



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19 (1)

Date: December 19, 2012
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Fiscal Year 2013 Agency Budget

BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2013. 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.

My November 28th memo to the Board, and the Board's November 29th discussion, covered the principles that guided staff in drafting this proposal, as well as budget details. The attached proposal is unchanged from that discussion, with two exceptions. It includes a \$45,000 additional line item for a possible contract with UWT to evaluate THA programs, and a reclassification of the Cold Fusion programmer from contract cost to salaries, as we are hiring through a temp agency.

I am pleased to present this budget proposal to the Board. It reflects discussions occurring throughout the year by both Board members and staff. The budget, as proposed, leaves THA in good shape to continue its core programs, and to serve the residents in a manner that fulfills our mission. It also provides potential to have money available to make both the agency and our community stronger.

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

SUMMARY

The budget and related decisions that flow from it accomplish the following:

- In the area of staffing, we are budgeting to continue, or transition certain sunset positions that are currently on staff in 2012 to assist us in either operational or support needs that have been identified as important for the agency. There are 3 new positions, two in Community Services for Asset Building, and one in maintenance to allow the agency to increase its internal capacity to respond quickly to work orders and unit turns. There is an elimination of one position in IT that we will contract out as needed for services required.
- The budget continues significant investments in THA's operational capacity in areas such as document management, increasing our Portfolio maintenance, business process improvement, needed rehab of the Family Investment Center to make the building more efficient, and continued rehab of our administrative building.
- The budget allows for THA to house Section 8 tenants at 100% of ACC units based on our rent reform activities. It also allows us to serve special populations through our partners with project basing vouchers and funding of rapid rehousing programs of the county.
- The budget provides funding for additional Community Service support of our tenants, especially in the area of Asset building. It does this in part with funding from the Gates Foundation.
- The budget allows funds to assist in the completion of the 2500 Yakima redevelopment for the first phase of 70 units, and funding for the infrastructure work needed for all phases.
- The budget invests in THA's financial future, and promoting redevelopment of additional affordable housing in the community by providing due diligence funds for existing and future opportunities.
- The budget leaves MTW reserves at approximately current levels. The Non-MTW reserves are reduced below both optimal and minimum level with the knowledge that developer fees will be forthcoming in 2014 to boost the reserve level back up, and in the hope that other opportunities will arise that will further increase reserve levels.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather the continuing budget challenges. As we remain in an unsettled environment for predicting future HUD funding, this approach should continue to serve the agency well.

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.
- **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 conversation of the plausible versions of the federal budget then pending in Congress.

This year is no exception. Congress is late. For now we are operating under a "continuing resolution" that keeps us at FY 2012 levels. Unlike other years, however, we have the possibility of "sequestration" to consider. We estimate that this cut THA's federal allocation by approximately 8% (\$3.3 million). In September, the Board gave direction to staff to budget at the FY 2012 levels. This is wise. A \$3.3 million cut would be severe. It would be particularly disruptive to make those cuts only to find out from a later Congressional budget that they were unnecessary. The Board also directed staff to prepare a hierarchical list of cuts totaling \$3.3 million in case some version of sequestration occurs and that Congress does not later reach a budget deal. The list is Attachment C to the budget.

- **Recurring income and expenses**
We seek a budget where our recurring income pays for our recurring expenses. Our proposed budget will show an aggregate surplus of recurring income over recurring expenses in the amount of \$392,000. Please note, however, that the non-MTW portion of the budget shows a deficit of \$583,000. 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 dip us below 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:

- **Budgeting at continuing resolution amount**
As I reviewed above, we budget at continuing resolution levels for HUD funding, which is the 2012 level of HUD funding, which includes the offset reduction funding for Public Housing in 2012.
- **Sequestration**
We estimate that sequestration, if it occurs, will cut THA by \$3.3 million. Attachment C to the budget is a priority list of items that we would use to guide our cuts. We can go as deep into that list as necessary to account for whatever cuts flow from either sequestration or a final Congressional budget, if there is one.
- **Housing occupancy rates**
The rental income for our LIPH and Local fund (Wedgewood, Stewart Court, Alaska 9 Homes, and North Shirley) properties is based on the September, 2012 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 instituting the Housing Opportunities Program (HOP) assistance, the budget estimates a savings of approximately \$4,000,000 since instituting the changes in 2011, and \$1,500,000 from 2012 to 2013. We are using \$600,000 of the HAP savings to provide funds to providers to assist in the housing of special population.
- **Wages and salaries**
For 2013, 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 trades personnel is being budgeted for a 2.35% increase. Scheduled increases are budgeted for July 1.
- **Employee benefits**
We calculated the costs of employee benefits on the following assumptions:

Health Care benefits
Laborers trust for our maintenance staff has a 5% increase effective July 1st. In 2013, we are combining our OPEIU and non-represented staff into one provider

with a base plan and buy-up plan. By making this change, there is only a 2% budgeted increase over the 2012 budget. This increase is effective January 1st.

Dental

No increase budgeted for 2013.

Retirement

Washington State employer portion of retirement plan remains budgeted at the 7.25% level. There is no budgeted increase from 2012.

Unemployment Insurance

THA pays out all unemployment claims and remains self-insured for 2013. We accrue 1.55% 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 \$240,800 for Hillside Terrace and \$57,200 for LASA in 2013, with another \$1.6 million anticipated to be received in 2014.

SOME BUDGET DETAIL

- **HUD Public Housing Operating Fund:**

Even though we are budgeting at 2012 levels, HUD is frontloading PH Operating Subsidy and paying at a higher level (90%). We are therefore budgeting Operating Subsidy at the 90% level. To cut us back to 2012 levels overall, we are decreased our HAP income to 98.5%.

- **Interest on the Citibank loan for Area 3 Infrastructure**

\$1.45 million of the original \$3.3 million dollar THA guarantee remains. Payment of interest on the loan reduces the guarantee. Even though THA will be aggressively working with Citibank to negotiate a settlement of the loan, we are budgeting the \$300,000 on the guarantee to pay for 2013 interest payments.

- **Meth Testing**

The budget provides \$169,000 funding for meth testing pursuant to our overall plan for such testing, along with deductible payments of \$47,000 for remediation of contaminated units.

- **Special Program Initiatives**

The budget provides \$750,000 budgeted 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
- **Software Programming**
The budget provides \$100,000 for a consultant/temporary employee to replace our Applications Architect position that we eliminated.
 - **Community Service grants**
THA received funds up front in previous years for specific grants facilitated by Community Services. The budget plans to spend \$65,000 of this money.
 - **Hillside Terrace Redevelopment**
This budget continues the redevelopment of the Hillside Terrace project. By the end of 2012, all tenants will be moved out of the project. We will have executed the partnership agreements. In early January, we will start the demolition and rebuilding of the first phase of 70 units, along with the infrastructure work. THA is committing \$3.4 million of traditional CFP and RHF funds to the project, \$1.675 million grant funds for the Community Facility, and \$4.3 million of state and local funding to the project in 2013.
 - **Renovation of the Family Investment Center**
In 2012, THA budgeted \$107,000 for renovation of the Family Investment Center. We never spent that money. Further discussions on how to make that overcrowded building more efficient for Salishan Property Management staff and Community Services staff and the may public uses resulted in a new plan. The 2013 budget includes \$300,000 for the renovation of the FIC. This includes the carryover of the \$107,000 from 2012. The budget uses reserves and not 2013 operation funding.
 - **Continued renovation of 902 South L**
In 2012, we finished the initial phase of the renovation of the THA administration building. This phase included a complete renovation of the lobby and the Rental Assistance area, along with a partial renovation of the administration area to include an IT training room. This budget would continue the renovation of the building to address ongoing HVAC issues, and increase efficiency of space on the second floor. The budget would provide \$350,000 for this purpose. It would come from reserves and not operations.
 - **Replacement of Aging Maintenance Vehicle Fleet**
THA has an aging maintenance vehicle fleet with many vehicles over 20 years old, and only a few under 10. There are significant repair issues with many of them, and it is time to start updating our fleet. This budget would spend \$120,000 to buy several 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 expenditures. For the FY-2013 we made the following choices:

- Transfer \$377,500 from Capital Fund dollars to cover shortfalls in PH ACC units.
- Fund the continued remodel of 902 South L in the amount of \$350K from reserves.
- Fund the FIC renovation in the amount of \$300K from reserves.
- Fund the purchase of \$120K of replacement of maintenance vehicles from reserves.
- Wedgewood is being budgeted with \$200K of improvements from its own replacement reserves.
- The purchase of the general partnership in New Look Apts. is still being anticipated. This would be funded out of 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 | \$ 6,480,100 |
| ○ Business Activities (Non-MTW) reserves | \$ 962,800 |
| ○ Bond Financed Property reserves | \$ 500,000 |
| ○ Citibank Guarantee | \$ 1,150,000 |
| ○ Salishan Lot set aside | <u>\$ 2,400,000</u> |
| | \$11,492,900 |

Recommendation

I recommend that the Board adopt Resolution 2012-12-19 (1) to formally approve THA's Fiscal Year 2013 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-12-19(1)

FISCAL YEAR 2013 ANNUAL BUDGET

Whereas, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2013; 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 has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2013 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 2013 Agency wide budget. The HUD required site-based budgets are also approved and are a subset of the overall agency wide budget. The Board of Commissioners hereby authorizes the Executive Director to implement and execute said budget. Expenses and other cash outflows are projected as follows:

| | |
|---------------------------------|----------------------------|
| <u>Expenses</u> | |
| Executive | \$ 501,934 |
| Human Resources | 397,247 |
| Finance | 995,517 |
| Administration | 1,249,483 |
| Community Services | 2,539,762 |
| Development | 2,191,817 |
| REM&HS Overhead | 1,568,333 |
| Rental Assistance | 34,791,273 |
| Property Management | <u>5,667,883</u> |
| Subtotal | 49,723,249 |
| <u>Additional Cash Outflows</u> | |
| Capital Expenditures | 15,113,100 |
| Debt Service | <u>539,844</u> |
| Subtotal | 15,652,944 |
| TOTAL APPROVED BUDGET | <u>\$65,376,193</u> |

Approved: December 19, 2012


Janis Flaundig, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: THA FY-2013 BUDGET
November 30, 2012

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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 01/01/13 | Minimum | Optimal | Amount to Reserve | Amount of reserves available to use in FY013 |
|--|--------------------------------|--------------------|---------------------|--------------------|--|
| MTW Reserves | \$6,850,000 | \$2,843,000 | \$4,597,000 | \$4,597,000 | \$2,253,000 |
| Business Activities (Non-MTW) reserves | \$1,800,000 | \$1,500,000 | \$2,000,000 | \$950,000 | \$850,000 |
| Bond Financed Property Reserves | \$700,000 | \$350,000 | \$500,000 | \$500,000 | \$200,000 |
| Citibank Guarantee | \$1,450,000 | \$1,150,000 | \$1,150,000 | \$1,150,000 | \$300,000 |
| Salishan Lot set aside | \$2,400,000 | \$2,400,000 | \$2,400,000 | \$2,400,000 | |
| Totals | \$13,200,000 | \$8,243,000 | \$10,647,000 | \$9,597,000 | \$3,603,000 |

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| Annual Amount | Minimum | | Optimal | |
|--------------------------------------|-----------|---------------------|--------------|---------------------|
| | Period | Amount | Period | Amount |
| MTW Reserves | | | | |
| Section 8 HAP - Entry to MTW Program | 1/2 month | \$ 1,210,000 | 1 month | \$ 2,420,000 |
| Section 8 Administrative Expenses | 3 months | \$ 785,000 | 4 months | \$ 1,047,000 |
| PH AMP 1 - 6 Expenses | 3 months | \$ 848,000 | 4 months | \$ 1,130,000 |
| Totals | | \$ 2,843,000 | Total | \$ 4,597,000 |

2. RECURRING OPERATIONAL EXPENSES AND INCOMES FY-2013

| | Recurring Income | - | Cost of Recurring operations (with proposed savings) | = | Surplus or (Shortfall) in recurring operations ¹ |
|--------------|---------------------|---|---|---|--|
| MTW | \$42,826,000 | | \$41,851,000 | | \$975,000 |
| Non-MTW | \$6,236,000 | | \$6,819,000 | | (\$583,000) |
| Total | \$49,062,000 | | \$48,670,000 | | \$392,000 |

3. NON-RECURRING INCOME: FY-2013

| | Sources of Non-Recurring Income | | MTW | Non-MTW |
|--|---------------------------------|--|-----------|-----------|
| Operational² | | | | |
| a. Hillside Terrace Operating Subsidy - Projected at approximately \$270K for 2013. Will reduce by 33% annually. | | | \$90,000 | |
| b. Capital Funds Program (CFP) funds moved to MTW for PH ACC unit shortfall | | | \$377,500 | |
| c. Developer Fee Income | | | | |
| 1. Hillside Terrace Redevelopment (2500 Yakima) | | | | \$240,800 |
| 2. LASA | | | | \$57,200 |
| d. NSP and Foreclosure Housing Program | | | | \$103,300 |
| <i>Operations Subtotal</i> | | | \$467,500 | \$401,300 |
| | | | | \$868,800 |

| | MTW | Non-MTW |
|--|--------------------|---------------------|
| Capital³ | | |
| a. Hillside Terrace Community Facility Grant | | \$1,675,200 |
| b. 2500 Yakima Redevelopment | \$3,400,000 | \$4,300,000 |
| c. CFP funds for PH capital work | \$1,020,000 | |
| e. LASA | | \$3,018,400 |
| f. Stewart Court Capital Improvements | \$135,000 | \$189,500 |
| <i>Capital Subtotal</i> | \$4,555,000 | \$9,183,100 |
| Total | \$4,555,000 | \$13,738,100 |

4. BUDGET IMPACT - RESERVES - FY-2013

| | MTW | Non-MTW | Bond Financed Properties | Citibank Guarantee | THA Additional Reserve-Salishan Lots | Total |
|--|---------------|---------------|--------------------------|--------------------|--------------------------------------|---------------|
| Projected Reserves - 01/01/13 | \$ 6,850,000 | \$ 1,800,000 | \$ 700,000 | \$ 1,450,000 | \$ 2,400,000 | \$ 13,200,000 |
| Recurring Surplus/(Shortfall) ¹ | \$975,000 | (\$583,000) | | | | |
| Non-Recurring Income/(Expense) | | | | | | Amount |
| a. Non Recurring Income - Operational ² | \$467,500 | \$401,300 | | | | \$ |
| b. Non Recurring Income - Capital ³ | \$4,555,000 | \$9,183,100 | | | | \$ |
| c. Operations & Support Department Expenses - Operational ⁴ | (\$512,400) | (\$95,200) | | | | \$ |
| d. Operations & Support Department Expenses- Capital ⁵ | (\$800,000) | \$0 | (\$200,000) | | | \$ |
| e. Development Department - Operational ⁶ | (\$125,000) | (\$560,300) | | | | \$ |
| f. Development Department - Capital ⁷ | (\$4,930,000) | (\$9,183,100) | | (\$300,000) | | \$ |
| g. Citibank Interest for Salishan Lots | | | | | | \$ |
| Projected Reserves - 12/31/13 | \$ 6,480,100 | \$ 962,800 | \$ 500,000 | \$ 1,150,000 | \$ 2,400,000 | \$ 11,492,900 |

5. FY-2013 END OF YEAR RESERVE LEVELS

| Type/Purpose of Reserves | Projected Reserves 12/31/13 | Minimum | Optimal | Excess/(Deficit) Reserves Over Optimal | Amount to Reserve | Excess/(Deficit) Reserves Over Amount to Reserve |
|--|-----------------------------|-------------|--------------|--|-------------------|--|
| MTW Reserves | \$6,480,100 | \$2,843,000 | \$4,597,000 | \$1,883,100 | \$4,597,000 | \$1,883,100 |
| Business Activities (Non-MTW) reserves | \$962,800 | \$1,500,000 | \$2,000,000 | (\$1,037,200) | \$950,000 | \$12,800 |
| Bond Financed Property Reserves | \$ 500,000 | \$350,000 | \$500,000 | \$0 | \$500,000 | \$0 |
| Citibank Guarantee | \$1,150,000 | \$1,150,000 | \$1,150,000 | \$0 | \$1,150,000 | \$0 |
| Salishan Lot set aside | \$2,400,000 | \$2,400,000 | \$2,400,000 | \$0 | \$2,400,000 | \$0 |
| Totals | \$11,492,900 | \$8,243,000 | \$10,647,000 | \$845,900 | \$9,597,000 | |

Back-up Detail

6. Notable Recurring Operational/Support Department Costs

6.1 Position Changes - FY-2013

| Position Changes | Amount of Savings | | | Comments |
|---|-----------------------|-----------------|-------------|--|
| | Increase/ Decrease | Staff Positions | \$ | |
| <i>Currently Occupied</i> | | | | |
| a. Senior Office Assistant - Executive | 1 | | \$0 | Transition from Sunset to Regular position - No \$ budget change. |
| b. Help Desk/Network Administrator | 0 | | \$9,000 | Upgrade of Position. |
| c. Help Desk Technician | 1 | | \$56,200 | Budget 2013 as sunset. Hope to transition to regular position in 2014, as current position transitions to Network administrator. |
| d. Property Management Assistant | 1 | | \$65,500 | One over complement with Hillside Demo. Keep for continuity until Hillside comes online. In meantime, assists with transition to new lease and Non Smoking policy. |
| e. Maintenance Specialist - Landscaping | 2 | | \$0 | Currently Temp crew. Benefits costly when temp. and would have to pay unemployment. Will assist in preventive maintenance during winter months. |
| <i>New Positions</i> | | | | |
| f. Maintenance Specialist | 1 | | \$55,000 | Increase complement to more adequately assist in unit upkeep. |
| g. Specialist - Asset Building | 1 | | \$60,000 | Funded by Gates Foundation grant. For new Scholars program. |
| h. Specialist - Asset Building | 1 | | \$60,000 | To assist in implementing and running adult asset building programs. |
| i. Technical Writer - half year Sunset | | | \$39,500 | Assist in business process improvement plan. |
| <i>Eliminated Positions</i> | | | | |
| j. Applications Architect | (1) | | (\$126,600) | Will initially contract desired work out through temp agency. This position had transitioned from IT Manager in 2012. |
| Totals | | | \$305,700 | |

6.2 Operations & Support Department - Operational (Non-Salary)

| | Original | | Mid-Year Revision | | Change | |
|---|-----------------|-----------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| Fully Realized HAP savings from Occupancy Changes/Minimum rents instituted 2012 | | | | | | |
| a. 2013 HAP savings - Increasing Minimum rents from \$25 to \$75 | (\$850,000) | | | | | |
| c. Special Program Assistance Payments | (\$150,000) | | | | | |
| d. 1. Child Welfare Vouches | \$150,000 | | | | | |
| e. 2. Rapid Rehousing for Homeless Families | \$150,000 | | | | | |
| f. 3. Unaccompanied Youth Vouchers | \$150,000 | | | | | |
| g. 4. TCC Homeless Students | \$150,000 | | | | | |
| h. THA match for Scholars Incentive Program funded by Gates Foundation | \$150,000 | | | | | |
| i. FSS paypoints - Replaces HAP FSS escrow amounts | \$30,000 | | | | | |
| j. Contamination Testing PH Units - Annually | \$126,000 | \$43,000 | | | | |
| k. Cold Fusion Development - Replaces IT Manager Position | \$100,000 | | | | | |
| l. Contingency | \$69,000 | \$31,000 | | | | |
| Totals | \$75,000 | \$74,000 | | | | |

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

Operations & Support Departments

7.1 Operations & Support Department Non-Recurring - Operational⁴

| | Original | | Mid-Year Revision | | Change | |
|---|------------------|-----------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Leadership Team Development | \$41,500 | \$8,500 | | | | |
| b. Wellness - Biometric Testing | \$10,000 | \$2,000 | | | | |
| c. Website Development | \$12,500 | \$2,500 | | | | |
| d. Marketing Reasonable Accommodations and Project Data Base software | | \$30,000 | | | | |
| e. Business Process Improvement Project | \$32,800 | \$6,700 | | | | |
| f. Sharepoint Consulting | \$23,200 | \$4,800 | | | | |
| g. Homeowners Downpayment Assistance (Renegotiated Annually) | \$200,000 | | | | | |
| h. Credit Counseling Contract for Tenants | \$15,000 | | | | | |
| i. EOC Contract - Community Services | \$10,000 | | | | | |
| j. Evaluation of MTW program | \$45,000 | | | | | |
| k. Extraordinary Maintenance for Properties (Reviewed Annually) | \$91,000 | \$25,000 | | | | |
| l. Casualty Loss deductible for Contaminated units (will analyze end of 2013) | \$31,400 | \$15,700 | | | | |
| Operational Subtotal⁴ | \$512,400 | \$95,200 | | | | |

7.2 Operations & Support Departments - Capital⁵

| | Original | | Mid-Year Revision | | Change | |
|--|------------------|------------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. 902 South L - Continue renovation | \$350,000 | | | | | |
| b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012) | \$300,000 | | | | | |
| c. Maintenance Vehicle Replacement with outfitting | \$120,000 | | | | | |
| d. Document Management System | \$30,000 | | | | | |
| e. Wedgewood Capital Repairs (Bond Financed Property) | | \$200,000 | | | | |
| <i>Capital Subtotal⁵</i> | <i>\$800,000</i> | <i>\$200,000</i> | | | | |

Development Department Activity

7.3 Development Department Nonrecurring - Operational⁶

| | Original | | Mid-Year Revision | | Change | |
|--|------------------|------------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Due Diligence - Development Opportunities | | | | | | |
| 1. Brown Star Grill | | \$75,000 | | | | |
| 2. Winthrop | | \$95,000 | | | | |
| 3. Public Housing Conversion | | | | | | |
| 4. Due Diligence Contingency | \$125,000 | | | | | |
| 5. Salishan Core Planning | | \$100,000 | | | | |
| 6. Choice Neighborhoods Application | | \$70,000 | | | | |
| b. Salishan/Hillsdale Heights Lot Holding Expenses | | \$30,000 | | | | |
| c. Legal and Consulting Services for Citibank Loan negotiation | | \$120,000 | | | | |
| d. NSP and Foreclosure Housing Program - Direct Expenses | | \$47,000 | | | | |
| <i>Development Activity - Operational - Subtotal⁶</i> | <i>\$125,000</i> | <i>\$23,300</i> | | | | |
| | | <i>\$560,300</i> | | | | |

| 7.4 Development Department - Capital ⁷ | Original | | Mid-Year Revision | | Change | |
|--|-------------|-------------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. Dixon Village Renovations (CFP) | \$1,000,000 | | | | | |
| b. Scattered Site (AMP 6) Upgrades (CFP) | \$20,000 | | | | | |
| c. Stewart Court Renovations - Intent to complete as Tax Credit property | \$135,000 | \$189,500 | | | | |
| d. Hillside Terrace Redevelopment - All phases | | | | | | |
| 1. Hillside Terrace Community Facilities Grant | | \$1,675,200 | | | | |
| 3. CFP RHF (Replacement Housing Factor) expenditures | \$2,300,000 | | | | | |
| 4. MTW funds to be reimbursed by Capital Funds | \$1,100,000 | | | | | |
| 5. City of Tacoma Bond Funds | | \$1,400,000 | | | | |
| 6. Housing Trust Factor Funds (HTF) | | \$1,900,000 | | | | |
| 7. TCRA | | \$1,000,000 | | | | |
| e. LASA | | \$3,018,400 | | | | |
| f. Purchase of New Look Apts. - (Carryover from 2012) | \$375,000 | | | | | |
| Development Activity - Capital - Subtotal ⁷ | \$4,930,000 | \$9,183,100 | | | | |

8. Reserve Appropriations Requested

| 8.1 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 | | \$65,200 | | | | |
| b. For PH subsidy to comply with HUD offset requirement | | | | | | |
| c. Citibank Loan paid out of Guarantee | | \$300,000 | | | | |
| Operations Subtotal | \$0 | \$365,200 | | | | |

| 8.2 Capital | Original | | Mid-Year Revision | | Change | |
|--|-------------|-----------|-------------------|---------|----------|---------|
| | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW | MTW -CFP | Non-MTW |
| a. 902 South L - Continue renovation | \$350,000 | | | | | |
| b. FIC & Maintenance Building Renovations (\$100K Carryover from 2012) | \$300,000 | | | | | |
| c. Maintenance Vehicle Replacement with outfitting | \$120,000 | | | | | |
| d. Wedgewood Capital Repairs (Bond Financed Property) | | \$200,000 | | | | |
| e. Purchase of New Look Apts. - (Carryover from 2012) | \$375,000 | | | | | |
| Capital Subtotal | \$1,145,000 | \$200,000 | | | | |

9. A LOOK AHEAD TO FY-2014 (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)

| 9.1 | Recurring FY014 Income | Recurring FY014 Expense | Amount |
|-----|--|-----------------------------|-------------|
| a. | Fully realized HAP savings from increasing minimum rents from \$25 to \$75 in 2013 | | \$250,000 |
| b. | Congressional FY-2014 Budget Appropriations | | ?????? |
| 9.2 | Non-Recurring FY014 Income | Non-Recurring FY014 Expense | Amount |
| a. | Developer Fee - 2500 Yakima Redevelopment | | \$1,284,000 |
| b. | Developer Fee - LASA | | \$305,000 |
| c. | Developer Fee - Hillside Redevelopment - Phase 2 | | ?????? |

10. Emerging Needs and Opportunities

| | MTW -CFP | Non-MTW |
|---|-----------|-------------|
| a. Purchase of Land at 11th and MLK | | \$1,000,000 |
| b. THA Contribution to Purchase of Market Rate Acquisition | | \$400,000 |
| c. Funds for transition of IT platform from Yardi/VisualHOMES | \$500,000 | |
| Total - Emerging Development Projects | \$500,000 | \$1,400,000 |

**FY 2013 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 |
|--|------------------|-----------------|------------------|------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|
| INCOME | | | | | | | | | | |
| 1 Revenue - Dwelling rent | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,530,777 | \$3,530,777 |
| 2 Tenant Revenue - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,025 | \$17,025 |
| 3 HUD grant - Section 8 HAP reimbursement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$34,868,890 | \$0 | \$34,868,890 |
| 4 HUD grant - Section 8 Admin fee earned | \$0 | \$0 | \$0 | \$0 | \$138,846 | \$0 | \$0 | \$2,650,784 | \$0 | \$2,789,629 |
| 5 HUD grant - Public Housing subsidy | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,319,224 | \$2,319,224 |
| 6 HUD grant - Community Services | \$0 | \$0 | \$0 | \$0 | \$140,984 | \$0 | \$0 | \$0 | \$0 | \$140,984 |
| 7 HUD grant - Capital Fund Operating Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,351,548 | \$0 | \$0 | \$0 | \$1,351,548 |
| 8 Management Fee Income | \$191,412 | \$83,819 | \$490,413 | \$498,934 | \$133,021 | \$0 | \$1,988,308 | \$115,221 | \$0 | \$3,501,128 |
| 9 Other Government grants | \$0 | \$0 | \$0 | \$0 | \$123,123 | \$108,309 | \$0 | \$0 | \$0 | \$231,432 |
| 10 Investment income | \$0 | \$0 | \$48,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,950 | \$50,950 |
| 11 Fraud Recovery Income - Sec 8 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$60,000 | \$0 | \$60,000 |
| 12 Other Revenue- Developer Fee Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$298,000 | \$0 | \$0 | \$0 | \$298,000 |
| 13 Other Revenue | \$0 | \$0 | \$42,980 | \$0 | \$685,151 | \$0 | \$0 | \$10,000 | \$32,795 | \$770,926 |
| TOTAL OPERATING RECEIPTS | \$191,412 | \$83,819 | \$581,393 | \$498,934 | \$1,221,125 | \$1,757,857 | \$1,988,308 | \$37,704,895 | \$5,902,771 | \$49,930,513 |

OPERATING EXPENDITURES**Administrative**

| | | | | | | | | | | |
|--|------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 14 Administrative Salaries | \$284,928 | \$164,988 | \$639,036 | \$608,996 | \$0 | \$524,147 | \$608,367 | \$1,034,359 | \$412,564 | \$4,277,385 |
| 15 Administrative Personnel - Benefits | \$88,494 | \$57,424 | \$271,279 | \$202,085 | \$0 | \$174,122 | \$229,184 | \$534,306 | \$189,092 | \$1,745,985 |
| 16 Audit Fees | \$0 | \$0 | \$22,550 | \$0 | \$0 | \$4,628 | \$0 | \$22,180 | \$21,584 | \$70,942 |
| 17 Management Fees | \$0 | \$0 | \$0 | \$0 | \$274,536 | \$274,044 | \$187,456 | \$1,257,369 | \$693,317 | \$2,686,722 |
| 18 Rent | \$0 | \$0 | \$0 | \$0 | \$0 | \$38,101 | \$33,100 | \$175,471 | \$35,627 | \$282,299 |
| 19 Advertising | \$0 | \$0 | \$0 | \$15,000 | \$0 | \$1,000 | \$1,000 | \$0 | \$1,650 | \$18,650 |
| 20 Information Technology Expenses | \$1,000 | \$1,000 | \$0 | \$215,364 | \$49,462 | \$0 | \$0 | \$1,000 | \$8,401 | \$276,227 |
| 21 Office Supplies | \$1,500 | \$600 | \$5,500 | \$5,000 | \$37,052 | \$3,500 | \$2,000 | \$15,000 | \$10,885 | \$81,037 |
| 22 Publications & Memberships | \$33,065 | \$5,080 | \$1,020 | \$4,000 | \$7,600 | \$1,000 | \$1,500 | \$1,000 | \$0 | \$54,265 |
| 23 Telephone | \$4,800 | \$1,200 | \$0 | \$36,280 | \$7,100 | \$6,000 | \$11,950 | \$10,550 | \$39,709 | \$117,589 |
| 24 Postage | \$600 | \$125 | \$2,500 | \$150 | \$4,500 | \$700 | \$3,500 | \$22,000 | \$5,860 | \$39,935 |
| 25 Leased Equipment & Repairs | \$250 | \$0 | \$0 | \$35,416 | \$5,000 | \$0 | \$180 | \$0 | \$9,239 | \$50,085 |
| 26 Office Equipment Expensed | \$0 | \$0 | \$2,000 | \$30,800 | \$14,600 | \$5,000 | \$18,000 | \$1,000 | \$7,784 | \$79,184 |
| 27 Legal | \$3,000 | \$13,500 | \$0 | \$1,000 | \$0 | \$32,000 | \$5,000 | \$7,000 | \$31,095 | \$92,595 |
| 28 Local Mileage | \$600 | \$100 | \$250 | \$1,500 | \$3,800 | \$1,000 | \$4,500 | \$500 | \$3,133 | \$15,383 |
| 29 Staff Training/ Out of Town Travel | \$22,500 | \$37,400 | \$17,500 | \$28,295 | \$17,500 | \$16,750 | \$30,400 | \$19,200 | \$12,071 | \$201,616 |
| 30 Administrative Contracts | \$10,000 | \$81,300 | \$27,600 | \$36,000 | \$95,000 | \$25,000 | \$90,000 | \$15,000 | \$6,010 | \$385,910 |
| 31 Other Administrative Expenses | \$15,500 | \$13,650 | \$2,000 | \$1,900 | \$0 | \$4,000 | \$44,130 | \$4,500 | \$8,590 | \$94,270 |
| 32 Due Diligence - Perspective Development | \$0 | \$0 | \$0 | \$15,000 | \$0 | \$495,000 | \$0 | \$0 | \$0 | \$510,000 |
| 33 Contingency | \$25,000 | \$0 | \$0 | \$10,000 | \$0 | \$1,000 | \$50,000 | \$5,000 | \$8,950 | \$99,950 |
| Total Administrative Expenses | \$491,237 | \$376,367 | \$991,235 | \$1,246,786 | \$516,150 | \$1,606,992 | \$1,320,267 | \$3,125,435 | \$1,505,561 | \$11,180,029 |

Tenant Services

| | | | | | | | | | | |
|--|----------------|------------|------------|------------|--------------------|------------|----------------|----------------|-----------------|--------------------|
| 34 Tenant Services - Salaries | \$0 | \$0 | \$0 | \$0 | \$952,339 | \$0 | \$0 | \$0 | \$0 | \$952,339 |
| 35 Tenant Service Personnel - Benefits | \$0 | \$0 | \$0 | \$0 | \$396,603 | \$0 | \$0 | \$0 | \$0 | \$396,603 |
| 36 Relocation Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,410 | \$19,410 |
| 37 Tenant Service - other | \$8,000 | \$0 | \$0 | \$0 | \$487,225 | \$0 | \$1,200 | \$1,000 | \$10,800 | \$508,225 |
| Total Tenant Services | \$8,000 | \$0 | \$0 | \$0 | \$1,836,167 | \$0 | \$1,200 | \$1,000 | \$30,210 | \$1,876,577 |

**FY 2013 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 |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|---------------------|--------------------|---------------------|
| Utilities | | | | | | | | | | |
| 38 Water | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,000 | \$4,275 | \$0 | \$105,035 | \$116,310 |
| 39 Electric | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$37,250 | \$0 | \$161,800 | \$204,050 |
| 40 Gas | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,000 | \$4,460 | \$0 | \$59,010 | \$65,470 |
| 41 Sewer | \$0 | \$0 | \$0 | \$0 | \$0 | \$38,600 | \$10,275 | \$0 | \$297,750 | \$346,625 |
| Total Project Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$52,600 | \$56,260 | \$0 | \$623,595 | \$732,455 |
| Ordinary Maintenance & Operations | | | | | | | | | | |
| 42 Maintenance Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$45,000 | \$0 | \$556,649 | \$601,649 |
| 43 Maintenance Personnel - Benefits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,198 | \$0 | \$169,625 | \$183,822 |
| 44 Maintenance Materials | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,200 | \$12,250 | \$4,000 | \$184,750 | \$204,200 |
| 45 Contract Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$84,000 | \$80,750 | \$2,000 | \$686,252 | \$853,002 |
| Total Routine Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$87,200 | \$152,198 | \$6,000 | \$1,597,276 | \$1,842,673 |
| General Expenses | | | | | | | | | | |
| 46 Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,000 | \$21,500 | \$0 | \$120,900 | \$143,400 |
| 47 Insurance | \$2,697 | \$880 | \$4,282 | \$2,697 | \$7,445 | \$6,657 | \$15,908 | \$26,336 | \$101,656 | \$168,558 |
| 48 Other General Expense | \$0 | \$20,000 | \$0 | \$0 | \$0 | \$7,500 | \$1,000 | \$90,492 | \$978,288 | \$1,097,280 |
| 49 Payment in Lieu of Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,461 | \$14,461 |
| 50 Collection Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$43,268 | \$43,268 |
| 51 Interest Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$424,868 | \$0 | \$0 | \$489,618 | \$914,486 |
| Total General Expenses | \$2,697 | \$20,880 | \$4,282 | \$2,697 | \$7,445 | \$440,025 | \$38,408 | \$116,828 | \$1,748,191 | \$2,381,453 |
| TOTAL OPERATING EXPENSES | \$501,934 | \$397,247 | \$995,517 | \$1,249,483 | \$2,359,762 | \$2,186,817 | \$1,568,333 | \$3,249,263 | \$5,504,833 | \$18,013,187 |
| Nonroutine Expenses and Capital Expenditures | | | | | | | | | | |
| 52 Ext Maint/Fac Imp/Gain/Loss prop sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$0 | \$116,000 | \$121,000 |
| 53 Casualty Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$47,050 | \$47,050 |
| 54 Section 8 HAP Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$31,542,010 | \$0 | \$31,542,010 |
| Total Nonroutine Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$0 | \$31,542,010 | \$163,050 | \$31,710,060 |
| TOTAL EXPENSES | \$501,934 | \$397,247 | \$995,517 | \$1,249,483 | \$2,359,762 | \$2,191,817 | \$1,568,333 | \$34,791,273 | \$5,667,883 | \$49,723,249 |
| OPERATING SURPLUS/(DEFICIT) | (\$310,522) | (\$313,428) | (\$414,124) | (\$750,549) | (\$1,138,637) | (\$433,960) | \$419,975 | \$2,913,622 | \$234,888 | \$207,263 |
| 55 Debt Service Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | (\$327,740) | \$0 | \$0 | (\$212,104) | (\$539,844) |
| Surplus/Deficit Before Reserve Appropriations | (\$310,522) | (\$313,428) | (\$414,124) | (\$750,549) | (\$1,138,637) | (\$761,700) | \$419,975 | \$2,913,622 | \$22,784 | (\$332,581) |
| 56 Reserve Appropriations - Operations/Transfers | \$0 | \$0 | \$0 | \$0 | \$65,263 | (\$77,484) | \$0 | \$0 | \$377,484 | \$365,263 |
| Surplus/Deficit Before Capital Expenditures | (\$310,522) | (\$313,428) | (\$414,124) | (\$750,549) | (\$1,073,374) | (\$839,184) | \$419,975 | \$2,913,622 | \$400,268 | \$32,682 |
| 57 Capitalized Items/Development Projects | \$0 | \$0 | \$0 | (\$30,000) | \$0 | (\$14,463,100) | (\$420,000) | \$0 | (\$200,000) | (\$15,113,100) |
| 58 Revenue - Capital Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,738,100 | \$0 | \$0 | \$0 | \$13,738,100 |
| 59 Reserve Appropriations - Capital | \$0 | \$0 | \$0 | \$0 | \$0 | \$725,000 | \$420,000 | \$0 | \$200,000 | \$1,345,000 |
| THA BUDGET SURPLUS/(DEFICIT) | (\$310,522) | (\$313,428) | (\$414,124) | (\$780,549) | (\$1,073,373) | (\$839,184) | \$419,975 | \$2,913,622 | \$400,267 | \$2,683 |

2013 Tacoma Housing Authority Portfolio Budget

12/13/12

| | AMP 1 | AMP 2 | AMP 3 | AMP 4 | AMP 6 | Tax Credit AMPS | LIPH Total | Sal 7 | Market Rate Homes | 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 04 Units demo' | Single Family Homes 34 Units | | | 90 Units | 118 Units | |
| INCOME | | | | | | | | | | |
| 1 Revenue - Dwelling rent | \$421,356 | \$397,524 | \$450,900 | \$0 | \$1,920 | \$0 | \$1,271,700 | \$1,156,597 | \$1,102,480 | \$3,530,777 |
| 2 Tenant Revenue - Other | \$4,000 | \$3,800 | \$3,600 | \$0 | \$850 | \$0 | \$12,250 | \$2,250 | \$2,525 | \$17,025 |
| 3 HUD grant - Section 8 HAP reimbursement | \$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 | \$331,775 | \$341,924 | \$268,895 | \$101,992 | \$899,286 | \$2,319,224 | \$0 | \$0 | \$2,319,224 |
| 6 HUD grant - Community Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 7 HUD grant - Capital Fund Operating Reven | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 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 | \$1,450 | \$2,950 |
| 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 | \$10,500 | \$8,500 | \$3,545 | \$0 | \$750 | \$0 | \$23,295 | \$500 | \$9,000 | \$32,795 |
| TOTAL OPERATING RECEIPTS | \$811,208 | \$741,599 | \$799,969 | \$268,895 | \$105,512 | \$899,286 | \$3,626,469 | \$1,160,847 | \$1,115,455 | \$5,902,771 |
| OPERATING EXPENDITURES | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 14 Administrative Salaries | \$93,965 | \$89,836 | \$91,794 | \$0 | \$22,064 | \$0 | \$297,659 | \$54,750 | \$60,155 | \$412,564 |
| 15 Administrative Personnel - Benefits | \$44,285 | \$46,176 | \$41,895 | \$0 | \$9,836 | \$0 | \$142,193 | \$25,397 | \$21,501 | \$189,092 |
| 16 Audit Fees | \$3,126 | \$2,969 | \$2,814 | \$2,032 | \$665 | \$6,395 | \$18,001 | \$890 | \$2,693 | \$21,584 |
| 17 Management Fees | \$185,568 | \$176,290 | \$146,679 | \$0 | \$32,722 | \$0 | \$541,258 | \$86,616 | \$65,443 | \$693,317 |
| 18 Rent | \$8,797 | \$8,357 | \$7,917 | \$0 | \$1,869 | \$0 | \$26,940 | \$4,948 | \$3,739 | \$35,627 |
| 19 Advertising | \$300 | \$150 | \$450 | \$0 | \$150 | \$0 | \$1,050 | \$150 | \$450 | \$1,650 |
| 20 Information Technology Expenses | \$1,795 | \$1,705 | \$2,440 | \$0 | \$653 | \$0 | \$6,593 | \$500 | \$1,308 | \$8,401 |
| 21 Office Supplies | \$1,813 | \$1,722 | \$1,939 | \$0 | \$487 | \$0 | \$5,961 | \$1,200 | \$3,724 | \$10,885 |
| 22 Publications & Memberships | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 23 Telephone | \$15,499 | \$14,727 | \$8,121 | \$0 | \$0 | \$0 | \$38,347 | \$1,000 | \$363 | \$39,709 |
| 24 Postage | \$1,677 | \$1,593 | \$1,410 | \$0 | \$323 | \$0 | \$5,003 | \$210 | \$647 | \$5,860 |
| 25 Leased Equipment & Repairs | \$2,781 | \$2,781 | \$2,007 | \$0 | \$356 | \$0 | \$7,925 | \$600 | \$713 | \$9,239 |
| 26 Office Equipment Expensed | \$1,926 | \$1,830 | \$2,068 | \$0 | \$520 | \$0 | \$6,344 | \$400 | \$1,040 | \$7,784 |
| 27 Legal | \$3,400 | \$3,300 | \$4,700 | \$0 | \$1,500 | \$0 | \$12,900 | \$8,680 | \$9,515 | \$31,095 |
| 28 Local Mileage | \$782 | \$743 | \$908 | \$0 | \$233 | \$0 | \$2,666 | \$0 | \$467 | \$3,133 |
| 29 Staff Training/ Out of Town Travel | \$3,127 | \$2,971 | \$2,301 | \$0 | \$495 | \$0 | \$8,894 | \$2,186 | \$991 | \$12,071 |
| 30 Administrative Contracts | \$1,450 | \$1,455 | \$850 | \$0 | \$155 | \$0 | \$3,910 | \$1,700 | \$400 | \$6,010 |
| 31 Other Administrative Expenses | \$1,450 | \$1,300 | \$2,000 | \$0 | \$500 | \$0 | \$5,250 | \$790 | \$2,550 | \$8,590 |
| 32 Due Diligence - Perspective Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 33 Contingency | \$2,000 | \$1,500 | \$1,500 | \$0 | \$1,000 | \$0 | \$6,000 | \$1,200 | \$1,750 | \$8,950 |
| Total Administrative Expenses | \$373,741 | \$359,405 | \$321,793 | \$2,032 | \$73,530 | \$6,395 | \$1,136,896 | \$191,217 | \$177,449 | \$1,505,561 |
| Tenant Services | | | | | | | | | | |
| 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 | \$2,010 | \$19,410 |
| 37 Tenant Service - other | \$3,200 | \$3,040 | \$2,880 | \$0 | \$680 | \$0 | \$9,800 | \$1,000 | \$0 | \$10,800 |
| Total Tenant Services | \$8,000 | \$7,600 | \$7,200 | \$0 | \$1,700 | \$0 | \$24,500 | \$3,700 | \$2,010 | \$30,210 |

| | AMP 1 | AMP 2 | AMP 3 | AMP 4 | AMP 6 | Tax Credit AMPS | LIPH Total | Sal 7 | Market Rate Homes | Portfolio Total |
|--|---|---|---|---|------------------------|--------------------|--------------------|------------------|----------------------|--------------------|
| | K, M & G St. Apts. Elderly Disabled | Fawcett, Wright, 6th St. Apts. (Elderly/Disab l) | Lawrence, Bergerson Terrace, Dixon Village | Hillside Terrace (1800 & 2500 Blocks) Demo'd | Single Family Homes | | | | | |
| Utilities | | | | | | | | | | |
| 38 Water | \$21,600 | \$18,400 | \$30,010 | \$0 | \$470 | \$0 | \$70,480 | \$27,220 | \$7,335 | \$105,035 |
| 39 Electric | \$65,920 | \$57,370 | \$26,820 | \$0 | \$510 | \$0 | \$150,620 | \$1,640 | \$9,540 | \$161,800 |
| 40 Gas | \$33,490 | \$17,740 | \$6,280 | \$0 | \$0 | \$0 | \$57,510 | \$480 | \$1,020 | \$59,010 |
| 41 Sewer | \$71,490 | \$61,640 | \$90,710 | \$0 | \$1,070 | \$0 | \$224,910 | \$44,910 | \$27,930 | \$297,750 |
| Total Project Utilities | \$192,500 | \$155,150 | \$153,820 | \$0 | \$2,050 | \$0 | \$503,520 | \$74,250 | \$45,825 | \$623,595 |
| Ordinary Maintenance & Operations | | | | | | | | | | |
| 42 Maintenance Salaries | \$121,753 | \$115,682 | \$130,724 | \$0 | \$32,846 | \$0 | \$401,005 | \$59,412 | \$96,232 | \$556,649 |
| 43 Maintenance Personnel - Benefits | \$38,413 | \$36,498 | \$41,243 | \$0 | \$10,363 | \$0 | \$126,517 | \$18,745 | \$24,363 | \$169,625 |
| 44 Maintenance Materials | \$23,500 | \$16,000 | \$39,500 | \$0 | \$25,000 | \$0 | \$104,000 | \$12,000 | \$68,750 | \$184,750 |
| 45 Contract Maintenance | \$160,790 | \$148,534 | \$131,226 | \$0 | \$32,506 | \$0 | \$473,055 | \$98,249 | \$114,948 | \$686,252 |
| Total Routine Maintenance | \$344,456 | \$316,713 | \$342,693 | \$0 | \$100,714 | \$0 | \$1,104,577 | \$188,406 | \$304,293 | \$1,597,276 |
| General Expenses | | | | | | | | | | |
| 46 Protective Services | \$37,000 | \$28,500 | \$44,000 | \$0 | \$100 | \$0 | \$109,600 | \$0 | \$11,300 | \$120,900 |
| 47 Insurance | \$23,690 | \$23,319 | \$15,405 | \$0 | \$7,608 | \$0 | \$70,022 | \$15,183 | \$16,450 | \$101,656 |
| 48 Other General Expense | \$2,933 | \$1,750 | \$1,579 | \$0 | \$250 | \$859,376 | \$865,888 | \$86,400 | \$26,000 | \$978,288 |
| 49 Payment in Lieu of Taxes | \$2,497 | \$2,375 | \$2,249 | \$0 | \$531 | \$5,109 | \$12,761 | \$0 | \$1,700 | \$14,461 |
| 50 Collection Loss | \$8,426 | \$7,950 | \$9,018 | \$0 | \$38 | \$0 | \$25,432 | \$3,960 | \$13,876 | \$43,268 |
| 51 Interest Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$197,275 | \$292,343 | \$489,618 |
| Total General Expenses | \$74,547 | \$63,894 | \$72,251 | \$0 | \$8,527 | \$864,485 | \$1,083,704 | \$302,818 | \$361,669 | \$1,748,191 |
| TOTAL OPERATING EXPENSES | \$993,244 | \$902,762 | \$897,757 | \$2,032 | \$186,521 | \$870,880 | \$3,853,196 | \$760,391 | \$891,247 | \$5,504,834 |
| Nonroutine Expenses and Capital Expenditures | | | | | | | | | | |
| 52 Ext Maint/Fac Imp/Gain/Loss prop sale | \$1,000 | \$45,000 | \$35,000 | \$0 | \$10,000 | \$0 | \$91,000 | \$4,000 | \$21,000 | \$116,000 |
| 53 Casualty Loss | \$8,000 | \$7,600 | \$12,350 | \$0 | \$3,400 | \$0 | \$31,350 | \$9,000 | \$6,700 | \$47,050 |
| 54 Section 8 HAP Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Nonroutine Expenditures | \$9,000 | \$52,600 | \$47,350 | \$0 | \$13,400 | \$0 | \$122,350 | \$13,000 | \$27,700 | \$163,050 |
| TOTAL EXPENSES | \$1,002,244 | \$955,362 | \$945,107 | \$2,032 | \$199,921 | \$870,880 | \$3,975,546 | \$773,391 | \$918,947 | \$5,667,884 |
| OPERATING SURPLUS/(DEFICIT) | (\$191,035) | (\$213,764) | (\$145,139) | \$266,863 | (\$94,410) | \$28,406 | (\$349,078) | \$387,457 | \$196,508 | \$234,887 |
| 55 Debt Service Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$32,020) | (\$180,084) | (\$212,104) |
| Surplus/Deficit Before Reserve Appropriations | (\$191,035) | (\$213,764) | (\$145,139) | \$266,863 | (\$94,410) | \$28,406 | (\$349,078) | \$355,437 | \$16,424 | \$22,783 |
| 56 Reserve Appropriations - Operations/Transf | \$191,035 | \$213,764 | \$145,139 | (\$266,863) | \$94,410 | \$0 | \$377,484 | \$0 | \$0 | \$377,484 |
| Surplus/Deficit Before Capital Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$28,406 | \$28,406 | \$355,437 | \$16,424 | \$400,267 |
| 57 Capitalized Items/Development Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$200,000) | (\$200,000) |
| 58 Revenue - Capital Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 59 Reserve Appropriations - Capital | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$200,000 |
| Surplus/Deficit | \$0 | \$0 | \$0 | \$0 | \$0 | \$28,406 | \$28,406 | \$355,437 | \$16,424 | \$400,267 |

FY13 Budget - Supporting Schedule for Housing Development Capital Expenditures
January 1, 2013 through December 31, 2013

| Project | Funding Source | Total | Loans | HUD CFCF Grant | MTW/CFP | MTW RHF | State & Local Grants | Reserves & Program Income | HTF |
|---|----------------|-------------------|----------|------------------|------------------|------------------|----------------------|---------------------------|------------------|
| Hillside Terrace Redevelopment - All phases | | | | | | | | | |
| THA - MTW (CFP) | | 1,100,000 | | | 1,100,000 | | | | |
| THA - CFP RHF | | 2,300,000 | | | | 2,300,000 | | | |
| CFPP Grant | | 1,675,200 | | 1,675,200 | | | | | |
| City of Tacoma Bond | | 1,400,000 | | | | | 1,400,000 | | |
| HTF | | 1,900,000 | | | | | | | 1,900,000 |
| TCRA | | 1,000,000 | | | | | 1,000,000 | | |
| TOTAL | | 9,375,200 | | 1,675,200 | 1,100,000 | 2,300,000 | 2,400,000 | - | 1,900,000 |
| LASA | | | | | | | | | |
| HOME Funds | | 250,000 | | | | | 250,000 | | |
| 2163 Funds | | 458,700 | | | | | 458,700 | | |
| HTF | | 2,309,700 | | | | | | | 2,309,700 |
| TOTAL | | 3,018,400 | | | | | 708,700 | - | 2,309,700 |
| Dixon Village Rehab | | | | | | | | | |
| Capital Funds | | 1,000,000 | | - | 1,000,000 | | | | |
| TOTAL | | 1,000,000 | | | 1,000,000 | | | | |
| Scattered Sites (complete work started in 2012) | | | | | | | | | |
| Capital Funds | | 20,000 | | - | 20,000 | | | | |
| TOTAL | | 20,000 | | | 20,000 | | | | |
| Wedgewood Renovations | | | | | | | | | |
| Bond Financed Property Reserves | | 200,000 | | - | | | | 200,000 | |
| TOTAL | | 200,000 | | | | | | 200,000 | |
| THA Admin Bldg Continued Renovations | | | | | | | | | |
| THA Program Funds | | 350,000 | | | | | | 350,000 | |
| TOTAL | | 350,000 | | | | | | 350,000 | |
| THA Family Investment Renovations | | | | | | | | | |
| THA Program Funds | | 300,000 | | | | | | 300,000 | |
| TOTAL | | 300,000 | | | | | | 300,000 | |
| Stewart Court | | | | | | | | | |
| HTF | | 189,500 | | | | | | | 189,500 |
| THA - MTW Funds | | 135,000 | | | 135,000 | | | | |
| TOTAL | | 324,500 | | | 135,000 | | | | 189,500 |
| New Look Apts. - Purchase of General Partnership | | | | | | | | | |
| THA - MTW Funds | | 375,000 | | | 375,000 | | | | |
| TOTAL | | 375,000 | | | 375,000 | | | | |
| Market Rate Acquisition | | | | | | | | | |
| THA Reserves (loan to project) | | | | | | | | | |
| Bank Loan | | | | | | | | | |
| Grand Total Capital Expenditures: | | 14,963,100 | - | 1,675,200 | 2,630,000 | 2,300,000 | 3,108,700 | 850,000 | 4,399,200 |

Sequestration Reinstatement Priority

12/13/12

| 12/13/12 | | | | | |
|--|----------------------|----------|------------------------|---------------------|---|
| | Sequestration Amount | Priority | Reinstatement Priority | Department | Impact |
| MTW Surplus - 2013 Budget | \$775,389 | | | | |
| 2012 Voucher Funding not disbursed 2012 - Available 2013 | \$600,000 | | | | |
| Raises effective 07/01 - OPEIU & Non Rep | 56,605 | H | 1 | Agency | Critical for Employee Retention |
| Raises effective 07/01 - Maintenance | 5,241 | H | 1 | Agency | Critical for Employee Retention |
| | | | | | |
| HOP (Housing Opportunity Program) delayed issuance | \$250,000 | H | 2 | RA | With HAP savings to date, would like to serve as many clients as possible. Will serve 25% w/o sequestration, and place 25% reinstatement at H/M/L |
| Technical Writer (Sunset) | \$39,458 | H | 3 | Admin | Would delay Business Process documentation |
| Quality Assurance Specialist | \$35,000 | H | 4 | Admin | Would assist in internal file audits |
| Rapid Rehousing - Special Program HAP | \$150,000 | H | 5 | Rental Assistance | Contract ready to be executed |
| Extraordinary Maintenance line item | \$37,656 | H | 6 | Property Management | |
| Senior Office Assistant | \$49,952 | H | 7 | Executive | Position currently sunset. Would allow for both needed Executive and HR support. |
| Contingency | \$25,000 | H | 8 | REM&HS Overhead | |
| Leadership Team Development - Cabinet & Mid managers | \$50,000 | H | 9 | Human Resources | Would assist in improving management skills and cohesiveness. |
| Asset Building Specialist | 28,203 | H | 10 | Community Services | MTW portion - IDA initiative |
| | | | | | |
| | | | | | |
| HOP delayed issuance | 250,000 | M | 11 | Rental Assistance | With HAP savings to date, would like to serve as many clients as possible. Will serve 25% w/o sequestration, and place 25% reinstatement at H/M/L |
| Salary Repositions | \$30,000 | M | 12 | Executive | Funds available for reclassification |
| EOC Contract | 10,000 | M | 13 | Community Services | |
| Credit Counseling Contract | 15,000 | M | 14 | Community Services | |
| Education Assistance | \$5,000 | M | 15 | Human Resources | Budgeted for 8 reimbursements, reduced to 6 |
| TCC Homeless Students | \$150,000 | M | 16 | Rental Assistance | |
| Scholars Incentive Payouts | \$62,500 | M | 17 | Community Services | Move 50% to low - Escrows do not begin until October |
| Procurement Training | \$1,500 | M | 18 | Administration | |
| Sharepoint Conference | \$3,000 | M | 19 | Administration | |
| Homeownership Downpayment Assistance Program | \$200,000 | M | 20 | Community Services | |
| | | | | | |
| | | | | | |
| HOP delayed issuance | 250,000 | L | 21 | Rental Assistance | With HAP savings to date, would like to serve as many clients as possible. Will serve 25% w/o sequestration, and place 25% reinstatement at H/M/L |
| Wellness | \$12,000 | L | 22 | Human Resources | Setting agency baseline may help Medical renewal rates |
| Staff training | \$5,000 | L | 23 | Finance | |
| PH Conversion Due Diligence | 125,000 | L | 21 | Development | |
| Employee Engagement survey | \$3,500 | L | 24 | Human Resources | |
| Limited English Proficiency | \$6,000 | L | 25 | Executive | |
| Scholars Incentive Payouts | \$62,500 | L | 26 | Community Services | |
| Sequestration Total | 3,293,504 | | | | |

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.12/31/2012)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority City of Tacoma

PHA Code: WA005

PHA Fiscal Year Beginning: January 1, 2013

Board Resolution Number: 2012-12-19 (1)

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 12/19/2012
- ☐ 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:

Janis Flauding

Signature:

Janis M. Flauding

Date:

12/19/2012