \$0 to \$5	19	0.8%	0	0.0%	19	1.3%	0	-
Difference of \$5 to \$15	230	9.2%	7	2.8%	230	15.6%	0	-
Difference of \$15 to \$25	430	17.2%	0	0.0%	429	29.1%	1	-
Difference of \$25 to \$50	320	12.8%	0	0.0%	319	21.6%	1	-
Difference of \$50 to \$75	32	1.3%	0	0.0%	27	1.8%	5	-
Difference of \$75 to \$100	11	0.4%	0	0.0%	9	0.6%	2	-
Difference of \$100 to \$125	3	0.1%	0	0.0%	1	0.1%	2	-
Difference of \$125 to \$150	4	0.2%	0	0.0%	4	0.3%	0	-
Difference of \$150 to \$175	20	0.8%	0	0.0%	20	1.4%	0	-
Difference of \$175 to \$200	4	0.2%	0	0.0%	2	0.1%	2	-
Difference > \$200	4	0.2%	0	0.0%	4	0.3%	0	-

### Scenario 1. 30.0% TTP and No Deductions Projected Impact by Race and Family Size

#### Impact by Race

All units  
Rent increase  
Rent increase > \$30  
Rent decrease  
Shelter burden (current)  
Shelter burden (expected)  
Shelter burden change  
Number of Units

African American	Caucasian	Hawaiian or Pac Isl	Asian	Amer Indian or Alask	Hispanic
40.49%	44.16%	1.48%	4.43%	1.79%	5.70%
49.26%	37.58%	48.65%	32.43%	44.46%	45.45%
3.55%	2.98%	5.41%	2.70%	0.00%	2.10%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27.80%	27.51%	28.48%	27.19%	28.21%	28.57%
28.94%	28.44%	29.89%	27.90%	29.02%	29.53%
1.14%	0.93%	1.46%	0.71%	0.81%	0.96%
1016	1107	37	111	46	143

#### Breakdown by # Members

All units  
Rent increase  
Rent increase > \$30  
Rent decrease  
Shelter burden (current)  
Shelter burden (expected)  
Shelter burden change  
Number of units

1	2	3	4	5	6	7+
38.81%	20.10%	17.31%	8.62%	8.86%	3.71%	2.59%
15.93%	47.62%	61.52%	67.13%	70.72%	67.74%	76.92%
1.34%	1.79%	3.23%	4.17%	7.66%	5.38%	16.92%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27.27%	27.35%	28.07%	28.36%	27.89%	28.61%	27.92%
27.69%	28.26%	29.40%	29.86%	29.30%	30.02%	29.44%
0.40%	0.90%	1.33%	1.90%	1.41%	1.40%	1.52%
973	504	434	216	222	93	65

## Scenario 2. \$150 Minimum Rent Household Rent Changes

Change in Tenant Rent	All HHs		GRINC < \$5,000		Work-Able HHs		Elderly/Disabled HHs	
	# Tenants	% Total	# Tenants	% Total	# Tenants	% Total	# Tenants	% Total
# Total Households	2507	100.0%	254	10.1%	1475	58.8%	1032	41.2%
# Households whose Tenant Rent decreased	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference of \$0 to -\$5	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$5 to -\$15	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$15 to -\$25	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$25 to -\$50	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$50 to -\$75	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$75 to -\$100	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$100 to -\$125	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$125 to -\$150	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$150 to -\$175	0	0.0%	0	0.0%	0	-	0	-
Difference of -\$175 to -\$200	0	0.0%	0	0.0%	0	-	0	-
Difference < -\$200	0	0.0%	0	0.0%	0	-	0	-
# Households whose Tenant Rent did not change	1425	56.8%	0	0.0%	847	57.4%	578	56.0%
# Households whose Tenant Rent increased	1082	43.2%	254	100.0%	628	42.6%	454	44.0%
Difference of \$0 to \$5	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference of \$5 to \$15	253	10.1%	0	0.0%	52	3.5%	201	19.5%
Difference of \$15 to \$25	30	1.2%	0	0.0%	24	1.6%	6	0.6%
Difference of \$25 to \$50	119	4.7%	0	0.0%	64	4.3%	55	5.3%
Difference of \$50 to \$75	92	3.7%	7	2.8%	49	3.3%	43	4.2%
Difference of \$75 to \$100	543	21.7%	233	91.7%	439	29.8%	104	10.1%
Difference of \$100 to \$125	23	0.9%	2	0.8%	0	0.0%	23	2.2%
Difference of \$125 to \$150	22	0.9%	12	4.7%	0	0.0%	22	2.1%
Difference of \$150 to \$175	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference of \$175 to \$200	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference > \$200	0	0.0%	0	0.0%	0	0.0%	0	0.0%

## Scenario 2. \$150 Minimum Rent Projected Impact by Race and Family Size

### Impact by Race

	African American	Caucasian	Hawaiian or Pacific	Asian	Amer Indian or Alaska	Hispanic
All units	40.49%	44.16%	1.48%	4.43%	1.79%	5.70%
Rent increase	44.83%	40.92%	56.76%	43.24%	37.78%	46.15%
Rent increase > \$30	29.75%	24.30%	37.84%	25.23%	17.78%	30.07%
Rent decrease	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Shelter burden (current)	27.80%	27.51%	28.43%	27.19%	28.21%	28.57%
Shelter burden (expected)	30.03%	29.48%	30.97%	29.20%	29.67%	31.09%
Shelter burden change	2.23%	1.97%	2.54%	2.02%	1.46%	2.52%
Number of Units	1016	1107	37	111	46	143

### Breakdown by # Members

	1	2	3	4	5	6	7+
All units	38.81%	20.10%	17.31%	8.62%	8.88%	3.71%	2.59%
Rent increase	50.46%	34.92%	45.62%	37.50%	36.04%	38.71%	30.77%
Rent increase > \$30	23.64%	25.20%	34.56%	31.02%	25.68%	34.41%	26.18%
Rent decrease	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Shelter burden (current)	27.27%	27.35%	28.07%	28.36%	27.89%	28.61%	27.92%
Shelter burden (expected)	30.08%	29.26%	30.40%	30.15%	29.20%	30.39%	28.95%
Shelter burden change	2.81%	1.91%	2.33%	1.79%	1.31%	1.78%	1.03%
Number of units	973	504	484	216	222	98	65

## Scenario 3. Eliminate Utility Allowances Household Rent Changes

	All HHs		GR/NC < \$5,000		Work-Able HHs		Elderly/Disabled HHs	
Change in Tenant Rent	# Tenants	% Total	# Tenants	% Total	# Tenants	% Total	# Tenants	% Total
# Total Households	2507	100.0%	254	10.1%	1475	58.8%	1032	41.2%
# Households whose Tenant Rent decreased	187	7.5%	106	41.7%	181	12.3%	6	0.6%
Difference of \$0 to -\$5	9	0.4%	3	1.2%	9	0.6%	0	0.0%
Difference of -\$5 to -\$15	22	0.9%	6	2.4%	21	1.4%	1	0.1%
Difference of -\$15 to -\$25	20	0.8%	12	4.7%	20	1.4%	0	0.0%
Difference of -\$25 to -\$50	38	1.5%	20	7.9%	36	2.4%	2	0.2%
Difference of -\$50 to -\$75	33	1.3%	21	8.3%	33	2.2%	0	0.0%
Difference of -\$75 to -\$100	16	0.6%	8	3.1%	16	1.1%	0	0.0%
Difference of -\$100 to -\$125	26	1.0%	15	5.9%	25	1.7%	1	0.1%
Difference of -\$125 to -\$150	2	0.1%	1	0.4%	2	0.1%	0	0.0%
Difference of -\$150 to -\$175	17	0.7%	16	6.3%	15	1.0%	2	0.2%
Difference of -\$175 to -\$200	4	0.2%	4	1.6%	4	0.3%	0	0.0%
Difference < -\$200	0	0.0%	0	0.0%	0	0.0%	0	0.0%
# Households whose Tenant Rent did not change	890	35.5%	121	47.6%	572	38.8%	318	30.8%
# Households whose Tenant Rent increased	1430	57.0%	27	10.6%	722	48.9%	708	68.6%
Difference of \$0 to \$5	8	0.3%	0	0.0%	6	0.4%	2	0.2%
Difference of \$5 to \$15	37	1.5%	4	1.6%	25	1.7%	12	1.2%
Difference of \$15 to \$25	55	2.2%	18	7.1%	45	3.1%	10	1.0%
Difference of \$25 to \$50	189	7.5%	3	1.2%	90	6.1%	99	9.6%
Difference of \$50 to \$75	621	24.8%	2	0.8%	213	14.4%	408	39.5%
Difference of \$75 to \$100	102	4.1%	0	0.0%	68	4.6%	34	3.3%
Difference of \$100 to \$125	175	7.0%	0	0.0%	75	5.1%	100	9.7%
Difference of \$125 to \$150	30	1.2%	0	0.0%	23	1.6%	7	0.7%
Difference of \$150 to \$175	77	3.1%	0	0.0%	54	3.7%	23	2.2%
Difference of \$175 to \$200	100	4.0%	0	0.0%	89	6.0%	11	1.1%
Difference > \$200	36	1.4%	0	0.0%	34	2.3%	2	0.2%

## Scenario 3. Eliminate Utility Allowances Projected Impact by Race and Family Size

### Impact by Race

	African American	Caucasian	Hawaiian or Pac Isl	Asian	Amer Indian or Alaska	Hispanic
All units	40.48%	44.16%	1.48%	4.43%	1.79%	5.70%
Rent increase	51.63%	61.16%	67.57%	63.06%	62.22%	55.94%
Rent increase > \$50	39.11%	50.77%	54.06%	51.35%	51.11%	42.66%
Rent decrease	9.26%	5.60%	13.51%	4.50%	0.00%	9.79%
Shelter burden (current)	27.80%	27.51%	28.48%	27.19%	28.21%	28.57%
Shelter burden (expected)	34.74%	34.39%	36.91%	34.55%	34.62%	35.70%
Shelter burden change	6.94%	6.88%	8.49%	7.37%	6.41%	7.13%
Number of Units	1016	1107	37	111	46	143

### Breakdown by # Members

	1	2	3	4	5	6	7+
All units	38.81%	20.10%	17.31%	8.62%	8.86%	3.71%	2.59%
Rent increase	68.48%	42.86%	48.62%	34.26%	68.47%	67.74%	73.85%
Rent increase > \$50	55.50%	28.97%	34.56%	26.85%	63.96%	56.99%	72.31%
Rent decrease	2.36%	12.70%	11.75%	16.20%	2.70%	6.48%	3.08%
Shelter burden (current)	27.27%	27.35%	28.07%	28.36%	27.89%	28.61%	27.92%
Shelter burden (expected)	34.29%	33.25%	34.89%	35.28%	35.68%	36.92%	36.64%
Shelter burden change	6.98%	5.89%	6.76%	6.92%	7.74%	8.30%	8.71%
Number of units	973	504	434	216	222	93	65

## Scenario 4. 30% TTP, No Deductions, No UAs & \$150 Min Rent Household Rent Changes

	All Units		GRNC < \$5,000		Work-Able HHs		Elderly/Disabled HHs	
Change in Tenant Rent	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total
# Total Households	2507	100.0%	254	10.1%	1475	58.8%	1032	41.2%
# Households whose Tenant Rent decreased	103	4.1%	46	18.1%	100	6.8%	3	0.3%
Difference of \$0 to -\$5	9	0.4%	2	0.8%	9	0.6%	0	0.0%
Difference of -\$5 to -\$15	7	0.3%	2	0.8%	7	0.5%	0	0.0%
Difference of -\$15 to -\$25	11	0.4%	6	2.4%	11	0.7%	0	0.0%
Difference of -\$25 to -\$50	32	1.3%	17	6.7%	29	2.0%	3	0.3%
Difference of -\$50 to -\$75	9	0.4%	1	0.4%	9	0.6%	0	0.0%
Difference of -\$75 to -\$100	25	1.0%	13	5.1%	25	1.7%	0	0.0%
Difference of -\$100 to -\$125	10	0.4%	5	2.0%	10	0.7%	0	0.0%
Difference of -\$125 to -\$150	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference of -\$150 to -\$175	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference of -\$175 to -\$200	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Difference < -\$200	0	0.0%	0	0.0%	0	0.0%	0	0.0%
# Households whose Tenant Rent did not change	320	12.8%	0	0.0%	10	0.7%	310	30.0%
# Households whose Tenant Rent increased	2084	83.1%	208	81.9%	1365	92.5%	719	69.7%
Difference of \$0 to \$5	14	0.6%	2	0.8%	12	0.8%	2	0.2%
Difference of \$5 to \$15	129	5.1%	12	4.7%	116	7.9%	13	1.3%
Difference of \$15 to \$25	210	8.4%	14	5.5%	201	13.6%	9	0.9%
Difference of \$25 to \$50	319	12.7%	17	6.7%	224	15.2%	95	9.2%
Difference of \$50 to \$75	554	22.1%	27	10.6%	150	10.2%	404	39.1%
Difference of \$75 to \$100	324	12.9%	127	50.0%	289	19.6%	35	3.4%
Difference of \$100 to \$125	179	7.1%	2	0.8%	74	5.0%	105	10.2%
Difference of \$125 to \$150	80	3.2%	7	2.8%	63	4.3%	17	1.6%
Difference of \$150 to \$175	61	3.2%	0	0.0%	57	3.9%	24	2.3%
Difference of \$175 to \$200	56	2.2%	0	0.0%	44	3.0%	12	1.2%
Difference > \$200	138	5.5%	0	0.0%	135	9.2%	3	0.3%

## Scenario 4. 30% TTP, No Deductions, No UAs & \$150 Min Rent Projected Impact by Race and Family Size

### Impact by Race

	African American	Caucasian	Hawaiian or Pac Isl	Asian	Amer Indian or Alaska	Hispanic
All units	40.43%	44.16%	1.43%	4.43%	1.79%	5.70%
Rent increase	83.65%	83.02%	91.88%	78.38%	86.67%	80.42%
Rent increase > \$50	50.94%	60.34%	64.86%	57.66%	60.00%	58.04%
Rent decrease	5.02%	2.80%	5.41%	3.60%	0.00%	7.69%
Shelter burden (current)	27.80%	27.51%	28.48%	27.19%	28.21%	28.57%
Shelter burden (expected)	36.73%	36.00%	39.23%	35.66%	35.88%	37.63%
Shelter burden change	8.93%	8.49%	10.80%	8.46%	7.68%	9.06%
Number of Units	1016	1107	87	111	46	143

### Breakdown by # Members

	1	2	3	4	5	6	7+
All units	38.81%	20.10%	17.31%	8.62%	8.86%	3.71%	2.59%
Rent increase	77.70%	80.36%	86.64%	84.72%	96.40%	93.55%	96.92%
Rent increase > \$50	60.53%	41.67%	53.00%	40.28%	77.99%	72.04%	81.54%
Rent decrease	0.51%	5.36%	8.29%	12.04%	0.90%	5.38%	3.08%
Shelter burden (current)	27.27%	27.35%	28.07%	28.36%	27.89%	28.61%	27.92%
Shelter burden (expected)	35.18%	35.17%	37.27%	37.64%	37.54%	38.95%	38.55%
Shelter burden change	7.92%	7.82%	9.20%	9.28%	9.65%	10.34%	10.63%
Number of units	973	504	434	216	222	93	65

## Scenario 5. HOP Conversion – Day One Household Rent Changes

Change in Tenant Rent	All HHs		GRINC < \$6,000		Work-Able HHs		Elderly/Disabled HHs	
	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total
# Total Households	2607	100.0%	264	10.1%	1476	68.8%	1032	41.2%
# Households whose Tenant Rent decreased	677	23.0%	0	0.0%	361	23.8%	228	21.8%
Difference of \$0 to -\$5	48	1.8%	0	0.0%	18	1.2%	30	2.8%
Difference of -\$5 to -\$15	13	0.6%	0	0.0%	6	0.4%	7	0.7%
Difference of -\$15 to -\$25	22	0.9%	0	0.0%	11	0.7%	11	1.1%
Difference of -\$25 to -\$50	96	3.8%	0	0.0%	48	3.3%	48	4.7%
Difference of -\$50 to -\$75	30	1.2%	0	0.0%	12	0.8%	18	1.7%
Difference of -\$75 to -\$100	95	3.8%	0	0.0%	51	3.6%	44	4.3%
Difference of -\$100 to -\$125	71	2.8%	0	0.0%	52	3.6%	19	1.8%
Difference of -\$125 to -\$150	19	0.8%	0	0.0%	13	0.9%	6	0.6%
Difference of -\$150 to -\$175	24	1.0%	0	0.0%	14	0.9%	10	1.0%
Difference of -\$175 to -\$200	12	0.6%	0	0.0%	6	0.4%	6	0.6%
Difference < -\$200	147	6.9%	0	0.0%	120	8.1%	27	2.8%
# Households whose Tenant Rent did not change	3	0.1%	1	0.4%	2	0.1%	1	0.1%
# Households whose Tenant Rent increased	1927	76.9%	263	99.6%	1122	78.1%	806	78.0%
Difference of \$0 to \$5	11	0.4%	0	0.0%	3	0.2%	8	0.8%
Difference of \$5 to \$15	65	2.8%	0	0.0%	52	3.6%	13	1.3%
Difference of \$15 to \$25	29	1.2%	0	0.0%	7	0.6%	22	2.1%
Difference of \$25 to \$50	110	4.4%	2	0.8%	39	2.8%	71	8.9%
Difference of \$50 to \$75	137	6.6%	0	0.0%	79	6.4%	58	6.8%
Difference of \$75 to \$100	138	6.6%	4	1.8%	53	3.8%	85	8.2%
Difference of \$100 to \$125	163	8.6%	8	3.1%	69	4.7%	94	9.1%
Difference of \$125 to \$150	158	8.3%	3	1.2%	74	6.0%	84	8.1%
Difference of \$150 to \$175	155	8.2%	11	4.3%	72	4.9%	83	8.0%
Difference of \$175 to \$200	205	8.2%	37	14.8%	119	8.1%	86	8.3%
Difference > \$200	756	30.2%	188	74.0%	555	37.8%	201	19.6%

## Scenario 5. HOP Conversion – Day One Projected Impact by Race and Family Size

### Impact by Race

	African American	Caucasian	Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Hispanic
All units	40.48%	44.16%	1.48%	4.43%	1.79%	5.70%
Rent Increase	78.42%	75.07%	78.38%	75.68%	73.33%	81.82%
Rent Increase > \$30	71.23%	64.50%	72.97%	72.97%	60.00%	74.13%
Rent decrease	21.48%	24.84%	21.62%	24.32%	26.67%	18.18%
Shelter burden (current)	27.80%	27.51%	28.43%	27.19%	28.21%	28.57%
Shelter burden (expected)	37.61%	35.68%	38.95%	35.48%	35.69%	41.21%
Shelter burden change	9.82%	8.17%	10.52%	8.25%	7.48%	12.63%
Number of Units	1016	1107	37	111	46	143

### Breakdown by # Members

	1	2	3	4	5	6	7+
All units	38.80%	20.10%	17.31%	8.62%	8.96%	3.71%	2.99%
Rent Increase	78.99%	69.84%	79.49%	78.24%	77.48%	80.65%	72.31%
Rent Increase > \$30	69.58%	60.32%	69.82%	67.13%	75.23%	75.27%	70.77%
Rent decrease	20.97%	30.16%	20.51%	21.30%	22.52%	19.35%	27.69%
Shelter burden (current)	27.27%	27.35%	28.07%	28.36%	27.89%	28.61%	27.92%
Shelter burden (expected)	38.11%	33.95%	37.10%	34.67%	38.44%	41.96%	36.42%
Shelter burden change	10.84%	6.60%	9.03%	6.31%	10.55%	13.34%	8.50%
Number of units	973	904	434	216	222	93	65



## Scenario 6. HOP Conversion – Phased-In at Recert Month

### Household Rent Changes

(note: same results as scenario 5 as changes calculated as of rents at end of implementation year)

	All HHs		GRINC < \$6,000		Work-Able HHs		Elderly/Disabled HHs	
Change in Tenant Rent	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total	# Tenants	%Total
# Total Households	2607	100.0%	264	10.1%	1476	68.3%	1032	41.2%
# Households whose Tenant Rent decreased	677	23.0%	0	0.0%	361	23.8%	228	21.8%
Difference of \$0 to -\$5	48	1.8%	0	0.0%	18	1.2%	30	2.8%
Difference of -\$5 to -\$15	13	0.6%	0	0.0%	6	0.4%	7	0.7%
Difference of -\$15 to -\$25	22	0.8%	0	0.0%	11	0.7%	11	1.1%
Difference of -\$25 to -\$50	96	3.6%	0	0.0%	48	3.3%	48	4.7%
Difference of -\$50 to -\$75	30	1.2%	0	0.0%	12	0.8%	18	1.7%
Difference of -\$75 to -\$100	95	3.6%	0	0.0%	51	3.6%	44	4.3%
Difference of -\$100 to -\$125	71	2.8%	0	0.0%	52	3.6%	19	1.8%
Difference of -\$125 to -\$150	19	0.8%	0	0.0%	13	0.9%	6	0.6%
Difference of -\$150 to -\$175	24	1.0%	0	0.0%	14	0.9%	10	1.0%
Difference of -\$175 to -\$200	12	0.6%	0	0.0%	6	0.4%	6	0.6%
Difference < -\$200	147	6.8%	0	0.0%	120	8.1%	27	2.8%
# Households whose Tenant Rent did not change	3	0.1%	1	0.4%	2	0.1%	1	0.1%
# Households whose Tenant Rent increased	1827	78.8%	263	99.8%	1122	78.1%	806	78.0%
Difference of \$0 to \$5	11	0.4%	0	0.0%	3	0.2%	8	0.8%
Difference of \$5 to \$15	65	2.8%	0	0.0%	52	3.6%	13	1.3%
Difference of \$15 to \$25	29	1.2%	0	0.0%	7	0.6%	22	2.1%
Difference of \$25 to \$50	110	4.4%	2	0.8%	39	2.8%	71	8.8%
Difference of \$50 to \$75	137	6.6%	0	0.0%	79	6.4%	58	6.8%
Difference of \$75 to \$100	138	6.6%	4	1.8%	53	3.8%	85	8.2%
Difference of \$100 to \$125	163	8.6%	8	3.1%	69	4.7%	94	9.1%
Difference of \$125 to \$150	158	8.3%	3	1.2%	74	6.0%	84	8.1%
Difference of \$150 to \$175	155	8.2%	11	4.3%	72	4.9%	83	8.0%
Difference of \$175 to \$200	205	8.2%	37	14.8%	119	8.1%	86	8.3%
Difference > \$200	756	30.2%	133	74.0%	555	37.8%	201	19.6%

## Scenario 6. HOP Conversion – Phased-In at Recert Month

### Projected Impact by Race and Family Size

(note: same results as scenario 5 as changes calculated as of rents at end of implementation year)

#### Impact by Race

	African American	Caucasian	Hawaiian or Pacific Islander	Asian	Amer Indian or Alaska	Hispanic
All units	40.48%	44.16%	1.48%	4.43%	1.75%	5.70%
Rent increase	78.42%	75.07%	78.38%	75.68%	73.33%	81.82%
Rent increase > \$50	71.25%	64.50%	72.97%	72.97%	60.00%	74.13%
Rent decrease	21.48%	24.84%	21.62%	24.32%	26.67%	18.18%
Shelter burden (current)	27.80%	27.51%	28.43%	27.19%	28.21%	28.57%
Shelter burden (expected)	37.61%	35.68%	38.95%	35.48%	35.69%	41.21%
Shelter burden change	9.81%	8.17%	10.52%	8.25%	7.48%	12.63%
Number of Units	1016	1107	87	111	46	143

#### Breakdown by # Members

	1	2	3	4	5	6	7+
All units	38.81%	20.10%	17.31%	8.62%	8.86%	3.71%	2.99%
Rent increase	78.98%	69.84%	79.49%	78.24%	77.48%	80.65%	72.31%
Rent increase > \$50	68.98%	60.32%	69.82%	67.13%	75.23%	75.27%	70.77%
Rent decrease	20.97%	30.16%	20.51%	21.30%	22.52%	19.35%	27.69%
Shelter burden (current)	27.27%	27.35%	28.07%	28.36%	27.89%	28.61%	27.92%
Shelter burden (expected)	38.11%	33.95%	37.10%	34.67%	38.44%	41.96%	36.42%
Shelter burden change	10.84%	6.60%	9.03%	6.31%	10.55%	13.34%	8.50%
Number of units	973	504	434	216	222	93	65

REAL ESTATE

DEVELOPMENT





# TACOMA HOUSING AUTHORITY

DATE: December 18, 2013

TO: THA Board of Commissioners

FROM: Kathy McCormick  
Director of Real Estate Development

RE: Real Estate Development Department Monthly Board Report

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## 1. SALISHAN/HOPE VI

### I. Phase II Construction

#### 1.1.1 *Area 2A, Community Core Development*

The Board approved the general Master Plan Concept at its June 2012 meeting.

Staff met with representatives from The Alford Group to review the results of the Philanthropic Market Assessment. THA is considering the various options and information provided and over the next several months will determine the next step.

#### 1.1.2 *Area 3 Lot Sales*

DR Horton has four models open. To date, eighteen houses have been sold. DR Horton is pleased with the level of interest.

## 2. PUBLIC HOUSING PROJECTS

### 2.1 1800/2500 Hillside Terrace

#### 2.1.1 *Summary of Project Activities.*

The Hillside Terrace Phase I project is progressing according to budget and schedule.

#### 2.1.2 *Financing.*

Staff has begun studying options for the Phase II financing.

#### 2.1.3 *Construction.*

The Owner, Architect and Contractor (OAC) construction meetings are held weekly at the site.

#### Site work;

Site work is currently 52% complete. The current work includes franchise

utility services, installing perimeter drains and backfilling near the building foundations.

Phase-I Vertical Construction;

Building A (mid-rise): Housing is currently 33% complete. The current work includes post tensioning the parking structure deck and first and second floor framing.

Buildings B – F: Housing is currently 33% complete. All foundations are poured and crews are framing the structures.

Right of Way (ROW)/ Utilities: Work is 72% complete. The main area of focus is installation of permanent power to the three single family homes owned by others. The bulk of the remaining ROW work will be completed after the first of the year.

Community Center: the community center is 87.5% complete. Crews are concentrating on completing the exterior finishings and interior rough-in work.

#### 2.1.4 *Community Meetings.*

The Construction Oversight Committee continues to meet on the second Wednesday of each month.

Below is a summary of the outreach goals for the project.

Absher Construction Company's total Resident Employment, WMBE Utilization, and Apprenticeship goal commitment and monthly utilization:

	GOAL	PREVIOUS ACTUAL	ACTUAL AS OF 10-9-13
MBE	14%	9.31%	9.31%
WBE	8%	12.13%	12.13%
Section 3 Business	10%	12.05%	12.05%
Section 3 New Hires	30%	47%	58%
Apprenticeship	15%	8.73%	10.41%

Below is the EEO Status of the project:

#### Target Business

MBE/Section 3	2 African American/Black
MBE/Section 3	1 Hispanic/Latino
WBE	2 Caucasian
WBE/Section 3	1 Caucasian
Section 3	1 Caucasian

Section 3 Hiring	
African American/Black	9 workers
Hispanic/Latino	1 workers
Caucasian	2 workers

### 3. OTHER PROJECTS

#### 3.1 AG Program

THA purchased its first home, 6607 E K Street in early November. The project will go out to bid shortly. THA has a pending offers on 3918 S Thompson (short sale) and 4836 S K Street (foreclosure).

#### 3.2 LASA Supportive Housing Project

On the housing side, this project is funded by the Housing Trust Fund, Pierce County 2163, City of Lakewood and a THA loan of about \$275,000 (pending approval by the THA Board in December). On the LASA Office/Client Service Center side the project is funded by Pierce County CDBG & 2163 funds, City of Lakewood CDBG, a Section 108 loan from the City of Lakewood, private grants, and LASA equity.

As currently proposed, THA will own the residential component of this development and LASA will own the commercial component. The final ownership structure will be determined within the next month and will likely involve forming some type of partnership.

The building will be condominiumized. Bids were returned on October 23<sup>rd</sup> The City of Lakewood passed a resolution on December 2<sup>nd</sup> approving the Section 108 loan. Due to the switch from the Columbia Bank loan to the Section 108 loan closing has been delayed. We hope to close by the end of the year the board will be asked to pass a resolution approving the financing structure and authorizing the executive director to execute the documents associated with the closing.

#### Estimated Project Schedule

Begin relocation activities	July 2013 Completed
Submit for Building Permit	September 2013 Completed
Issue ITB for Contractor	October 2013 Completed
Award Contractor Contract	November 2013
Financial closing	December 2013
Construction Start	January 2014
Complete Construction	September 2014

#### 3.3 Construction Management Services for the City of Tacoma

Staff responded to a RFP issued by Tacoma Community Redevelopment Authority

(TCRA) for Construction Management Services (CMS) for three of their programs; Single Family Homeowner Occupied Rehab, Single Family Blight Abatement and Multi-family Development. THA has been informed that they were selected as one of the consultants for this work. The City will be forwarding a contract sometime in December.

**3.4 *Blight Abatement Program***

TCRA issued a RFP for Developer Services for a Single Family Residential Blight Abatement Program. This program is similar to the NSP and AG programs. It is envisioned as a joint effort between various City departments, local real estate agents and construction professionals whose mission is to address blighted and abandoned single family homes that have been designated as “derelict” by the City’s Code Compliance staff. Staff will be responding to the RFP.

**4. DEVELOPMENT PIPELINE PROJECTS**

**4.1 *Intergenerational Housing at Hillsdale Heights***

The revised Letter of Intent (LOI) to lease or Purchase Real Property was forwarded to Many Lights Foundation (MLF) in November and is awaiting MLF Board approval prior to MLF signing the document. MLF reports the following highlights for FY 2013; added two new board members, hired a development director, moved into office space, secured a letter of intent with Tacoma Housing Authority, received a technical assistance grant, netted more than \$59,000 at their Spring Brunch, launched Hope Lights Founders multiyear giving program, launched Spread the Love donor hosted informational events, hosted donor recognition and community appreciation events, continued to advocate for change and improvement in the foster care system as a member of the Child Welfare Advocacy Coalition, continued to advocate for kinship caregivers through King County and Pierce County Kinship Collaboration. Plans for 2014 include; add 4 new board members to fill specific skill gaps, hire an Executive Director, create an Advisory Board, seek partnerships and collaborations with organizations and businesses, refine fundraising strategy, increase grant seeking and funding activities, plan and host a fall fundraising event, increase donor hosted Spread the Love events, increase advocacy efforts, secure land for Hope Lights, execute pre-development activities.

**4.2 *City-Owned Brown Star Grill Properties on MLK***

Staff received the fully executed Purchase & Sale Agreement from the City. Staff has started the due-diligence activities to assess the feasibility of the project.

**4.3 *New Look Apartments/Alberta Canada Building Acquisition***

THA received the Purchase and Sale Agreement executed by MLKHDA on September 9. THA has 90 days, until December 9, to conduct its feasibility studies. Staff is finally in receipt of many of the due diligence items that MLKHDA delayed in providing. Tatley Grund has completed the testing to determine the extent of

water damage in the building. There is not any structural damage that needs to be repaired immediately. Within the next 5-7 years there are a number of items that will need to be addressed. The Asset Management Committee is reviewing the report and deciding how to proceed with the repairs. THA Staff has completed a walkthrough of the units.

## 5. M/WBE CONTRACT COMPLIANCE and SECTION 3 HIRING

5.1 As of October 8, 2013, 12 of 22 new hires at the Hillside Terrace Revitalization Project are Section 3 Hires. M/WBE, and Section 3 goals for said project are provided in Section 2.1.4 of this report.

## 6. PHAS INDICATOR FOR MODERNIZATION ACTIVITIES

The following are the schedules as of December 2, 2013 for THA's obligation and expenditure of the public housing capital funds it receives from HUD.

<u>Grant</u>	<u>Total Grant</u>	<u>Obligation Start Date</u>	<u>Obligated</u>	<u>% Obligated</u>	<u>Obligation Deadline</u>	<u>Expended</u>	<u>% Expended</u>	<u>Expended Deadline</u>
2010 CFP	\$2,345,627	7/15/10	\$2,345,627	100%	7/14/12	\$1,331,609	56%	7/14/14
2010 CFP (1 <sup>st</sup> R)	\$1,216,978	7/15/10	\$1,216,978	100%	7/14/12	\$1,216,978	100%	7/14/14
2011 CFP	\$1,721,353	8/3/11	\$1,721,353	100%	8/2/13	\$247,298	14%	8/2/15
2011 CFP (1 <sup>st</sup> R)	\$736,455	8/3/11	\$736,455	100%	8/2/13	\$736,455	100%	8/2/15
2011 CFP (2 <sup>nd</sup> R)	\$549,895	8/3/11	\$549,895	100%	8/2/13	\$549,895	100%	8/2/15
CFCF**	\$1,881,652	8/3/11	\$1,848,952	98%	8/2/13	\$1,098,165	58%	8/2/15
2012 CFP	\$1,593,197	3/12/12	\$91,157.00	5%	3/11/14	\$0	0%	3/11/16
2012 CFP (1 <sup>st</sup> R)	\$1,026,290	3/12/12	\$1,026,290	100%	3/11/14	\$393,413	38%	3/11/16
2012 CFP (2 <sup>nd</sup> R)	\$128,701	3/12/12	\$128,701	100%	3/11/14	\$32,981	25%	3/11/16
2013 CFP	\$1,319,864	9/9/13	\$0	0%	9/8/15	\$0	0%	9/8/17
2013 CFP (1 <sup>st</sup> R)	\$322,158	9/9/13	\$287,430	89%	9/18/15	\$0	0%	9/8/17
2013 CFP (2 <sup>nd</sup> R)	\$1,015,495	9/9/13	\$0	0%	9/18/15	\$0	0%	9/8/17

\*\* Capital Fund Community Facilities Grant (Note: 98% is acceptable to HUD to be obligated by this date. The remaining 2% of the funds are budgeted for computer equipment.)

# COMMUNITY SERVICES



# TACOMA HOUSING AUTHORITY

DATE: December 18, 2013

TO: THA Board of Commissioners

FROM: Greg Claycamp  
Community Services

RE: Monthly Board Report

## **STRATEGIC OBJECTIVE: 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.

### **1. 2013 GOALS**

Sixteen major funding sources support the Community Services department's staff and activities. Most of these sources identify performance measures and goals. This report groups the various funding sources' annual goals by service area. It summarizes progress toward annual goals during the month of October and for the calendar year 2013.

***Director's Comment:*** We continue to evaluate Community Services programs, and have begun restructuring the Department to meet a number of objectives.

- Increase utility and effectiveness, especially as needed to write the 2014 budget.
- Create closer collaboration with REMHS to better identify at-risk households, and lower costs reported in REMHS.
- Deploy Department staff in positions that best leverage individual strengths.
- Acknowledge and address program-specific challenges.
- Create a streamlined, balanced and adaptive structure and culture.

To pursue these objectives, a number of actions have been undertaken.

- 1) A team of 2-3 Case Workers is being formed to collaborate with REMHS in early intervention and targeted cost reductions related to terminations, vacancies and unit turn costs.
- 2) One Case Worker is being re-assigned from the McCarver Project to the REMHS Collaboration, effective 02/01/14.

- 3) One Case Worker currently working with strong engagement skills is being reassigned from the FIC to the McCarver Project.
- 4) Program forms and standard operating procedures are being evaluated and redesigned, beginning with the FIT Program.
- 5) The number of Program Managers is being reduced from three to two, creating one Special Projects Manager and one General Services Manager. The Asset Building Manager position is being eliminated, as a reduction in force (RIF).
- 6) A Project Specialist position for Adult Asset Building may be designed, pending full funding and a review of how adult asset building integrates with General Services.

### 1.1 Employment

**Manager's Comment – Mary Syslo:** The second soft skills training was held in November with 11 people completing the class. The next class will be held mid-January, 2014.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Clients referred for employment services	13	237	130	182%
Clients who received employment services	34	325	120	271%
Clients enrolled in employment readiness soft skills workshops	18	77	80	96%
Clients completed employment readiness soft skills workshops	11	51	50	102%
Enrolled in job readiness training	11	36	20	180%
Job placement	14	98	45	218%
WorkSource Participants Assisted	11	140	100	140%
Entered Apprenticeship	0	0	3	0%
Work Study/Community Jobs/Internships	2	14	30	47%
Earned Income Increased	6	66	35	189%



## 1.2 Education

### 1.2.1 Adult Education Programs

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Participating in ESL classes	0	17	15	113%
Completes one or more ESL levels	0	1	5	20%
Adults enrolled in education program	5	27	25	108%
Adults complete education program	0	5	10	50%
Participants attending GED classes	7	170	200	85%
Completes one or more GED tests	3	20	25	80%
Attains GED	3	17	15	113%
FAFSA applications completed	1	8	10	0%

### 1.2.2 McCarver Special Housing Program

**Manager's Comment – Michael Power:** THA's McCarver Elementary School Housing Program seeks to stabilize McCarver Elementary, a low-income school in Tacoma's Hilltop neighborhood. As of November 2013, 45 McCarver families are enrolled in the Program. Rental subsidies for participating families will decrease to zero over the five years of the McCarver Program. Each year, all families will pay an additional 20% of their rent and THA will subsidize the balance. Participating families receive intensive case management services and assistance to help the parents improve their education and employment prospects.

Activities	Baseline 2010-2011	2011-2012
Turnover rate at McCarver Elementary	107%	96.6%
Turnover among Program students	n/a	4.5%
Turnover among other McCarver students	n/a	114.2%

**Director's Comment:** Of the 45 families currently participating, 17 are able to pay 40% of their rent, with rent without exceeding 30% of total household income. An additional 13 households are able to pay 40% of total rent, without exceeding 50% of household income. 15 households remain unable to pay 20% of total rent, without exceeding 30% of income.

The desired outcome is for all participating households to be able to pay

100% of rent at graduation from the program, with rent not to exceed 30% of household income. Stagnant or slowly rising incomes for some households are therefore a significant concern. This concern is highlighted by the fact that 15 families (34% of households) still cannot comfortably pay 20% of total rent.

An initial review of households indicated that the mid-group (able to pay 40% at about 50% of income) have generally made substantial progress toward vocational training or other educational goals, and do appear poised to increase household income. However, many of the 15 very low income households face significant mental health, substance use or other substantial traumas, and were probably mis-identified as work-able at intake.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Families participating	45	50	50	100%
Able to pay 40% of rent at 50% of income	30	30	45	67%
Able to pay 40% of rent at 30% of income	17	17	45	38%
Average school attendance rate	94%	94%	93%	101%
Reduction in referrals for discipline*	n/a	n/a	25%	n/a
% students increase scores on district reading test (K-5)	22%	22%	20%	110%
% students increase scores on district math test (K-5)**	n/a	n/a	20%	n/a
Average increase in state reading test (Gr. 3-5)	24%	24%	20%	120%

***Manager's Comment – Michael Power:***

\*We are working with the school district to establish a procedure to get discipline data from their new data system.

\*\* We have not received the math data from the school district.

\*\*\* As of the end of the 2011-2012 school year there were few data on standardized tests of math to analyze and compare. We had math scores on only 15 McCarver Program students as of the most recent program evaluation. This number of students is too small to warrant comparisons or further statistical analysis. We anticipate having more robust data in the 2012-2013 evaluation report which was received at the end of October and is being reviewed.

Activities	Baseline Fall 2011	At End of October 2013
Average annual household income	\$5232	\$15,528
Median annual household income	Not reported	\$11,892
Employed	7	31
Enrolled in Training Programs	2	3

***Manager's Comment – Michael Power:***

Extended Learning for McCarver Program Children

Our partner Peace Community Center is providing a free after-school tutoring program funded by their 21st Century grant from the U.S. Department of Education. 17 THA McCarver Program students are participating. The grant also pays for transportation which removes a major barrier for our families. 16 McCarver Program children are participating in the PCC program. They were selected as needed the additional help in their school work.

Donation to McCarver Families from Skanska Construction

Skanska Construction's Seattle Office contacted after hearing about the McCarver Program. They told us they wanted to do something to help to the families. They decided to conduct a furniture drive. Early this month they delivered tables, beds, chairs, a freezer, couches and other furniture to many of our families who had told their caseworker they needed help. Skanska staff purchased two children's beds to add to the donation. We are very grateful for their contribution.

Visitors to Program

On November 13, three representatives of the I Have a Dream Foundation, two from Auckland New Zealand and one from Portland, visited McCarver to learn about our program. The I Have a Dream Foundation supports a cohort of low income children from grade three to high school graduation. Their model does not include housing support so they were very interested in how we have integrated the housing and educational support.

***Director's Comment:*** A draft of the Year Two Report for McCarver has been received from our third party evaluator. We hope to have a finalized version of the Report to present by January 2014.

### 1.3 Housing Opportunities Program (HOP)

**Manager's Comment – Mary Syslo:** HOP briefings have stopped until the questions regarding the 2014 budget are resolved. Community Services continues to work with HOP residents in job search and completing their five year goal plan.

Community Services will be sending information annually to the HOP households who are not receiving services reminding them of the help available. We will track changes in annual incomes by accessing client records in Visual Homes.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
HOP orientations	0	19	n/a	n/a
Work-able attendees	0	242	120	202%
Attendees requesting CS	0	184	120	153%
Work-able attendees housed	10	100	120	83%
Participants receiving CS	0	39	60	65%

### 1.4 Families in Transition (FIT)

**Manager's Comment – Mary Syslo:** The Community Service Department's FIT program is funded by Washington Families Fund and Sound Families grants. FIT caseworkers help participants succeed as tenants, parents and wage earners. FIT participants are homeless at the time they are admitted into the program and placed in housing at Salishan or Hillside Terrace. In order to be admitted to the program, applicants must agree to participate in FIT case management.

	WFF/Sound Families		Hillside Terrace		Tax Credit	
<b>Total Current Caseload</b>	<b>20</b>		<b>2</b>		<b>5</b>	
	Nov. 2013	YTD 2013	Nov. 2013	YTD 2013	Nov. 2013	YTD 2013
Entrances	0	15	0	4	2	2
Graduations	0	2	0	0	0	1
Exits	0	1	0	0	0	0
Terminations	0	5	0	2	0	0

## 1.5 Case Staffing

**Manager's Comment – Mary Syslo:** Case staffing is short-term, intensive intervention with households in danger of failing as tenants. Case staffing focuses on helping the family regain housing stability and avert eviction through compliance with their lease. Property management identifies families for case staffing. It is typically limited to 90 days. Five families are receiving case staffing services.

Activities	Nov. 2013	YTD 2013	Annual Goal 2013
Number of households referred for services	2	21	27
Number of successful completions (eviction averted)	6	12	12
Number terminated	0	4	n/a

## 1.6 MTW Hardship Exemption Casework

**Manager's Comment – Mary Syslo:** In January 2012, THA began Moving to Work rent calculations and biennial recertification cycles for all MTW households. THA anticipated that some households would be unable to pay their new rent and that up to 120 households would qualify for a hardship exemption. The exemption will allow the household up to six months to increase their income and pay the rent amount determined by MTW. In order for a household to qualify for a hardship, they must agree to participate in case management. A household can be terminated from hardship case management for failure to participate. If a hardship exemption household is terminated from case management, CS staff notifies the appropriate REMHS staff. REMHS staff then terminates the exemption and the household is required to pay the full rent amount determined by MTW.

The caseworkers are currently working with 17 individuals in finding employment within the time limit of their exemption.

Activities	Nov. 2013	YTD 2013	Annual Goal 2013
Number of households referred for services	4	32	10
Number of successful completions	1	13	8
Number terminated	2	2	n/a

## 1.7 Preparing for Success

**Manager's Comment – Mary Syslo:** Preparing for Success is funded by a three-year grant from The Paul G. Allen Family Foundation. Case management focuses on helping clients overcome barriers to employment readiness. The second year cohort is completed and the caseworker is working with members of the third year cohort.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Second year cohort 2012 completed	0	12	15	80%
Third year cohort 2013 enrolled	0	28	25	112%
Third year cohort 2013 completed	4	6	15	40%

## 1.8 Family Self-Sufficiency Program

**Manager's Comment – Mary Syslo:** The THA Family Self-Sufficiency (FSS) program is a five year employment and savings incentive program funded by HUD and the City of Tacoma.

Status	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Current Participants	103	125	153	82%
Graduates	0	9	17	53%
Removed/Voluntarily Withdrawn	1	12	n/a	n/a
New Contracts Signed	1	29	55	53%
Escrow Balance	\$120,355.35			

## 1.9 Life Skills and Parenting Classes

**Manager's Comment – Mary Syslo:** THA contracts with Bates Technical College to provide Life Skills classes and parenting support for Families in Transition participants. The next session will be a parenting class, starting after the New Year.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Life Skills Enrollment	0	21	20	105%
Life Skills Completion	0	15	10	150%
Parenting Enrollment	0	37	75	49%
Parenting Completion	0	19	65	29%

## 1.10 Senior and Disabled Services

**Manager's Comment – Mary Syslo:** THA's Senior and Disabled Services Program Specialist works closely with Property Management to identify residents who could benefit from her services.

**Director's Comment:** Senior and Disabled Services will receive program evaluation beginning in December. Program Specialist Caroline Cabellon has been very successful in engaging residents since she joined THA in mid-2013. Her efforts highlight the challenges many of our tenants face living in our senior and disabled residences. CS will work closely with REMHS in identifying and formulating strategies to address safety and quality of life challenges, and in planning to provide good services to meet the needs of a growing senior population.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Unduplicated client contacts	17	322	260	124%
Referrals	3	53	50	106%
Unduplicated situation/wellness counseling	15	132	140	94%
Assistance with correspondence for Entitlement Programs	2	16	40	40%

### 1.11 Asset Building

**Manager's Comment – Metesa Greene:** The department provides pre-purchase counseling, 1<sup>st</sup> time homebuyer seminars, post-purchase counseling, financial literacy workshops, credit counseling, and individual development accounts to help THA clients build assets and prepare to become successful homeowners, business owners or to change careers and further their education.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Financial Education Enrollment	2	67	80	84%
Financial Education Completion	2	58	40	145%
Homebuyers Education Referral	3	10	50	20%
Credit Counseling Enrollment	0	0	15	0%
Credit Counseling Completion	0	0	5	0%
Homeownership Pre-Purchase Counseling	1	2	10	20%
Homeownership Post-Purchase Counseling	8	46	30	153%
Individual Development Account Participants Enrolled	3	7	11	64%
Individual Development Account Counseling (other than homeownership)	0	15	28	54%
Qualified Withdrawals	0	7	7	100%
Home Purchase	0	1	4	25%
Other Asset Purchases	0	7	3	233%
VITA Tax Returns for THA clients	0	33	40	83%
EITC Received (PH only)	0	11	20	55%
Tax Returns for all clients served at VITA Site	0	192	200	96%

### 1.12 Computer Labs

**Manager's Comment – Michael Power:** THA has community computer labs at Bergerson Terrace and Hillside Terrace. Two part-time temporary After School Program Coordinators provide afterschool tutoring, youth leadership, and adult access to the computers. We are monitoring this concept closely to see if it fits our needs.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Computer Lab Participation (cumulative visits)	120	512	1200	43%



### 1.13 Youth Activities

**Manager's Comment – Michael Power:** Write@253 began tutoring at the Family Investment Center in November. They meet every day after school and serve mostly students from Lister Elementary and First Creek Middle School. The tutors are students at Tacoma Community College.

Twenty two McCarver Program children are part of the McCarver Elementary Peacemakers program. This youth leadership group works with other students and community partners on projects such as the Zina Linnik (McCarver Park) project, community gardens, and the annual Hilltop Play in Peace Day.

Activities	Nov. 2013	YTD 2013	Annual Goal	% of Goal
Youth tutoring	32	32	10	320%
Summer youth programming	0	219	40	548%
Youth leadership mentoring	30	45	45	100%

**NEW BUSINESS**

## RESOLUTION #1



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-12-18 (1)

DATE: December 18, 2013  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Approval of tenant account receivable write offs

### **Background**

THA has established a process of writing off tenant accounts receivable bad debt. THA incurs this bad debt when a program participant leaves the public housing or Housing Choice Voucher program owing us money. The debt may arise from excessive damage to a unit, unpaid rent, or tenant fraud/unreported income. There are also instances where THA overpays a property owner in rental assistance payments and the owner has not repaid THA for this amount. This can happen when neither the tenant nor the landlord inform us that the tenant has moved out.

Until we write off tenant accounts receivable balances as a bad debt, these balances stay on the active tenant ledger in our accounting system and General Ledger (GL). The receivable balance also remains as part of our tenant receivables that we report to HUD in our year-end financials. Once we write off the debt, we can remove from THA's receivable balance and assign it to the collection agency for collection purposes. THA receives 50% of any proceeds that the collection agency recovers.

THA has notified each individual of his or her debt included in this write off. THA mailed two notices to the last known address of the individual. These notices provide the opportunity for the individual to pay the debt or enter into a repayment agreement with THA. Sending a tenant to collections is the last resort for THA to collect the tenant debt.

We will not send some accounts included in this resolution to collections because the tenant has passed away. Those accounts are indicated with asterisks (\*) below.

### **Recommendation**

Approve Resolution 2013-12-18(1) authorizing THA to write off tenant accounts totaling:  
**\$76,926.49**



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-12-18 (1)

**WHEREAS**, Tacoma Housing Authority (THA) provided housing services to Public Housing and Housing Choice Voucher participants who discontinued housing assistance with debt owing to THA.

**WHEREAS**, Tacoma Housing Authority (THA) provided housing assistance payments to property owners in excess to the amount the owner is entitled to receive and the owner has not repaid this amount to THA.

**WHEREAS**, each individual included in this tenant account write off has been notified of their debt and given the opportunity to pay prior to this resolution.

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

1. THA staff is authorized to "write off" the following accounts and send these debts to an external collection agency to pursue collection action:

Collection Status	Project	Client #	Balance
<b><i>W-O Collect</i></b>	<b>Section 8</b>		
		00009168	\$ 122.00
		00009563	\$ 46.00
		00009959	\$ 340.00
		713026	\$ 604.00
		713956	\$1,062.00
		715077	\$ 395.00
		715096	\$ 500.00
		715230	\$ 546.00
		717229	\$ 744.00
		711718	\$ 638.00
		134279	\$62,288.00
	<b>Section 8</b>	<b>Subtotal</b>	<b>\$67,285.00</b>

Collection Status	Project	Client #	Balance
<b><i>W-O Collect</i></b>			
	<b>N G Str</b>		
		146714	\$ 141.19
		<b>Subtotal</b>	<b>\$ 141.19</b>
	<b>9 SF Homes</b>		
		XX000451	\$1,525.41
		<b>Subtotal</b>	<b>\$1,525.41</b>
	<b>Stewart Court</b>		
		XX000731	\$1,263.64
		XX000898	\$ 287.10
		XX000956	\$ 754.00
		XX001093	\$ 140.14
		XX000271	\$ 48.99
		<b>Subtotal</b>	<b>\$2,493.87</b>
	<b>Salishan VII</b>		
		XX001019	\$2,062.34
		XX001107	\$1,244.29
		XX000999	\$ 46.39
		<b>Subtotal</b>	<b>\$3,353.02</b>
	<b>S Wright Str</b>		
		138972	\$ 90.00
		<b>Subtotal</b>	<b>\$ 90.00</b>
	<b>S M Str (EB Wilson)</b>		
		00000195	\$ 50.00
		<b>Subtotal</b>	<b>\$ 50.00</b>

**\*\*W-O No Collect**

**Section 8**

137725	\$ 28.00
712708	\$1,250.00
716412	\$ 664.00
00008909	\$ 25.00
<b>Subtotal</b>	<b>\$1,967.00</b>

**Stewart Court**

XX000255	\$ 21.00
<b>Subtotal</b>	<b>\$ 21.00</b>

**GRAND TOTAL      \$76,926.49**

**Approved:**

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Greg Mowat, Chair 12/18/2013

\* Uncollectable accounts where tenant is deceased or old balance under \$30.00

\*\* Uncollectable accounts due to Bankruptcy filing or old balance under \$30.00

## RESOLUTION #2





# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-12-18 (2)

**Date:** December 18, 2013  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** Fiscal Year 2014 Agency Budget

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This resolution would adopt THA's budget for 2014. The details are set forth in the attachments.

### SOME BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2014. 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 at its October meeting. I recounted those directions in my October 26<sup>th</sup> email to all staff and to the Board. The Board provided further direction at its November meeting. At its December 6<sup>th</sup> budget study session, the Board indicated its approval of the budget that staff now submits. Here are some of its notable features:

- As the Board directed, we have drafted essentially two budgets. One presumes on "flat funding" from our 2013 pre-sequester allocation from HUD. The other provides a hierarchical list of "sequester" cuts totaling \$3 million should the 2014 scheduled "sequester" cuts occur.
- These budgets account for our strategic objectives.
- The flat line budget fits recurring income within recurring expenses.
- That was harder to do with the "sequester" budget. To cover \$3 million worth of cuts we used a combination of the following:

- ~ *Cutting recurring expenses* Much of these cuts result from the Board's direction that we not try to cover these cuts with mass layoffs or large scale curtailment of our operations, which would cripple the agency. Our proposed budget does do some trimming of that sort (\$487,900). The bulk of the savings, however, would come from cuts to our largest expense: rent payments on our rental assistance program. There are two ways to cut large amounts from these rent payments. The first way would entail large scale terminations of families from our rental assistance program. To cover \$3 million, we would have to cut about 400 families. The Board directed a second way to find savings. This entails "thinning the soup" measures that ask most participating families to accept less so we do not have to terminate anyone and in fact, we hope, can serve even more families. This budget proposal presumes upon those "soup thinning savings" (\$550,000 - \$1,092,000, depending on the soup thinning recipe we choose. The Board will make those choices in January and February).
- ~ *Cutting nonrecurring expenses.*(\$1,465,100)
- ~ *Dipping into reserves.* Both versions of the budget leave us with adequate reserves. (up to \$542,000, depending on the soup thinning recipe we choose)

In these ways, the proposal departs from an important budgeting principle that would have recurring expenses fit within recurring income that "sequester" would diminish by up to \$3 million. We propose this departure with adequate confidence because of a related decision the Board has made: to "thin the soup" on our rental assistance programs whether or not sequestration cuts occur in 2014. The full version of this change would extend to the full rental assistance program the rent changes we used to design the HOP program. Once fully implemented, that would save THA \$3 million annually. These anticipated savings starting in 2015 and fully showing in 2016 allow us some cushion this next year. We "thin the soup" even if sequestration does not happen this year for four reasons:

- to serve more families
- to serve them better or differently (e.g, enhanced supportive services, the Education Project, rapid rehousing investment, asset building):
- to support our portfolio and its fix up needs that Congress does not fund adequately
- to manage budget cuts that we judge are likely in the near or mid-term future even if they do not happen in 2014. If we are to respond to such cuts without mass terminations of families we have to do it by changing the rent structure ("thinning the soup") Yet, that takes long term planning. We would not be able to do that quickly if we waited for Congress to act.

Altogether, the soup thinning would help to stabilize THA amid some serious federal budget uncertainties that we judge will continue for the foreseeable future.

Both versions of the budget leave THA with adequate reserves of both MTW and non-MTW funds.

I am pleased to present this budget proposal to the Board. It reflects discussions occurring throughout the year by both the Board and staff. The “flat line” proposed budget leaves THA in relatively good shape considering the Congressional budget uncertainties. It allows THA to continue its core programs. It allows THA to continue its special programs that have distinguished THA nationally for its innovation, *e.g.* Education Program, community services to help families prosper, rapid rehousing investments, asset building. The “sequestration” budget is another matter. Yet, even that budget would still preserve THA’s ability to do these things, although to a lesser extent.

Congressional appropriation remains the abiding uncertainty that we may face in January, depending on what Congress does. This resolution provides a road map if that happens.

## **PRINCIPLES GUIDING THE BUDGET CHOICES**

Staff have used the following principles to guide the preparation of this budget 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. [NOTE: Matching our budget choices with our strategic directives will become more precise when we finally choose our performance measure targets. We hope to do that after the new year.]

In general, 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 dollars 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. They have distinguished THA in the nation. We would rather retain a meaningful measure of these functions, even on a reduced scale, rather than retreat into a smaller and suffocated understanding of our mission. If we get smaller but retain some spark of our broader mission, we can more easily later reignite and rebound than if we extinguish the flame completely.

- **Assumption about Congressional appropriations**

Congress is supposed to adopt a federal budget by October 1st. That schedule would be convenient because it would allow us to know our federal allocation in time to adopt our own budget by January 1st. Unfortunately, Congress is usually late, this forces us to assume what the final federal budget will be. We have

always assumed on the most conservative of the plausible versions of the federal budget pending in Congress.

This year is no exception. Congress is late. For now we are operating at FY 2013 sequestration levels. “Sequestration” is scheduled to continue in 2014, unless Congress directs otherwise. Full sequestration will cut THA’s federal allocation by approximately 7.2% (\$3.0 million) from 2013 pre-sequestration funding levels or about \$700,000 from post-sequestration 2013 levels. In October, the Board gave direction to staff to budget at the pre sequestration FY 2013 levels (the “flat line budget”) and to prepare a “shadow” budget with a hierarchical list of cuts totaling \$3 million should full sequestration occur.

- **Recurring income and expenses**

We seek a budget where our recurring income pays for our recurring expenses. Our proposed flat line budget does that. It shows an aggregate surplus of recurring income over recurring expenses in the amount of \$494,000. Please note, however, that the non-MTW portion of the budget shows a deficit of \$416,000. The majority of the deficit pertains to development expenses we think are reasonable to incur because of the prospect it gives us to earn development fees that will recoup the loss.

- **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 up above optimal levels for overall reserves. 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 easier 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 2014 that will recoup the amounts we spend.

## **NOTABLE BUDGET ASSUMPTIONS**

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

- **Two Budgets: 1. A “Flat Line” Budget at 2013 Pre-Sequestration Levels  
2. A Sequestration Budget with \$3 million worth of cuts**

As I reviewed above, we are budgeting at the FY 2013 pre-sequestration funding levels with a hierarchical lists of cuts and expenditure delays totaling \$3 million. That list shows in Attachment E to the budget. We can go as deep into that list as necessary to account for whatever cuts result when Congress acts or, as may be more likely, does not act.

- **HUD Public Housing Operating Fund:**

The 2013 pre-sequestration level assumed a 95% congressional pro rata funding level (This means that Congress funded us at 95% of what HUD calculates to be necessary to run our portfolio). We will presume on a 90% level for our flat line budget.

- **Housing Occupancy Rates**

The rental income for our LIPH and Local fund (Wedgewood, Alaska 9 Homes, and North Shirley) properties is based on the September, 2013 rent roll and assumes an average of 97% occupancy.

- **HAP savings**

With our changes in occupancy standards, minimum rents and the elimination of utility reimbursement checks to our tenants, and continuing the Housing Opportunities Program (HOP) assistance, the budget estimates a savings of approximately \$3,000,000 since instituting the changes in 2011, and \$1,500,000 from 2012 to 2013. We are using \$1,030,000 of the HAP savings to provide funds to providers to assist in the housing of special population.

- **Wages and salaries**

For 2014, we are budgeting for a 3.0% increase for OPEIU and non-represented staff, along with an extra 2.0% for Variable pay based on performance. Our trade union personnel are being budgeted for a 2.5% increase. 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% in the Laborers trust for our maintenance staff, effective July 1<sup>st</sup>. For our OPEIU and non-represented staff, we plan for a 4.2% increase over the 2013 budget, effective January 1<sup>st</sup>. We keep it to 4.2% by increasing the deductible amount and changing the prescription plan. We also earned a discount by our healthy workplace initiative.

*Dental*

No increase budgeted for 2014.

*Retirement*

Washington State employer portion of retirement plan increased from 7.25% in 2013 to 9.19% for 2014. .

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

By changing carriers in 2014, we will realize an approximate \$40K savings in these premiums. The employer pays these premiums. These savings will help offset the increase in health care costs.

#### *Unemployment Insurance*

THA pays all unemployment claims and remains self-insured for 2014. We accrue 2.0% of salaries and pay claims out of the accrual. This amount has been sufficient the past couple of years.

*Benefits, on average, remain approximately 42% of salary dollars.* This has stabilized from 2012 due to the change in benefit plans.

- **Hillside Terrace and LASA**

The budget anticipates progress on both Hillside Terrace and LASA. There is anticipated developer fee of \$379,700 for Hillside Terrace and \$187,000 for LASA in 2014, with another \$450,000 anticipated to be received in 2015.

- **Meth Plan Costs**

The budget presumes that we will significantly lower the costs of our Meth remediation costs in two ways. First, we will reduce the number of units that need remediation by, among other measures, better accounting for the false positive rates we have been seeing in our field tests. Second, we seek to lower the cost of remediation from an average of \$26,000 per remediated unit to \$15,000. We are discussing changes to our Meth Plan with the Health Department that we think will accomplish this.

- **Tax Credit Property Reserves**

We are budgeting \$350,000 to replenish Tax Credit property (Salishan & Hillside) reserves for shortages that may occur, primarily due to Meth remediation. We do not know if this replenishment will be necessary but this budgeting takes a cautious approach.

### **SOME BUDGET DETAIL**

The attachments show the budget detail. Here are some highlights.

- **HAP Utilization**

The intent is to serve as many families as possible under THA's rental assistance programs. The budget assumes housing tenants at 100% of our Section 8 ACC authorization. If sequestration remains in 2014, we will not house any new families, and will reduce our occupancy by attrition. We will also use the plans outlined in "Thinning the Soup" to reduce our HAP costs down further.

- **Special Program Initiatives**

The budget provides approximately \$1 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

- **IT Improvements**

The budget provides \$100,000 for a sunset employee to continue our MTW programming needs and assist our transition from our Yardi/Visual Homes platform. The budget also includes \$332,000 to purchase our software upgrade. It will mostly likely be Yardi Voyager. We do this because Yardi purchased our present Visual Home platform and it will not be upgrading it further. This means that Visual Home will not be a dynamic program for our future needs. We are also budgeting \$57K for SAN Machines.

- **Community Service grants**

THA received funds up front in previous years for specific grants facilitated by Community Services. The budget plans to spend \$80,000 of this money. Additionally, we have received a new grant from the Gates foundation that will provide funding for the continuation of the Education program, along with funds to assist us in the administration of the Scholar Incentives program.

- **Hillside Terrace Redevelopment**

The Hillside redevelopment (Bay Terrace) continues into 2014, and will be completed in mid- year, 2014. All funds that flow through THA should be fully expended within 2013, with funds needed to complete the development coming from a construction loan.

- **Renovation of the Family Investment Center and 902 South L**

In 2012, THA budgeted \$107,000 for renovation of the Family Investment Center. We budgeted \$300,000 in 2013. In 2013, we budgeted \$700,000 to finish the fix up of 902 South L Street. We never spent these funds.

We have kept these amounts in the “flat line” budget as a use of reserves. If sequestration occurs in 2014, we not spend this money. We may wish to delay this work in any case if we are “thinning the soup” at the same time.

- **Replacement of Aging Maintenance Vehicle Fleet**

THA has an aging maintenance vehicle fleet with many vehicles over 20 years old. In 2012, we started updating the fleet, with the expectation that we would continue replacing approximately 3 – 5 vehicles annually. This budget would spend \$120,000 for the purchase of new vehicles.

- **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 the FY-2014 we made the following choices:

- Fund painting and window washing of our Senior buildings, along with window replacement in our Senior buildings in the amount of \$143K. This is a carryover from the 2013 mid-year budget revision
- Fund the continued remodel of 902 South L in the amount of \$700K from reserves. This will continue to be put on hold if sequestration continues.
- Fund the FIC renovation in the amount of \$300K from reserves. This will continue to be put on hold if sequestration continues
- Fund the purchase of \$120K of replacement of maintenance vehicles from reserves. We will also purchase an articulated boom lift for maintenance in the amount of \$35K. Installation of a perimeter fence for Dixon Village in the amount of \$15K and a Security Gate for 6<sup>th</sup> Ave Apts. is also being funded through Reserves
- Wedgewood is being budgeted with \$350K of improvements from its own replacement reserves.
- We still anticipate our purchase of the general partnership in New Look Apts. This would be funded out of reserves at about \$375,000.
- For the continued improvement in the IT area, purchase of SAN Machines in the amount of \$57K, and the conversion away from our Yardi/Visual Homes platform in the amount of \$332K will be coming from Reserves.

- **Use of MTW flexibility**

Due to our MTW flexibilities, we are combining 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 will 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.



- **Reserves**

The budget will leave us with the following reserves as indicated in Attachment A:

○	MTW Reserves	\$ 4,914,700
○	Business Activities (Non-MTW) reserves	\$ 2,173,600
○	Bond Financed Property reserves	\$ 613,000
○	Salishan 7 Reserves	<u>\$ 1,156,900</u>
		\$ 8,858,200

**Recommendation**

I recommend that the Board adopt Resolution 2013-12-18 (2) approving THA's Fiscal Year 2014 Annual Budget.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2013-12-18(2) FISCAL YEAR 2014 ANNUAL BUDGET

**Whereas,** The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2014; and

**Whereas,** The U.S. Department of Housing and Urban Development (HUD) requires the Authority’s Board to approve its annual Site-based budgets;

**Whereas,** Authority staff prepared and the Authority’s Board of Commissioners reviewed the proposed Fiscal Year 2014 annual budget,

***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 2014 Agency wide budget. The HUD required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board authorizes the Executive Director to implement and execute this budget. Expenses and other cash outflows are projected as follows:

<u>Expenses</u>	
Executive	\$ 479,668
Human Resources	752,911
Finance	1,013,760
Administration	1,705,459
Community Services	2,015,279
Development	2,188,610
REM&HS Overhead	2,059,464
Rental Assistance	33,627,401
Property Management	<u>6,009,274</u>
Subtotal	49,851,826
 <u>Additional Cash Outflows</u>	
Capital Expenditures	7,852,750
Debt Service	358,880
Special Transfer to Tax Credit Properties	<u>350,000</u>
Subtotal	8,561,630
 <b>TOTAL APPROVED BUDGET</b>	 <b><u>\$58,413,456</u></b>

Approved: December 18, 2013

\_\_\_\_\_  
Greg Mowat, Chair



# Attachment A

## BOARD OF COMMISSIONER DECISION POINTS: THA FY-2014 BUDGET December 6, 2013

The green boxes below denote the main decisions for the THA Board. The contents of the green boxes are staff proposals.

The yellow boxes below and other text contain information and staff proposals that will help the Board decide.

### 1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Projected Reserves 01/01/14	-	Minimum	Optimal	Amount to Reserve	=	Amount of reserves available to use in FY014
a. MTW Reserves	\$7,600,000		\$2,843,000	\$4,597,000	\$4,597,000		\$3,003,000
b. Business Activities (Non-MTW) reserves	\$3,000,000		\$1,500,000	\$2,500,000	\$1,500,000		\$1,500,000
c. Salishan 7 Reserves	\$700,000		\$700,000	\$700,000	\$700,000		\$0
d. Bond Financed Property Reserves	\$900,000		\$500,000	\$900,000	\$500,000		\$400,000
<b>Totals</b>	<b>\$12,200,000</b>		<b>\$5,543,000</b>	<b>\$8,697,000</b>	<b>\$7,297,000</b>		<b>\$4,903,000</b>

#### MTW Reserves

Section 8 HAP - Entry to MTW Program  
Section 8 Administrative Expenses  
PH AMP 1 - 6 Expenses

Annual Amount	Minimum		Optimal	
	Period	Amount	A	Amount
\$29,035,000	1/2 month	\$ 1,210,000	1 month	\$ 2,420,000
\$3,141,000	3 months	\$ 785,000	4 months	\$ 1,047,000
\$3,390,000	3 months	\$ 848,000	4 months	\$ 1,130,000
	Total	\$ 2,843,000	Total	\$ 4,597,000

2. RECURRING OPERATIONAL EXPENSES AND INCOMES FY-2014

	Recurring Income	-	Cost of Recurring operations (with proposed savings)	=	Surplus or (Shortfall) in recurring operations <sup>1</sup>
MTW	\$42,745,000		\$41,835,000		\$910,000
Non-MTW	\$5,602,000		\$6,018,000		(\$416,000)
<b>Total</b>	<b>\$48,347,000</b>		<b>\$47,853,000</b>		<b>\$494,000</b>

3. BUDGET IMPACT - RESERVES - FY-2014

	MTW	Non - MTW				Total
		Business Activities	Bond Financed Properties	Salishan 7 Reserves		
Reserves - 01/01/14	\$7,600,000	\$3,000,000	\$900,000	\$700,000		\$12,200,000
Recurring Surplus/(Shortfall) <sup>1</sup>	\$910,000	(\$935,900)	\$63,000	\$456,900		\$494,000
Non-Recurring Income/(Expense)						Amount
a. Non Recurring Income - Operational <sup>2</sup>	\$1,099,200	\$641,700				\$1,740,900
b. Non Recurring Income - Capital <sup>3</sup>	\$1,000,000	\$4,558,800				\$5,558,800
c. Operations & Support Department Expenses - Operational <sup>4</sup>	(\$1,294,500)	(\$277,700)				(\$1,572,200)
d. Operations & Support Departments Expenses- Capital <sup>5</sup>	(\$1,944,000)		(\$350,000)			(\$2,294,000)
e. Development Department - Operational <sup>6</sup>	(\$531,000)	(\$254,500)				(\$785,500)
f. Development Department - Capital <sup>7</sup>	(\$1,375,000)	(\$4,558,800)				(\$5,933,800)
g. Ownership Interest in LASA	(\$200,000)					(\$200,000)
h. Loan to Tax Credit Properties for potential shortfalls	(\$350,000)					(\$350,000)
<i>Projected Reserves - 12/31/14</i>	\$ 4,914,700	\$ 2,173,600	\$ 613,000	\$ 1,156,900	\$ -	\$ 8,858,200

4. **FY-2014 END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/14	Minimum	Optimal	Excess/(Deficit) Reserves Over Optimal
a. MTW Reserves	\$4,914,700	\$2,843,000	\$4,597,000	\$317,700
b. Business Activities (Non-MTW) reserves	\$2,173,600	\$1,500,000	\$2,500,000	(\$326,400)
c. Bond Financed Property Reserves	\$ 613,000	\$500,000	\$900,000	(\$287,000)
d. Salishan 7 Reserves	\$ 1,156,900	\$700,000	\$700,000	\$456,900
<b>Totals</b>	<b>\$8,858,200</b>	<b>\$5,543,000</b>	<b>\$8,697,000</b>	<b>\$161,200</b>

Amount to Reserve	Excess/(Deficit) Reserves Over Amount to Reserve
\$4,597,000	\$317,700
\$1,500,000	\$673,600
\$500,000	\$113,000
\$700,000	\$456,900
<b>\$7,297,000</b>	

e. 2013 MTW Commitments passed by the Board	Amount	Included in 2014 Budget	Balance at end of 2014
1. 2nd Phase Hillside Terrace Redevelopment	\$2,420,000	\$0	\$2,420,000
2. Renovation/Remodel of 2nd Floor - Administrative Building	\$700,000	\$700,000	\$0
3. Renovation/Remodel of Family Investment Center Building	\$300,000	\$300,000	\$0
4. RAD Conversion Cost - Capital Contributions to Projects	\$1,000,000	\$1,000,000	\$0
5. Software Conversion of Yardi/Visual Homes Platform	\$600,000	\$332,000	\$268,000
6. Education Projects - McCarver and Others	\$310,000	\$0	\$310,000
7. Exigent Health & Safety Issue (Meth Remediation)	\$500,000	\$225,000	\$275,000
	<b>\$5,830,000</b>	<b>\$2,557,000</b>	<b>\$3,273,000</b>

## Back-up Detail

### 5. Non-Recurring Income: FY-2014

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>						
Hillside Terrace Operating Subsidy - Projected at approximately \$270K for 2013. Will reduce by 33% annually.	\$90,000					
b. Capital Funds						
1. Transfer to MTW over 10% admin amount	\$0					
2. PH Rental Assistance Demonstration (RAD) conversion costs	\$360,900					
3. Hillside Tenant relocation back to Bay Terrace	\$75,000					
4. Due Diligence costs for future Hillside redevelopment	\$306,000					
5. Additional Rehab for Wright Street Contaminated units	\$165,000					
6. CFP to pay for Meth Supervisor position in 2014.	\$102,300					
c. Developer Fee Income						
1. Hillside Terrace Redevelopment (2500 Yakima)		\$379,700				
2. LASA		\$187,000				
d. City of Tacoma Power - DR Horton Sales		\$75,000				
e. Loan Interest received - Tax Credit Properties		\$0				
<b>Operations Subtotal<sup>2</sup></b>	<b>\$1,099,200</b>	<b>\$641,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Capital<sup>3</sup></b>	<b>MTW -CFP</b>	<b>Non-MTW</b>	<b>MTW -CFP</b>	<b>Non-MTW</b>	<b>MTW -CFP</b>	<b>Non-MTW</b>
a. Hillside Terrace Community Facility Grant						
b. 2500 Yakima Redevelopment						
c. CFP funds for PH capital work	\$1,000,000					
d. LASA		\$4,558,800				
<b>Capital Subtotal<sup>3</sup></b>	<b>\$1,000,000</b>	<b>\$4,558,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

### Operations & Support Departments

#### 6.1 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
a. <i>Salaries</i>						
1. Sunset positions identified in 8.1 i-o below.	\$508,900	\$0				
b. <i>Legal</i>						
1. RAD Conversion (Admin)	\$20,000					
2. Legal Fees for Meth Testing Strategy (Admin)	\$10,000					
c. <i>Advertising - Marketing Reasonable Accommodations Software (Admin)</i>		\$10,000				
d. <i>Staff Training</i>						
1. Training Sigma Six						
1.1 Finance Dept	\$5,100					
1.2 Admin Dept.	\$1,700					
1.3 REM&HS Dept.	\$20,000					
2. Admin Dept. Non-recurring trainings	\$16,500					
e. <i>Administrative Contracts</i>						
1. Leadership Team Development (HR)	\$20,700	\$4,300				
2. Compensation Analysis (HR)	\$16,600	\$3,400				
3. RAD financial consultants (Admin)	\$30,000					
4. QA temps to review files, 3 months (Admin)	\$35,000					
5. Evaluation of MTW program (REM&HS)	\$45,000					
f. <i>Community Services</i>						
1. Homeowners Downpayment Assistance (Renegotiated Annually)	\$75,000					
g. <i>Relocation - Hillside Tenant relocation back to Bay Terrace</i>	\$75,000					
h. <i>Contract Maintenance</i>						
1. Tree Maintenance (PM Overhead)	\$13,000					
2. 902 HVAC Repairs (REM&HS)	\$25,000					
3. Interior Painting - Senior Buildings (PM)	\$105,000					
4. Window Washing - Senior Buildings (PM)	\$7,000					
5. Scattered Site Window Replacement (PM)	\$21,000					
6. Exterior Lighting - Fawcett (PM)	\$10,000					
i. <i>General Expenses</i>						
1. Early Retirement Incentives (HR)		\$225,000				
j. <i>Extraordinary Maintenance for Properties (Reviewed Annually)</i>						
1. Additional Rehab for Wright Street Contaminated units	\$165,000					
k. <i>Contingency</i> will be reevaluated each year	\$69,000	\$35,000				
<i>Operational Subtotal<sup>4</sup></i>	<b>\$1,294,500</b>	<b>\$277,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**6.2 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. 902 South L - Continue renovation	\$700,000					
b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012)	\$300,000					
c. Maintenance Vehicle Replacement with outfitting	\$120,000					
d. Articulated Boom Lift for Maintenance	\$35,000					
e. Install Perimeter Fence - Dixon	\$15,000					
f. Security Gate - 6th Ave Apts.	\$10,000					
g. Wedgewood Capital Repairs (Bond Financed Property)		\$350,000				
h. Purchase of New Look Apts.	\$375,000					
i. SAN Machines (Dell Powervault MD32201)	\$57,000					
j. Transition Platform to Yardi Voyager	\$332,000					
<i>Capital Subtotal<sup>5</sup></i>	<b>\$1,944,000</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Development Department Activity**
**6.3 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. <i>Legal</i>						
1. New Look Apts.						
2. Hillside 2 & 3 Redevelopment	\$40,000					
3. Brown Star Grill		\$25,000				
b. <i>Administrative Contracts</i>						
1. Conversion Assistance, PNA for converting PH units to RAD.	\$225,000					
c. <i>Due Diligence - Development Opportunities</i>						
1. Hillside Redevelopment - Phases 2 & 3 - CF	\$266,000					
2. Brown Star Grill		\$104,500				
3. Other Opportunities		\$50,000				
4. Salishan Core Planning		\$70,000				
d. <i>Other General Expense</i>						
1. Salishan History SHPO requirement		\$5,000				
<i>Development Activity - Operational - Subtotal<sup>6</sup></i>	<b>\$531,000</b>	<b>\$254,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



6.4 Development Department - Capital <sup>7</sup>	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. RAD Conversion Cost	\$1,000,000					
b. LASA						
1. HOME Funds		\$235,300				
2. 2163 Funds		\$525,800				
3.. HTF Funds		\$3,797,700				
c. Purchase of New Look Apts. - (Carryover from 2013)	\$375,000					
Development Activity - Capital - Subtotal <sup>7</sup>	\$1,375,000	\$4,558,800	\$0	\$0	\$0	\$0

## 7. Reserve Appropriations Requested

7.1 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		\$81,200				
b. MTW Reserve Appropriations for Carryover PH Contract Repairs	\$143,000					
c. Loan Funds to cover potential Tax Credit deficits	\$350,000					
Operations Subtotal	\$493,000	\$81,200	\$0	\$0	\$0	\$0

7.2 Capital	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
a. 902 South L - Continue renovation	\$700,000					
b. FIC & Maintenance Building Renovations (\$100K Carryover from 201	\$300,000					
c. Maintenance Vehicle Replacement with outfitting	\$120,000					
d. Articulated Boom Lift for Maintenance	\$35,000					
e. Install Perimeter Fence - Dixon	\$15,000					
f. Security Gate - 6th Ave Apts.	\$10,000					
g. Wedgewood Capital Repairs (Bond Financed Property)		\$350,000				
h. Purchase of New Look Apts.	\$375,000					
i. SAN Machines (Dell Powervault MD32201)	\$57,000					
j. Transition Platform to Yardi Voyager	\$332,000					
Capital Subtotal	\$1,944,000	\$350,000	\$0	\$0	\$0	\$0

## 8. Notable Recurring Operational/Support Department Costs

### 8.1 Position Changes - FY-2014

Position Changes	Staff Positions			Change	Comments
	Increase/ Decrease fm previous year budget	Original	Mid-Year Revision		
<i>Currently Occupied</i>					
a. IT Manager	0.5	\$64,900			Reinstituted Position Mid-Year (MY) 2013
b. IT Systems Administrator	0.5	\$46,600			Approved as FT Position MY 2013 budget.
c. Property Management /Assistant Lead (REM&HS)	0.5	\$31,000			Hired MY 2013 as regular position. Identifies that it is an overall increase in budget.
<i>Subtotal</i>	<i>1.50</i>	<i>\$142,500</i>			
<i>New Positions</i>					
d. Marketing Specialist (REM&HS)	0.75	\$64,000			Start date of April 1st
e. Senior Office Assistant (REM&HS)	1	\$51,800			Admin Assistance for Portfolio Manager and Maintenance Supervisor
f. Meth Supervisor - PILOT	1	\$102,300			Test vacant units for contamination and oversee THA team responsible for cleaning. For 2014, will be paid out of CFP.
g. Maintenance Technicians (3) - PILOT	3	\$82,500			Meth Clean Team - THA Properties Portion only
<i>Subtotal</i>	<i>5.75</i>	<i>\$300,600</i>			
<i>Eliminated Positions</i>					
h. Leasing & Occupancy Assistant (RA)	(1)	(\$63,200)			Eliminated due to efficiencies created by Rent Reform
i. Property Management Assistant (PM)	(1)	(\$51,800)			Position transitioned to Senior Office Assistant
j. Asset Builder (CS)	(1)	(\$79,400)			Part of reevaluation of Community Services department
<i>Subtotal</i>	<i>(3.00)</i>	<i>(\$194,400)</i>			
<i>Sunset Positions (Non-recurring)</i>					
k. Business Process Improvement Analyst (HR)	0.25	\$18,500			Assist in improving critical HR processes in expedited manner
l. HR Intern	0.10	\$2,000			Assist in customer service and making systems more accessible
m. Business Process Improvement Analyst (Admin)	1	\$109,400			Assist in business process improvement plan.
n. Rental Assistance Demonstration Project Manager (Admin)	1	\$85,900			Assist agency in transitioning PH properties to RAD
o. Applications Architect (Admin)	1	\$109,400			Assist with GIS, social media, and MTW analysis of data.
p. Business Process Improvement Analyst (REM&HS)	1	\$77,100			Assist in business process improvement plan, focusing on REM&HS.
q. REM&HS Interns	0.50	\$20,000			
r. Inventory Specialist (REM&HS)	1	\$86,600			Develops inventory management system to alleviate trips to store for common and repetitive maintenance product purchase. Once create oversees operation of it.
<i>Subtotal</i>	<i>5.85</i>	<i>\$508,900</i>			
<b>Totals</b>	<b>10.10</b>				

**8.2 Operations & Support Department - Notable Recurring Information**

	Original		Mid-Year Revision		Change	
	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW	MTW -CFP	Non-MTW
2014 HAP savings - Increasing Minimum rents from \$75 to \$150, 30% a. TTP, and eliminating utility allowances	(\$500,000)					
b. Special Program Assistance Payments						
1. Child Welfare Vouchers	\$192,000					
2. Rapid Rehousing for Homeless Families	\$400,000					
3. Unaccompanied Youth Vouchers	\$288,000					
4. TCC Homeless Students	\$150,000					
c. THA match for Scholars Incentive Program funded by Gates Foundation	\$30,000					
d. FSS paypoints - Replaces HAP FSS escrow amounts (Included with HAP)	\$50,000					
e. Contamination Testing & Remediation PH Units *	\$195,000	\$30,000				
<b>Totals</b>	<b>\$805,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Contamination Testing amount is based on an average of \$15,000 per unit remediation and put back, and a reduction to 5% of our unit turns based on a THA Meth clean team doing an initial cleaning to reduce the number of units needed to be fully remediated.

**9. A LOOK AHEAD TO FY-2015 (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)**

9.1	Recurring FY015 Income	Recurring FY015 Expense	Amount
	Fully realized HAP savings from increasing minimum rents from \$75 to \$150, raising TTP to 30%, and eliminating utility allowances in 2014, along a. with HOP savings		\$1,875,000
	b. Congressional FY-2014 Budget Appropriations		??????
9.2	Non-Recurring FY015 Income	Non-Recurring FY015 Expense	Amount
	a. Developer Fee - 2500 Yakima Redevelopment - Remaining		\$392,000
	b. Developer Fee - LASA		\$60,800
	c. Developer Fee - Hillside Redevelopment - Phase 2		\$0

**10. Emerging Needs and Opportunities**

	MTW -CFP	Non-MTW
a. Purchase of Land at 11th and MLK		????
b. THA Contribution to Purchase of Market Rate Acquisition		????
<i>Total - Emerging Development Projects</i>	<b>\$0</b>	<b>\$0</b>

**FY 2014 Tacoma Housing Authority Budget  
Agency Total by Departmental Areas**

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
<b>INCOME</b>										
1 Revenue - Dwelling rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,238,919	\$3,238,919
2 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,241	\$44,241
3 HUD grant - Section 8 HAP reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,732,479	\$0	\$34,732,479
4 HUD grant - Section 8 Admin fee earned	\$0	\$0	\$0	\$0	\$131,523	\$0	\$0	\$2,707,488	\$0	\$2,839,011
5 HUD grant - Public Housing subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,318,509	\$2,318,509
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$144,574	\$0	\$0	\$0	\$0	\$144,574
7 HUD grant - Capital Fund Operating Revenue	\$0	\$0	\$0	\$388,138	\$0	\$918,430	\$0	\$0	\$165,000	\$1,471,568
8 Management Fee Income	\$183,332	\$98,088	\$557,563	\$611,986	\$133,021	\$0	\$1,939,316	\$131,386	\$0	\$3,654,692
9 Other Government grants	\$0	\$0	\$0	\$0	\$145,432	\$258,200	\$0	\$0	\$0	\$403,632
10 Investment income	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$22,500	\$2,025	\$59,525
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$30,000
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$566,743	\$0	\$0	\$0	\$566,743
13 Other Revenue	\$0	\$0	\$42,980	\$0	\$473,421	\$8,000	\$2,500	\$35,000	\$22,450	\$584,351
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$183,332</b>	<b>\$98,088</b>	<b>\$635,543</b>	<b>\$1,000,123</b>	<b>\$1,027,971</b>	<b>\$1,751,373</b>	<b>\$1,941,816</b>	<b>\$37,658,853</b>	<b>\$5,791,144</b>	<b>\$50,088,244</b>

**OPERATING EXPENDITURES**

**Administrative**

14 Administrative Salaries	\$255,498	\$219,231	\$652,768	\$897,519	\$0	\$548,898	\$792,717	\$1,066,346	\$388,403	\$4,821,380
15 Administrative Personnel - Benefits	\$80,215	\$82,409	\$271,034	\$354,564	\$0	\$195,590	\$331,070	\$472,909	\$186,411	\$1,974,202
16 Audit Fees	\$0	\$0	\$17,500	\$0	\$0	\$5,000	\$0	\$30,000	\$35,211	\$87,711
17 Management Fees	\$0	\$0	\$0	\$0	\$307,017	\$286,553	\$254,731	\$1,289,461	\$760,307	\$2,898,069
18 Rent	\$0	\$0	\$0	\$0	\$0	\$24,390	\$39,538	\$196,148	\$38,370	\$298,446
19 Advertising	\$0	\$0	\$0	\$10,000	\$0	\$500	\$1,000	\$0	\$1,950	\$13,450
20 Information Technology Expenses	\$1,000	\$0	\$0	\$168,163	\$45,942	\$0	\$0	\$1,000	\$13,740	\$229,845
21 Office Supplies	\$3,500	\$300	\$4,000	\$5,000	\$26,508	\$1,800	\$3,000	\$21,000	\$11,076	\$76,184
22 Publications & Memberships	\$33,065	\$2,178	\$1,020	\$3,200	\$3,250	\$1,100	\$1,500	\$1,000	\$321	\$46,634
23 Telephone	\$4,800	\$1,200	\$0	\$41,280	\$6,100	\$6,000	\$13,720	\$8,850	\$30,024	\$111,974
24 Postage	\$700	\$125	\$2,250	\$300	\$4,500	\$500	\$4,500	\$22,000	\$6,215	\$41,090
25 Leased Equipment & Repairs	\$250	\$0	\$650	\$49,520	\$6,100	\$0	\$3,000	\$16,000	\$8,468	\$83,988
26 Office Equipment Expensed	\$1,500	\$3,500	\$3,000	\$17,500	\$9,600	\$5,000	\$17,500	\$5,000	\$3,613	\$66,213
27 Legal	\$10,000	\$13,500	\$0	\$30,000	\$0	\$65,000	\$70,000	\$10,000	\$27,420	\$225,920
28 Local Mileage	\$600	\$100	\$100	\$1,500	\$3,600	\$500	\$4,500	\$500	\$1,835	\$13,235
29 Staff Training/ Out of Town Travel	\$30,000	\$37,500	\$27,555	\$39,506	\$20,000	\$16,750	\$71,300	\$29,400	\$9,612	\$281,623
30 Administrative Contracts	\$10,000	\$128,950	\$27,600	\$66,000	\$75,000	\$235,000	\$92,000	\$20,000	\$9,150	\$663,700
31 Other Administrative Expenses	\$18,500	\$7,550	\$2,000	\$1,900	\$0	\$5,000	\$33,130	\$7,000	\$8,290	\$83,370
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$490,500	\$0	\$0	\$0	\$490,500
33 Contingency	\$25,000	\$30,000	\$0	\$15,000	\$0	\$0	\$20,000	\$5,000	\$8,450	\$103,450
<b>Total Administrative Expenses</b>	<b>\$474,628</b>	<b>\$526,543</b>	<b>\$1,009,478</b>	<b>\$1,700,951</b>	<b>\$507,617</b>	<b>\$1,888,081</b>	<b>\$1,753,206</b>	<b>\$3,201,614</b>	<b>\$1,548,866</b>	<b>\$12,610,984</b>

**Tenant Services**

34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$933,505	\$0	\$0	\$0	\$0	\$933,505
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$381,233	\$0	\$0	\$0	\$0	\$381,233
36 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$17,670	\$92,670
37 Tenant Service - other	\$2,000	\$0	\$0	\$0	\$181,778	\$0	\$1,200	\$1,000	\$13,140	\$199,118
<b>Total Tenant Services</b>	<b>\$2,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,496,516</b>	<b>\$75,000</b>	<b>\$1,200</b>	<b>\$1,000</b>	<b>\$30,810</b>	<b>\$1,606,526</b>

**FY 2014 Tacoma Housing Authority Budget**  
**Agency Total by Departmental Areas**

	Executive	Human Resources	Finance	Administration	Community Services	Development	REM Overhead	Rental Assistance	Property Budgets	Agency Total
<b>Utilities</b>										
38 Water	\$0	\$0	\$0	\$0	\$0	\$9,000	\$4,810	\$0	\$104,615	\$118,425
39 Electric	\$0	\$0	\$0	\$0	\$0	\$5,000	\$36,160	\$0	\$158,080	\$199,240
40 Gas	\$0	\$0	\$0	\$0	\$0	\$1,100	\$3,200	\$0	\$55,560	\$59,860
41 Sewer	\$0	\$0	\$0	\$0	\$0	\$29,200	\$9,620	\$0	\$280,450	\$319,270
<b>Total Project Utilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,300</b>	<b>\$53,790</b>	<b>\$0</b>	<b>\$598,705</b>	<b>\$696,795</b>
<b>Ordinary Maintenance &amp; Operations</b>										
42 Maintenance Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$0	\$624,872	\$659,872
43 Maintenance Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$11,989	\$0	\$195,881	\$207,870
44 Maintenance Materials	\$0	\$0	\$0	\$0	\$0	\$5,000	\$27,250	\$3,000	\$170,920	\$206,170
45 Contract Maintenance	\$0	\$0	\$0	\$0	\$0	\$46,000	\$134,000	\$2,000	\$902,565	\$1,084,565
<b>Total Routine Maintenance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,000</b>	<b>\$208,239</b>	<b>\$5,000</b>	<b>\$1,894,238</b>	<b>\$2,158,477</b>
<b>General Expenses</b>										
46 Protective Services	\$0	\$0	\$0	\$0	\$0	\$1,000	\$21,500	\$0	\$119,350	\$141,850
47 Insurance	\$3,040	\$1,368	\$4,282	\$4,508	\$11,146	\$3,853	\$20,529	\$29,184	\$137,967	\$215,877
48 Other General Expense	\$0	\$225,000	\$0	\$0	\$0	\$10,000	\$1,000	\$104,801	\$1,031,126	\$1,371,927
49 Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,503	\$15,503
50 Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$50,482	\$75,482
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$115,376	\$0	\$0	\$160,720	\$276,096
<b>Total General Expenses</b>	<b>\$3,040</b>	<b>\$226,368</b>	<b>\$4,282</b>	<b>\$4,508</b>	<b>\$11,146</b>	<b>\$130,229</b>	<b>\$43,029</b>	<b>\$158,985</b>	<b>\$1,515,148</b>	<b>\$2,096,735</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$479,668</b>	<b>\$752,911</b>	<b>\$1,013,760</b>	<b>\$1,705,459</b>	<b>\$2,015,279</b>	<b>\$2,188,610</b>	<b>\$2,059,464</b>	<b>\$3,366,599</b>	<b>\$5,587,767</b>	<b>\$19,169,517</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	\$396,000	\$396,000
53 Casualty Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,507	\$25,507
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,260,802	\$0	\$30,260,802
<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>\$30,260,802</b>	<b>\$421,507</b>	<b>\$30,682,309</b>
<b>TOTAL EXPENSES</b>	<b>\$479,668</b>	<b>\$752,911</b>	<b>\$1,013,760</b>	<b>\$1,705,459</b>	<b>\$2,015,279</b>	<b>\$2,188,610</b>	<b>\$2,059,464</b>	<b>\$33,627,401</b>	<b>\$6,009,274</b>	<b>\$49,851,826</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(\$296,336)</b>	<b>(\$654,823)</b>	<b>(\$378,217)</b>	<b>(\$705,336)</b>	<b>(\$987,308)</b>	<b>(\$437,237)</b>	<b>(\$117,649)</b>	<b>\$4,031,452</b>	<b>(\$218,130)</b>	<b>\$236,418</b>
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	(\$182,740)	\$0	\$0	(\$176,140)	(\$358,880)
56 Special Transfer to Tax Credit Properties									(\$350,000)	(\$350,000)
<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(\$296,336)</b>	<b>(\$654,823)</b>	<b>(\$378,217)</b>	<b>(\$705,336)</b>	<b>(\$987,308)</b>	<b>(\$619,977)</b>	<b>(\$117,649)</b>	<b>\$4,031,452</b>	<b>(\$744,270)</b>	<b>(\$472,462)</b>
57 Reserve Appropriations - Operations/Transfe	\$0	\$0	\$0	\$0	\$81,203	\$0	\$0	\$0	\$493,000	\$574,203
<b>Surplus/Deficit Before Capital Expenditures</b>	<b>(\$296,336)</b>	<b>(\$654,823)</b>	<b>(\$378,217)</b>	<b>(\$705,336)</b>	<b>(\$906,105)</b>	<b>(\$619,977)</b>	<b>(\$117,649)</b>	<b>\$4,031,452</b>	<b>(\$251,270)</b>	<b>\$101,741</b>
58 Capitalized Items/Development Projects	\$0	\$0	\$0	(\$389,000)	\$0	(\$6,633,750)	(\$455,000)	\$0	(\$375,000)	(\$7,852,750)
59 Revenue - Capital Grants	\$0	\$0	\$0	\$0	\$0	\$5,558,750	\$0	\$0	\$0	\$5,558,750
60 Reserve Appropriations - Capital	\$0	\$0	\$0	\$389,000	\$0	\$1,075,000	\$455,000	\$0	\$375,000	\$2,294,000
<b>AGENCY WIDE BUDGET SURPLUS/(DEFICIT)</b>	<b>(\$296,336)</b>	<b>(\$654,823)</b>	<b>(\$378,217)</b>	<b>(\$705,336)</b>	<b>(\$906,105)</b>	<b>(\$619,977)</b>	<b>(\$117,649)</b>	<b>\$4,031,452</b>	<b>(\$251,270)</b>	<b>\$101,741</b>

## 2014 Tacoma Housing Authority Portfolio Budget

12/11/13

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate	Portfolio Total
	K, M & G St. Apts. Elderly Disabled 160 Units	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled) 152 Units	Lawrence, Bergerson Terrace, Dixon Village 144 Units	Hillside Terrace (1800 & 2500 Blocks) Demo'd 104 Units demo'd	Single Family Homes 34 Units			90 Units	118 Units	
<b>INCOME</b>										
1 Revenue - Dwelling rent	\$424,788	\$386,844	\$451,524	\$0	\$73,440	\$0	\$1,336,596	\$1,156,592	\$745,731	\$3,238,919
2 Tenant Revenue - Other	\$8,000	\$7,600	\$8,750	\$0	\$3,400	\$0	\$27,750	\$11,781	\$4,710	\$44,241
3 HUD grant - Section 8 HAP reimburseme	\$0	\$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	\$0
5 HUD grant - Public Housing subsidy	\$375,352	\$328,093	\$341,924	\$212,965	\$107,991	\$952,184	\$2,318,509	\$0	\$0	\$2,318,509
6 HUD grant - Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 HUD grant - Capital Fund Operating Rev	\$0	\$165,000	\$0	\$0	\$0	\$0	\$165,000	\$0	\$0	\$165,000
8 Management Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Other Government grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$525	\$2,025
11 Fraud Recovery Income - Sec 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Other Revenue- Developer Fee Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 Other Revenue	\$10,000		\$3,450	\$0	\$0	\$0	\$13,450	\$500	\$0	\$13,950
<b>TOTAL OPERATING RECEIPTS</b>	<b>\$818,140</b>	<b>\$887,537</b>	<b>\$805,648</b>	<b>\$212,965</b>	<b>\$184,831</b>	<b>\$952,184</b>	<b>\$3,861,305</b>	<b>\$1,170,373</b>	<b>\$750,966</b>	<b>\$5,782,644</b>
<b>OPERATING EXPENDITURES</b>										
<b>Administrative</b>										
14 Administrative Salaries	\$99,116	\$94,530	\$95,066	\$0	\$22,726	\$0	\$311,438	\$53,827	\$23,138	\$388,403
15 Administrative Personnel - Benefits	\$46,130	\$43,902	\$43,770	\$0	\$10,534	\$0	\$144,336	\$24,589	\$17,486	\$186,411
16 Audit Fees	\$3,220	\$3,108	\$3,010	\$750	\$715	\$4,278	\$15,081	\$10,000	\$10,130	\$35,211
17 Management Fees	\$219,475	\$208,501	\$174,056	\$0	\$38,891	\$0	\$640,923	\$102,946	\$16,438	\$760,307
18 Rent	\$10,490	\$9,643	\$9,452	\$0	\$2,233	\$0	\$31,818	\$5,896	\$656	\$38,370
19 Advertising	\$0	\$0	\$0	\$0	\$150	\$0	\$150	\$150	\$1,650	\$1,950
20 Information Technology Expenses	\$4,500	\$4,416	\$3,360	\$0	\$660	\$0	\$12,936	\$600	\$204	\$13,740
21 Office Supplies	\$1,360	\$1,292	\$2,223	\$0	\$619	\$0	\$5,493	\$1,200	\$4,382	\$11,076
22 Publications & Memberships	\$113	\$108	\$79	\$0	\$17	\$0	\$316	\$0	\$5	\$321
23 Telephone	\$9,566	\$9,619	\$7,142	\$0	\$600	\$0	\$26,927	\$1,000	\$2,097	\$30,024
24 Postage	\$1,586	\$1,507	\$1,906	\$0	\$495	\$0	\$5,495	\$225	\$496	\$6,215
25 Leased Equipment & Repairs	\$3,060	\$3,060	\$1,530	\$0	\$168	\$0	\$7,818	\$600	\$50	\$8,468
26 Office Equipment Expensed	\$1,133	\$1,077	\$790	\$0	\$165	\$0	\$3,165	\$400	\$49	\$3,613
27 Legal	\$4,000	\$5,000	\$4,700	\$0	\$1,500	\$0	\$15,200	\$9,000	\$3,220	\$27,420
28 Local Mileage	\$567	\$538	\$520	\$0	\$124	\$0	\$1,749	\$50	\$36	\$1,835
29 Staff Training/ Out of Town Travel	\$2,447	\$2,325	\$2,177	\$0	\$512	\$0	\$7,461	\$2,000	\$151	\$9,612
30 Administrative Contracts	\$950	\$1,300	\$750	\$0	\$150	\$0	\$3,150	\$1,700	\$4,300	\$9,150
31 Other Administrative Expenses	\$950	\$1,250	\$1,750	\$0	\$500	\$0	\$4,450	\$600	\$3,240	\$8,290
32 Due Diligence - Perspective Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Contingency	\$2,000	\$1,500	\$2,000	\$0	\$1,000	\$0	\$6,500	\$1,200	\$750	\$8,450
<b>Total Administrative Expenses</b>	<b>\$410,663</b>	<b>\$392,676</b>	<b>\$354,282</b>	<b>\$750</b>	<b>\$81,758</b>	<b>\$4,278</b>	<b>\$1,244,407</b>	<b>\$215,983</b>	<b>\$88,477</b>	<b>\$1,548,867</b>
<b>Tenant Services</b>										
34 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Tenant Service Personnel - Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Relocation Costs	\$4,800	\$4,560	\$4,320	\$0	\$1,020	\$0	\$14,700	\$2,700	\$270	\$17,670
37 Tenant Service - other	\$3,200	\$6,000	\$2,440	\$0	\$500	\$0	\$12,140	\$1,000	\$0	\$13,140
<b>Total Tenant Services</b>	<b>\$8,000</b>	<b>\$10,560</b>	<b>\$6,760</b>	<b>\$0</b>	<b>\$1,520</b>	<b>\$0</b>	<b>\$26,840</b>	<b>\$3,700</b>	<b>\$270</b>	<b>\$30,810</b>

	AMP 1	AMP 2	AMP 3	AMP 4	AMP 6	Tax Credit AMPS	LIPH Total	Sal 7	Market Rate	Portfolio Total
	K, M & G St. Apts. Elderly Disabled	Fawcett, Wright, 6th St. Apts. (Elderly/Disabled)	Lawrence, Bergerson Terrace, Dixon Village	Hillside Terrace (1800 & 2500 Blocks) Demo'd	Single Family Homes					
<b>Utilities</b>										
38 Water	\$24,250	\$19,755	\$29,035	\$0	\$1,290	\$0	\$74,330	\$29,000	\$1,285	\$104,615
39 Electric	\$63,600	\$57,800	\$27,100	\$0	\$3,780	\$0	\$152,280	\$2,400	\$3,400	\$158,080
40 Gas	\$31,700	\$17,050	\$5,750	\$0	\$460	\$0	\$54,960	\$600	\$0	\$55,560
41 Sewer	\$74,300	\$61,500	\$87,950	\$0	\$3,800	\$0	\$227,550	\$50,000	\$2,900	\$280,450
<b>Total Project Utilities</b>	<b>\$193,850</b>	<b>\$156,105</b>	<b>\$149,835</b>	<b>\$0</b>	<b>\$9,330</b>	<b>\$0</b>	<b>\$509,120</b>	<b>\$82,000</b>	<b>\$7,585</b>	<b>\$598,705</b>
<b>Ordinary Maintenance &amp; Operations</b>										
42 Maintenance Salaries	\$149,905	\$142,429	\$155,283	\$0	\$38,570	\$0	\$486,187	\$74,284	\$64,401	\$624,872
43 Maintenance Personnel - Benefits	\$51,350	\$48,789	\$53,192	\$0	\$13,212	\$0	\$166,543	\$25,446	\$3,892	\$195,881
44 Maintenance Materials	\$29,500	\$26,000	\$38,000	\$0	\$20,000	\$0	\$113,500	\$15,000	\$42,420	\$170,920
45 Contract Maintenance	\$240,650	\$214,250	\$171,100	\$0	\$60,450	\$0	\$686,450	\$145,665	\$70,450	\$902,565
<b>Total Routine Maintenance</b>	<b>\$471,405</b>	<b>\$431,469</b>	<b>\$417,575</b>	<b>\$0</b>	<b>\$132,233</b>	<b>\$0</b>	<b>\$1,452,681</b>	<b>\$260,395</b>	<b>\$181,162</b>	<b>\$1,894,238</b>
<b>General Expenses</b>										
46 Protective Services	\$40,000	\$29,000	\$44,000	\$0	\$100	\$0	\$113,100	\$0	\$6,250	\$119,350
47 Insurance	\$31,536	\$30,762	\$28,523	\$0	\$9,417	\$0	\$100,238	\$20,186	\$17,543	\$137,967
48 Other General Expense	\$3,200	\$1,850	\$1,450	\$0	\$100	\$909,926	\$916,526	\$88,400	\$26,200	\$1,031,126
49 Payment in Lieu of Taxes	\$2,497	\$2,381	\$2,285	\$0	\$531	\$5,109	\$12,803	\$1,000	\$1,700	\$15,503
50 Collection Loss	\$8,496	\$7,737	\$9,030	\$0	\$1,469	\$0	\$26,732	\$8,836	\$14,915	\$50,482
51 Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,720	\$160,720
<b>Total General Expenses</b>	<b>\$85,728</b>	<b>\$71,730</b>	<b>\$85,288</b>	<b>\$0</b>	<b>\$11,617</b>	<b>\$915,035</b>	<b>\$1,169,399</b>	<b>\$118,421</b>	<b>\$227,328</b>	<b>\$1,515,148</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,169,646</b>	<b>\$1,062,540</b>	<b>\$1,013,740</b>	<b>\$750</b>	<b>\$236,458</b>	<b>\$919,313</b>	<b>\$4,402,447</b>	<b>\$680,499</b>	<b>\$504,822</b>	<b>\$5,587,768</b>
<b>Nonroutine Expenses and Capital Expenditures</b>										
52 Ext Maint/Fac Imp/Gain/Loss prop sale	\$60,000	\$225,000	\$60,000	\$0	\$15,000	\$0	\$360,000	\$30,000	\$6,000	\$396,000
53 Casualty Loss	\$7,000	\$4,507	\$10,000	\$0	\$0	\$0	\$21,507	\$3,000	\$1,000	\$25,507
54 Section 8 HAP Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Nonroutine Expenditures</b>	<b>\$67,000</b>	<b>\$229,507</b>	<b>\$70,000</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$381,507</b>	<b>\$33,000</b>	<b>\$7,000</b>	<b>\$421,507</b>
<b>TOTAL EXPENSES</b>	<b>\$1,236,646</b>	<b>\$1,292,047</b>	<b>\$1,083,740</b>	<b>\$750</b>	<b>\$251,458</b>	<b>\$919,313</b>	<b>\$4,783,953</b>	<b>\$713,499</b>	<b>\$511,822</b>	<b>\$6,009,274</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(\$418,505)</b>	<b>(\$404,510)</b>	<b>(\$278,092)</b>	<b>\$212,215</b>	<b>(\$66,627)</b>	<b>\$32,871</b>	<b>(\$922,648)</b>	<b>\$456,874</b>	<b>\$239,144</b>	<b>(\$226,630)</b>
55 Debt Service Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$176,140)	(\$176,140)
<b>Surplus/Deficit Before Reserve Appropriations</b>	<b>(\$418,505)</b>	<b>(\$404,510)</b>	<b>(\$278,092)</b>	<b>\$212,215</b>	<b>(\$66,627)</b>	<b>\$32,871</b>	<b>(\$922,648)</b>	<b>\$456,874</b>	<b>\$63,004</b>	<b>(\$402,770)</b>
57 Reserve Appropriations - Operations/Tra	\$48,000	\$58,000	\$16,000	\$0	\$21,000	\$0	\$143,000	\$0	\$0	\$143,000
<b>Surplus/Deficit Before Capital Expenditures</b>	<b>(\$370,505)</b>	<b>(\$346,510)</b>	<b>(\$262,092)</b>	<b>\$212,215</b>	<b>(\$45,627)</b>	<b>\$32,871</b>	<b>(\$779,648)</b>	<b>\$456,874</b>	<b>\$63,004</b>	<b>(\$259,770)</b>
58 Capitalized Items/Development Projects	\$0	(\$10,000)	\$0	\$0	\$0	\$0	(\$10,000)	\$0	(\$350,000)	(\$360,000)
59 Revenue - Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60 Reserve Appropriations - Capital	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$0	\$350,000	\$360,000
<b>Surplus/Deficit</b>	<b>(\$370,505)</b>	<b>(\$346,510)</b>	<b>(\$262,092)</b>	<b>\$212,215</b>	<b>(\$45,627)</b>	<b>\$32,871</b>	<b>(\$779,648)</b>	<b>\$456,874</b>	<b>\$63,004</b>	<b>(\$259,770)</b>

**FY14 Budget - Supporting Schedule for Housing Development Capital Expenditures**  
January 1, 2014 through December 31, 2014

Project	Funding Source	Total	Loans	HUD CFCF Grant	MTW/CFP	MTW RHF	State \$ Local Grants	Reserves & Program Income	HTF
<b>Hillside Terrace Redevelopment - All phases</b>									
	THA - MTW (CFP)	-			-				
	THA - CFP RHF	-				-			
	Hillside CFCF grant	-		-					
	City of Tacoma Bond	-					-		
	HTF	-							-
	TCRA	-					-		
	<b>TOTAL</b>	-	-	-	-	-	-	-	-
<b>LASA</b>									
	HOME Funds	235,288					235,288		
	2163 Funds	525,784					525,784		
	HTF	3,797,678							3,797,678
	<b>TOTAL</b>	4,558,750	-	-	-	-	761,072	-	3,797,678
<b>RAD Conversion</b>									
	Capital Funds	1,000,000		-	1,000,000				
	<b>TOTAL</b>	1,000,000	-	-	1,000,000	-	-	-	-
<b>Scattered Sites (complete work started in 2012)</b>									
	Capital Funds	-		-	-				
	<b>TOTAL</b>	-	-	-	-	-	-	-	-
<b>Wedgewood Renovations</b>									
	Bond Financed Property Reserves	350,000						350,000	
	<b>TOTAL</b>	350,000	-	-	-	-	-	350,000	-
<b>THA Admin Bldg Continued Renovations</b>									
	THA Program Funds	700,000						700,000	
	<b>TOTAL</b>	700,000	-	-	-	-	-	700,000	-
<b>THA Family Investment Renovations</b>									
	THA Program Funds	300,000						300,000	
	<b>TOTAL</b>	300,000	-	-	-	-	-	300,000	-
<b>New Look Apts. - Purchase of General Partnership</b>									
	THA - MTW Funds	375,000			375,000				
	<b>TOTAL</b>	375,000	-	-	375,000	-	-	-	-
<b>Grand Total Capital Expenditures:</b>									
		<b>7,283,750</b>	-	-	<b>1,375,000</b>	-	<b>761,072</b>	<b>1,350,000</b>	<b>3,797,678</b>



## 2014 Sequestration Decision Points

	Sequestration Amount	R/N	Priority	Reinstatement Priority	Department	Impact
Agency Surplus - 2014 Budget	(\$41,300)					
HOP subsidy to bring additional families onto program	\$219,150	R	H	1	Rental Asst.	Maintains HOP Vouchers at 2013 level, and does not bring on additional families in 2014.
Raises effective 07/01 - OPEIU & Non Rep	79,600	R	H	2	Agency Wide	If THA were to budget for Variable Pay but not base pay increases, it might cause staff to reject the variable pay to ensure that everyone gets something. That's what happened in KCHA.
Raises effective 07/01 - Maintenance	6,600	R	H	2	Agency Wide	We should do the same for Maintenance as we do for others this year.
Case Worker Position	60,000	R	H	3	CS	Would reduce if not needed for HOP conversion assistance
Salishan Core Planning	70,000	N	H	4	Dev	Would allow us to continue planning for facility
Leadership Team Development - Cabinet & Mid managers	\$30,000	R	H	5	HR	Leadership training is needed at all levels of the organization. Reinstating this would allow me to begin work on the Director level specifically next year.
Quality Assurance Contracting	\$35,000	N	H	6	Admin	Would provide higher level of review of THA work product
Salary Repositions	\$15,000	R	H	7	Executive	Would limit ability to reposition staff in 2014, if needed
Wellness	\$5,000	R	H	8	HR	The wellness program funding has been reduced due to budget cuts. In order to sustain and grow this program, we need this money.
Contract Maintenance - General Contract	\$10,000	N	M	9	REM&HS	Allow for work at 902 & FIC over standard maintenance
Overtime Request	\$6,000	R	M	10	Admin	Overtime for IT non-represented staff who might have to work off hours due to emergency issues.
Staff Training	\$10,000	R	M	11	Admin	Would provide more opportunities for staff growth.
COBRA Administration	\$2,000	R	M	12	HR	
HR Intern	\$2,000	N	M	13	HR	This position is needed for project implementation work. Otherwise projects will not move as fast as we need them to.
Credit Counseling Contract	15,000	N	M	14	CS	
Inventory Management Specialist	\$64,970	N	M	15	REM&HS	This position would maintain inventory management system designed to create efficiencies for maintenance.
Staff Training	\$30,000	R	L	16	REM&HS	Staff training was increased in 2014. Would provide staff additional opportunities for training and networking.
Automated Onboarding	\$7,500	R	L	17	HR	This cost is rolled into the potential payroll conversion spearheaded by Finance. If this does not occur, it would move it to H status on the list.
Contingency Line Item	\$15,000	N	L	18	Admin	
Early retirement incentives	\$175,000	N	L	19	HR	Having re-examined the potential terms of the program, it is better for us to wait to do this in 2015
Wellness - treadmill and desk treadmill	\$3,200	N	L	20	HR	This is extra expense to be added to the budget for remodeling the 902 2nd floor.
Homeownership Downpayment Assistance Program	\$75,000	N	L	21	CS	Could be rolled into FSS paypoints
Fencing - Salishan - Area 2B	17,000	R	L	21	Dev	Due to cost benefit analysis of fencing, development has determined it is not needed.
902 South L - Continue renovation	700,000	N	L	21	Agency	Will not move forward on if sequestration occurs
FIC & Maintenance Building Renovations (\$100K Carryover)	\$300,000	N	L	21	Agency	Will not move forward on if sequestration occurs

Thinning the Soup - HCV Vouchers	\$1,092,000	R	L	21	Rental Asst.	2014 Savings based on a 12 month implementation. Total annual savings is \$1.8 million
Sequestration Totals	\$3,003,720					

**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. 04/30/2016)

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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: \*\*\*\*\*PHA Code:

PHA Fiscal Year Beginning: \*\*\*\*\*Board Resolution Number:

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:
- ☐ 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:
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RESOLUTION #3  
This is a walk on Resolution