



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

December 14, 2022



**Tacoma
Housing
Authority**

Executive Director
April Black

Board of Commissioners
Shennetta Smith, Chair | Dr. Minh-Anh Hodge, Vice Chair
Stanley Rumbaugh | Derek Young | Pastor Michael Purter

REGULAR MEETING Board of Commissioners

DECEMBER 14, 2022

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Regular Meeting on **Wednesday, December 14th, at 4:45 pm via Zoom and at 902 South L Street, Tacoma, WA 98405.**

<https://us02web.zoom.us/j/88497102854> / Meeting ID: 884 9710 2854/ Dial: (253) 215-8782

The site is accessible to people with disabilities. Persons who require special accommodations should contact Sha Peterson (253) 207-4450, before 4:00 pm the day before the scheduled meeting.

I, Sha Peterson, certify that on or before December 7, 2022, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street, Room 800 Tacoma, WA 98402	CityClerk@cityoftacoma.com
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	tips@q13fox.com
KSTW-TV/CW 11	1715 East Madison Street Seattle, WA 98122	cw11@kstwtv.com
KNKX	930 Broadway Tacoma, WA 98402	info@knkx.org
Tacoma News Tribune	2602 S. 38 th Street, Suite A PMB3 Tacoma, WA 98409	newstips@thenewstribune.com

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

Sha Peterson
Executive Initiatives Officer



TACOMA HOUSING AUTHORITY

AGENDA REGULAR BOARD OF COMMISSIONERS MEETING December 14, 2022, 4:45 PM

Zoom: <https://us02web.zoom.us/j/88497102854> / Meeting ID: 884 9710 2854 / Dial: (253) 215-8782

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of November 9, 2022—Regular Meeting
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
 - 5.1 Real Estate Development Committee
 - 5.2 Finance and Audit Committee
 - 5.3 Community Partnerships and Advocacy Committee
 - 5.4 Education, Housing, Services and Partnerships Committee
 - 5.5 Diversity, Equity, Inclusion and Belonging Committee
6. **AGENCY MONTHLY REPORT**
 - 6.1 THA Motion 2022-12-14, Approval of 2023 Board Meeting Schedule
7. **FINANCE REPORT**
 - 7.1 Ratifying Cash Disbursements for November 2022
8. **NEW BUSINESS**
 - 8.1 2022-12-14 (1) 2023 Budget
 - 8.2 2022-12-14 (2) Board Commitments for 2023
 - 8.3 2022-12-14 (3) Approval of Property Based Subsidy Contract Extension—Koz on Market Apartments
 - 8.4 2022-12-14 (4) Procurement Policy Update-Declaration of Emergency Authorization
9. **COMMENTS FROM THE COMMISSIONERS**
10. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, NOVEMBER 9, 2022

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA and via Zoom at 4:45 PM on Wednesday, November 9, 2022.

1. CALL TO ORDER

Vice Chair Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:46 pm.

2. ROLL CALL

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

PRESENT	ABSENT
Commissioners	
	Chair Shennetta Smith
Vice Chair Dr. Minh-Anh Hodge	
	Commissioner Stanley Rumbaugh
Commissioner Derek Young	
Commissioner Pastor Michael Purter	
Staff	
April Black, Executive Director	
Sha Peterson, Executive Initiatives Officer	
Julie LaRocque, Interim Deputy Executive Director	
	Jorge Perez, Finance Director
	Sharrall Madden, Human Resources Director
Aley Thompson, Interim Rental Assistance Director	
Marquis Jenkins, Property Management Director	
Cacey Hanauer, Client Support and Empowerment Director	
Sandy Burgess, Administrative Services Director	
William Morse, Director/CIO	
	Adam Ydstie, Policy, Innovation, and Evaluation Director

Vice Chair Hodge declared there was a quorum present at 4:47 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Vice Chair Hodge asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Friday, October 7, 2022. Commissioner Young moved to adopt the minutes. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Vice Chair Hodge asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Friday, October 14, 2022. Commissioner Young moved to adopt the minutes. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

Vice Chair Hodge asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 26, 2022. Commissioner Young moved to adopt the minutes. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

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

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

Real Estate Development Committee—Commissioner Rumbaugh, Commissioner Young

The committee did not meet.

Finance and Audit Committee—Vice Chair Hodge and Commissioner Young

The committee met to review the 2023 budget that will be presented at the December 14, 2022, Board meeting. According to Commissioner Young, the budget looks good. The committee also looked at increases in salary costs. In the end, it is a balanced budget.

Education, Housing Services and Partnerships Committee—Chair Smith, Vice Chair Hodge

The committee did not meet.

Community Partnerships and Advocacy Committee—Chair Smith, Commissioner Purter

The committee did not meet.

Diversity, Equity, Inclusion and Belonging Committee—Chair Smith, Vice Chair Hodge

The committee did not meet.

6. AGENCY MONTHLY REPORT

6.1 Presentation: Overview of THA's Housing Programs

Presented by Interim Rental Assistance Director Aley Thompson, Policy Manager Katie Escudero, and Property Management Director Marquis Jenkins

Commissioner Purter inquired about the assisted living properties mentioned and how many are available. Director Thompson will check-in with Commissioner Purter after the meeting. Commissioner Purter asked if there is data on vacancies. Director Thompson responded yes. They will share the vacancy and turn over report with Commissioner Purter. Commissioner Purter mentioned the 4,300 people experiencing homelessness and asked if that number included people with pending housing. According to Escudero this is the count that the county does and is not an accurate number; they administer that research. Commissioner Young likes the overview, and Vice Chair Hodge thinks the high-quality presentation was excellent.

6.2 Agency Report

Hilltop Lofts is now complete! It is not owned by Tacoma Housing Authority (THA) but by Horizon Housing, but THA is providing housing vouchers. Executive Director (ED) Black and staff toured the property last week, which she stated is very nice. She heard the property is now opening 57 units. It is a way for THA to invest its voucher dollars and help households.

Staff are charging towards closing on Housing Hilltop and hope to close next week. Staff are working with Walsh for a ribbon cutting.

Client Support and Empowerment (CSE) is providing assistance at Tyler House and providing support for the Salishan community due to past shootings. THA had a Townhall with the Salishan community to hear what residents are feeling so staff can provide support. Commissioner Purter asked if there are changes to security since the past shooting. According to ED Black, THA had a community meeting with Salishan residents and there were 100 attendees including representatives from the City Manager's office, elected officials and the Tacoma Police Department (TPD) who heard the residents' concerns. Staff also did a ride along with TPD and visited the hot spots at Salishan so TPD can observe what the residents and staff are observing. The Salishan Association is considering a change to the security company; The Association pays for Salishan security. Commissioner Purter was hoping for installed cameras. ED Black responded that there are cameras, but staff found that Ring cameras from neighbors were more effective. THA is looking into changing the cameras. ED Black ended by saying that what was notable at the community meeting was that community members were encouraging each other to watch out for one another.

7. FINANCE REPORT

Finance

ED Black directed the board to the finance report.

7.1 Ratifying Cash Disbursement for October 2022

Commissioner Young moved to ratify the payment of cash disbursements totaling \$6,653,427 for the month of November 2022. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

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

Motion Approved.

8. NEW BUSINESS

9.1 RESOLUTION 2022-11-09 (#) (Sunsetting the College Housing Assistance Program)

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

WHEREAS, the Administrative Plan relates to the administration of the College Housing Assistance Program (CHAP) and is required by HUD; and

WHEREAS, the purpose of the Administrative Plan is to establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives contained in THA's Moving to Work plan; and

WHEREAS, Tacoma Housing Authority is charged with designing, testing, and evaluating innovative approaches to serving additional populations; and

WHEREAS, Tacoma Housing Authority has a responsibility to address when programs are not operating as intended or demonstrate inequitable outcomes; and

WHEREAS, Tacoma Housing Authority seeks to sunset the College Housing Assistance Program (CHAP); and

WHEREAS, Tacoma Housing Authority seeks to ensure current CHAP households are able to remain stably housed and are provided adequate time to achieve self-sufficiency; and

WHEREAS, staff consulted a wide array of program participants, landlords and community members,

WHEREAS, changes to the Administrative Plan must be approved by THA Board of Commissioners; now, therefore, be it

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

THA's Executive Director is authorized to revise THA's Administrative Plan Chapters 18 and 19, related to the College Housing Assistance Program in the following ways:

Policy Proposal	Administrative Plan Section Requiring Revision
<p>INTENT TO SUNSET PROGRAM</p> <p>Effective immediately, THA will no longer admit new participants to CHAP. Current CHAP households will no longer be subject to the five-year time limit or non-housing related program requirements.</p> <p>Following the phased implementation plan for converting households with a HOP subsidy to the Housing Choice Voucher program (HCV) (see Chapter 18 PART XXV SUNSETTING THE HOUSING OPPORTUNITY PROGRAM in THA's Administrative Plan), CHAP households who have a HOP subsidy will be transferred to the HCV program when they have a qualifying event that requires THA to end their current HOPP contract (i.e., relocation, move, or port).</p>	<p>Chapter 18 - PART XXV SUNSETTING THE HOUSING OPPORTUNITY PROGRAM (HOP)</p> <p>Chapter 19- COLLEGE HOUSING ASSISTANCE PROGRAM</p>
<p>COLLEGE HOUSING ASSISTANCE PROGRAM REQUIREMENTS</p> <p>Effective immediately, THA will no longer require that participants in the College Housing Assistance Program (CHAP) meet non-housing related requirements for continued eligibility.</p>	<p>Chapter 18 PARTXXIII: FAMILY OBLIGATIONS</p> <p>18-XVI.B. FAILURE TO COMPLY</p>

Commissioner Young motioned to approve the resolution. Commissioner Purter seconded the motion.

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

Motion Approved: November 9, 2022

Shennetta Smith, Chair

9. COMMENTS FROM COMMISSIONERS

Commissioner Purter commended staff for their hard work. There were a lot of details included in the report, and he appreciates the explanation provided to him. Vice Chair Hodge and Commissioner Young agreed and thanked staff for the report and presentation.

10. ADJOURNMENT

There being no further business to conduct the meeting ended at 5:42 pm.

APPROVED AS CORRECT

Adopted: December 14, 2022

Shennetta Smith, Chair



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Authority**

Executive Director
April Black

Board of Commissioners
Shennetta Smith, Chair | Dr. Minh-Anh Hodge, Vice Chair
Stanley Rumbaugh | Derek Young | Pastor Michael Purter

Real Estate Development Committee

Commissioner Stanley Rumbaugh
Commissioner Derek Young
April Black
Sandy Burgess
Richard Deitz
Julie LaRocque

Finance and Audit Committee

Commissioner Derek Young
Vice Chair Minh-Anh Hodge
April Black
Jorge Perez
Duane Strom
Julie LaRocque

Community Partnerships and Advocacy Committee

Chair Shennetta Smith
Commissioner Pastor Michael Purter
April Black
Nick Tolley
Marquis Jenkins
Julie LaRocque

Education, Housing, Services and Partnerships Committee

Chair Shennetta Smith
Vice Chair Minh-Anh Hodge
April Black
Katie Escudero
Jess Thompson
Aley Thompson
Julie LaRocque

Diversity, Equity, Inclusion and Belonging Committee

Chair Shennetta Smith
Vice Chair Minh-Anh Hodge
Cacey Hanauer
Sharrall Madden
Marquis Jenkins
Katie Escudero
Jess Thompson
Aley Thompson
Julie LaRocque



TACOMA HOUSING AUTHORITY

AGENCY MONTHLY REPORT



TACOMA HOUSING AUTHORITY

Motion

Date: December 14, 2022
To: THA Board of Commissioners
From: Sha Peterson
Executive Initiatives Officer
Re: THA Board of Commissioners 2023 Meeting Schedule

Motion

Move to approve the 2023 Tacoma Housing Authority Board of Commissioners' meeting schedule.

Intent

Approve the 2023 THA BOC meeting schedule to comply with THA Bylaws and RCW 42.30.070.

THA Bylaws Section 4.1.2

Regular meetings of the Authority are held on a schedule and at locations that the board shall determine in advance.

RCW 42.30.070

“The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body. Unless otherwise provided for in the act under which the public agency was formed, meetings of the governing body need not be held within the boundaries of the territory over which the public agency exercises jurisdiction. If at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day. If, by reason of fire, flood, earthquake, or other emergency, there is a need for expedited action by a governing body to meet the emergency, the presiding officer of the governing body may provide for a meeting site other than the regular meeting site and the notice requirements of this chapter shall be suspended during such emergency. It shall not be a violation of the requirements of this chapter for a majority of the members of a governing body to travel together or gather for purposes other than a regular meeting or a special meeting as these terms are used in this chapter: PROVIDED, that they take no action as defined in this chapter.”

Implementation

After the Board adopts the meeting schedule, changes to dates and/or locations have to be submitted to the board for approval.

Approved: December 14, 2022

Shennetta Smith, Chair



TACOMA HOUSING AUTHORITY

2023 Board of Commissioners Meeting Schedule

Regular Meetings		Special Sessions	Location: 902 South L Street, Tacoma, WA Zoom Dial In: (253) 215-8782
Monthly Meetings	Study Sessions		
January 25			https://us02web.zoom.us/j/82771180680
	February 3		https://us02web.zoom.us/j/85415082029
February 22			https://us02web.zoom.us/j/85825280485
March 22			https://us02web.zoom.us/j/82893530521
April 26			https://us02web.zoom.us/j/84107810299
	May 5		https://us02web.zoom.us/j/83688800210
May 24			https://us02web.zoom.us/j/84512576670
June 28			https://us02web.zoom.us/j/89904156257
	July 14		https://us02web.zoom.us/j/85279908735
July 26			https://us02web.zoom.us/j/89249789260
August 23			https://us02web.zoom.us/j/86198184195
	September 8		https://us02web.zoom.us/j/86174311292
September 27			https://us02web.zoom.us/j/83888604616
October 25			https://us02web.zoom.us/j/83256698431
	November 3		https://us02web.zoom.us/j/81078750457
November 8			https://us02web.zoom.us/j/81816569865
December 13			https://us02web.zoom.us/j/82830469150

Regular Meetings begin at 4:45 pm / **Study Sessions** begin at 12:00 p.m.

Meeting dates, locations, and times are subject to change.

Up-to-date information is posted on the Tacoma Housing Authority (THA) [website](#). You may contact the THA office the week prior to the scheduled meeting to confirm this information. The sites are accessible to persons with disabilities. Persons requiring special accommodations should contact Sha Peterson at (253) 207-4450, before 4:00 pm the day before the scheduled meeting.



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: April Black, Executive Director
Date: December 14, 2022
Re: Agency Monthly Report

THA's Mission

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

On the following pages you will find our agency highlights for the month of November. The agency updates are categorized as they relate to our long-term goals:

- Increase the amount of available housing for low-income families
- Increase housing access and stability
- Embed principles of diversity, equity, inclusion and belonging (DEIB) in THA's program, culture, and priorities
- Make THA a great place to work

Every person at THA contributes to our work and is integral to fulfilling our mission. This report represents just a small percentage of the work our team does in service to our community.

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INCREASE THE AMOUNT OF AFFORDABLE HOUSING FOR LOW INCOME FAMILIES

BY 2028, ADD AT LEAST 500 NEW UNITS OF AFFORDABLE HOUSING THROUGH DEVELOPMENT OR PARTNERSHIP

UPDATES

Last month's report featured photos of Horizon Housing's 57-unit Hilltop Lofts permanent supportive housing project. The building is 16% occupied and they have a goal to be fully leased up by year end.

Last month, Rental Assistance released an RFP seeking Project Based Voucher and Property Based Subsidy partners. We have several interested parties and aim to complete proposal evaluations by the end of this year.

We also closed on the financing for Housing Hilltop on November 15th and started construction the next day. These early days of construction actually include abatement of asbestos in both the Saravida and Key Bank buildings, and then demolition of these buildings. Key Bank will likely be demolished by the time of the board meeting, with Saravida to follow before the end of the year, and then site work will begin. We should be able to see the buildings going "vertical" in Q2 2023.

We are working with Koz Development on a Purchase and Sale agreement for one of the lots at Aviva Crossing and anticipate wrapping this up by year end. It will include a Covenant that 20% of the units have rents affordable to households at 70% AMI. We anticipate Koz would close on this acquisition in late 2023. We are also finalizing the Binding Site Plan such that lots can be

subdivided and sold, both to Koz and to Mercy Housing Northwest. We are working with Mercy and HUD on analyzing our Faircloth (public housing units “on the shelf” at HUD) and converting them to RAD/Section 8 for the rental subsidy for 150 units at Aviva affordable to households at or below 60% AMI. The Mercy project anticipates closing on its financing in 2024, with units under construction 2024-25.

We are working with Bridge Meadows on an MOU to develop approximately 140 units of affordable housing at Hillsdale Heights. This project would secure its financing 2023-25, with units under construction in 2025-26.

Running Total of Units 2022-2028:

Project	Location	Owner	THA's Role	Number of units	Status
Hilltop Lofts	Earnest S Brazill and MLK Way	Horizon Housing	-Land lease -Project Based Vouchers	57	Complete
Housing Hilltop	S L St and S 11 th	THA	Owner/Developer	231	Under construction
New Life Housing	S I St between S 12 th and S 13 th St	Shiloh Baptist Church	-Helped secure financing- Project Based Vouchers	60	Fully funded
South 15 th and Tacoma	S 15 th and Tacoma Ave	Korean Women's Association	-Project Based Vouchers	88	Fully funded
Koz at Aviva Crossing	S 18 th and Mildred	Koz Development	-Sale of THA land with affordability restrictions	40*	Lot sale under negotiation
Mercy at Aviva Crossing	S 18 th and Mildred	Mercy Housing Northwest	-Land -Rental subsidies	150	Financing in 2024
Hillsdale Heights	S 60 th and McKinley	Bridge Meadows	-Land lease	140	Financing 2023-25
			Completed	57	
			Fully funded	379	
			In planning	330	

*This number represents just the affordable units in that development.

BY 2028, PURCHASE AT LEAST 200 UNITS THAT CAN BE PRIORITIZED FOR VOUCHER HOLDERS

Staff are in the early stages of looking at one of two properties for acquisition during 2023. We are analyzing the impact of using restricted funds, the ability to support bank debt, as well as the use of other public and private resources.

Running total of units purchased 2022-2028:

Project	Location	Number of units
North Highland Court	3015 N Highland, Tacoma	35
	Total	35

BY 2028, REHABILITATE AND OR REFINANCE AT LEAST 100 UNITS OF EXISTING HOUSING TO IMPROVE QUALITY OF LIFE FOR TENANT AND LONG-TERM VIABILITY OF THE PROPERTY

Staff are beginning to assess options for financing the re-syndication of Salishan phases 1,2, and 3 and Hillside 2300. This effort will result in the rehabilitation of approximately 316 units during 2023-24 and afford us the opportunity to improve quality of life to our residents.

BY THE END OF 2023, DEVELOP A PROCESS OR PROGRAM FOR THA CUSTOMERS TO PURCHASE HOMES

Our Policy. Improvement and Evaluation Department is beginning to research options for us to consider in 2023.

INCREASE HOUSING ACCESS AND STABILITY

MAINTAIN A 98% OCCUPANCY RATE OR HIGHER IN THA'S PORTFOLIO

Currently we have 96.5% occupancy. We have a number of units being turned and others preparing for move ins in the upcoming weeks. We expect this percentage to increase as we lease several units before the end of the year.

Emergency Housing Voucher utilization is 49%; our goal is 56% utilization by year end. Foster Youth to Independence utilization is 12%; our goal is 16% utilization by year end.

In an effort to support resident health and safety, Community Builder Martha Matthias arranged for four vaccine clinics to take place at THA properties, including Wright Ave., North K St., Ludwig and Fawcett Ave., apartments. Staff and residents were all eligible to get vaccinated against COVID and/or were given booster shots. We will be holding additional vaccine clinics at the other high-rise buildings in the coming weeks.

Martha has also renewed a partnership with Wag Pet Store, helping connect families with pets to needed supplies for those pets. Wag generously collects donations from their patrons and then uses those funds to meet our THA pet needs.

Additionally, we know that food insecurity is a big concern for many families, not just at THA, but in our community. As a result of resident requests and feedback, we secured a new contract with the Tacoma Farmer's Market to provide fresh produce at low or no cost to THA families at Bergerson Terrace, Bay Terrace and The Rise. They will also be doing some cooking demonstrations for our residents

MAINTAIN THA'S MTW REQUIREMENTS TO SERVE SUBSTANTIALLY THE SAME NUMBER OF CUSTOMERS

The agency budget you will be asked to approve in this month's Board meeting will allow THA to continue issuing vouchers to households from the waiting list and serve substantially the same number of customers we served in 2010 when we became a Moving to Work agency.

BY THE END OF 2023, DECREASE THE NUMBER OF HOUSEHOLDS ON THA PROGRAMS PAYING MORE THAN 40% OF THEIR INCOME FOR HOUSING

The Family Self-Sufficiency (FSS) team has been hard at work. They held an information session at Tyler Square and were able to sign up five new families into the program. Further, a current FSS participant was just appointed to the Washington State Department of Revenue's Working Families Tax Credit (WFTC) Outreach and Advisory Committee. Here, they will use their experience and expertise to create a transparent and fair tax credit program for families in Washington state. Families' participation in FSS allows them time and incentive to set employment and asset building goals to both increase their income, access benefits they are eligible for, and to fund an escrow account to help them build assets. By increasing their income and by ensuring families have access to benefits they are eligible for the FSS program

(as well as many THA programs) support families toward a balanced budget and mitigating rent burdens.

BY THE END OF 2024, INCREASE THE PERCENT OF HOUSEHOLDS ABLE TO SECURE HOUSING WITH A VOUCHER FROM 55% TO 60%

58% of THA's vacant unit listings are accessible to voucher holders due to the payment standard increases approved by the Board (in November less than 20% of units were accessible). Throughout 2023 we will track housing success to evaluate the impact of increasing the payment standards.

BY THE END OF 2025, DEVELOP A STRATEGY FOR MEASURING CUSTOMER (HOUSING RECIPIENTS, LANDLORDS, VENDORS, ETC) SATISFACTION AND PUBLISH BASELINE DATA

The Yardi project continues to move forward towards an expected go-live in September or October of 2023. In order to ensure success, the team has been working to track and manage project risks and mitigate them before they potentially impact the project timeline. One of the greatest identified risks involved with this project is agency data. Because the agency had previously developed a custom system, data was not as well managed and documented as a similarly vendor delivered system would have been.

To mitigate this risk, THA has worked with the Yardi team to adopt a more Agile project management methodology as opposed to the more traditional Waterfall strategy Yardi typically uses in their delivered project plan. Previously, Yardi envisioned a series of three large "big-bang" milestones with a corresponding larger chance of an undiscovered data challenge negatively impacting the project timeline. Instead, THA is doing monthly data loads which allows the agency to catch errors and data gaps earlier which then enables corrections to be made before the larger milestones occur.

In addition, THA is asking for an additional, large-scale conversion two or three months before the final conversion to give staff a chance to work with the system in a final, trial "go-live" state. This will further ensure the system is fully ready for THA once the final conversion is complete.

At this point, the project continues to be on time and under budget. The THA IT team, with its many corresponding partners from throughout the agency, will continue to monitor progress as we collaboratively work through this very complex project as it moves to its expected conclusion.

Work also continues to clarify the scope of work for CSE's Apricot database. Apricot will help CSE gather new important data about the work done, the impact of those services and will allow for less administrative burden on staff, freeing them up to spend more time with residents and voucher holders.

EMBED PRINCIPLES OF DIVERSITY, EQUITY, INCLUSION, AND BELONGING (DEIB) IN THA'S PROGRAMS, CULTURE, AND PRIORITIES

BY THE END OF 2024, IN AN EFFORT TO INCREASE ACCESSIBILITY AND EASE OF DOING BUSINESS WITH THA, INCREASE THE NUMBER AND PERCENTAGE OF THA INVOICES PAID WITHIN 30 DAYS FROM THE DATE OF INVOICE AND WORK TO REDUCE THE BARRIERS TO DISADVANTAGED BUSINESS ENTERPRISES

We are beginning to explore a centralized contracts and procurement function in the agency. This team would review and revise our procurement policy to remove barriers to access, improve the contracting process, and streamline the invoicing process.

BY THE END OF 2024, REVIEW WHERE AND HOW TO SET GOALS RELATED TO UNIVERSAL DESIGN

We are beginning to analyze THA's website and will be making improvements over the next two months.

BY THE END OF 2025, INCREASE THE PERCENTAGE (BY NUMBER AND DOLLARS) OF MINORITY AND WOMEN-OWNED BUSINESSES RECEIVING CONTRACT OR DIRECT PURCHASE REQUISITIONS WITH THA AND/OR ON PROJECTS PAID FOR WITH THA FUNDS

As we assess work needed around the portfolio, we continue to make new connections with more minority and woman owned businesses. For example, we have contracted with two new minority owned companies for upcoming work with the playground and parking lot at Arlington Apartments.

We have also acquired a minority and women owned business to create nameplate and conference room signs at the main office. These signs are scheduled to be installed 12/12 and 12/13.

BY THE END OF 2026, REVIEW THA POLICIES AND PRACTICES RELATED TO HOUSING, PROCUREMENT, AND EMPLOYMENT AND REVISE THEM TO MAKE THEM MORE EQUITABLE

HR will review and update all current HR policies by the end of 2023 and implement an annual review thereafter. HR is focusing on transparency and creating a searchable handbook alternative. HR will partner with the leadership team, DEIB committee and board to finalize the policies and present them to the unions during 2023 negotiations.

Staff are beginning to review THA's Procurement Policy and anticipate it will be updated by the end of the first quarter of 2023.

MAKE THA A GREAT PLACE TO WORK

BY THE END OF 2023, INCREASE THA RETENTION FROM 79% TO 85%

Aley Thompson has been selected as THA's next Deputy Executive Director. Aley has been with THA for six years and brings a total of 15 years of experience in housing. Aley will remain in their current Director of Rental Assistance role, and Julie LaRocque will continue to serve as the Deputy Executive Director until a new Director of Rental Assistance is hired and trained.

Rental Assistance promoted Rath Sao-Moun to the role of Program Supervisor. Rath has been with THA for 17 years and has excelled within the CSE and RA departments. In 2023 Rental Assistance promoted 3 union staff members to supervisory roles.

The Human Resources department promoted Lynette Scott to HR Manager, and reclassified Cathy Steiner into a reoccurring HR Analyst position. Lynette and Cathy were hired in 2021 and have been instrumental to creating stability in the HR Department.

The Client Support and Empowerment department is excited to announce Gary McCurty as the new Community Builder for the West Portfolio Marian Guzman as our new Senior Office Assistant, and Lancy Dennis and McKenzie Ayers as Community Advocates. We couldn't be more excited for these new additions and changes to our team and look forward to learning from and with each new team member.

BY THE END OF 2023, INCREASE THE NUMBER AND HOURS WORKED OF THA RESIDENTS AND LOW-INCOME TACOMANS HIRED INTO THA JOBS AND THA-FUNDED WORK

Trish Mozo, CSE's Engagement Specialist has been hard at work bringing job fairs to THA properties and participating in various job fairs throughout the community. Trish leads our

efforts to connect THA residents to training programs and jobs that fit their interests and skill sets, and she works closely with a broad community of employers and workforce development agencies. Trish is also working closely with Walsh Construction to advertise jobs that will become available on Housing Hilltop.

BY THE END OF 2023, INCREASE THE NUMBER AND PERCENTAGE OF THA STAFF EARNING A HOUSING WAGE

We are currently undergoing a compensation analysis and have budgeted to address salaries in the 2023 budget.

BY THE END OF 2024, DEVELOP A STRATEGY FOR MEASURING STAFF SATISFACTION AND PUBLISH BASELINE DATA

The Human Resources department has implemented a new emotional support service for employees to manage their mental health. Employees have recently shared they would like to feel supported to release their emotional buildup from work incidents. This peer-to-peer service is an anonymous outlet and available 24/7/365.

Our annual Employee Appreciation Event is Friday, December 9th. This will be a great way to celebrate our team.

A LOOK AHEAD: JANUARY BOARD FOCUS

Our January Board meeting will be focused on Human Resources and making THA a great place to work.

ADVOCACY ITEMS

THA staff are working closely with lawmakers to advocate for continued services funding for Arlington Drive Youth Campus. Staff met with Washington State Senator Yasmin Trudeau in November to inform her about Arlington Drive, and the funding needs we will pursue through the legislature in the upcoming legislative session. Senator Trudeau was impressed with the campus and services and voiced support for our work and funding needs. In the coming months, we will be meeting with several local and state officials to secure funding for the upcoming biennium.

We are still working to establish a date for the Housing Hilltop Groundbreaking Event in January.



TACOMA HOUSING AUTHORITY

FINANCE REPORT



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$7,126,119 for the month of November 2022.

Approved: December 14, 2022

Shennetta Smith, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of November 2022

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Accounts						
Accounts Payable Checks	Check #'s	96,119	-	96,205		
Accounts Payable ACHs	ACHs	1,568	-	1,642		
Business Support Center				1,001,890	Program Support	
Moving To Work Support Center				241,791		
Moving To Work Buildings (used by Support Center)				120,314		
Tax Credit Program Support Center				55,863		
Section 8 Programs				306,127	Section 8 Operations	
Highland Crest Apts				2,729	Properties	
James Center				15,372		
North Highland Court Apts				1,274		
Outrigger				1,929		
Prairie Oaks Operations				837		
Salishan 7				24,144		
Alberta J Canada Bldg				2,189		
Arlington Youth Campus				7,405		
Court F (The Rise)				19,303		
Education Program - THDG				8,424	THDG	
THDG - General				2,514		
Saravida Building				2,097	Development	
Hillsdale Heights				950		
Bus Development Activity				3,884		
CS General Business Activities				111	Client Support	
CSA Program - Business Activities				6,990		
Department of Commerce Funding for Crisis Residential Center				258,030		
Community Services MTW Fund				28,150		
Education Private Grants (Gates, etc.)				300		
Education-Local Gov't Grants (County, City)				3,280		
AMP 6 - Scattered Sites				72	Public Housing	
AMP 9 - HT 1500 - Subsidy				1,158		
THA SUBTOTAL				2,117,128		
Hillside Terrace 2 & 1500				6,332	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility				18,053		
Housing Hilltop LLLP				2,950		
Arlington Youth Campus				5,253		
Court F (The Rise)				6,476		
Renew Tacoma Housing				37,344		
Salishan 1 - Salishan 6				30,840		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				107,249	2,224,376	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	486,262	-	486,348	129,122	
	ACHs	24,768	-	25,721	3,775,789	\$ 3,904,911
Payroll & Payroll Fees - ADP						\$ 996,832
TOTAL DISBURSEMENTS						\$ 7,126,119



TACOMA HOUSING AUTHORITY



Date: December 14, 2022

To: THA Board of Commissioners

From: Richard Deitz
Interim Director of Finance

Re: Finance Department Board Report

1. FINANCIAL STATEMENT

I present the November 2022 disbursement report for your approval.

The Finance Department is submitting the financial statement for the period through September 30, 2022.

The financial statement illustrates that the agency continues to do well and will end the year in a solid financial position. We are currently projecting a small operating surplus at year-end of \$414,774, which can be seen on Line 51 – Surplus/(Deficit) before Reserve Appropriations of the financials. Once capital expenditures are taken into account, as displayed on Line 56 – THA Surplus/(Deficit), the projected year-end surplus increases to \$711,538. I want to draw your attention to a few areas that deserve additional discussion. These areas are addressed below.

For this report, general themes will be addressed.

- *Line 1, S8 HAP reimbursement* – As in prior quarters, we continue to be under budget. The percentage variance has increased from the prior period due to timing issues, and we anticipate the percentage variance will decrease as we approach year end. Our S8 HAP reimbursement revenue is dictated by our MTW and HAP spending, which remain below the budgeted amounts. Spending has increased each quarter, which will allow us to draw significant additional funds in the fourth quarter.
- *Line 2, Section 8 Admin fee earned* – The administrative fee rate and proration have been significantly higher than anticipated in the budget.
- *Line 5 – Capital Fund Operating Revenue* – This is primarily a carryover of funds from 2019, which we have until 2024 to expend. Our MTW program needs will dictate the timing of drawing these funds down from HUD. We currently plan to delay drawing these funds until 2023 to maximize the utilization of our MTW voucher funding.
- *Line 6, Other Government Grants* – The majority of the revenue in this category is tied to grants for the Arlington Campus to fund many of the services shown on *Line 29 – Tenant Services – Other*. The under expenditure in this area has led to lower than anticipated revenue.

- *Lines 11, Other Revenue – Developer Fee Income* – The outstanding portion of the developer fee for The Rise is expected to be received in December, which is the primary developer fee revenue budgeted for 2022. Once this is received, we will be more in line with the budget. However, we will still be under as we no longer anticipate receiving developer fees in 2022 for the Shiloh Baptist Church project or additional smaller deferred developer fees from other projects.
- *Lines 12, Other Revenue – T/C Waterfall Payments* – The majority of the outstanding tax credit waterfall payments were received in Q3.
- *Lines 15 – 25 – Administrative Expense* – We remain under budget in each Administrative Expense line item except *Line 19 – Office Expense*. We have seen spending for *Administrative Expenses* significantly increase each quarter, and we anticipate this trend to continue in the fourth quarter. We continue to have significant salary and benefit savings from vacant positions. *Line 18 – Management Fees* is under budget due to internal fees. External fees are also included in this line item and are running close to the budget. While we continue to see a significant increase in staff training and travel, it has not reached the level planned for in the budget. The most dramatic variance is in *Line 23 – Due diligence*, where changes in priorities and approaches have reduced the need for spending.
- *Lines 26 – 30 – Tenant Service* – The Tenant Service area is under budget in every category except Relocation Costs. In the Salaries and Benefits area, the underspending results from unfilled vacancies. As noted under Other Government Grants, the underspending in Tenant Service - Other is primarily related to grant-related spending at the Arlington Campus.
- *Line 31 – Utilities* – This is for utilities at 902, the FIC, and the other THA-owned properties. The addition of the North Highland property will increase our utility expenses in the fourth quarter.
- *Lines 32 – 36 – Ordinary Maintenance and Operations* – Each line item in this category is running over budget. The staffing is primarily the result of certain maintenance supervisory positions being budgeted under *Administrative Expenses*, but a portion of their salaries is going to Maintenance. Aviva Crossing (James Center North), Highland Crest, and Outrigger all had significant unexpected repairs that led to higher than anticipated maintenance materials and contract expenses.
- *Line 37-41 – General Expense* – This area is running over budget for a few reasons. There has been an ongoing need for additional security, resulting in additional security patrols and upgrades to building security systems. The most significant variance is *Line 39 – Other General Expense*, which includes \$41K in settlement expenses that were not budgeted, and loan expenses related to closing North Highland. Funds were set aside in the 2022 budget for closing related expenses under *Administrative Expenses*.

- *Line 42 – Ext. Maint/Fac Imp/Casualty Loss* – During 2022, we have incurred casualty losses at Outrigger, Prairie Oaks, and Salishan 7 that are included in this total. Also included in this area are significant repairs to the Aviva Crossing parking lot and security enhancements for several THA locations.
- *Line 44 – Section 8 HAP Payments* – This line item has continued to increase as we have progressed through the year; however, it remains under budget. A portion of the variance is a result of delayed billing for rapid rehousing and slower than budgeted lease-ups for Mainstream, Foster Youth to Independence, and Emergency Housing Vouchers. The overall MTW utilization is also below the level we planned for in the 2022 budget.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at 1.75%. The Washington State Local Government Investment Pool currently provides a return rate of 3.03%.

3. AUDIT

There is no update at this time.

4. BUDGETS

We presented a near final draft of the budget to the Finance Committee on November 8th. We will be presenting budget resolutions during the Board of Commissioners meeting on December 14th. Material related to the 2023 budget is available in the Board packet.

5. YEAR END UPDATE

THA and our Tax Credit properties all have December 31st year ends. As of this report, Finance is gearing up for Year End, and all the tasks involved.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

	September-22				Thru 12/31/2022		
	CURRENT QTR ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS							
1 HUD grant - Section 8 HAP reimbursement	10,697,987	38,525,897	46,333,717	-16.85%	54,125,918	61,778,289	-12.4%
2 HUD grant - Section 8 Admin fee earned	1,370,587	3,943,826	3,764,593	4.76%	5,435,214	5,019,458	8.3%
3 HUD grant - Community Services	58,868	158,393	148,247	6.84%	211,191	197,662	6.8%
4 HUD grant - Public Housing subsidy	2,400	8,844	22,500	-60.69%	14,042	30,000	-53.2%
5 HUD grant - Capital Fund Operating Revenue	0	0	187,500	-100.00%	0	250,000	-100.0%
6 Other Government Grants	428,922	1,224,740	1,622,139	-24.50%	1,758,089	2,162,852	-18.7%
7 Tenant Revenue - Dwelling rent	767,949	2,126,510	2,054,673	3.50%	2,926,100	2,739,564	6.8%
8 Tenant Revenue - Other	43,462	117,109	111,461	5.07%	156,145	148,615	5.1%
9 Management Fee Income	791,531	2,346,789	2,474,696	-5.17%	3,145,740	3,299,594	-4.7%
10 Other Revenue	740,164	2,474,126	2,595,611	-4.68%	3,298,835	3,460,814	-4.7%
11 Other Revenue - Developer Fee Income	75,000	75,000	925,050	-91.89%	835,000	1,233,400	-32.3%
12 Other Revenue - T/C Waterfall Payments	2,129,467	2,129,467	1,681,500	26.64%	2,278,752	2,242,000	1.6%
13 Investment income	23,805	55,401	35,738	55.02%	101,206	47,650	112.4%
14 TOTAL OPERATING RECEIPTS	17,130,143	53,186,102	61,957,424	-14.16%	74,286,231	82,609,898	-10.1%
OPERATING EXPENDITURES							
Administrative Expenses							
15 Administrative Salaries	2,428,580	6,701,954	7,927,532	-15.46%	9,343,699	10,570,043	-11.6%
16 Administrative Personnel - Benefits	761,801	2,162,750	2,830,389	-23.59%	2,958,050	3,773,852	-21.6%
17 Audit Fees	60,993	64,476	56,996	13.12%	66,125	75,994	-13.0%
18 Management Fees	127,303	356,137	461,349	-22.81%	489,805	615,132	-20.4%
19 Office Expense	700,619	1,852,966	1,757,392	5.44%	2,470,621	2,343,189	5.4%
20 Legal	85,254	190,552	357,825	-46.75%	285,806	477,100	-40.1%
21 Travel/Training	41,211	102,299	341,590	-70.05%	154,712	455,454	-66.0%
22 Other administrative expenses	743,383	2,002,673	2,473,573	-19.04%	2,783,225	3,298,097	-15.6%
23 Due diligence - Perspective Development	5,460	27,795	937,500	-97.04%	75,000	1,250,000	-94.0%
24 Contingency	0	0	78,750	-100.00%	0	105,000	-100.0%
25 Total Administrative Expenses	4,954,605	13,461,601	17,222,895	-21.84%	18,627,043	22,963,860	-18.9%

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		September-22				Thru 12/31/2022		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
26	Tenant Service - Salaries	416,227	1,089,986	1,314,098	-17.05%	1,527,024	1,752,131	-12.8%
27	Tenant Service Personnel - Benefits	141,635	390,385	521,269	-25.11%	539,101	695,026	-22.4%
28	Relocation Costs	8,122	16,672	2,250	640.99%	18,200	3,000	506.7%
29	Tenant Service - Other	833,324	1,496,769	1,972,439	-24.12%	2,062,869	2,629,918	-21.6%
30	Total Tenant Services	1,399,308	2,993,811	3,810,056	-21.42%	4,147,194	5,080,074	-18.4%
	Utilities							
31	Total Project Utilities	112,383	314,762	329,546	-4.49%	440,846	439,394	0.3%
	Ordinary Maintenance & Operations							
32	Maintenance Salaries	85,350	204,897	174,706	17.28%	288,540	232,941	23.9%
33	Maintenance Personnel - Benefits	19,978	56,271	48,958	14.94%	75,849	65,277	16.2%
34	Maintenance Materials	43,615	110,898	107,546	3.12%	147,864	143,395	3.1%
35	Contract Maintenance	158,068	481,386	444,911	8.20%	611,847	593,215	3.1%
36	Total Routine Maintenance	307,011	853,451	776,122	9.96%	1,124,101	1,034,829	8.6%
	General Expenses							
37	Protective Services	59,807	110,835	66,300	67.17%	141,190	88,400	59.7%
38	Insurance	81,676	239,815	257,435	-6.84%	329,347	343,246	-4.0%
39	Other General Expense	193,816	469,624	350,813	33.87%	596,989	467,750	27.6%
40	Interest Expense	141,218	392,084	395,121	-0.77%	574,003	526,828	9.0%
41	Total General Expenses	476,517	1,212,358	1,069,668	13.34%	1,641,528	1,426,224	15.1%
42	TOTAL OPERATING EXPENSES	\$ 7,249,822	\$ 18,835,985	\$ 23,208,286		\$ 25,980,712	\$ 30,944,382	
	Nonroutine Expenditures							
43	Ext. Maint/Fac Imp/Casualty Loss	158,413	185,640	13,200	1306.36%	228,747	17,600	1199.7%
44	Sec 8 HAP Payments	12,050,261	35,205,028	37,870,856	-7.04%	47,580,290	50,494,474	-5.8%
45	Total Nonroutine Expenditures	12,208,674	35,390,668	37,884,056	-6.58%	47,809,037	50,512,074	-5.4%
46	TOTAL EXPENDITURES	19,458,497	54,226,653	61,092,342	-11.24%	73,789,748	81,456,456	-9.4%
47	OPERATING SURPLUS/(DEFICIT)	(2,328,353)	(1,040,551)	865,082	-220.28%	496,483	1,153,442	-57.0%
48	Debt Service Principal Pymt/Loan Payoffs	(32,469)	(61,365)	(149,987)	-59.09%	(81,709)	(199,982)	-59.1%
49	Surplus/Deficit Before Reserve Appropriations	(2,360,822)	(1,101,916)	715,095	-254.09%	414,774	953,460	-56.5%
50	Reserve Appropriations - Operations	0	0	0		0	0	
51	Surplus/Deficit Before Captial Expenditures	(2,360,822)	(1,101,916)	715,095		414,774	953,460	
52	Capitalized Items/Development Projects	(3,329,593)	(3,601,025)	(8,247,750)	-56.34%	(4,188,610)	(10,997,000)	-61.9%
53	Reserve for Replacement	(43,163)	(129,490)	(129,490)	0.00%	(172,653)	(172,653)	0.0%
54	Revenue - Capital Grants/Sale of Property	0	0	937,500	-100.00%	575,000	1,250,000	-54.0%
55	Reserve Appropriations - Capital	3,204,808	3,204,808	6,750,000	-52.52%	4,083,028	9,000,000	-54.6%
56	THA SURPLUS/(DEFICIT)	(2,528,771)	(1,627,623)	25,355		711,538	33,807	

TACOMA HOUSING AUTHORITY

CASH POSITION - Oct 2022

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	8,496,158	1.75%
Section 8 Checking	7,431,437	1.75%
THA Affordable Housing Proceeds-Salishan	1,980,640	1.75%
THA Scattered Sites Proceeds	5,912,581	1.75%
FSS Escrows	256,277	1.75%
CSA Escrows	123,899	1.75%
Note Fund Account	103	1.75%
THA Investment Pool	339	1.75%
THDG - Tacoma Housing Development Group	1,161,864	1.75%
Salishan 7 Operations	1,197,065	1.75%
Salishan 7 Security Deposit	30,887	1.75%
Salishan 7 Replacement Reserve	558,267	1.75%
Salishan 7 Operating Reserve	204,558	1.75%
North Highland Operations	45,677	1.75%
North Highland Security Deposit	18,926	1.75%
Highland Crest Operations	742,915	1.75%
Highland Crest Replacement Reserve	348,043	1.75%
Highland Crest Security Deposit	41,816	1.75%
Outrigger Operations	704,103	1.75%
Outrigger Replacement Reserve	289,637	1.75%
Outrigger Security Deposit	26,112	1.75%
Prairie Oaks Operations	287,082	1.75%
Prairie Oaks Replacement Reserve	44,453	1.75%
Prairie Oaks Security Deposit	6,814	1.75%
Payroll Account	12,381	1.75%
HOME STREET BANK		
James Center North Operations	1,477,251	0.00%
James Center North Security Deposit	75,035	0.00%
WASHINGTON STATE		
Investment Pool	\$ 1,541,760	3.03%
1. TOTAL THA CASH BALANCE	\$ 33,016,081	
Less:		
2. Total MTW Cash Balance	\$ 1,001,575	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ 275,575	
3. MTW Cash Held By HUD	\$ 8,954,751	
4. Non MTW Cash Restrictions/Obligations		
4.1 Non MTW Operational Restrictions		
4.10 HUD Restricted - Lot and Property Sales	\$ 7,893,221	
4.101 Area 2B Sales Proceeds (Afford Hsg)	1,980,640	
4.102 Scattered Sites Proceeds (Afford Hsg)	5,912,581	
4.20 THA Property Accounts Reserved	\$ 4,280,750	
4.201 Security Deposit Accounts	180,664	
4.202 Highland Crest Operations Reserves	520,000	
4.203 Highland Crest Replacement Reserves	348,043	

TACOMA HOUSING AUTHORITY

CASH POSITION - Oct 2022

4.204 James Center North Operations Reserves (Debt Svc)	1,000,000		
4.205 James Center North Capital	262,686		
4.206 Outrigger Operations Reserve	150,000		
4.207 Outrigger Replacement Reserves	289,637		
4.208 Prairie Oaks Operations Reserves	177,000		
4.209 Prairie Oaks Replacement Reserves	44,453		
4.210 Salishan 7 Operations Reserves	750,000		
4.211 Salishan 7 Replacement Reserves	558,267		
4.30 Rental Assistance Reserves		\$ 1,053,221	
4.301 Mod Rehab Operating Reserves	145,456		
4.302 VASH, FUP, FYI, NED, EHV & MAIN HAP Reserves	527,588		
4.303 FSS & CSA Escrows	380,177		
4.40 Prepaid Grants		\$ 1,903,351	
4.401 TPS Interlocal (CS-2017-011)	226,167		
4.402 Balmer Foundation - Education Prog (CS-2020-005)	211,056		
4.403 College Spark (PI-2018-005)	52,848		
4.404 GTCF Grant (PI-2019-005)	163,958		
4.405 Kresge Foundation - CHAP Program (RA-2019-009)	37,458		
4.406 Ballmer Foundation - COVID Rent Assist (RA-2020-003)	50,000		
4.407 THDG	1,161,864		
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$ 15,130,542	
4.70 Agency Contracted or Budgeted Commitments Remaining		\$ -	
	-		
	-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$ 15,130,542	
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$ 16,883,964	
6. Development Advances - Project Reimbursement upon closing/draw		\$ 3,889,477	
6.01 Housing Hilltop LLLP	3,889,477		



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (1)

Date: December 14, 2022
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Fiscal Year 2023 Agency Budget

This resolution would adopt Tacoma Housing Authority's (THA) budget for 2023. The details are set forth in the attachments.

SOME BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2023. Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget through discussions about 2023 priorities discussion at the September Board meeting. I have provided additional direction to staff based on these discussions. The Finance Department facilitated multiple meetings with the other Directors to come up with a budget to present to both me, and now the Board. As is typically the case each year, one of the biggest topics of discussion has been the expenditure of THA's Housing Assistance Payment (HAP) funds. This is the largest allocation of federal funding that THA receives, approximately \$53.6 million in 2022, as well as the largest expenditure of funds (\$47 million).

Here are some of the other notable features within the budget:

- The budget is based on 2022 federal HAP funding, with a projected 4% increase for 2023.
- The budget accounts for our agreed-upon agency priorities for 2023.

- The 2023 budget fits recurring expenses within recurring income. This includes the anticipated increased HAP expenses associated with the adoption of Resolution 2022-10-26, increasing THA's payment standards.
- 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.
- The 2023 Budget proposal leaves THA with adequate reserves of both MTW and non-MTW funds. There are also reserves remaining from the sale of public housing property (Salishan lots and AMP 6 Single Family homes), which are designated by HUD under the terms of the demo/dispo application for rehab or existing and developing of new affordable housing in the community. The 2023 budget focuses on maximizing the use of both MTW reserves and the reserves associated with the sale of public housing properties, while limiting the use of Business Activity reserves. As a result, the 2023 budget projects there will be minimal HAP reserves remaining at HUD at the end of 2023. The cash management regulations HUD follows does not allow agencies to hold excess MTW reserves at the agency.

I am pleased to present this budget proposal to the Board. It reflects discussions throughout the year by both the Board and staff. The proposed budget leaves THA in good shape for 2023. It allows THA to continue core programs. It allows for approximately 100% MTW utilization of Voucher allocation, even with an increase in our payment standards. It also allows THA to expand its focus on being an excellent provider of affordable housing, being an excellent place to work, and being a strong community partner.

PRINCIPLES GUIDING THE BUDGET CHOICES

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

- **THA's priorities will drive the budget**

During the September Board meeting, we discussed the priorities that will drive our work in 2023. Those priorities are listed below with some brief detail about how they are accounted for in the 2023 budget.

- *Increase the amount of available housing for low-income families*
 - Increased Business Activities reserves to fully account for the future funding requirements of the Housing Hilltop project while continuing to fund the development staff necessary to plan and oversee this project. The Housing Hilltop project closed in November of 2022 and will add 231 new units of affordable housing by 2025. At closing, THA was required to set up a Housing Hilltop Construction Reserve of

approximately \$8.3M at closing. This reserve is new for the 2023 and is reflected in the Reserve sections of the budget.

- Continuing to fund development staff and pre-development expenses related to Aviva Crossing (previously known as James Center North (JCN)). We are currently looking at partnering with Mercy Housing, and exploring the use of Faircloth units (extra public housing units available for THA to use) to bring on new deeply affordable units that would be owned by Mercy Housing.
- Continuing to fund staff and pre-development expenses related to acquiring new rental housing units.
- Analyze Hillside 2300 and Salishan properties to see if it makes sense to resyndicate and use funds to update the physical structure, as well as provide THA developer fees.
- *Increase housing access & stability*
 - THA is budgeting to meet HUD's substantially the same requirement of THA's baseline unit allocation. THA is currently under the baseline allocation due to challenges with our payment standards and an overall tight rental market. THA is pulling from the waiting list to increase our utilization back to 100%.
 - Effective January 1st, 2023, THA will be increasing the Agency's payment standards to 105% of the 2023 Fair Market rents (FMR's) for 0,1 & 2-bedroom units to increase the number of units our voucher holders have access to and improve their ability to lease-up successfully. The increased payment standards will also help reduce the number of households paying greater than 40% of their income on housing. The increase in HAP expenses reflects our commitment to our clients.
 - Continue to invest in community building and community safety so our communities are places people want to live.
 - Continue to work with Housing Connectors to connect clients with available units
 - Budget \$120,000 for security deposits for customers in our portfolio and voucher programs.
 - Budgeted \$100K to support Eviction Prevention efforts in the portfolio and Voucher program.
 - THA is budgeting \$1.1M of our HAP funding for our continued commitment to Pierce County to assist with Rapid Rehousing of at-risk clients.

- We have been historically underutilized in our VASH voucher program. Unfortunately, this has been the case for most Housing Authorities. We continue our commitment to working with the VA and increasing our utilization in this program.
 - Allocations for our Emergency Housing Vouchers received in 2021, and our Foster Youth Initiative Vouchers received in 2022 have been slow to lease up. The agency will put the necessary effort into reaching full lease-up in 2023.
- *Embed principles of Diversity, Equity, Inclusion & Belonging (DEIB) in THA's programs, culture & priorities*
 - We have budgeted \$200,000 for a DEIB Consultant, and training.
 - We are proposing to add a DEIB Program Specialist position.
 - We have budgeted for HR contract support in an effort to embed DEIB in our human resource processes and policies.
 - It is important to note that significant support for this initiative was included in the 2022 budget, but due to staff feedback, and finalizing the restructuring of departments, we took a step back. We will be relooking at this important initiative with fresh eyes in 2023 and moving forward in a measured and thoughtful manner.
 - The CSE department is updating its strategic plan and priorities. The focus on Section 3 and resident employment support is part of their plan, staffing, and metrics. A Section 3 Employment/Opportunity Specialist is in the 2023 budget to increase THA's capacity to provide the training and necessary support for applicants with training gaps.
 - We will invest staff time and resources to improve THA's contracting and procurement function to make our contracts more accessible to local, minority, and women-owned businesses.
 - *Make THA a great place to work*
 - We have budgeted for increases to THA's salaries, a salary analysis, and annual salary increases. We are taking a look at our minimum salaries and working towards ensuring that all staff are able to live in the South Sound area without struggling financially.
 - We have increased our budget for staff training and travel. As this area is critical, yet one we will continually review, we have designated the vast majority of training/travel as non-recurring in 2023.
 - Based on staff feedback, we continue to budget for additional staff as needed, to right-size workloads, and provide training and management support for new staff. We were able to achieve these objectives primarily through repositioning existing FTEs except for property

management and maintenance positions that support our tax credit portfolio.

- Continue to invest in the Process Improvement project to create better systems for our customers and to make sure staff have access to the training resources they need to do their jobs.

- **Congressional appropriations**

Congress should adopt a federal budget by October 1st, the beginning of the new fiscal year. Per usual, there have been delays. As of the date this resolution was crafted, we are operating under a Continuing Resolution which expires December 16th and provides funding at 2022 levels. We typically use this flat funding level as our basis for the coming year's budget proposal. Over the years this conservative approach has led the Agency to amass significant HUD held reserves. As of the middle of October, HUD was internally planning on a net increase of 7.2% for THA. The House and Senate resolutions and the CLPHA and HUD requests all propose a national renewal funding increase of between 8.7% and 8.9%. It is still unclear how the recent election will impact the House and Senate proposals. With the national 10.4% increase in FMRs, it is clear that if a sizeable increase in funding is not provided the Housing Choice Voucher (HCV) program will be significantly underfunded which will only exacerbate the national homelessness problem. It will also negatively impact landlords which are already facing rising costs and rent collection challenges. As underfunding the HCV will negatively impact constituencies of both parties, an increase seems likely.

- **Recurring income and expenses**

We seek a budget where our recurring income pays for our recurring expenses. We try not to spend reserves on recurring expenses because it is not sustainable. Our proposed budget provides a small aggregate surplus of recurring income over recurring expenses.

- **Reserves and reserve spending**

Reserves are important. We want to keep enough for important purposes; to operate safely, remain credit worthy to investors and partners, and to allow enough funding for real estate development opportunities when they arise. We continue to identify minimum and maximum levels of reserves overall and for each type of reserve. A determination is then made by the Board as to what level of reserves is optimal. For our MTW funds, we project reserve levels at approximately, \$1.0 million at THA, and \$960,000 at HUD at the end of 2023. For our Business Activity funds (Non-MTW without restrictions), we anticipate approximately \$14.8 million.

A substantial portion of the spending of reserves is on development projects that we expect will add more affordable housing to the market or rehabilitates existing housing. As we typically have done in recent years, we have set funds aside for

property purchases. We will also be retiring debt associated with Aviva Crossing as well as supporting Aviva Crossing predevelopment work.

For the 2023 budget we continue our focus on improving internal operations. We are anticipating making the conversion from Salesforce (OpenDoor) to Yardi's traditional housing platform in September of 2023. Work will continue into 2024 to completely build out our processes and supporting systems. During this transition period the outgoing systems are being accounted for as non-recurring. Our Business Process and Improvement team will support this transition as well as continue work on refining and improving other THA business processes.

We will also continue to support our families with services. We also plan to support our staff by providing enhanced training opportunities. In 2023 we are also planning to provide \$1.1 million in support of Rapid Rehousing.

NOTABLE BUDGET ASSUMPTIONS

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

- **Budgeting a 4% increase over 2022 funding levels**
We are budgeting for a 4% increase in per voucher funding, which is well below the 5.6% average increase we have received over the last five years. As of this writing, we are operating under a Continuing Resolution. As detailed in the Congressional Appropriations section, multiple signs point to an increase of greater than 4%. While this is the most likely scenario, it would not be prudent to budget the full amount of the anticipated increase and would run contrary to our conservative budgeting principals that have served us so well. By only budgeting a 4% increase, if we do not receive an increase our reserves will allow THA time to adjust over the course of the next two years. Decisions on many of the larger anticipated uses of MTW funding will not need to be finalized until after our funding has been confirmed.
- **Public Housing Operating Subsidy**
This is no longer a significant factor in the agency budget, as we only have 5 units of Public Housing remaining. We are looking at bringing on Public Housing Faircloth units and transitioning them to RAD at some point. If this is done, due to the timing of how long a property may be Public Housing before being transitioned, we may periodically receive additional funds in this category.
- **Section 8 Admin Fee**
Section 8 Admin Fees are budgeted at 82% of authorized amount. This percentage assumption is based upon an average of what we have received over the past few years. This is significantly below the current 2022 proration and below the 2021 proration.

- **Wages and salaries**

In 2023, we will be negotiating contract extensions with both OPEIU and the Trades unions. We are anticipating that they will be requesting an increase that is consistent with local wage growth and inflation. We have included funding to support this anticipated request, along with additional funding to begin to address the bottom of the wage scale. It is THA's goal to increase the percentage of THA staff earning a housing wage. These increases are also planned for non-represented staff and are budgeted to be effective in July. Consistent with prior years, we are budgeting an extra 2% for variable pay based on performance. There is an additional \$200,000 added to the Executive Department's Special Recognition fund, above the 2% allocated to each department, to address any extraordinary efforts throughout the agency during 2023. The budget also includes an additional \$120,000 for compression related adjustments.

This resolution would also authorize the Executive Director to approve raises different from what is budgeted based on market conditions and Union negotiations.

- **Employee benefits**

We calculated the costs of employee benefits based on the following assumptions:

Health Care benefits

We plan for a 5% increase in the Laborers Trust for our maintenance staff, effective July 1st. For our OPEIU and Non-represented staff, there was an approximate 11% increase in rates from 2022 for PEBB.

Dental

There was a 9% increase in our rates from 2022.

Retirement

Washington State employer portion of retirement plan is budgeted at the 10.39%. This is a small increase in rates from the 10.25% that was in place for the majority of 2022.

Short and Long Term Disability/Life Insurance

There is no significant change in these rates for 2023.

Unemployment Insurance

THA pays out all unemployment claims and remains self-insured for 2023. We are maintaining the accrual at 1.5% in 2023. THA pays for all of the claims from this accrual.

Benefits, on average, are approximately 26.5% of salary dollars.

- **Property Reserves**
We will maintain a six-month operating reserve based on expenses, as well as a replacement reserve for all properties that we own. This accounts for the \$4.4 million reserve level for this category.

SOME BUDGET DETAIL

- **HAP Utilization**
The intent is to serve as many families as possible under THA's rental assistance programs. In 2018, the Board of Commissioner approved a utilization rate of 95% of our Section 8 MTW authorization when there were issues with funding and utilization. Due to the additional funding received over the next few years, THA was able to increase MTW utilization to 100% by the end of 2019. More recently, due to the pandemic and a tight rental market, utilization has fallen slightly. For 2023 we have budgeted to increase our utilization to 100% of THA's substantially the same requirement. This includes the leasing up that is currently underway of 57 new Project-Based Voucher (PBV) units at Hilltop Lofts.
- **Special Program Initiatives**
In 2022 the budgeted funding for these programs was reduced and moved to non-recurring due to THA's increasing ability to serve the same clientele through alternate means such as Hilltop Lofts and the Arlington Youth Campus. For 2023 this investment remains non-recurring and has been further reduced to \$1.1 million. While we slowly divest from Rapid Rehousing (RRH) programs, we are increasing permanent housing options. We see this as a win for the community and housing continuum in Tacoma-Pierce County.
- **HAP Expenditures**
Due to increasing upward pressure in the area's housing market, our average HAP has been increasing since 2016. With COVID presenting challenges for employment and a freeze on rent increases during the majority of the pandemic, as well as escalating rents in the Tacoma market, we are budgeting for our average HAP to increase on average 9.3% above what was budgeted for 2022. We anticipate that by December of 2023 certain programs will have seen a 20% increase in average HAP from their November 2022 levels. These increases are directly related to the significant payment standard increase that will be effective January 1st, 2023.
- **Tax Property Cash Flows**
For 2023, we are budgeting approximately \$514,000 in recurring cash flow from Renew Tacoma Housing; \$912,000 for the Salishan 1-6 properties; \$117,000 for Hillside 2300 & 1500. We are not projecting any cash flow from our Bay Terrace 1 or 2 properties, as there was minimal surplus in their 2022 budgets. We are projecting \$104,000 from the Rise at 19th, and \$165,000 from Arlington Youth Rental Apartments. In total, including what we will receive from Alberta Canada,

THA should receive an approximate \$1.83 million in recurring waterfall payments for 2023.

- **IT /Process Improvements/ Document Management**

In 2021, the decision was made to transition from our current IT platform (OpenDoor and Intacct) to Yardi. We currently anticipate going live in September of 2023. Our work will continue into 2024 to address gaps and implement additional Yardi modules. We have budgeted \$800,000 for the conversion in our 2023 budget, along with \$300,000 for software development for gaps identified during the Yardi implementation. An additional \$380,000 has been budgeted for Yardi consultants who understand the platform and are keeping us on track for a smooth transition and will help us fully utilize Yardi's capabilities.

In 2021, we moved forward with the Process Improvement and Documentation initiative by hiring three Business Process Analysts and a Business Process Manager. We believe this team will continue to benefit the agency by streamlining and formalizing existing processes and assisting with the Yardi conversion.

Lastly, we had selected Laserfiche as our Document Management software, and plan on moving forward with implementation in 2023. We have set aside \$250,000 in 2023 to complete this project.

Client Support

In 2019, it was decided that a \$250/unit fee would be charged to all properties we own and manage to support the clients we serve in being successful in their tenancy. This fee was made possible when we determined the rents for our Public Housing properties when they transitioned to Project Based Section 8 RAD units. The fee also helps offset the MTW funds utilized for this area.

We also have staff assigned to support our Voucher tenants and partnering them with 3rd party services when necessary.

Lastly, we have realized that our clients have had challenges paying their rent during the pandemic. We are working to support our tenants in finding rental assistance, and ways for them to maintain their tenancy.

- **James Center North (Aviva Crossing)**

This complex was purchased in 2017, with commercial leases in place. THA is currently working with Koz Development and Mercy Housing on the development of Lot 1A & 1B, respectively. THA continues to explore redevelopment opportunities for the other lots. The development will be a mix of affordable and market rate housing and commercial space. This property will continue to generate revenue from a portion of the complex with existing occupied commercial space.

- **Housing Hilltop LLLP**

THA's development of 231 housing units on its property along S L Street between S 10th and 12th Streets closed in November of 2022. THA was required to establish a reserve of \$8.3 million which will eventually be utilized to fund approximately half of THA's loan (Note B) to the property. THA has and will be making several loans to the property, but the Note B loan is the primary loan requiring cash outlay by THA. The Business Activities Reserve has also been increased to account for the second half of Note B loan less THA's anticipated developer fee.

- **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

- Budgeting \$500,000 from our unrestricted funds for capital improvements at Aviva Crossing.
- Budgeting \$275,000 from MTW reserves to modernize our fleet vehicles.
- Budgeting \$2 million from Reserves with Restrictions funds (ACC sales proceeds) for rental property purchases.
- Budgeting a \$761,000 transfer of funds from THA-owned rental properties to Business activities at end of 2023 in order to maintain optimal Operating and Replacement reserves at the properties.

- **Use of MTW flexibility**

Due to our MTW flexibilities, we have had the ability to combine our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. With our Public Housing primarily converted to Section 8 RAD units, our flexibility lies in combining our Section 8 Housing Choice Voucher HAP funds and Section 8 admin fees for those units into a single funding source 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	\$ 1,035,700
○ Business Activities (Non-MTW) reserves	\$ 14,798,742
○ PH Owned Property reserves	\$ 4,400,000
○ Reserves with Restrictions	\$ 6,483,000
○ Housing Hilltop Construction Reserve	\$ 8,287,500
○ Section 8 Reserves held at HUD	<u>\$ 960,000</u>
	\$ 35,964,942

RECOMMENDATION

I recommend that the Board adopt Resolution 2022-12-14 (1) to formally approve THA's Fiscal Year 2023 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (1) FISCAL YEAR 2023 ANNUAL BUDGET

WHEREAS, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2023; and

WHEREAS, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2023 annual budget; now, therefore, be it

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2023 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses - Operations</u>	
Administration	\$ 2,041,864
Client Support & Empowerment	5,202,891
Executive	2,115,520
Finance	2,566,579
Human Resources	1,764,094
Information Technology	3,658,973
Policy, Innovation and Evaluation	2,424,555
Rental Assistance	59,742,017
Property Management Overhead	2,658,127
Property Budgets	<u>3,066,999</u>
Subtotal	85,241,618

<u>Additional Cash Outflows</u>	
Debt Service	263,430
Loan Payoff	3,000,000
Capital Expenditures	4,480,000
Replacement Reserves	<u>184,907</u>
Subtotal	7,928,337

TOTAL APPROVED BUDGET	<u>\$93,169,955</u>
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Approved: December 14, 2022

Shennetta Smith, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2023 Budget
December, 2022

Rev 2022-11-21 PM

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 01/01/23	-	Minimum	Maximum	Amount to Reserve - 2023	=	Amount of reserves available to use in FY-2023
a. MTW Reserves	\$1,500,000		\$800,000	\$6,700,000	\$1,000,000		\$500,000
b. Business Activities (Non-MTW) reserves	\$12,429,000		\$6,500,000	\$13,000,000	\$10,000,000		\$2,429,000
c. THA Owned Property	\$4,400,000		\$3,700,000	\$4,400,000	\$4,400,000		\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$8,483,000		\$0	\$0	\$0		\$8,483,000
e. Housing Hilltop Construction Reserve	\$8,287,500		\$8,287,500	\$8,287,500	\$8,287,500		\$0
f. Section 8 Reserves held at HUD.	\$10,000,000		\$0	\$0	\$0		\$10,000,000
	\$45,099,500		\$19,287,500	\$32,387,500	\$23,687,500		\$21,412,000

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$20,000,000	1/2 month	\$800,000	4 months	\$6,700,000
	Total	\$800,000	Total	\$6,700,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2023

	Recurring Income	-	Cost of Recurring operations	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$60,572,000		\$61,118,000		(\$546,000)
Non-MTW	\$12,166,000		\$12,899,000		(\$733,000)
Rental Properties	\$4,685,000		\$3,402,000		\$1,283,000
Total	\$77,423,000		\$77,419,000		\$4,000

3. BUDGET IMPACT - RESERVES - FY-2023

	Non - MTW						Total
	MTW	Business Activities	THA Owned Property	Reserves with Restrictions (ACC sale proceeds)	Housing Hilltop Construction Reserve	Section 8 Reserves held at HUD.	
Estimated Reserves - 01/01/23	\$750,000	\$12,429,000	\$4,400,000	\$8,483,000	\$8,287,500	\$10,960,000	\$45,309,500
a. Recurring Surplus/(Shortfall) ¹	(\$546,000)	(\$733,000)	\$1,283,000				\$4,000
Non-Recurring Income/(Expense)							Amount
b. Non Recurring Income - Operational	\$486,000	\$1,466,000					\$1,952,000
c. Non Recurring Income - Capital	\$0	\$1,250,000					\$1,250,000
d. Non Recurring Expenses - Operational	(\$4,674,300)	(\$3,483,258)	(\$113,000)				(\$8,270,558)
e. Non Recurring Expenses - Capital	(\$1,980,000)		(\$500,000)	(\$2,000,000)			(\$4,480,000)
f. Operating Transfers		\$670,000	(\$670,000)				\$0
g. HUD HAP Drawdown/Transfer to MTW	\$10,000,000					(\$10,000,000)	\$0
h. James Center North Loan Payoff	(\$3,000,000)						(\$3,000,000)
i. North Highland Court HTF Receivable		\$3,200,000					\$3,200,000

j. Projected Reserves - 12/31/23	\$1,035,700	\$14,798,742	\$4,400,000	\$6,483,000	\$8,287,500	\$960,000	\$35,964,942
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4. **FY-2023 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/23	Minimum	Maximum
a. MTW Reserves	\$1,035,700	\$800,000	\$6,700,000
b. Business Activities (Non-MTW) reserves	\$14,798,742	\$6,500,000	\$13,000,000
c. THA Owned Property	\$4,400,000	\$3,700,000	\$4,400,000
d. Reserves with Restrictions (ACC sale proceeds)	\$6,483,000	\$0	\$0
e. Housing Hilltop Construction Reserve	\$8,287,500	\$8,287,500	\$8,287,500
f. Section 8 Reserves held at HUD.	\$960,000	\$0	\$0
Totals	\$35,964,942	\$19,287,500	\$32,387,500

Amount to Reserve - 2023	Excess/(Deficit) Reserves Over Amount to Reserve
\$1,000,000	\$35,700
\$10,000,000	\$4,798,742
\$4,400,000	\$0
\$0	\$6,483,000
\$8,287,500	\$0
\$0	\$960,000
\$23,687,500	\$12,277,442

5. **A LOOK AHEAD (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)**

5.1	Notable New Recurring FY-23 Income	Amount	Notable New Recurring FY-23 Expense	Amount
a.	Section 8 HAP - HUD increase		Staffing	
b.	-FY 2022 MTW Funding Increase	\$1,370,000	- New Positions (Salaries & Benefits)	\$600,000
c.	-FY 2023 Projected MTW Funding Increase (4%)	\$2,010,000	- Salary Adjustments	\$620,000
d.	-20 new Fair Choice Vouchers (MTW)	\$204,000		
e.	Section 8 Admin Fees (Compared to 2022 Budget)	\$705,000	IT Contract Costs	
f.			- Yardi (Will Replace Carashoft and Intacct. - (Wash on net \$\$ impact)	\$262,000
g.			Section 8 HAP	
h.			- HAP increases due to increased rents & higher Payment Standard	\$3,000,000
i.	North Highland Court	\$595,000	North Highland Court	\$388,000
j.	Subtotal	\$4,884,000		\$4,870,000
5.2	Notable Recurring 2023 Savings			
			- Carahsoft (Salesforce will go away, except for maintenance after Yardi)	\$250,000
a.	Subtotal	\$0		\$250,000
5.3	Recurring FY-24 Income		Recurring FY-24 Expense	Amount
a.	Section 8 HAP - HUD increase	TBD	Section 8 HAP	TBD
5.4	Non-Recurring FY-24 Income		Non-Recurring FY-24 Expense	Amount
a.	Developer Fees		Yardi conversion and system buildout	\$500,000
	1. Housing Hilltop	\$0	Property Purchases	TBD
			Housing Hilltop	\$0

Back-up Detail - Notable Items

6. Non-Recurring Income: FY-2023

Sources of Non-Recurring Income	Amount	MTW/Non-MTW/Properties	Department
Operational			
a. 2022 HAP income carryover and included in 2023 budget	\$10,000,000	MTW	RA
b. <i>Developer Fee Income</i>			
1. N/A in 2023	\$0	Non-MTW	
c. Public Housing Capital Funds (Final Year carryover)	\$486,000	MTW	PM
d. Grant Income (All grants with end dates)	\$3,580,000	Non-MTW	CS/PI/RA
e. <i>Other Revenue</i>			
1. Pierce County Fees-lease up EHV (Emergency Housing Vouchers	\$163,000	Non-MTW	RA

Capital	Amount	MTW/Non-MTW/Properties	Department
a. James Center North Land Sale	\$1,250,000	Non -MTW	AMRED

7. Notable Non-Recurring Expenses (Non Grant Funded) - 2023

7.1 Operational

	Amount	MTW/Non-MTW/Properties	Department
a. Salaries		<i>\$2,844,000</i>	
1. Development/MTW flexibility oriented positions (Sal & Ben)	\$2,351,000	MTW/Non-MTW	Multiple
2. Overtime/Interns	\$93,000	MTW/Non-MTW	Multiple
3. Executive Special Recognition Funds- Salary only	\$200,000	MTW/Non-MTW	EX
4. Senior Advisor Positions	\$200,000	MTW/Non-MTW	Multiple
b. Advertising & Marketing		<i>\$40,000</i>	
1. Property Videos	\$40,000	MTW/Non-MTW	EX
c. Information Technology Expenses		<i>\$479,000</i>	
1. Cyber Security Consulting	\$65,000	MTW/Non-MTW	IT
2. Eagle Eye Camera System	\$50,000	MTW/Non-MTW	IT
3. EightCloud Managed Services	\$204,000	MTW/Non-MTW	IT
4. IT Innovative Technology Infrastructure Wiring	\$25,000	MTW/Non-MTW	IT
5. Panic Duress System	\$10,000	MTW/Non-MTW	IT
6. Phone System Migration	\$15,000	MTW/Non-MTW	IT
7. Yardi Fit Gap Consulting	\$100,000	MTW/Non-MTW	IT
8. Lease Software Implementation	\$10,000	MTW/Non-MTW	IT
d. Office Equipment		<i>\$73,000</i>	
1. IT Equipment	\$25,000	MTW/Non-MTW	Multiple
2. Headsets	\$13,000	MTW/Non-MTW	Multiple
3. Office Furniture & Equipment	\$35,000	MTW/Non-MTW	Multiple
e. Legal		<i>\$260,000</i>	
1. Miscellaneous	\$50,000	MTW/Non-MTW	AMRED
2. HR Litigation/Union Negotiations	\$55,000	MTW/Non-MTW	HR
3. Policy Handbook review	\$20,000	MTW/Non-MTW	HR
4. New or upcoming Development Projects/Acquisitions	\$120,000	Non-MTW	AMRED
5. Eviction Requirement Analysis	\$15,000	MTW/Non-MTW	PM
f. Administrative Contracts		<i>\$614,000</i>	
1. Cabinet Facilitation/Succession Planning	\$75,000	MTW/Non-MTW	EX
2. Budget Support & Finance Consulting	\$25,000	MTW/Non-MTW	FD
3. Employee Engagement Survey	\$11,000	MTW/Non-MTW	HR
4. Salary Compensation & Compensation Study	\$50,000	MTW/Non-MTW	HR
5. HR Consulting and Executive Recruitment	\$50,000	MTW/Non-MTW	HR
6. Administrative Plan	\$25,000	MTW	PI
7. Diversity, Equity & Inclusion Contractor & Training	\$200,000	MTW/Non-MTW	PI
8. Section 8 Market Study	\$15,000	MTW	RA
9. Service Fees-Lease up of EHV (Emergency Housing Vouchers)	\$163,000	Non-MTW	RA
g. Staff Training and Travel		<i>\$550,000</i>	

1. Registrations, and Travel for all Departments	\$550,000	MTW/Non-MTW	All
<i>h. Due Diligence - Development Opportunities</i>		\$400,000	
1. Existing Opportunities			
1.1 James Center North (Aviva Crossing) Redevelopment	\$175,000	Non-MTW	AMRED
1.2 Property Resyndication	\$75,000	Non-MTW	AMRED
2. New Opportunities	\$50,000	Non-MTW	AMRED
3. Potential land/building acquisition	\$100,000	Non-MTW	AMRED
<i>i. Tenant Services</i>			
1. Security Deposit Assistance		\$120,000	
1.1 Section 8 Voucher Program	\$100,000	MTW	RA
1.2 THA Managed Rental Units	\$20,000	MTW	PM
<i>j. Housing Assistance Payments</i>		\$1,100,000	
1. Rapid Rehousing	\$1,100,000	MTW	RA
<i>k. Contract Maintenance</i>			
1. Salishan Painting	\$42,000	Non-MTW	PM
<i>l. Extraordinary Maintenance</i>		\$125,000	
1. Outrigger Painting	\$50,000	Non-MTW	PM
2. Salishan	\$12,000	Non-MTW	PM
3. Bay Terrace Community Ctr & Salishan Office charged to THA	\$13,000	Non-MTW	PM
4. Landscaping/lot clearing near Dixon	\$50,000	Non-MTW	AMRED
<i>m. Contingency</i>	\$105,000	Non-MTW	EX/PI

7.2 **Capital**

	Amount	MTW/Non-MTW/Properties	Department
a. IT Program Development		\$1,705,000	
1. Laserfiche Implementation	\$250,000	MTW	IT
2. Yardi Implementation	\$800,000	MTW	IT
3. Yardi Consulting in conjunction with implementation	\$380,000	MTW	IT
4. Yardi Gap software development	\$200,000	MTW	IT
5. Audio Visual system for FIC	\$75,000	MTW	IT
b. Maintenance Vehicles	\$75,000	MTW	PM
c. Inspector Vehicles	\$200,000	MTW	RA
d. James Center North		\$3,500,000	
1. Capital Improvements	\$500,000	Non MTW	PM
2. Next REDI loan payment not due until 2023	\$3,000,000	Budgeted MTW	AMRED
e. Housing Hilltop Redevelopment - 2025/26		\$0	
1. Gap Financing will be in 2025/26		Non MTW	RD
f. New Acquisitions		\$2,000,000	RD
1. THA Funds - HUD Restricted Sales Proceeds	\$2,000,000	Non-MTW	RD

9 Notable Position Information/ Changes - FY 2023

Position	Department
9.1 <i>Currently Occupied Position Upgrades</i>	
a. Upgrade Accounting Specialist Position to Sr. Accountant	FD
b. Upgrade Property Manager to Sr. Property Manager Property Budgets	PM
c. Add 2 Property Specialist leads - Property Budgets	PM
d. Add Maintenance Specialist lead	PM
9.2 <i>New Positions in 2023 Budget from 2022 Budget- Recurring</i>	
a. Section 3/Employment Opportunities Specialist	CS
b. Property Accounting Manager	FD
c. DEIB Program Specialist	PI
d. Director of Facilities	PM
e. Senior Office Assistant	RA
f. Property Managers (2) 1 Salishan, 1 Portfolio West	Properties
g. Maintenance Specialist (2) (Portfo West)-Charged to Properties	Properties

**Tacoma Housing Authority - Agency Wide Budget
FY2023**

	<u>AMRED</u>	<u>Client Support and Empowerment</u>	<u>Executive</u>	<u>Finance</u>	<u>Human Resources</u>	<u>Information Technology</u>	<u>Policy Innovation & Evaluation</u>	<u>Property Management</u>	<u>Rental Assistance</u>	<u>Agency Total</u>
Revenue - Operations										
Revenue										
Operating Grants	-	2,572,662	-	-	-	-	-	512,441	75,073,578	78,158,681
Tenant Revenue	-	-	-	-	-	-	-	3,640,641	-	3,640,641
Management Fee Revenues	326,280	632,223	152,436	736,770	141,884	486,960	123,948	388,490	496,114	3,485,105
Other Revenues	39,582	765,833	-	35,000	-	-	50,000	2,962,634	237,450	4,090,499
Total Revenue	365,862	3,970,718	152,436	771,770	141,884	486,960	173,948	7,504,206	75,807,142	89,374,925
Total Revenue	365,862	3,970,718	152,436	771,770	141,884	486,960	173,948	7,504,206	75,807,142	89,374,925
Expenses - Operations										
Operating Expense										
Administrative Expenses	1,916,270	130,242	2,108,131	2,531,895	1,700,366	3,653,759	2,415,395	2,584,949	6,343,924	23,384,929
Tenant Services	-	5,045,231	-	-	-	-	-	82,550	290,000	5,417,781
Utilities	13,000	-	-	-	-	-	-	454,000	-	467,000
Maintenance	60,000	3,000	-	-	-	-	-	1,281,837	6,000	1,350,837
Protective Services (THA)	-	-	-	-	-	-	-	81,800	-	81,800
Insurance Premiums	50,594	24,418	7,389	12,184	3,728	5,214	9,160	255,820	39,102	407,608
Total Other General Expenses	2,000	-	-	22,500	60,000	-	-	276,751	103,700	464,951
Interest Expense and Amortization Cost	-	-	-	-	-	-	-	644,620	-	644,620
Total Operating Expense	2,041,864	5,202,891	2,115,520	2,566,579	1,764,094	3,658,973	2,424,555	5,662,326	6,782,726	32,219,527
Non-Operating Expenses										
Extraordinary Maintenance Expense	-	-	-	-	-	-	-	62,800	-	62,800
Housing Assistance Payments	-	-	-	-	-	-	-	-	52,959,291	52,959,291
Total Non-Operating Expenses	-	-	-	-	-	-	-	62,800	52,959,291	53,022,091
Total Expenses - Operations	2,041,864	5,202,891	2,115,520	2,566,579	1,764,094	3,658,973	2,424,555	5,725,126	59,742,017	85,241,618
Surplus/(Loss) - Operations	(1,676,002)	(1,232,173)	(1,963,084)	(1,794,809)	(1,622,210)	(3,172,013)	(2,250,607)	1,779,079	16,065,125	4,133,308
Capital Revenue (Expense)	(1,250,000)	-	-	-	-	(1,705,000)	-	(259,907)	(200,000)	(3,414,907)
Liability and Equity	(3,000,000)	-	-	-	-	-	-	(263,430)	-	(3,263,430)
Reserve Appropriation - Capital	2,500,000	-	-	-	-	-	-	75,000	200,000	2,775,000
Net Surplus/(Loss)	(3,426,002)	(1,232,173)	(1,963,084)	(1,794,809)	(1,622,210)	(4,877,013)	(2,250,607)	1,330,743	16,065,125	229,971

Tacoma Housing Authority - Property Budget FY- 2023

	<u>Scattered Site Homes</u>	<u>Salishan 7</u>	<u>Highland Crest Apartments</u>	<u>Aviva Crossing</u>	<u>Key Bank Building</u>	<u>North Highland Court</u>	<u>Outrigger Apartments</u>	<u>Prairie Oaks</u>	<u>Subtotal</u>
Revenue - Operations									
Revenue	20,200	1,189,461	1,023,060	1,002,589	-	594,530	631,154	224,382	4,685,376
Total Revenue	20,200	1,189,461	1,023,060	1,002,589	-	594,530	631,154	224,382	4,685,376
Expenses - Operations									
Operating Expense	16,723	901,481	642,026	607,290	1,730	331,929	323,904	180,617	3,005,699
Non-Operating Expenses									
Extraordinary Maintenance Expense	-	11,300	-	-	-	-	50,000	-	61,300
Total Non-Operating Expenses	-	11,300	-	-	-	-	50,000	-	61,300
Total Expenses - Operations	16,723	912,781	642,026	607,290	1,730	331,929	373,904	180,617	3,066,999
Surplus/(Loss) - Operations	3,477	276,680	381,034	395,299	(1,730)	262,601	257,250	43,765	1,618,376
Capital Expenses/(Revenue)	-	72,012	32,852	49,999	-	12,240	12,552	5,252	184,907
Liabilities and Equities	-	12,500	99,952	-	-	43,609	68,454	38,916	263,430
Net Surplus/(Loss)	3,477	192,168	248,231	345,299	(1,730)	206,752	176,244	(402)	1,170,040

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (2)

Date: December 14, 2022
To: THA Board of Commissioners
From: April Black
Executive Director
Re: 2023 Board Commitments

This resolution would update the Board's commitment of Tacoma Housing Authority's (THA) reserves. These reserves are essential for purposes vital to THA's mission and to cover important obligations.

Background

THA is an MTW agency, and therefore subject to Housing and Urban Development (HUD) Cash Management rules. At the moment, any eligible Housing Assistance Payment funds (HAP) not reported on the agency's monthly report as HAP expenditures remain at HUD until the agency submits a request based on expenditures to draw it down.

Furthermore, HUD is now requiring MTW agencies to include it in HUD's annual MTW plan and report it in HUD's Voucher Management System (VMS).

Over the years, THA has built up reserves in both its MTW and Business Activity areas. In doing so, the agency plans for the future in both capital and operational areas and identifies areas where the Reserve funds will allow THA to move forward on accomplishing its goals.

Formally committing these funds with Board approval is a useful planning tool. It also helps HUD understand their purposes.

This Resolution updates the list of commitments.

Recommendation

Approve Resolution 2022-12-14 (2) committing THA reserves as identified in the attached Schedule of Board Reserve Commitments.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (2) (COMMITMENT OF AGENCY & MOVING TO WORK RESERVES)

WHEREAS, For THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and have assembled reserves for those purposes; and

WHEREAS, The Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2022-12-14 (2) and reflects the Authority's current plans for such capital and operational expenditures of THA' reserve's, both MTW and Non-MTW; and

WHEREAS, The Authority has submitted an initial MTW commitment of Reserves in the 2023 MTW plan, and intends to include an updated Schedule of Board Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it:

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

1. The Board authorizes commitments of the Authority's Reserves as outlined in the attached Schedule of THA Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes the Executive Director to include the latest THA Reserve Commitments in the annual MTW Report submitted to HUD.

Approved: December 14, 2022

Shennetta Smith, Chair

2023 Schedule of Board Reserve C

Board Future Commitments		2022 Commitments
a.	Business Process Improvement Project	\$1,000,000
b.	Faircloth RAD units	\$1,500,000
c.	James Center North Loan Payment	\$3,000,000
d.	James Center North Loan Payment	\$2,000,000
e.	Housing Hilltop	
f.	Software Platform Conversion/Upgrades	\$2,500,000
g.	Property Acquisitions	\$2,000,000
h.	Section 8 HOPP Increases	\$300,000
i.	Hillside 2300 Substantial Rehab	\$2,000,000
Commitments by Year		\$14,300,000

Minimum Reserve Balances		
1.	Business Activity Reserves	\$8,000,000
2.	MTW Reserves	\$1,000,000
3.	THA Property Reserves	\$2,800,000
4.	Housing Hilltop (Half of total THA cash contribution)	
Minimum End of Year Reserves by Year		Totals \$11,800,000

ommitments

2023 Budget	Future Commitments 2024 and Beyond	MTW or Non- MTW	Period
\$515,000	\$1,100,000	MTW	2022-2025
	\$1,500,000	MTW	2022-2027
\$3,000,000		MTW	2023
	\$2,000,000	Non MTW	2025
	\$8,287,500	Non MTW	2026
\$1,480,000	\$1,000,000	MTW	2022 -
\$2,000,000		MTW/Non MTW	2022 -
		MTW	2022
		MTW/Reserves w/ restrictions	2022
\$6,995,000	\$13,887,500		

\$10,000,000	\$10,000,000	Non MTW	In perpetuity
\$1,000,000	\$1,000,000	MTW	In perpetuity
\$4,400,000	\$4,400,000	Non MTW	In perpetuity
\$8,287,500	\$8,287,500	Non MTW	2026
\$23,687,500	\$23,687,500		

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (3)

Date: December 14, 2022

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval of Property Based Subsidy Contract Extension – Koz on Market Apartments

Tacoma Housing Authority (THA) is party to a four (4) year Property Based Subsidy Housing Assistance Payment (HAP) contract for units at Koz on Market Street Apartments. This resolution will extend the contract from four (4) years to five (5) years.

Background

On January 1, 2019, THA executed a Property Based Local Rent Subsidy Agreement with Market Street Property Owner LLC. This contract stipulates that THA pays Housing Assistance Payments (HAP) for 52 covered units at Koz on Market Street Apartments. The units are rented to eligible households who may be:

- households that have been issued a College Housing Assistance Program (CHAP) voucher by THA (although the household may not use the CHAP voucher to pay the Tenant Rent at the Premises since THA already subsidizes the rents under the agreement); or
- households that are homeless and eligible for CHAP but have not been issued a CHAP voucher; or
- other Households that are eligible for CHAP but have not been issued a voucher; or
- a qualified tenant with a household income at or below the unit's assigned area median income.

The tenants are not THA program participants, but they realize affordable rents because of THA's subsidy.

The term of the contract is for four (4) years and terminates on December 31, 2022. The owner seeks to extend the contract through December 31, 2023, to align this contract term with the owner's second Property Based Subsidy contract.

With approval of this resolution, THA will extend the contract with Market Street Property Owner LLC. through 2023.

Recommendation

Approve Resolution 2022-12-14 (3) authorizing THA's Executive Director to extend the Property Based Subsidy (PBS) Housing Assistance Payment (HAP) contract with Market Street Property Owner LLC. at Koz on Market Street Apartments through 2023.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (3) **(Approval of Property Based Subsidy Contract Extension – Koz on Market Street Apartments)**

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

WHEREAS, THA has been providing Property Based Subsidy housing assistance payments to Koz on Market Street Apartments since 2019; and

WHEREAS, Koz on Market Street Apartments houses low-income households and homeless and near homeless students; and

WHEREAS, Failure to extend this contract may lead to a loss of affordable housing units; now, therefore, be it

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

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, to execute an extension to the Koz on Market Street Apartments Property Based Subsidy contract through 2023.

Approved: December 14, 2022

Shennetta Smith, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (4)

Date: December 14, 2022
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Procurement Policy Update – Declaration of Emergency Authorization

This resolution would update the procurement policy to designate the Deputy Executive Director, Asset Manager, Risk Manager and Facilities Manager, in addition to the Executive Director, to declare an emergency that gives the Housing Authority flexibility in procurement.

Background

Per THA Procurement Policy section 7.11 *Exceptions to Competitive Procurement*, THA need not use the competitive procurement procedures set forth in this policy when otherwise authorized by law, including but not limited to emergencies and sole source procurement when properly documented.

7.11.1 Emergency Procurements.

(c)Written Findings

If an emergency exists, the Executive Director, the Director of Administrative Services, or other person designated by THA to act in the event of an emergency may declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of THA to address the emergency situation. If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by THA and duly entered of record no later than two weeks following the award of the contract in accordance with Section 8.0.

Recommendation

It is recommended that the procurement policy section 7.11.1 (c) ***Written Findings be edited to state:***

If an emergency exists, the Executive Director, **the Deputy Executive Director,**~~the Director of~~

~~Administrative Services,~~ **the Asset Manager, the Risk Manager and/or the Facilities Manager** ~~to~~
~~act in the event of an emergency~~ may declare an emergency situation exists, waive competitive
bidding requirements, and award all necessary contracts on behalf of THA to address the
emergency situation. If a contract is awarded without competitive bidding due to an emergency, a
written finding of the existence of an emergency must be made by THA and duly entered of record
no later than two weeks following the award of the contract in accordance with Section 8.0.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-12-14 (4) **(Procurement Policy Update – Declaration of Emergency Authorization)**

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

WHEREAS, RCW 39.04.280(1)(e) provides that the governing body of a municipality may waive the competitive bidding requirement for a public works project in the event of an emergency; and

WHEREAS, RCW 39.04.280(3) defines "emergency" as unforeseen circumstances beyond the control of the municipality that either: (a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken; and

WHEREAS, now, therefore, be it that the Board of Commissioners of the Tacoma Housing Authority hereby declares that when an emergency situation exists with the damage to THA property infrastructure or other interruptions to agency essential functions, the Board of Commissioners authorizes the Executive Director, Deputy Executive Director, Asset Manager, Risk Manager, and/or Facilities Manager to waive the competitive bidding process, make a Declaration of Emergency and award all necessary contracts on behalf of the Tacoma Housing Authority to undertake repairs and/or construction.

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

Approved: December 14, 2022

Shennetta Smith, Chair