



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:

Expenses - Operations

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

Additional Cash Outflows

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 \$93,169,955

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	Minimum		Maximum	
	Period	Amount	Period	Amount
MTW Expenses Non-HAP	1/2 month	\$800,000	4 months	\$6,700,000
	Total	\$800,000	Total	\$6,700,000

4. FY-2023 PROJECTED END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves	Projected Reserves 12/31/23	Minimum	Maximum	Amount to Reserve - 2023	Excess/(Deficit) Reserves Over Amount to Reserve
a. MTW Reserves	\$1,035,700	\$800,000	\$6,700,000	\$1,000,000	\$35,700
b. Business Activities (Non-MTW) reserves	\$14,798,742	\$6,500,000	\$13,000,000	\$10,000,000	\$4,798,742
c. THA Owned Property	\$4,400,000	\$3,700,000	\$4,400,000	\$4,400,000	\$0
d. Reserves with Restrictions (ACC sale proceeds)	\$6,483,000	\$0	\$0	\$0	\$6,483,000
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	\$960,000	\$0	\$0	\$0	\$960,000
Totals	\$35,964,942	\$19,287,500	\$32,387,500	\$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	Staffing	Notable New Recurring FY-23 Expense	Amount
a.	Section 8 HAP - HUD increase				
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 Carahsoft 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.	Developer Fee Income			
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.	Other Revenue			
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		\$2,844,000	
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		\$40,000	EX
1. Property Videos	\$40,000	MTW/Non-MTW	EX
c. Information Technology Expenses		\$479,000	
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		\$73,000	
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		\$260,000	
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		\$614,000	
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		\$550,000	

1. Registrations, and Travel for all Departments	\$550,000	MTW/Non-MTW	All
h. Due Diligence - Development Opportunities		\$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. Tenant Services			
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
j. Housing Assistance Payments		\$1,100,000	
1. Rapid Rehousing	\$1,100,000	MTW	RA
k. Contract Maintenance			
1. Salishan Painting	\$42,000	Non-MTW	PM
l. Extraordinary Maintenance		\$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
m. Contingency	\$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) (Portfolio West)-Charged to Properties	Properties

Tacoma Housing Authority - Agency Wide Budget

FY2023

	AMRED	Client Support and Empowerment	Executive	Finance	Human Resources	Information Technology	Policy Innovation & Evaluation	Property Management	Rental Assistance	Agency Total
Revenue - Operations										
Revenue	-	2,572,662	-	-	-	-	-	512,441	75,073,578	78,158,681
Operating Grants	-	-	-	-	-	-	-	3,640,641	-	3,640,641
Tenant Revenue	326,280	632,223	152,436	736,770	141,884	486,960	123,948	388,490	496,114	3,485,105
Management Fee Revenues	39,582	765,833	-	35,000	-	-	50,000	2,962,634	237,450	4,090,499
Other Revenues	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	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
Administrative Expenses	-	5,045,231	-	-	-	-	-	82,550	290,000	5,417,781
Tenant Services	13,000	-	-	-	-	-	-	454,000	-	467,000
Utilities	60,000	3,000	-	-	-	-	-	1,281,837	6,000	1,350,837
Maintenance	-	-	-	-	-	-	-	81,800	-	81,800
Protective Services (THA)	-	-	-	-	-	-	-	255,820	39,102	407,608
Insurance Premiums	50,594	24,418	7,389	12,184	3,728	5,214	9,160	276,751	103,700	464,951
Total Other General Expenses	2,000	-	-	22,500	60,000	-	-	644,620	-	644,620
Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	62,800	-	62,800
Extraordinary Maintenance Expense	-	-	-	-	-	-	-	-	52,959,291	52,959,291
Housing Assistance Payments	-	-	-	-	-	-	-	62,800	52,959,291	53,022,091
Total Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-
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

	Scattered Site Homes	Salishan 7	Highland Crest Apartments	Aviva Crossing	Key Bank Building	North Highland Court	Outrigger Apartments	Prairie Oaks	Subtotal
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