



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		