



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

November 8, 2023



**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

NOVEMBER 8, 2023

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Regular Meeting on **Wednesday, November 8, 2023, at 4:45 PM via Zoom and at 902 S L Street, Tacoma, WA 98405.**

<https://us02web.zoom.us/j/81816569865> | **Meeting ID:** 818 1656 9865 | **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 5 days prior to meeting, 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. 38th 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

902 SOUTH L STREET, SUITE 2A | TACOMA, WASHINGTON 98405-4037

Phone 253-207-4400 | Fax 253-207-4440 | www.tacomahousing.org



AGENDA

TACOMA HOUSING AUTHORITY REGULAR BOARD OF COMMISSIONERS MEETING NOVEMBER 8, 2023, 4:45 PM

902 South L Street, Tacoma, WA 98405, 2nd Floor Conference Room

ZOOM: <https://us02web.zoom.us/j/81816569865> / MEETING ID: 818 1656 9865

DIAL: (253) 215-8782

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1. Minutes of September 27, 2023—Regular Session
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. **2024 BOC MEETING SCHEDULE MOTION**
 - 6.1 Approval of the 2024 BOC Meeting Schedule
7. **FINANCE REPORT**
 - 7.1. Ratifying Cash Disbursement for October 2023
 - 7.2. Ratifying Cash Disbursement for November 2023
8. **AGENCY MONTHLY REPORT**
 - 8.1. Presentation: Payment Standard Analysis
 - 8.2. General Agency Updates
9. **NEW BUSINESS**
 - 9.1 2023-11-08 (1) 2024 Pierce County Rapid Re-Housing Contract for Homeless Housing Program
 - 9.2 2023-11-08 (2) Approval of Property-Based Subsidy Contract for Peoples Senior Living

- 9.3 2023-11-08 (3) Approval of Revision to THA’s Administrative Plan-
Update to Local Waitlist Preferences
- 9.4 2023-11-08 (4) Interlocal Agreement with KCHA
- 9.5 2023-11-08 (5) THA 2024 Budget
- 9.6 2023-11-08 (6) Commitment to Agency and MTW Reserves
- 9.7 2023-11-08 (7) Approval of Accounts Receivable Write-Offs
- 10. EXECUTIVE SESSION**
 - 10.1. To review the performance of a public employee
- 11. COMMENTS FROM THE COMMISSIONERS**
- 12. ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



BOARD OF COMMISSIONERS MEETING MINUTES

REGULAR SESSION WEDNESDAY, SEPTEMBER 27, 2023

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session at 902 South L Street, Tacoma, WA 98405 at 4:45 pm on Wednesday, September 27, 2023.

1. CALL TO ORDER

Chair Hodge called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:53 pm.

2. ROLL CALL

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

PRESENT	ABSENT
COMMISSIONERS	
Chair Dr. Minh-Anh Hodge	
Vice Chair Derek Young	
Commissioner Stanley Rumbaugh	
Commissioner Michael Purter	
	Commissioner Shennetta Smith
STAFF	
April Black, Executive Director	
Aley Thompson, Deputy Executive Director	
Sha Peterson, Executive Initiatives Officer	
Adam Ydstie, Policy, Innovation, and Evaluation Director	
Amber Prentice, Rental Assistance Director	
Cacey Hanauer, Client Support and Empowerment Director	
Ken Short, Asset Management and Real Estate Development Director	
Marquis Jenkins, Property Management Director	
Richard Deitz, Finance Director	
Sharrall Madden, Human Resources Director	
William Morse, Director/CIO	

Chair Hodge declared there was a quorum present at 4:54 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Hodge asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, August 23, 2023. Commissioner Rumbaugh moved to adopt the minutes. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved: September 27, 2023

Dr. Minh-Anh Hodge, Chair

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

There were no committee reports in September.

6. FINANCE REPORT

FINANCE

Finance Department (FD) Director Rich Deitz directed the board to the finance report.

6.1 RATIFYING CASH DISBURSEMENT FOR AUGUST 2023

Section 8 is higher than normal. THA paid 3 months of rapid rehousing, Sal 7 for major water damage, and transferred funds for Children's Savings Account to GET program. Salary disbursements were over \$200k higher due to wage increase.

Cash Position is at \$44.3M, up \$2.2M from prior month. MTW Cash dropped \$977k while Housing and Urban Development (HUD) held reserves is up \$1.3M. Unrestricted is at \$23.5M, up \$3.18M.

Commissioner Rumbaugh moved to ratify the payment of cash disbursements totaling \$7,669,150 for the month of August 2023. Vice Chair Young seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved: September 27, 2023

Dr. Minh-Anh Hodge, Chair

7. AGENCY MONTHLY REPORT

7.1 DISCUSS A CHANGE TO THE OCTOBER MEETING DATE

According to Executive Director (ED) Black, four leadership staff will be at the Council of Large Public Housing Authorities (CLPHA) meeting the week of October 23 and suggested to cancel the October Board meeting and keep November to discuss the 2024 budget and payment standards. The Board unanimously approved cancellation of the October Board meeting.

7.2 FINALIZE 2023 AGENCY GOALS

In addition to THA's mission to provide high-quality housing and supportive services to low-income people, staff set goals, metrics, and strategies to support four goals:

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

7.3 MONTHLY REPORT

IT and all departments are working closely with the Yardi conversion and working through the bugs daily. The first payment to landlords will be in a day or two. Staff are also collecting rent through a new payment system. Each tenant will receive an individual code to go into the tenant portal.

8. NEW BUSINESS

8.1 EXTENSION OF PROPERTY-BASED SUBSIDY CONTRACT: MARKET STREET PROPERTY OWNER, LLC

RESOLUTION 2023-09-27 (1)

Extension of Property-Based Subsidy Contract: Market Street Property Owner, LLC

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

WHEREAS, THA has provided property-based subsidy assistance to Market Street Property Owner, LLC's property KOZ on Market since 2020; and

WHEREAS, KOZ on Market provides housing for low-income families in the community; and

WHEREAS, the contract will expire on January 1, 2024; and

WHEREAS, failure to extend this contract would 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 as follows:

The Board authorizes THA's Executive Director to negotiate an extension of THA's Property-Based Subsidy Contract with Market Street Property Owner, LLC's property KOZ on Market for up to an additional ten (10) years.

Vice Chair Young motioned to approve the resolution. Commissioner Rumbaugh seconded the motion.

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved: September 27, 2023

Dr. Minh-Anh Hodge, Chair

8.2 EXTENSION OF PROPERTY-BASED SUBSIDY CONTRACT: DOME PROPERTY OWNER, LLC

RESOLUTION 2023-09-27 (2)

Extension of Property-Based Subsidy Contract: Dome Property Owner, LLC

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

WHEREAS, THA has provided property-based subsidy assistance to Dome Property Owner LLC's property KOZ at the Dome since 2020; and

WHEREAS, KOZ at the Dome provides housing for low-income families in the community; and

WHEREAS, the contract will expire on January 1, 2024; and

WHEREAS, failure to extend this contract would 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 as follows:

The Board authorizes THA's Executive Director to negotiate an extension of THA's Property-Based Subsidy Contract with Dome Property Owner LLC's property KOZ at the Dome for up to an additional ten (10) years.

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

AYES:	X
NAYS:	X
Abstain:	None
Absent:	X

Motion approved: September 27, 2023

Dr. Minh-Anh Hodge, Chair

8.3 BOARD APPROVAL OF THA'S 2024 MTW PLAN

RESOLUTION 2023-09-27 (3)

Certifications of Compliance

Annual Moving to Work Plan Certifications of Compliance

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan

CERTIFICATIONS OF COMPLIANCE

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBLIC AND INDIAN HOUSING

Certifications of Compliance with Regulations:

Board Resolution to Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2024), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.

- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 75.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (23) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

MTW PHA NAME

MTW PHA NUMBER/HA CODE

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Dr. Minh-Anh Hodge

Chair

NAME OF AUTHORIZED OFFICIAL

TITLE

September 27, 2023

SIGNATURE

DATE

* *Must be signed by either the Chair or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chair or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*

Commissioner Rumbaugh motioned to approve the resolution. Vice Chair Young seconded the motion.

AYES: X
NAYS: X
Abstain: None
Absent: X

Motion approved: September 27, 2023

Dr. Minh-Anh Hodge, Chair

8.4 UNARMED SECURITY CONTRACT

RESOLUTION 2023-09-27 (4)

(Approval to Execute a New Unarmed Security Contract)

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

WHEREAS, Tacoma Housing Authority issued a Request for Proposal (RFP) for unarmed security services on July 18, 2023; and

WHEREAS, THA received and scored seven (7) proposals; and

WHEREAS, The top 3 proposers were interviewed in person; and

WHEREAS, The top proposers were interviewed virtually; and

WHEREAS, After the final interview process, Pacific Security was the overall top scoring responsive proposer; and

WHEREAS, THA has provided budget authority within each of the Projects to allow for unarmed security services; now, therefore, be it

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

THA's Executive Director is authorized to negotiate and, if those negotiations are successful, to award a contract to Pacific Security for unarmed security services at THA's housing developments in an amount not to exceed \$200,000. If those negotiations are not successful, the Executive Director is authorized to negotiate and, if those negotiations are successful, to award a contract to the next proposer in turn as reflected in the RFP evaluation process.

Chair Hodge motioned to approve the resolution. Vice Chair Young seconded the motion.

AYES:	4
NAYS:	None
Abstain:	None
Absent:	1

Motion approved: September 27, 2023

Dr. Minh-Anh Hodge, Chair

9. EXECUTIVE SESSION

The Board went into executive session at 5:38 pm for 30 minutes to discuss with legal counsel representing the agency on agency litigation or potential litigation and to review the performance of a public employee. The Board came back into regular session at 6:08 pm.

10. COMMENTS FROM COMMISSIONERS

Commissioner Purter thanked staff, ED Black, and the Commissioners for all their hard work. Commissioner Rumbaugh endorsed those comments and added that he will be attending the CLPHA meeting with ED Black in October, which is always informative.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 6:10 pm.

APPROVED AS CORRECT

Adopted: November 8, 2023

Dr. Minh-Anh Hodge, Chair



**Tacoma
Housing
Authority**

Executive Director
April Black

Real Estate Development Committee

Commissioner Stanley Rumbaugh
Commissioner Shennetta Smith
Adam Ydstie
Nicholas Carr
Rich Deitz

Finance Committee

Chair Minh-Anh Hodge
Vice Chair Derek Young
Aley Thompson
Rich Deitz

Community Partnerships and Advocacy Committee

Commissioner Pastor Michael Purter
Commissioner Shennetta Smith
Adam Ydstie
Cacey Hanauer
Nicholas Carr
Nick Tolley

Education, Housing, Services and Partnerships Committee

Chair Minh-Anh Hodge
Vice Chair Young
Adam Ydstie
Aley Thompson
Cacey Hanauer
Marquis Jenkins

Diversity, Equity and Inclusion Committee

Chair Minh-Anh Hodge
Commissioner Shennetta Smith
Christine Nguyen
Les Pogue
Sharrall Madden



TACOMA HOUSING AUTHORITY

MOTION



MOTION

Date: November 8, 2023

To: THA Board of Commissioners

MOTION

Move to approve the 2024 Tacoma Housing Authority Board of Commissioners' meeting schedule.

INTENT

Approve the 2024 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: November 8, 2023

Dr. Minh-Anh Hodge, Chair



TACOMA HOUSING AUTHORITY

2024 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 24			https://us02web.zoom.us/j/87802251456
	February 2		https://us02web.zoom.us/j/86881946907
February 28			https://us02web.zoom.us/j/86717610536
March 27			https://us02web.zoom.us/j/83510311519
April 24			https://us02web.zoom.us/j/82371457757
	May 3		https://us02web.zoom.us/j/85258882202
May 22			https://us02web.zoom.us/j/88074347981
June 26			https://us02web.zoom.us/j/89848743577
	July 12		https://us02web.zoom.us/j/82307742717
July 24			https://us02web.zoom.us/j/81267865055
August 28			https://us02web.zoom.us/j/86218780192
	September 13		https://us02web.zoom.us/j/84617834104
September 25			https://us02web.zoom.us/j/85216195958
October 23			https://us02web.zoom.us/j/84158045665
	November 1		https://us02web.zoom.us/j/82272571726
November 13			https://us02web.zoom.us/j/85766456571
December 11			https://us02web.zoom.us/j/85032763663

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

FINANCE REPORT



MOTION

Date: November 8, 2023

To: THA Board of Commissioners

MOTION

Adopt a consent motion ratifying the payment of cash disbursements totaling \$8,216,048 for the month of September 2023.

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of September 2023

		Check Numbers				
		From	To	Amount	Totals	
A/P Checking Accounts						
Accounts Payable Checks	Check #'s	96,805	-	96,850		
Accounts Payable ACHs	ACHs	2,340	-	2,416		
Business Support Center				862,256	Program Support	
Moving To Work Support Center				117,022		
Moving To Work Buildings (used by Support Center)				14,953		
Tax Credit Program Support Center				55,120		
Section 8 Programs				75,941	Section 8 Operations	
Salishan 7				44,169	Properties	
Alberta J Canada Bldg				294		
Arlington Youth Campus				3,497		
THDG - General				10,680	THDG	
James Center				43,483	Development	
Hillsdale Heights				475		
Bus Development Activity				34		
CS General Business Activities				6,885	Client Support	
Community Services MTW Fund				13,505		
Education Private Grants (Gates, etc.)				3,175		
COT-Community Wellness Program				19,018		
AMP 6 - Scattered Sites				69	Public Housing	
AMP 9 - HT 1500 - Subsidy				3,220		
THA SUBTOTAL				1,273,796		
Hillside Terrace 2 & 1500				2,459	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility				6,541		
Housing Hilltop LLLP				22,521		
Arlington Youth Campus				1,965		
Court F (The Rise)				1,065,502		
Renew Tacoma Housing				17,997		
Salishan 1 - Salishan 6				9,566		
TAX CREDIT SUBTOTAL (Operations & Development - billable)				1,126,550	2,400,346	
Section 8 Checking Account (HAP Payments)						
SRO/HCV/VASH/FUP/NED	Check #'s	487,416	-	487,540	201,841	
	ACHs	34,492	-	35,432	4,487,351	\$ 4,689,193
Payroll & Payroll Fees - ADP						\$ 1,126,510
TOTAL DISBURSEMENTS						\$ 8,216,048

TACOMA HOUSING AUTHORITY

CASH POSITION - August 2023

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	10,123,130	1.75%
Section 8 Checking	6,698,027	1.75%
THA Affordable Housing Proceeds-Salishan	2,009,720	1.75%
THA Scattered Sites Proceeds	5,999,388	1.75%
FSS Escrows	215,560	1.75%
FSS Forfeitures	20,205	1.75%
CSA Escrows	106,881	1.75%
Note Fund Account	105	1.75%
THA Investment Pool	344	1.75%
THDG - Tacoma Housing Development Group	1,099,689	1.75%
Salishan 7 Operations	1,574,201	1.75%
Salishan 7 Security Deposit	31,452	1.75%
Salishan 7 Replacement Reserve	626,922	1.75%
Salishan 7 Operating Reserve	207,561	1.75%
North Highland Operations	129,533	1.75%
North Highland Security Deposit	27,420	1.75%
North Highland Capital Reserve	400,581	1.75%
Highland Crest Operations	1,004,236	1.75%
Highland Crest Replacement Reserve	385,253	1.75%
Highland Crest Security Deposit	42,668	1.75%
Outrigger Operations	657,675	1.75%
Outrigger Replacement Reserve	330,936	1.75%
Outrigger Security Deposit	25,963	1.75%
Prairie Oaks Operations	249,679	1.75%
Prairie Oaks Replacement Reserve	50,861	1.75%
Prairie Oaks Security Deposit	5,458	1.75%
Payroll Account	14,750	1.75%
HOME STREET BANK		
James Center North Operations	1,436,928	0.00%
James Center North Security Deposit	82,937	0.00%
WASHINGTON STATE		
Investment Pool	\$ 8,614,937	5.34%
1. TOTAL THA CASH BALANCE	\$ 42,172,998	
Less:		
2. Total MTW Cash Balance	\$ 4,051,706	
<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)	\$ 3,325,706	
3. MTW Cash Held By HUD	\$ 7,384,377	
4. Non MTW Cash Restrictions/Obligations		
4.1 Non MTW Operational Restrictions		
4.10 HUD Restricted - Lot and Property Sales	\$ 8,009,107	
4.101 Area 2B Sales Proceeds (Afford Hsg)	2,009,720	
4.102 Scattered Sites Proceeds (Afford Hsg)	5,999,388	
4.20 THA Property Accounts Reserved	\$ 13,207,886	

TACOMA HOUSING AUTHORITY

CASH POSITION - August 2023

4.201 Security Deposit Accounts	215,898		
4.202 Highland Crest Operations Reserves	520,000		
4.203 Highland Crest Replacement Reserves	385,253		
4.204 James Center North Operations Reserves (Debt Svc)	1,000,000		
4.205 James Center North Capital	262,935		
4.206 Outrigger Operations Reserve	150,000		
4.207 Outrigger Replacement Reserves	330,936		
4.208 Prairie Oaks Operations Reserves	177,000		
4.209 Prairie Oaks Replacement Reserves	50,861		
4.210 Salishan 7 Operations Reserves	750,000		
4.211 Salishan 7 Replacement Reserves	626,922		
4.212 North Highland Court Operations Reserves	50,000		
4.213 North Highland Capital Reserve	400,581		
4.214 Housing Hilltop Loan Reserve	8,287,500		
4.30 Rental Assistance Reserves		\$ 661,458	
4.301 Mod Rehab Operating Reserves	99,868		
4.302 VASH, FUP, FYI, NED, EHV & MAIN HAP Reserves	218,943		
4.303 FSS & CSA Escrows	342,647		
4.40 Prepaid Grants		\$ 1,624,262	
4.401 TPS Interlocal (CS-2017-011)	210,659		
4.402 Balmer Foundation - Education Prog (CS-2020-005)	88,916		
4.403 College Spark (PI-2018-005)	52,848		
4.404 GTCF Grant (PI-2019-005)	122,148		
4.405 Ballmer Foundation - COVID Rent Assist (RA-2020-003)	50,000		
4.406 THDG	1,099,689		
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$ 23,502,713	
4.70 Agency Contracted or Budgeted Commitments Remaining		\$ -	
	-		
	-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$ 23,502,713	
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$ 14,618,579	
6. Development Advances - Project Reimbursement upon draw		\$ 74,534	
6.01 Housing Hilltop LLLP	74,534		



TACOMA HOUSING AUTHORITY

PRESENTATION



2023 Fall Payment Standards Analysis



We strive to:

- Reduce Rent Burden**
- Increase Housing Choice**
- Reduce Unplanned Relocation**
- Increase Housing Success**

November 2023

Background

Payment Standards set the value of a voucher

- HUD releases rent data for the Tacoma-Pierce County metropolitan rental market.
- These data set HUD's "fair market rents" (FMR) for our area for the year
- Housing authorities must set their payment standards within 90-110% of the HUD FMR.
- The payment standards are then used in determining the maximum amount of subsidy will pay to landlords.
- They are also used in the calculation of THA tenant and participant rents.

	FY 2023 FMRs	Current Payment Standards	% of the FMR	Exception PS: VASH & EHV	% of the FMR
Studio	\$ 1,174	\$ 1,233	105%	\$ 1,409	120%
1 Bedroom	\$ 1,308	\$ 1,373	105%	\$ 1,570	120%
2 Bedroom	\$ 1,643	\$ 1,725	105%	\$ 1,972	120%
3 Bedroom	\$ 2,335	\$ 2,452	105%	\$ 2,802	120%
4 Bedroom	\$ 2,740	\$ 2,740	100%	\$ 3,288	120%
5 Bedroom	\$ 3,151	\$ 3,151	100%	\$ 3,781	120%
6 Bedroom	\$ 3,562	\$ 3,562	100%	\$ 4,274	120%
7 Bedroom	\$ 3,973	\$ 3,973	100%	\$ 4,768	120%
8 Bedroom	\$ 4,384	\$ 4,384	100%	\$ 5,261	120%

Effective January 1, 2023: THA's payment standards were set at 105% of the 2023 FMRs for 0-3 bedrooms and 100% of the 2023 FMR for all other bedroom sizes

- EHV and VASH have exception payment standards at 120% of the FMR (2br: \$1,972)

Background

PHAs must set payment standards between 90-110% of Fair Market Rents (FMR)

- HUD’s proposed 2024 FMRs increased by around 18-22%

	FY2023 FMRs	FY2024 FMRs	\$ Change	FMR % Change From 2023 - 2024
Studio	\$1,174	\$1,430	\$256	21.8%
1 bedroom	\$1,308	\$1,603	\$295	22.6%
2 bedroom	\$1,643	\$1,987	\$344	20.9%
3 bedroom	\$2,335	\$2,800	\$465	19.9%
4 bedroom	\$2,740	\$3,236	\$496	18.1%
5 bedroom	\$3,151	\$3,721	\$570	18.1%
6 bedroom	\$3,562	\$4,207	\$645	18.1%
7 bedroom	\$3,973	\$4,692	\$719	18.1%
8 bedroom	\$4,384	\$5,178	\$794	18.1%

Background

PHAs must set payment standards between 90-110% of Fair Market Rents (FMR)

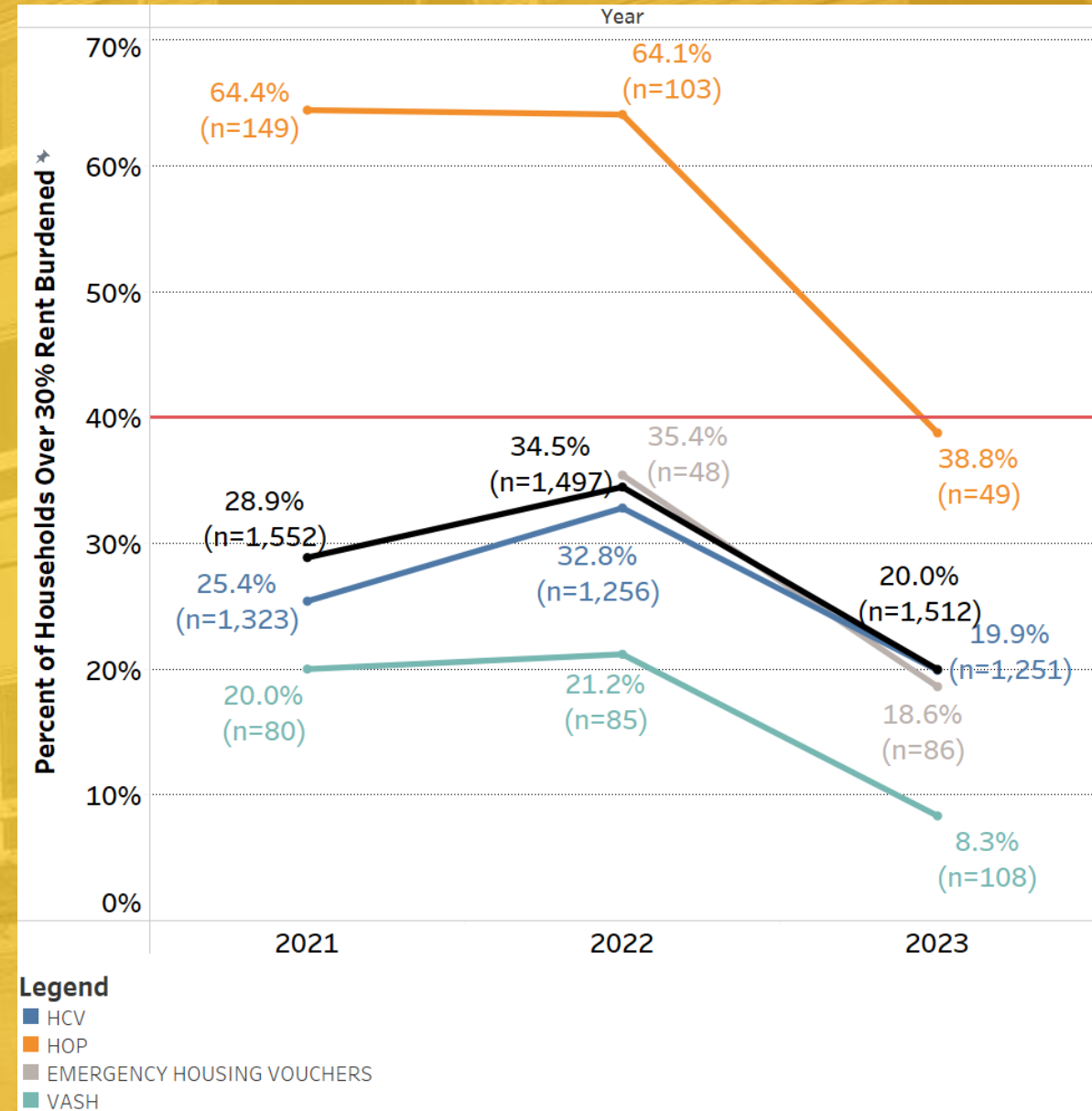
- Current Payment Standards fall below 90% of the proposed 2024 FMRs
- THA has submitted an MTW activity to decouple our Payment Standards from the FMRs

	Current PS	FY 2024 FMRs	% of 2024 FMRs
Studio	\$1,233	\$1,430	86.2%
1 bedroom	\$1,373	\$1,603	85.7%
2 bedroom	\$1,725	\$1,987	86.8%
3 bedroom	\$2,452	\$2,800	87.6%
4 bedroom	\$2,740	\$3,236	84.7%
5 bedroom	\$3,151	\$3,721	84.7%
6 bedroom	\$3,562	\$4,207	84.7%
7 bedroom	\$3,973	\$4,692	84.7%
8 bedroom	\$4,384	\$5,178	84.7%

Findings

Rent Burden:

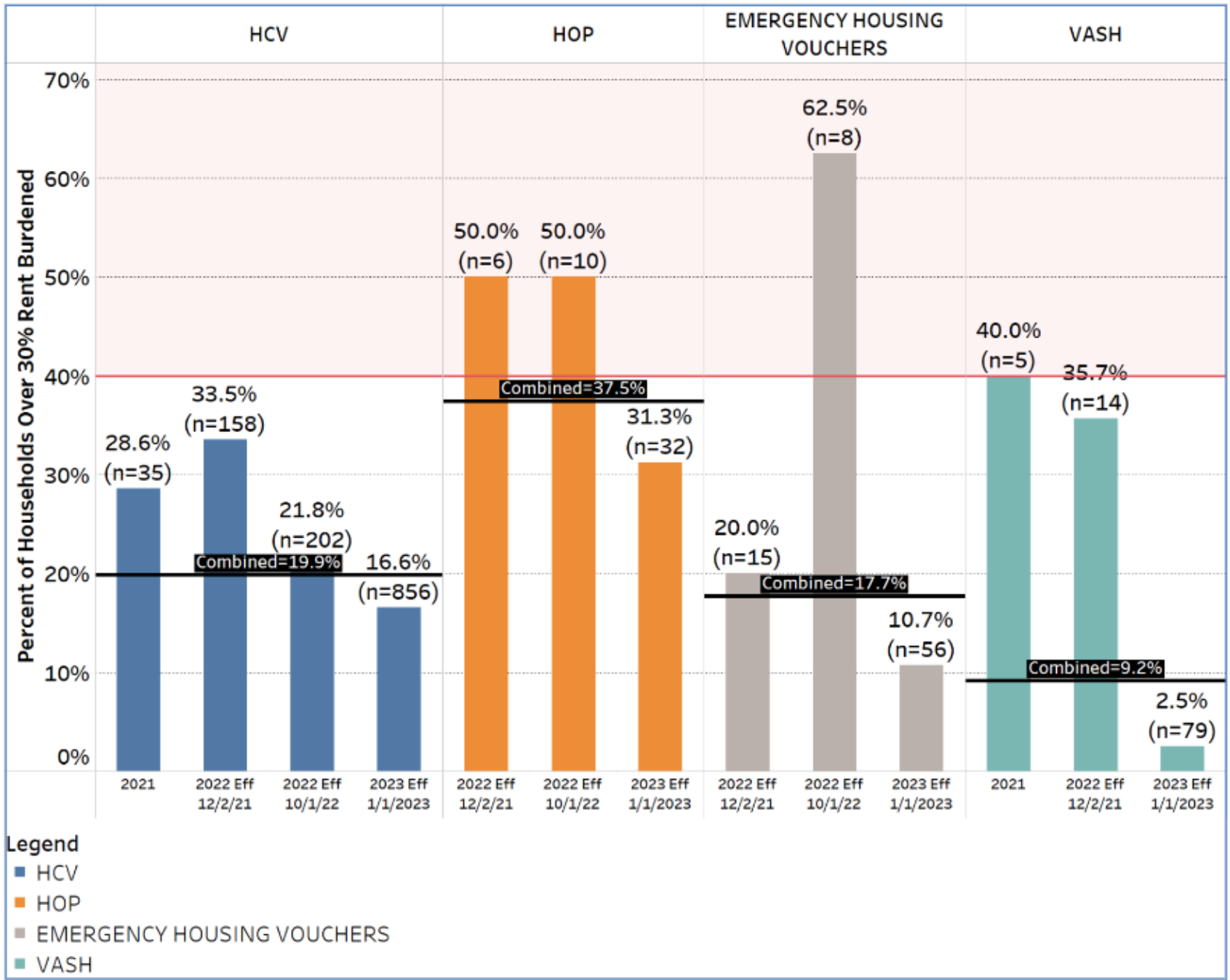
- The percent of households over 30% rent burdened **is decreasing across all programs**
- **2022** – 32.8% of traditional Housing Choice Voucher households (HCVs) and 64.1% of Housing Opportunity Program (HOP) households were paying more than 30% of their income toward rent.
- **September 2023** – 19.9% of traditional HCVs and 38.8% of HOP households were paying more than 30% of their income toward rent



Findings

Rent Burden Continued:

- As households switch to the 2023 Payment Standards, their rent burden decreases.
- There is a significant reduction in the number of HOP households over 30% rent burdened
- There is a significant reduction in the number of households over 30% rent burdened across all programs



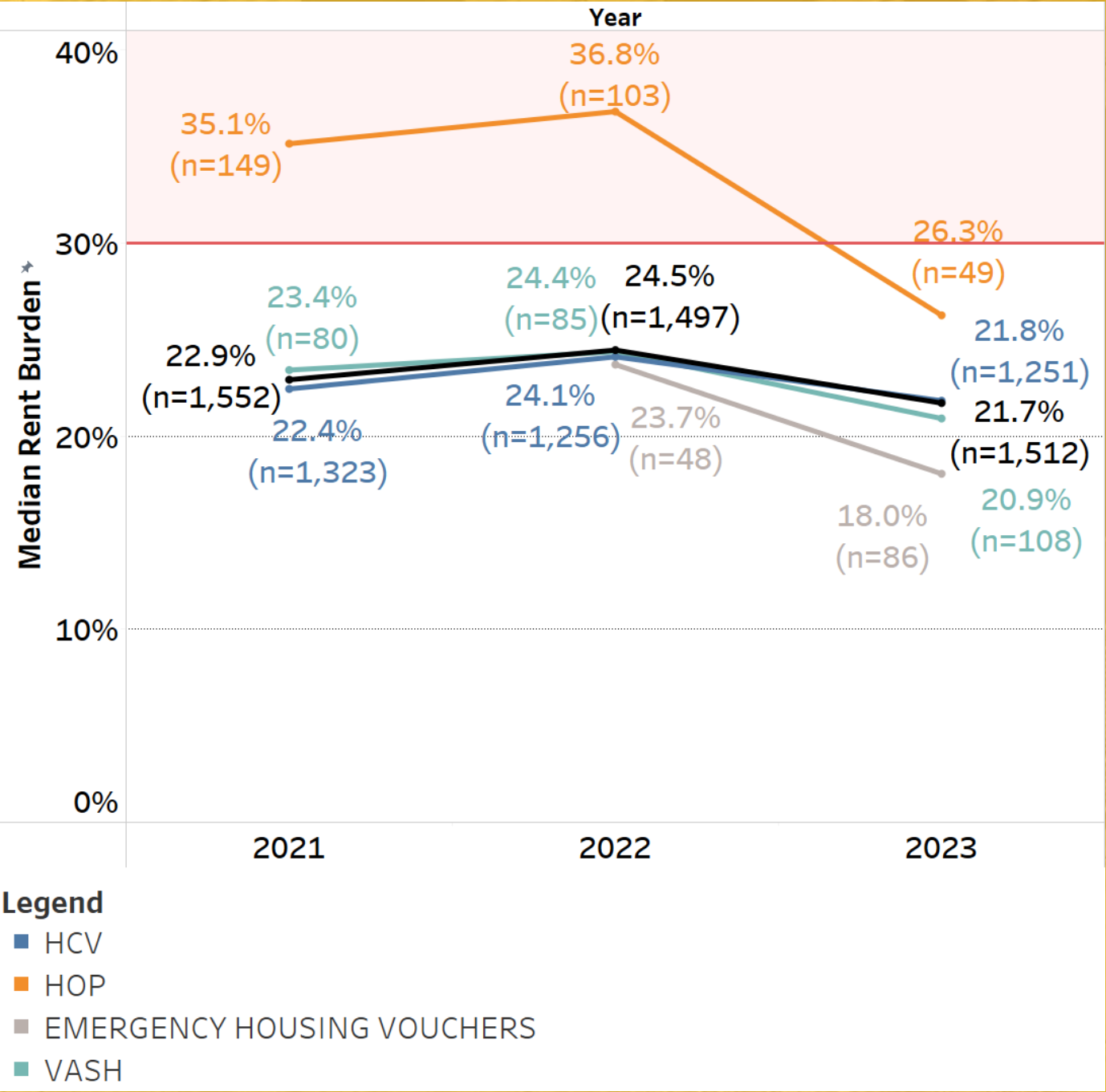
Findings

Rent Burden Continued:

Most Voucher holders are facing less rent burden than in 2022 (the black line is all programs)

Median Tenant Based Voucher Household Rent Burden by Program, 2021-2023.

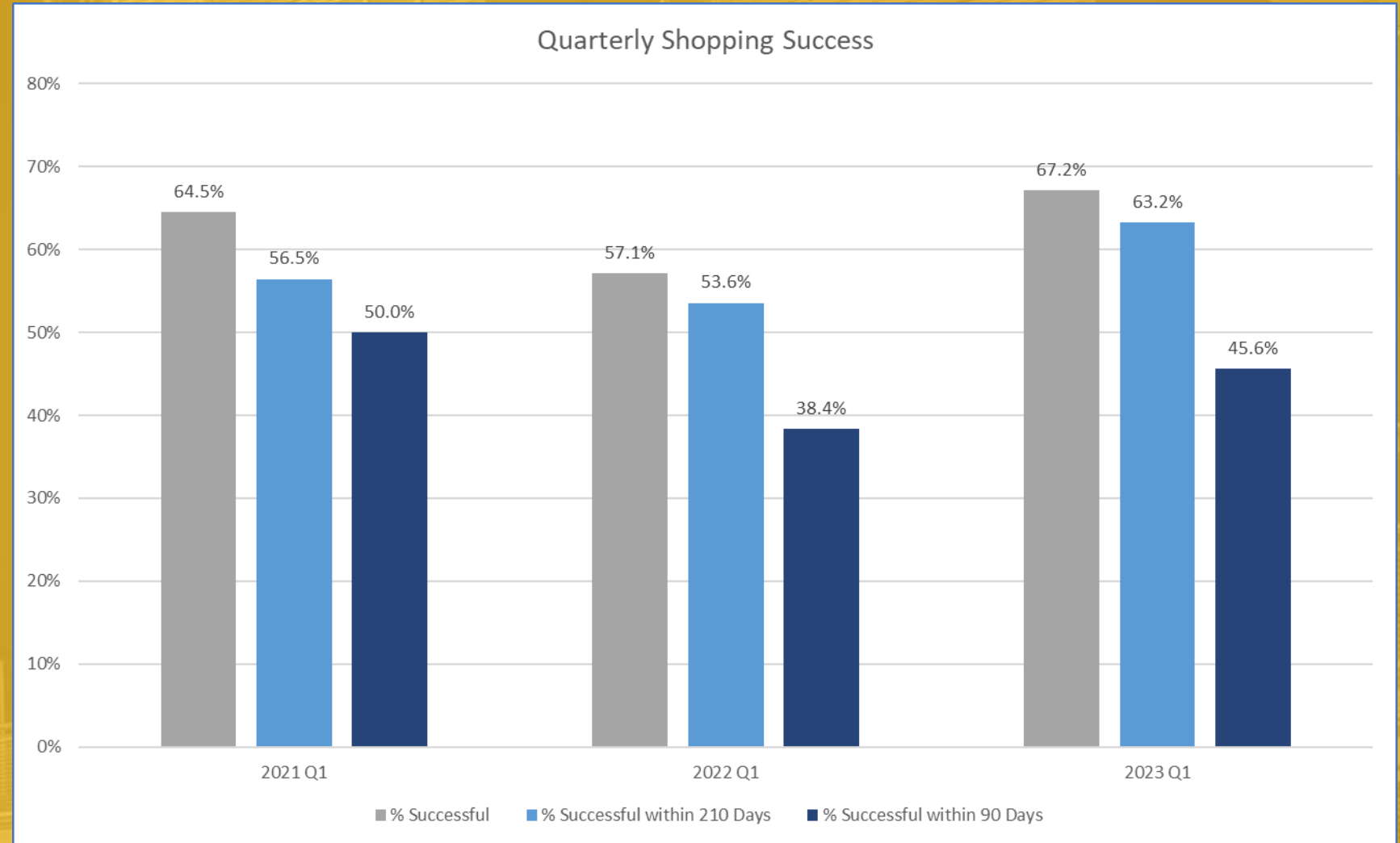
- Rent burden calculated by family share of rent as a fraction of adjusted income. Disaggregated by program and combined (black line), showing annual median taken in September of each year from 2021-2023.



Findings

Housing Success:

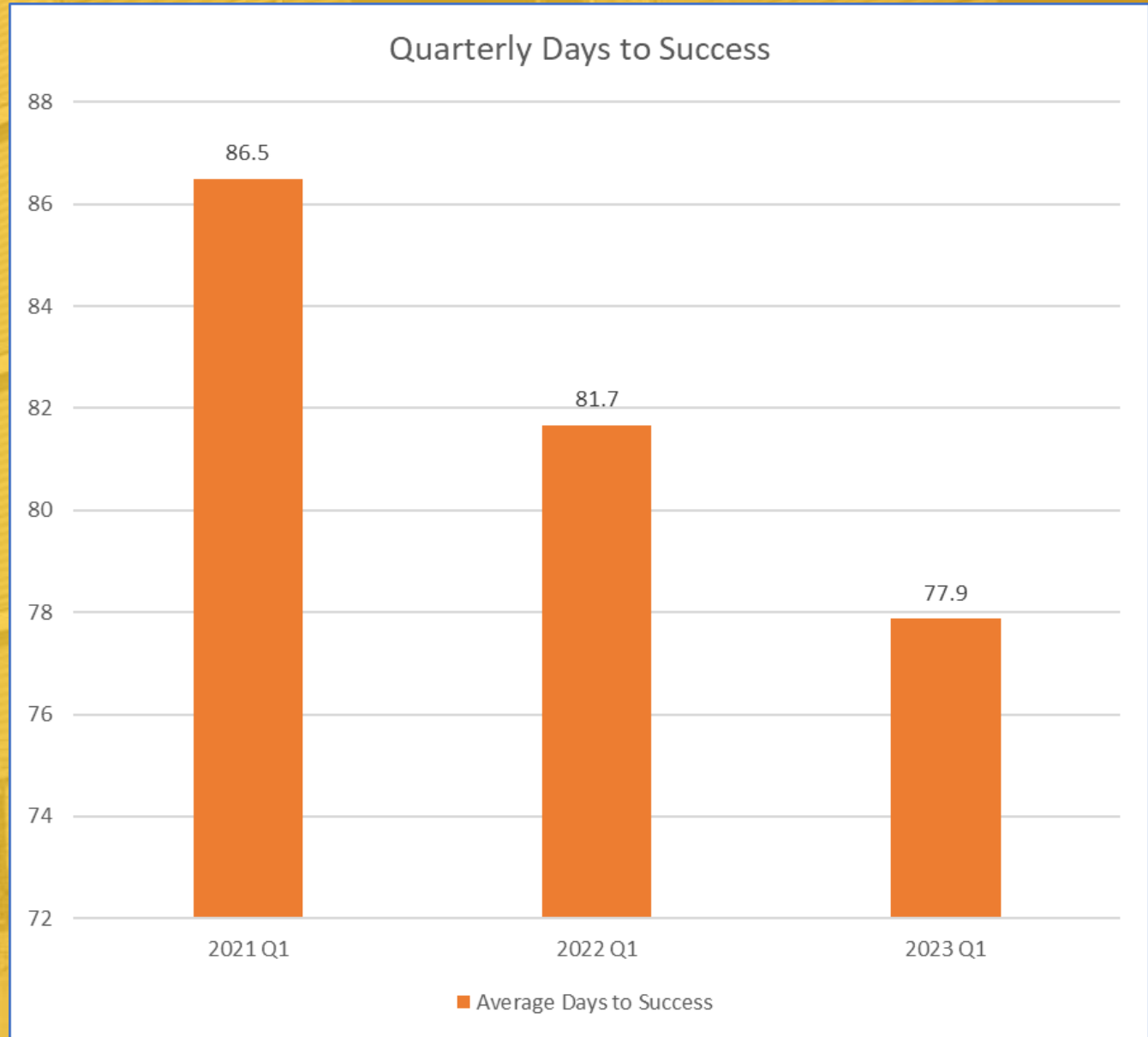
- Rates of voucher success are increasing
- It is too early to examine Q2 and Q3, but the trend appears to be positive for those securing housing within 210 days



Findings

Housing Success:

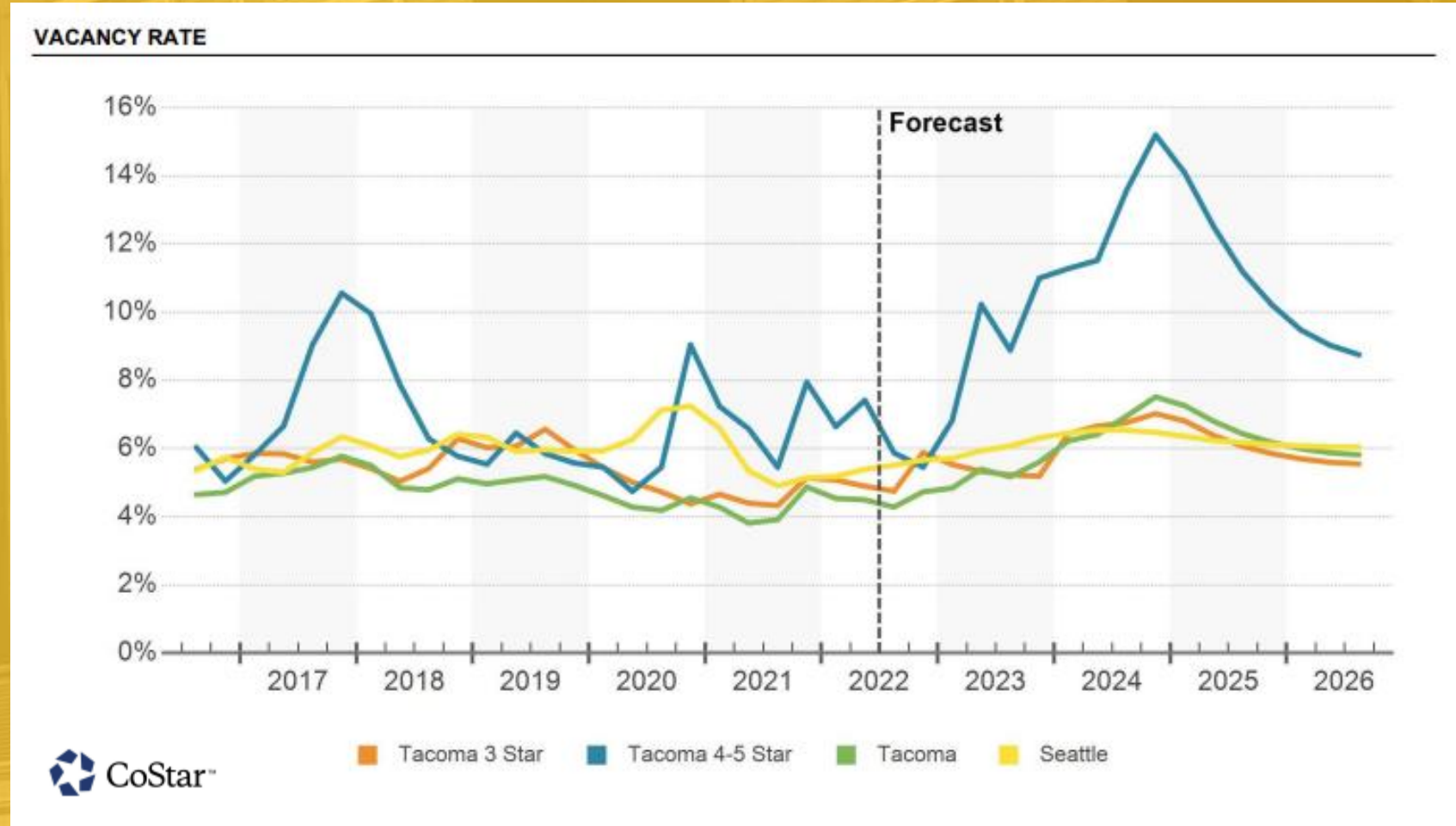
- The average number of days to find housing among is decreasing (Q1 2022 vs. Q1 2023); 81.7 and 77.9 days, respectively.



Findings

Vacancy Rates:

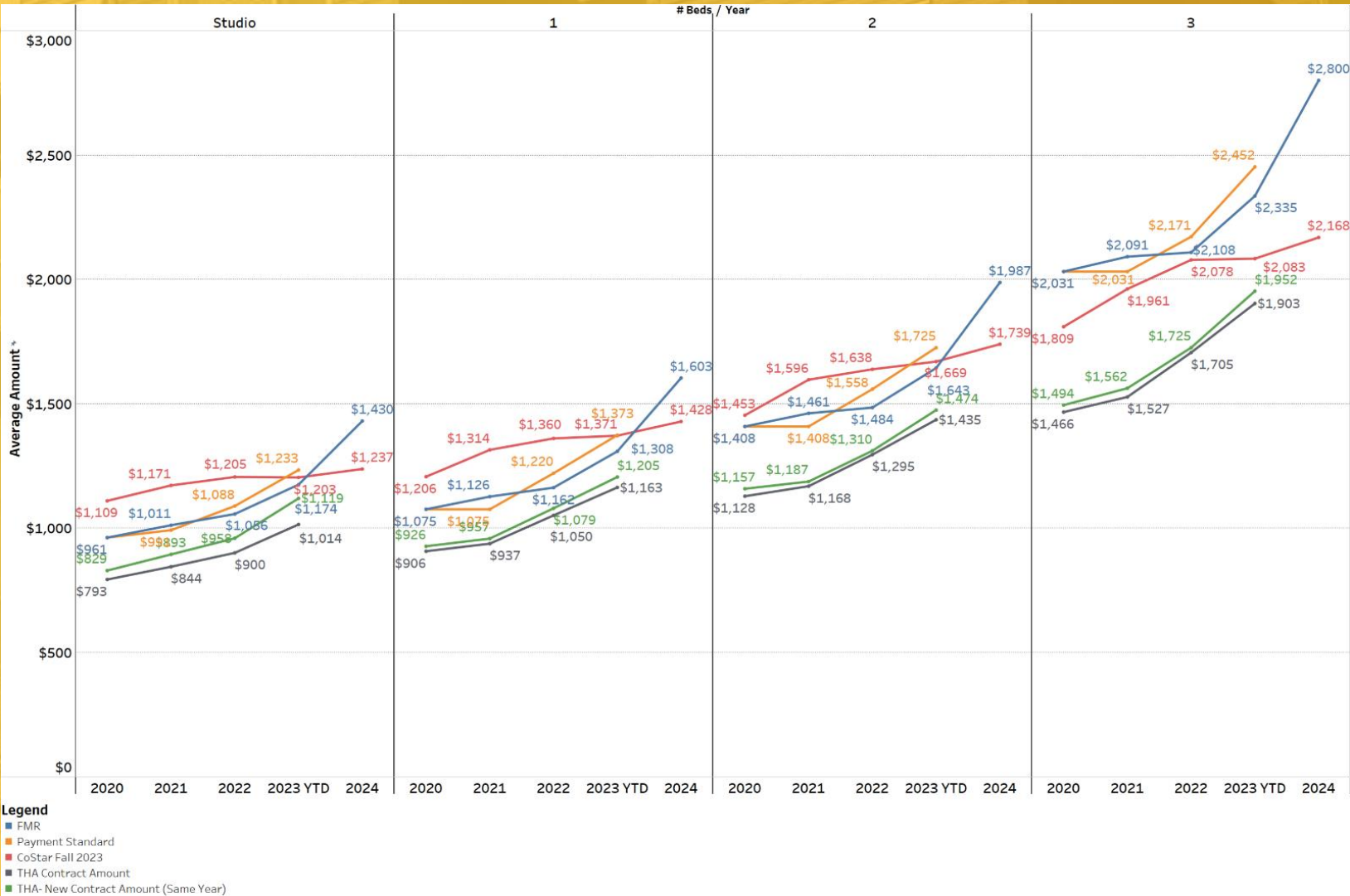
- CoStar is reporting slightly increased vacancy rates and are also forecasting continued increases
- This is likely due to new units projected to be completed in the next few years across the city

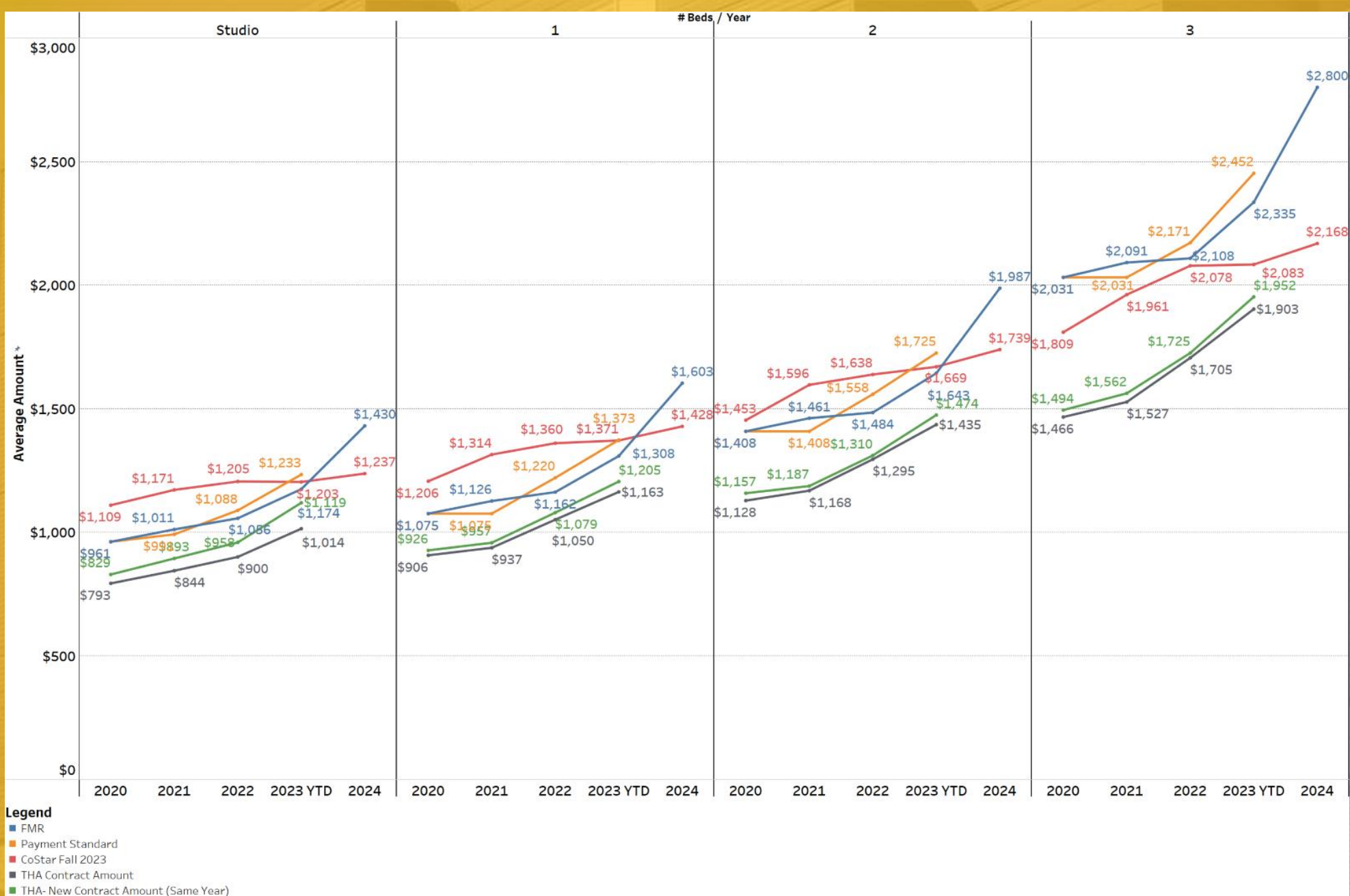


Findings

Contract Rents

- Payment Standards increased at a much faster rate than average market rents from 2022 to 2023.
- HUD FMRs are increasing at an increasing rate for 2024 which seem to somewhat match THA New Contract Rent increases. Therefore, following the HUD FMR methodology change may need to be evaluated in comparison to THA Contract Rents later in 2024 with future analyses.





Payment Standards, Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2024.

CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

Findings – Financial Impacts

MTW Impacts

- Any increases in the payment standard would necessitate THA reducing the number of households served to remain within the budget.

Non-MTW/Special Purpose Voucher Impacts

- Special Purpose Vouchers are funded on a reimbursement basis. If we exhaust our funding, we can request additional funds from HUD. However, this increases the likelihood of our request not being approved.

Recommendation

Key Findings:

Rent Burden

- Median rent burdens are decreasing.
- The percentage of households paying more than 30% of their income to rent is decreasing across all programs (down 15%).

Voucher Success

- Rates of voucher success appear to have decreased when compared to the same period last year.
- Median shopping days among households which were successful leasing up decreased when compared to the same period last year.

Payment Standards, HUD Fair Market Rents, THA Contract Rents, and Area Market Rents

- Payment Standards increased at a much faster rate than average market rents from 2022 to 2023.
- Overall, New Contract Rents (new and existing customer rents) are significantly below HUD's FMRs. 2-bedroom units are 25% below FMRs.
- HUD FMRs are increasing at an increasing rate for 2024 which seem to somewhat match THA New Contract Rent increases.
- Therefore, following the HUD FMR methodology change may need to be evaluated in comparison to THA Contract Rents later in 2024 with future analyses

- **We recommend making no change to THA's Payment Standards**



TACOMA HOUSING AUTHORITY

FALL PAYMENT STANDARDS ANALYSIS

To: THA Board of Commissioners
From: Daniel Stutman, Data Analyst | Policy, Improvement, & Evaluation
Adam Ydstie, Director | Policy, Improvement, & Evaluation
Rich Dietz, Director | Finance
Aley Thompson, Deputy Executive Director
Subject: Analysis of THA's Payment Standards
Date: November 8, 2023

Analysis of the Payment Standards at Tacoma Housing Authority

Background

Each year the Department of Housing and Urban Development (HUD) releases rent data for the Tacoma-Pierce County metropolitan rental market. These data set HUD's "fair market rents" (FMR) for our area for the year, in this case, 2024. Housing Authorities must set their payment standards within 90-110% of the HUD FMR. The payment standards are then used in determining the maximum amount of subsidy THA (Tacoma Housing Authority) will pay to landlords. They are also used in the calculation of THA tenant and participant rents.

THA must complete an assessment of its tenant data and adjust its payment standards based on this data. In addition to tenant data, THA uses a compilation of third-party reports and data to assess the region's rental market. The payment standards were last changed effective January 1st, 2023. THA typically reviews the payment standards twice per year.

The following table reflects the HUD 2024 FMRs (Fair Market Rents) and the previous 2023 FMRs:

	FY2023 FMRs	FY2024 FMRs	\$ Change	FMR % Change From 2023 - 2024
Studio	\$1,174	\$1,430	\$256	21.8%
1 bedroom	\$1,308	\$1,603	\$295	22.6%
2 bedroom	\$1,643	\$1,987	\$344	20.9%
3 bedroom	\$2,335	\$2,800	\$465	19.9%
4 bedroom	\$2,740	\$3,236	\$496	18.1%
5 bedroom	\$3,151	\$3,721	\$570	18.1%
6 bedroom	\$3,562	\$4,207	\$645	18.1%
7 bedroom	\$3,973	\$4,692	\$719	18.1%
8 bedroom	\$4,384	\$5,178	\$794	18.1%

Executive Summary

The goal of this Payment Standards analysis is to ensure that we serve our customers well. We evaluate data including rent burden, voucher success, vacancy rates and market rents to determine how well our customers are faring. This process helps inform and assist us in making decisions that align with our agency's goals and ensure we are not leading the market. We aim to reduce rent burden, increase housing choice, reduce unplanned relocation, and increase housing success while meeting our Substantially the Same requirement¹ and maintaining a balanced budget.

Based on this year's analysis by the Policy, Improvement and Evaluation Department staff, we believe our customers are faring well in the market for several reasons.

- Their rent burdens are decreasing steadily.
- The value of a voucher aligns with and, in some cases, is ahead of the current Tacoma, WA Metro market.
- The voucher success rate is increasing.
- The number of days it takes to find housing is decreasing.
- Vacancy rates are rising slightly which often leads to lower rents or concessions.

Recommendation

These indicators outlined below, and the following analysis provide the evidence needed to recommend maintaining the payment standards that went into effect in January 2023. THA will revisit this analysis in the Spring of 2024.

Rent Burden

- Median rent burdens are decreasing.
- The percentage of households paying more than 30% of their income to rent is decreasing across all programs.

Voucher Success

- Rates of voucher success have increased when compared to same period last year.
- Median shopping days among households who were successful leasing up decreased when compared to the same period last year.

Payment Standards, HUD Fair Market Rents, THA Contract Rents, and Area Market Rents

- Payment Standards increased at a much faster rate than average market rents from 2022 to 2023. Overall, New Contract Rents (new and existing customer rents) are significantly below HUD's FMRs. 2-bedroom units are 25% below FMRs.
- HUD FMRs are increasing at an increasing rate for 2024 which seem to somewhat match THA New Contract Rent increases.

¹ In 2024, THA will serve at minimum 90% of its Substantially the Same baseline.

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Analysis

Section 1 Rent Burden

Takeaway: Most tenant-based voucher households are facing decreasing rent burden.

As per the THA Administrative Plan, rent burden is determined by identifying the percentage of households, for each unit size, that are paying more than 30% of their monthly adjusted income as the family share of the rent payment. When 40% or more of the families, for any given unit size (number of bedrooms per unit), are paying more than 30% of adjusted monthly income as the family share, THA will consider increasing the payment standard.

In evaluating rent burdens, THA will not include families renting a larger unit than their family unit size. When a household selects a unit where the gross rent (rent & utilities) exceeds the payment standard, the household pays the difference. This results in a larger out of pocket expense for the client. Increasing the payment standards helps offset some of that expense.

- **September 2022** – 32.8% of traditional Housing Choice Voucher households (HCVs) and 64.1% of Housing Opportunity Program (HOP²) households were paying more than 30% of their income toward rent.
- **September 2023** – 19.9% of traditional HCVs and 38.8% of HOP households were paying more than 30% of their income toward rent [Figure 1].

² The Housing Opportunity Program (HOP) participants have been gradually transitioned to the traditional Housing Choice Voucher (HCV) program as approved in 2021. Currently, 11 households remain on the program and should be fully transitioned to HCV by the end of 2023.

Figure 1. Percentage of Tenant Based Voucher Households Over 30% Rent Burdened by Program, 2021-2023.

The percentage of households over 30% rent burden disaggregated by program and combined (black line), showing annual average taken in September of each year from 2021-2023. Rent Burden calculations remove households renting units with bedrooms larger than their calculated voucher size. In 2023, 18.6% of the households served in the Emergency Housing Vouchers (EHV) program were rent burdened, representing a decrease from 35.4% in 2022. In 2023, 8.3% of the households served in the Veterans Affairs Supportive Housing (VASH) program were rent burdened, representing a decrease from 21.2% in 2022.

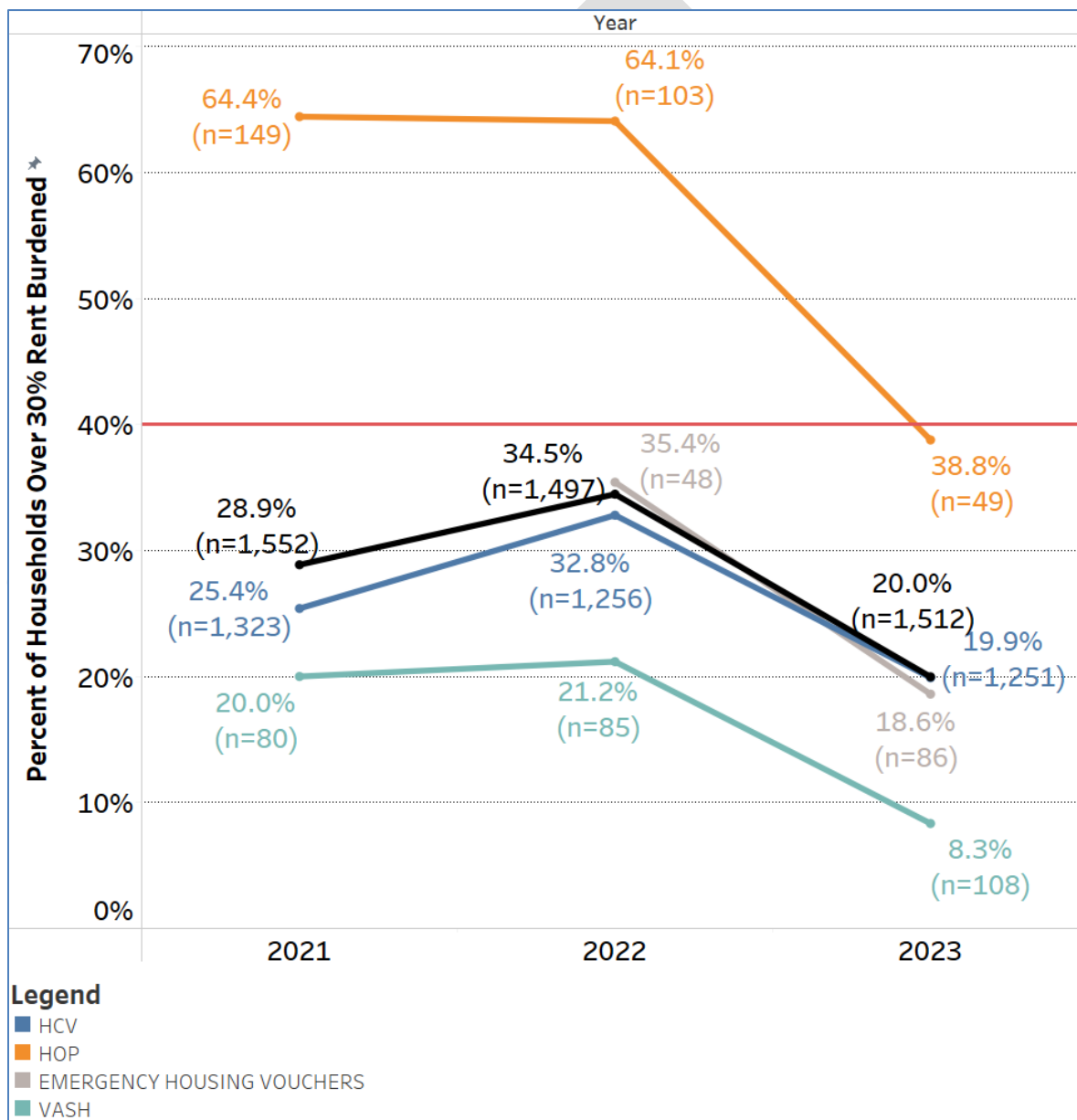
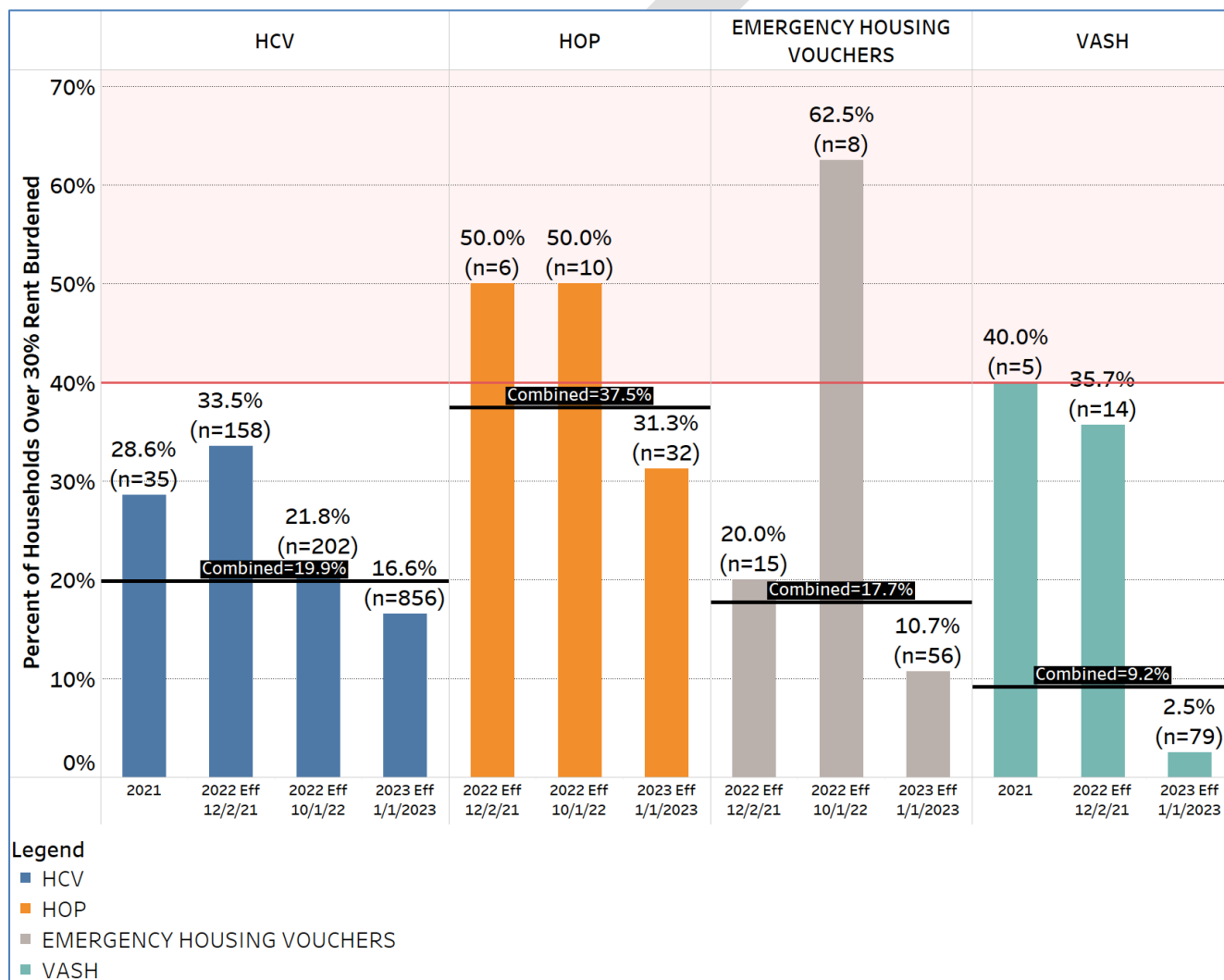


Figure 2. Percentage of Tenant Based Voucher Households Over 30% Rent Burdened by Program and Effective Payment Standard, September 2023.

This view presents only September 2023 data, showing the same program colors as in Figure 1, but with the added segmentation of breaking down households by the applicable Payment Standard. The black “combined” reference lines per program correspond to the 2023 percentages in Figure 1 (with some minor exceptions where data was suppressed when n<5). The general takeaway is that if we break down household certifications by the effective Payment Standard, we see lower rent burden for more recent payment standards. So as households recertify, they may experience decreasing rent burden.



The average rent burden in September 2023 was 25.9% and 32.4% for HCV (Housing Choice Voucher) and HOP, respectively [Figure 3a]. Overall, households face a less steep rent burden than in September 2022. Similarly, Emergency Housing Voucher households had an average rent burden of 23.9% in 2023, down from 31.6% in 2022. Combining all TBV (Tenant Based Voucher) programs, the average 2023 rent burden was 25.7%, a decrease from 34.9% in 2022. Figure 3b represents population rent burden as median rather than average, with lower rent burden likely due to severely rent burdened households influencing averages (right tailed distribution). **This may indicate that the median may be a preferable summary statistic for metrics with similar right-skewing.**

Figure 3a. Average Tenant Based Voucher Household Rent Burden by Program, 2021-2023.

Rent burden calculated by family share of rent as a fraction of adjusted income. Disaggregated by program and combined (black line), showing annual averages taken in September of each year from 2021-2023.

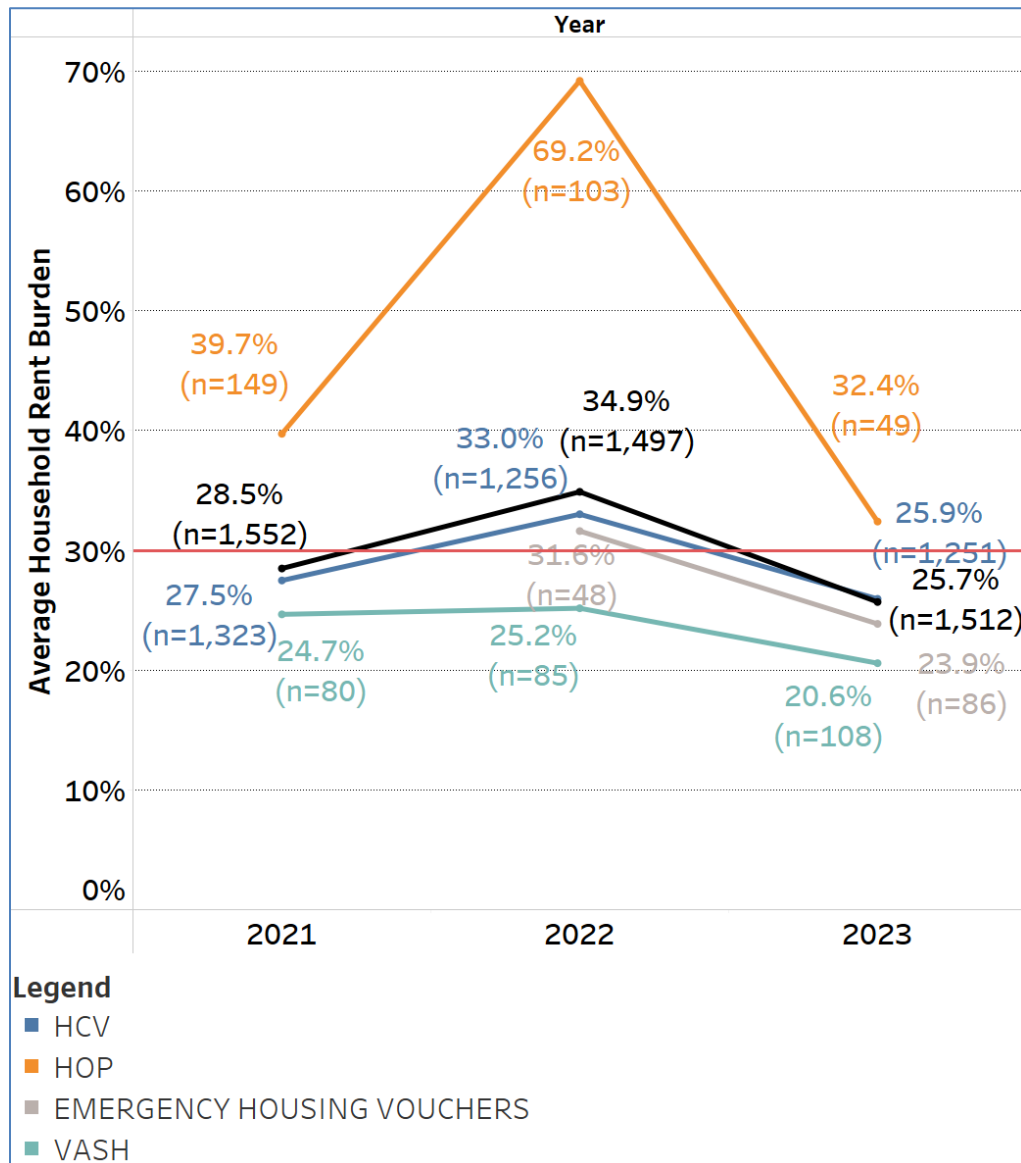
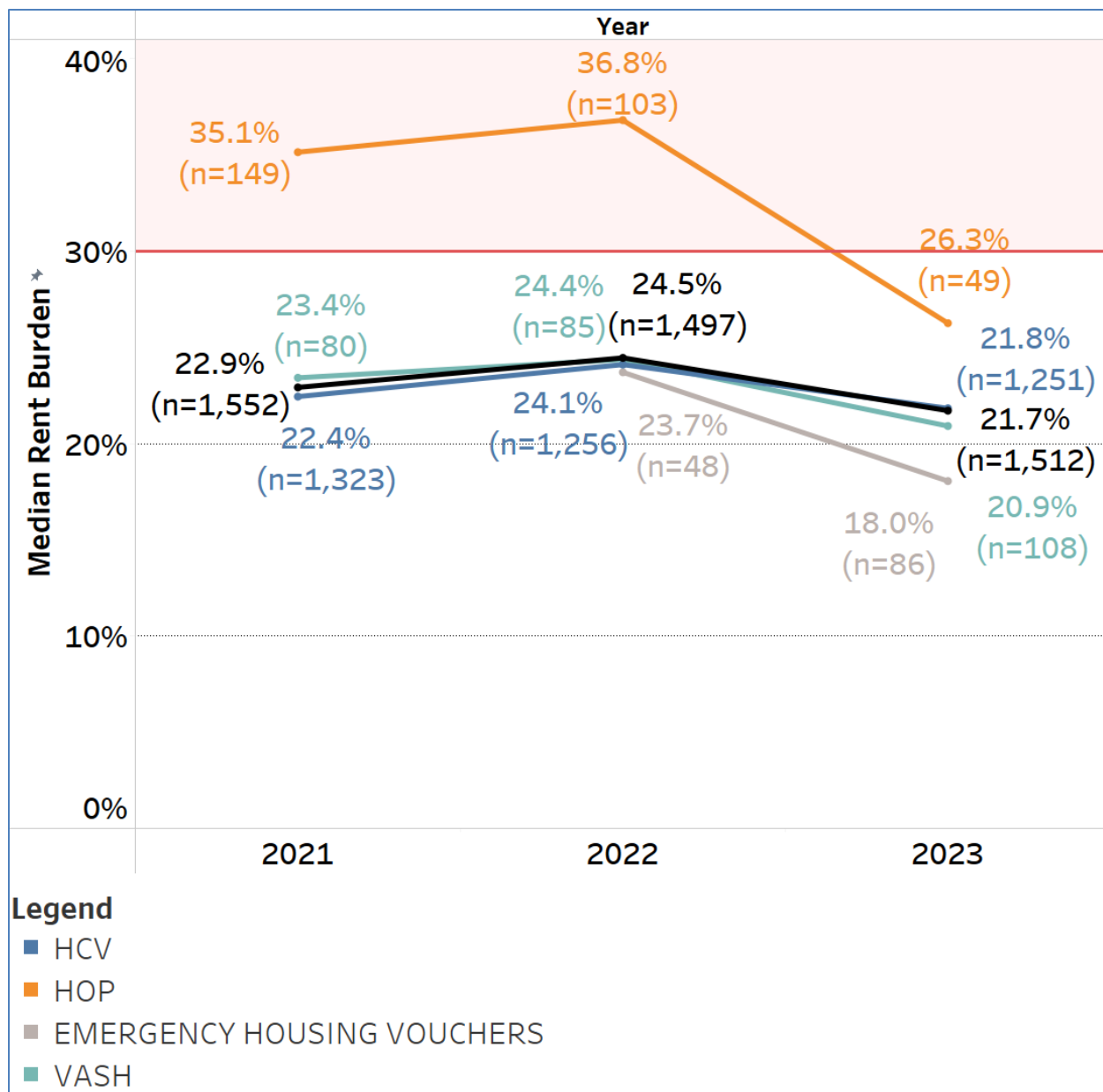


Figure 3b. Median Tenant Based Voucher Household Rent Burden by Program, 2021-2023.

Rent burden calculated by family share of rent as a fraction of adjusted income. Disaggregated by program and combined (black line), showing annual median taken in September of each year from 2021-2023.



Segmenting the percent of households over 30% rent burdened by number of bedrooms in September 2023, it appears every unit size (black bars) for combined total TBVs (Tenant Based Vouchers) does not surpass the 40% threshold [Figure 4]. There is variation in these proportions across unit sizes and by programs, with the highest proportion of households over 30% rent burdened seen in 1-bedroom households with a Housing Opportunity Program Voucher. We expect HOP rent burdens to drop as HOP participants continue to transition to an HCV subsidy this year.

Figure 4. Percent of Households over 30% Rent Burdened by Program and Bedrooms, September 2023.

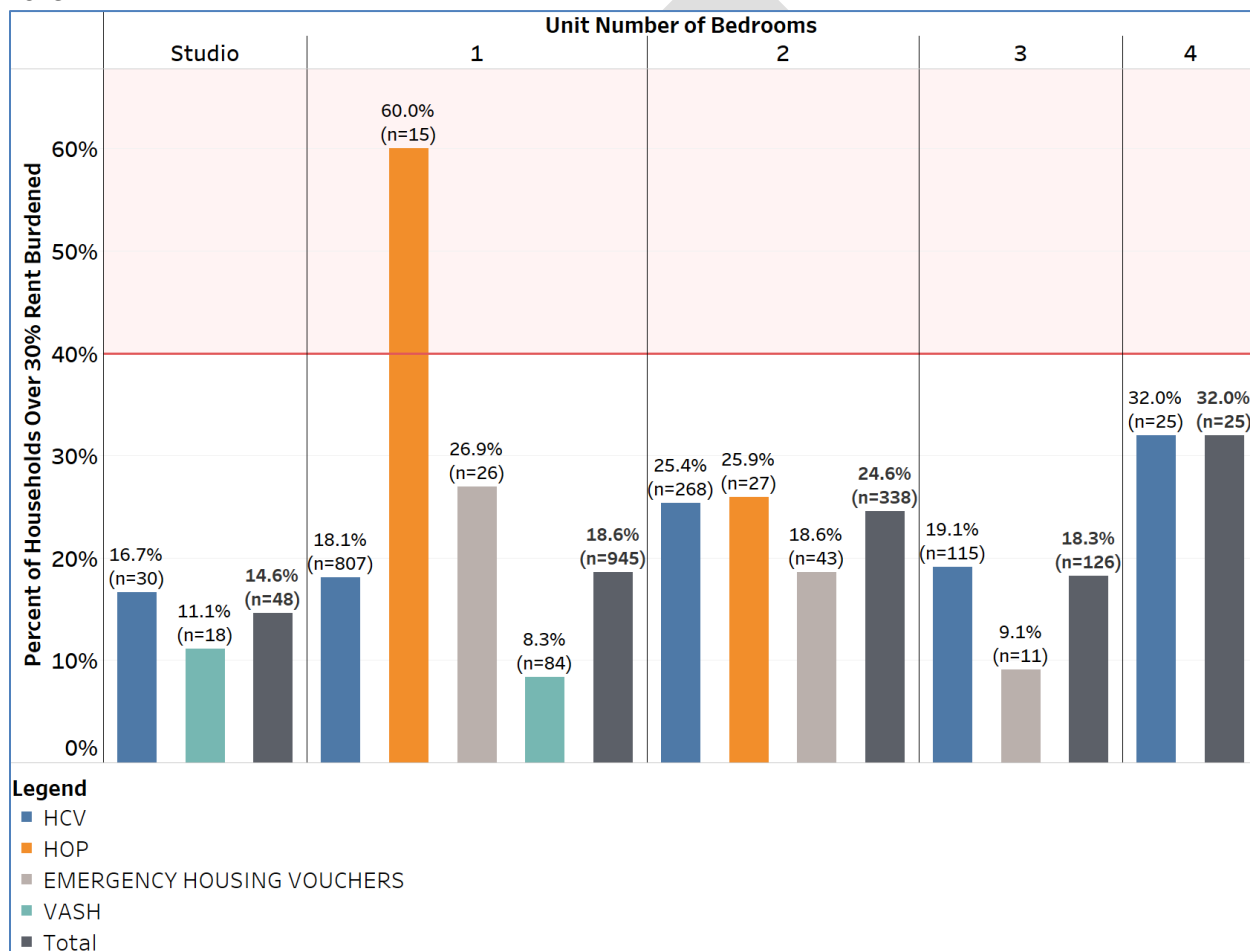


Figure 5a. Percent of Households over 30% Rent Burdened by Number of Bedrooms, 2021-2023.

Trend analysis showing the percentage of households over 30% rent burdened by number of bedrooms from 2021-2023.

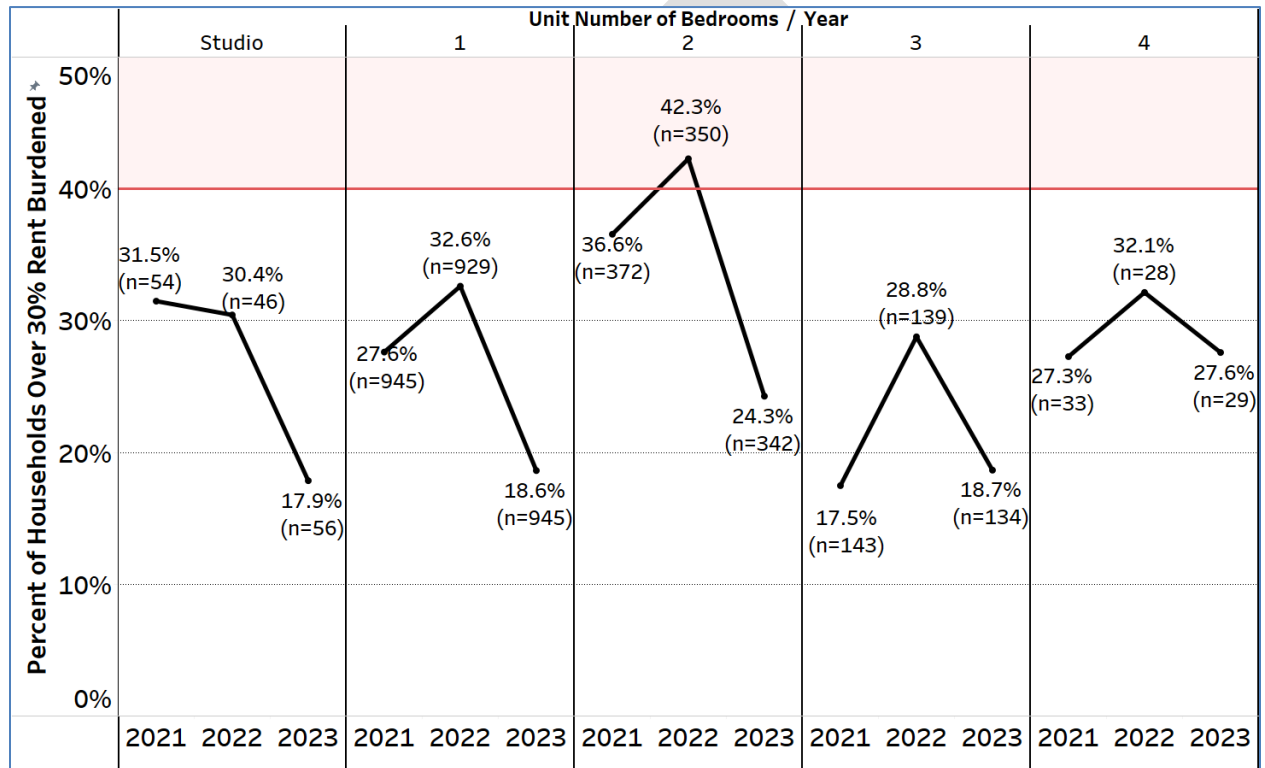
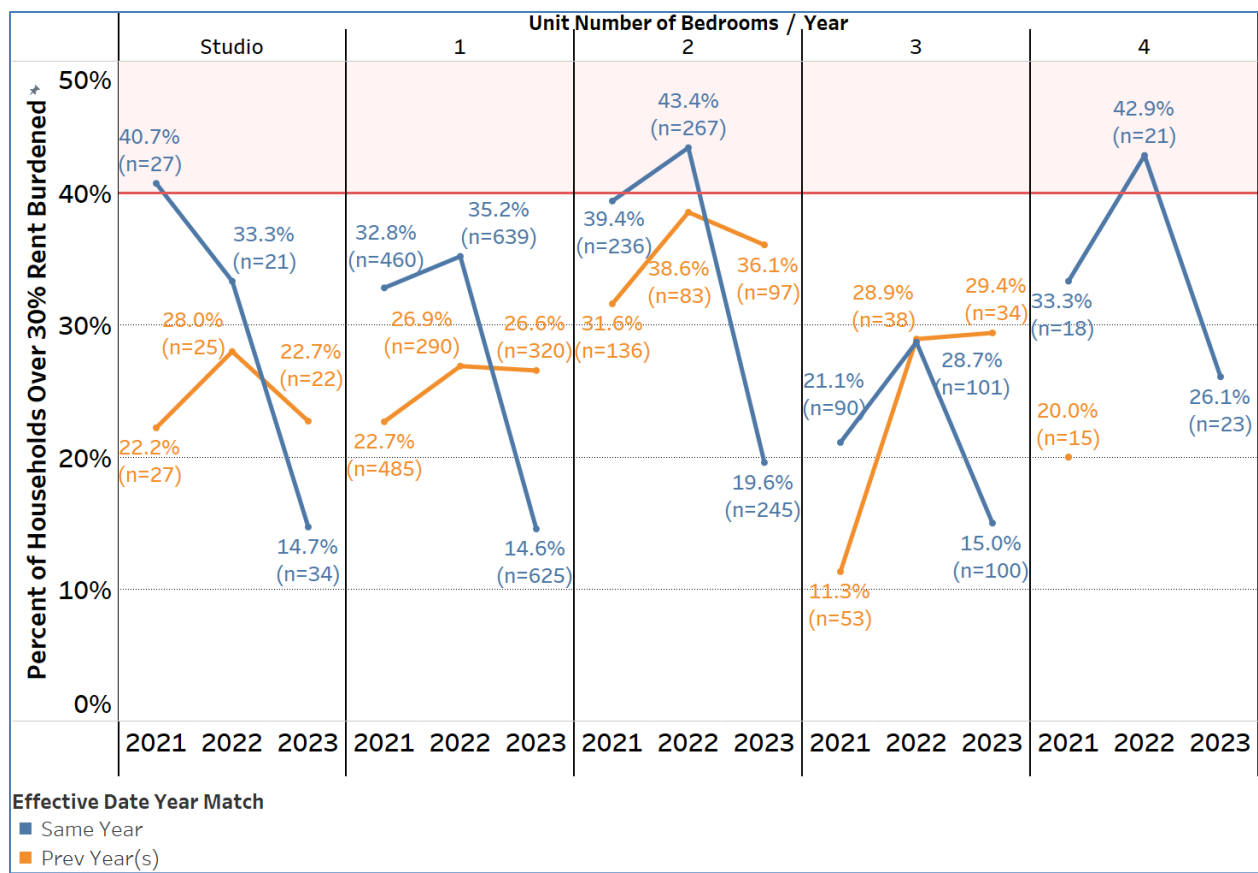


Figure 5a adds in a yearly trend, showing that households of all unit sizes shown, studio through 4-bedrooms, experienced decreasing proportions of being over 30% rent burden from 2022 to 2023.

Figure 5b adds to figure 5a by adding in an additional dimension of more updated (blue lines) compared with less updated (orange lines) certifications. In general, more updated certifications per year receive the year's most updated Payment Standard, potentially along with any rent increases. This added factor then approximates the overall TBV Rent Burden across years for households which were certified in more real-time. This is similar to the Effective Payment Standard dimension shown in Figure 2, but instead applying a slightly different dimension which enables clearer timeline comparison. Overall, households certified in 2023 by September 2023 (blue) experienced lower levels of Rent Burden compared to households not yet certified in September 2023 (orange lines). This less burden for 2023 appears to be a greater difference than in previous years of 2022 and 2021.

Figure 5b. Percent of Households over 30% Rent Burdened by Number of Bedrooms, with Effective Date Year Matching, 2021-2023.

Effective Date year matching screens the effective date for each certification depicted and matches ("Same Year") it to the x-axis Year label which loosely approximates more updated finances per year ("Same Year"), when compared to household which had not certified as recently as the year of the data pull ("Prev Year(s)").



Section 2 Voucher Success

Takeaway: Rates of voucher success appear to have increased since last term and median shopping days among households which were successful leasing up decreased since last term.

Figure 6. Quarter 1 Success Rate, 2021-2023.

Housing success rates for all households issued vouchers in Q1 of 2023 have increased when compared to last year for overall success (grey bars; from 57.1% to 67.2%) and success within 210 days (light blue, from 53.6% to 63.2%). Success within 90 days of voucher issuance (dark blue) increased, from 38.4% to 45.6%.

Comparing Q1 2022 to Q1 2023 ensures that all vouchers issued have had at least 210 days to search for housing.

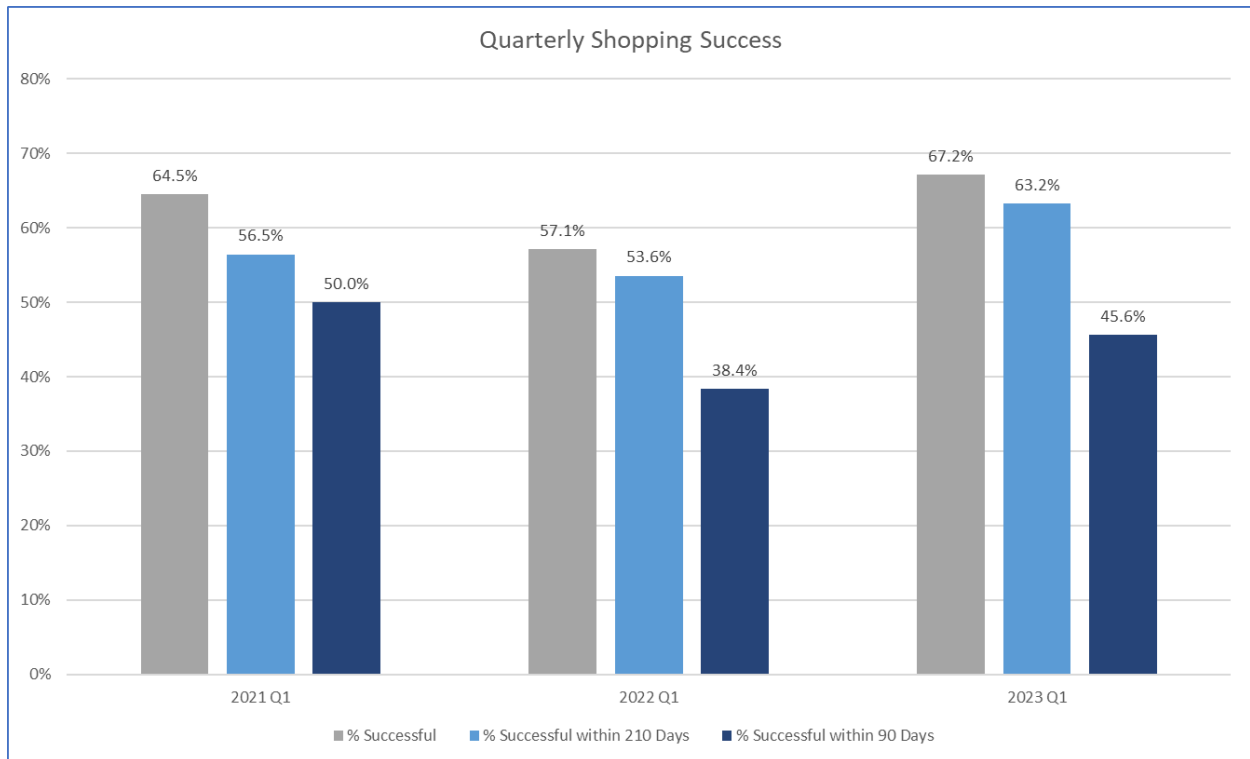


Figure 7. Quarterly Success Rate, 2021-2023 YTD.

It is too early to determine voucher success trends from Q2 and Q3 because all households have not had at least 210 days to search for housing. However, the incomplete data appears to be trending positively for those successful within 210 days (light blue bars; from 43.9% to 48.8%)

Examining voucher success quarterly helps to identify environmental impacts or interventions that took place that may impact success rates. Q1 of 2023 is when the new payment standards became effective. Households securing housing during this period could rent a more expensive unit than those securing housing in Q1 of 2022. It is important to note that the value of a voucher is not the sole determinant of whether a household can secure housing.

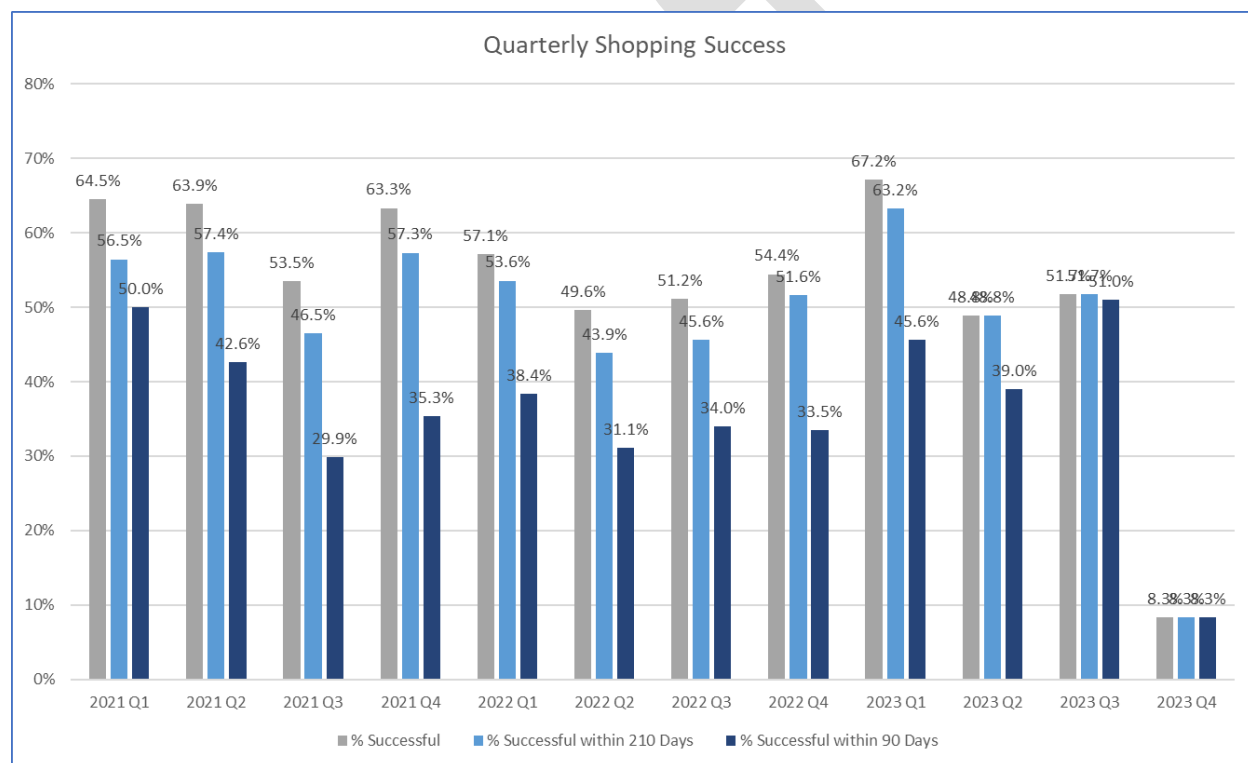


Figure 8. Average Shopping Days Among Successful Shoppers, 2021-2023 YTD

The average number of shopping days to success among all households issued vouchers has decreased. In Q1 of 2022 the average number of days shopping was 81.7 in Q1 of 2023 that number decreased to 77.9. The focus is on Q1 as Q2-Q4 for 2023 in this chart are incomplete as there are still households working on securing housing who could drive up the average. However, of those who have successfully leased a unit in those quarters, this reflects the average days to success for those shoppers.



Section 3 Comparison of Current Payment Standards, Fair Market Rents, THA Contract Rents, Compared with Average Market Rents

Take-Away: Payment Standards increased at a much faster rate than average market rents from 2022 to 2023. HUD FMRs are increasing at an increasing rate for 2024 which seem to somewhat match THA New Contract Rent increases. Therefore, following the HUD FMR methodology change may need to be evaluated in comparison to THA Contract Rents later in 2024 with future analyses.

Figure 9 and Table 1 compare FMRs (blue), Payment Standards (orange), CoStar Market Rent (red), THA Contract Rent (Black), and New THA Contract Rent (Green) Average Amount by Unit Size (studio - 3 bedroom) and Year (2020-2024). The Yellow measure compares a given year's Payment Standard to the Forthcoming FMR, presented as a percentage. The Green THA New Contract Rent differs from the Black THA Contract Rent by applying a date filter where the Effective Certification Date is in the current year of the Year on the x-axis (the snapshot in time). This is the same filter used in Figure 5b. For example, in 2022 and Studio apartment units, \$958 represents the average contract rent in September 2022 for Tenant Based Vouchers with Effective Certification Dates of January 2022- September 2022, whereas \$900 represents any active certification in September 2022 with Effective Certification Dates equal to 2022 and prior. So, the Green Line version represents a rough approximation of newly certified rent averages from January to September of each corresponding year (x-axis) which removes certifications which may have been 1+ years old at the time and may affect the overall average rent amounts per unit size and year. While the green line is in excess of the black line across all years and unit sizes, which represent higher average rents for more newly certified households each year, in 2023 we are seeing reduced rent burden through these rent increases (blue line compared with orange line in Figure 5b). This indicates that while rents are going up, the higher Payment Standards tend to compensate for those increases and cause lower levels of rent burden.

A year-over-year % change to the New THA Contract Rents is then provided to compare to the FMR and CoStar to see relative changes as a gauge for prediction over time. What this shows is an increasing rate of increase to the change of rent amounts for THA Contract Rents, which more closely corresponds with HUD FMR increases than CoStar market increases, especially for 2022 and 2023. This could be due to a variety of factors such as localization (by zip code), and quite possibly faster rent increases among the market units that are more common to THA Tenant Based Voucher contracts. The green New Contract Rents show this slightly more clearly than the combined Black THA Rents Contracts.

Figure 9. Payment Standards, Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2024.

CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

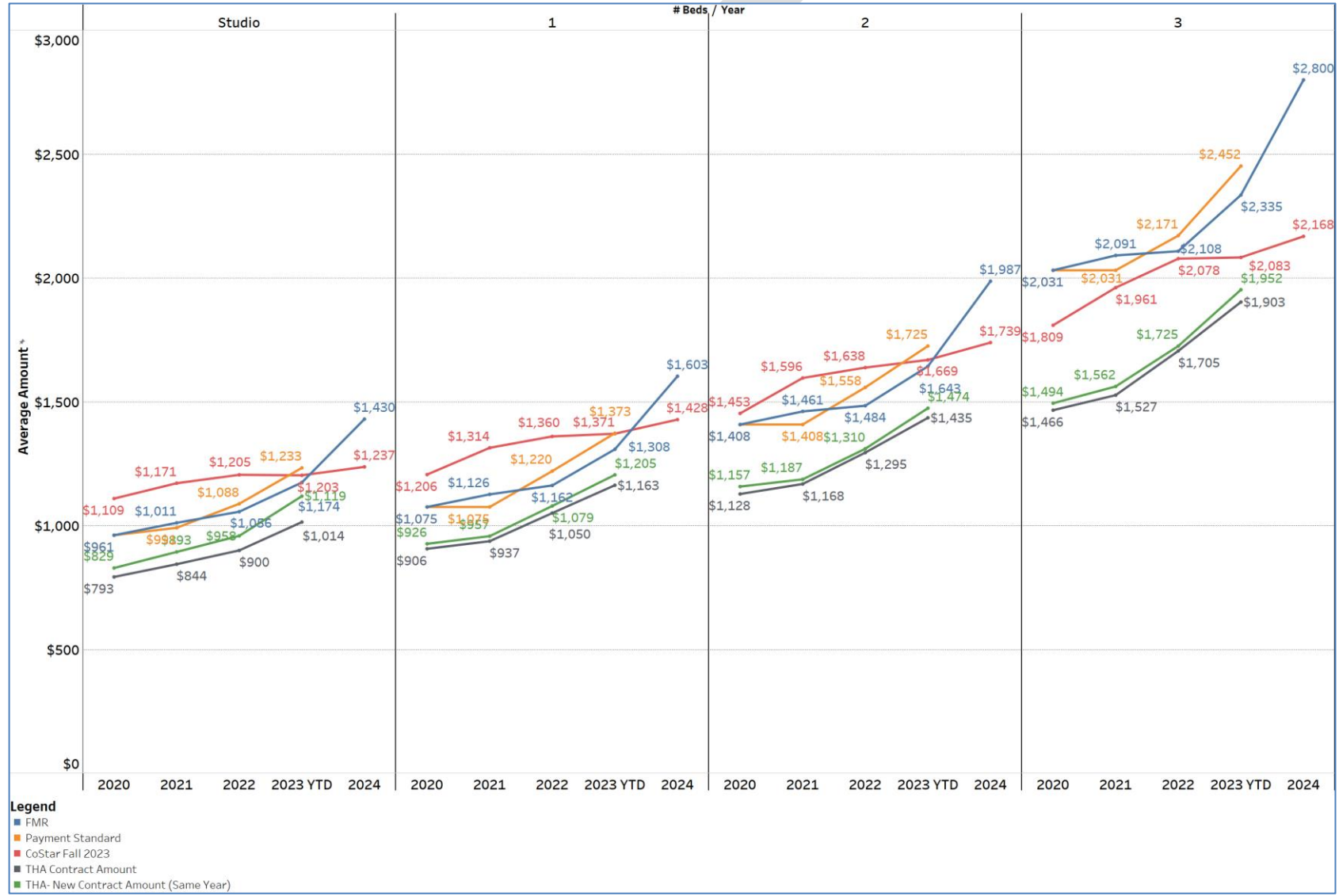


Table 1. Payment Standards, Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2024.

CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings. The yellow row is a calculation taking the PS and dividing by the FMR and presented as a %. For 2024, the 2023 PS is divided by the 2024 HUD FMRs to show “what if” we kept the 2023 PS for 2024.

Unit Size→ Year→ Measure↓	Studio					1					2					3				
	2023					2023					2023					2023				
	2020	2021	2022	YTD	2024	2020	2021	2022	YTD	2024	2020	2021	2022	YTD	2024	2020	2021	2022	YTD	2024
FMR	\$961	\$1,011	\$1,056	\$1,174	\$1,430	\$1,075	\$1,126	\$1,162	\$1,308	\$1,603	\$1,408	\$1,461	\$1,484	\$1,643	\$1,987	\$2,031	\$2,091	\$2,108	\$2,335	\$2,800
Relative Change Year-Year		5.2%	4.5%	11.2%	21.8%		4.7%	3.2%	12.6%	22.6%		3.8%	1.6%	10.7%	20.9%		3.0%	0.8%	10.8%	19.9%
Payment Stds	\$961	\$991	\$1,088	\$1,233		\$1,075	\$1,075	\$1,220	\$1,373		\$1,408	\$1,408	\$1,558	\$1,725		\$2,031	\$2,031	\$2,171	\$2,452	
PS ÷ FMR (For 2024 = "What if we kept the 2023 PS")	100.0%	98.0%	103.0%	105.0%	86.2%	100.0%	95.5%	105.0%	105.0%	85.7%	100.0%	96.4%	105.0%	105.0%	86.8%	100.0%	97.1%	103.0%	105.0%	87.6%
CoStar Fall 2023	\$1,109	\$1,171	\$1,205	\$1,203	\$1,237	\$1,206	\$1,314	\$1,360	\$1,371	\$1,428	\$1,453	\$1,596	\$1,638	\$1,669	\$1,739	\$1,809	\$1,961	\$2,078	\$2,083	\$2,168
Relative Change Year-Year		5.6%	2.9%	-0.2%	2.8%		9.0%	3.5%	0.8%	4.2%		9.8%	2.6%	1.9%	4.2%		8.4%	6.0%	0.2%	4.1%
THA Contract Amount	\$793	\$844	\$900	\$1,014		\$906	\$937	\$1,050	\$1,163		\$1,128	\$1,168	\$1,295	\$1,435		\$1,466	\$1,527	\$1,705	\$1,903	
THA New Contract Amount	\$829	\$893	\$958	\$1,119		\$926	\$957	\$1,079	\$1,205		\$1,157	\$1,187	\$1,310	\$1,474		\$1,494	\$1,562	\$1,725	\$1,952	
Relative Change Year-Year		7.8%	7.3%	16.7%			3.3%	12.7%	11.6%			2.5%	10.4%	12.5%			4.5%	10.5%	13.2%	



TACOMA HOUSING AUTHORITY

AGENCY MONTHLY REPORT



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: April Black, Executive Director
Date: November 8, 2023
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 October and 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 to serve our community.

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INCREASE THE AMOUNT OF AFFORDABLE HOUSING FOR LOW INCOME FAMILIES

Peoples Senior Living

THA has had an open request for proposals (RFP) for owners of existing units seeking long-term property-based subsidies. THA received a proposal from Cascade Park Communities for its People Senior Living property. You will see the resolution to award these property-based subsidies. If granted, this will increase the number of affordable housing units in the community for low-income senior Tacomans by 124 units and bring THA closer to our utilization goals.

Korean Women's Association (KWA)

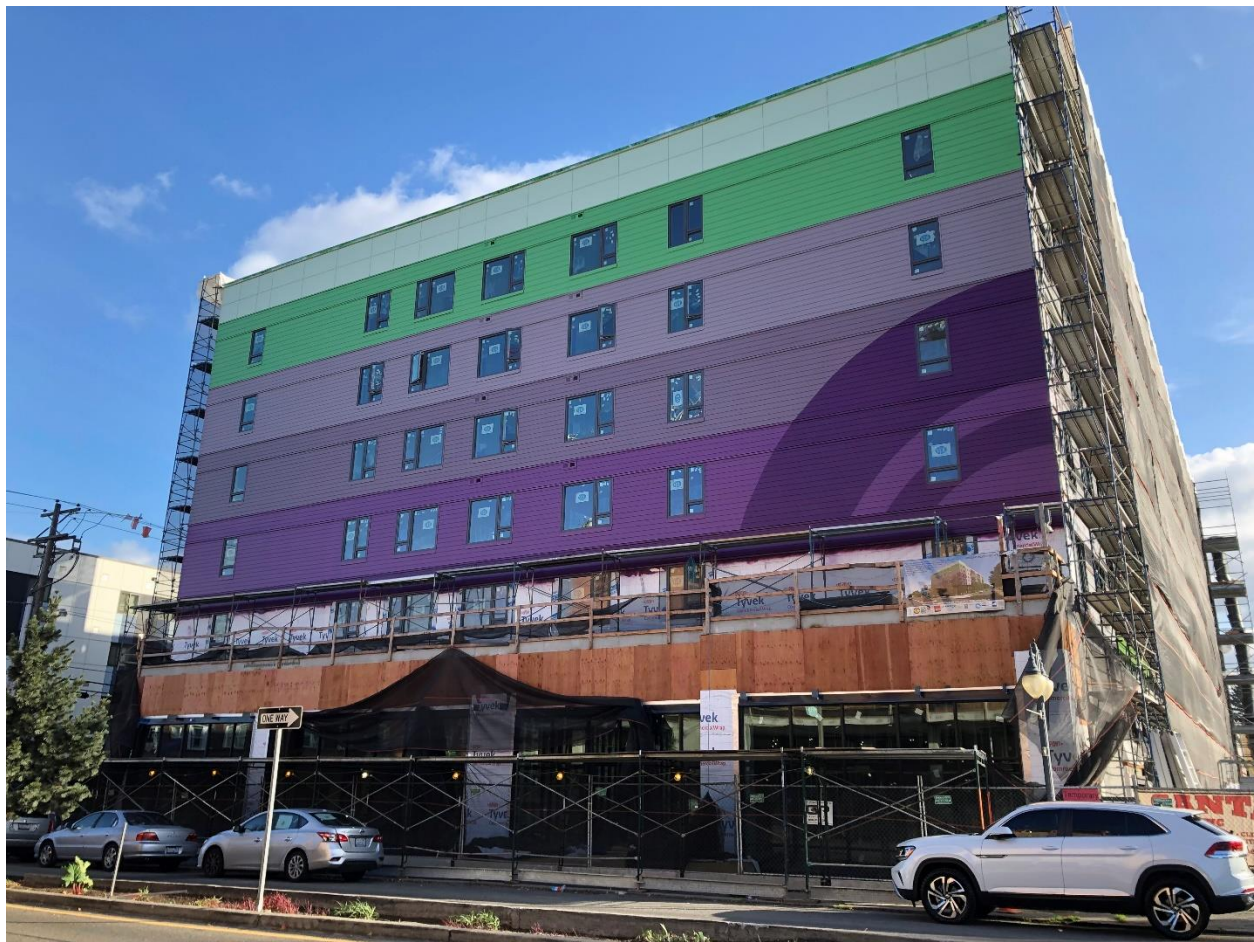
Rental Assistance received a construction update from KWA, who confirmed the project is scheduled for completion in September 2024. This property will have 15 Project Based VASH units for chronically homeless veterans.

Housing Hilltop

Construction of the residential and commercial portions of the building are still on schedule. The South building will be delivered in July of 2024, and the North building will be delivered in December 2024. We are now actively engaged with FPI (property management company) to develop, and support lease-up strategies/procedures.

A broker is handling the leasing of the commercial portion of the North building, and we are still working out the details of this transaction. We are still engaged with TUPAC regarding the commercial space in the South building.

Below is a picture of the new façade on the South building of Housing Hilltop (photo credit: Lester Pogue).



Aviva Crossing

Design, permitting, delegation and cost sharing agreements for site utility work (domestic water, storm water, electrical and gas) is underway.

Both Mercy Housing and Koz are fully engaged with project. This includes attending site utility meetings, THA meetings, cost share discussions, etc.

Hillside 2300

Brawner has been reengaged with the goal of having a fully developed rehabilitation and financing plan in place by December 2024.

Hillside 1500

Brawner has been reengaged with the goal of having a full redevelopment and financing plan in place by December 2024.

Currently in discussion with owners of two single family homes adjacent to the site for potential acquisition. These two parcels would potentially add additional density to the site.

Hillsdale Heights

Currently engaged with Bridge Meadows, Reggie Brown, Habitat for Humanity, and Metro Parks on redevelopment of the site. Last month, we asked the Board to set a goal to use a portion of this land for affordable homeownership. With that approval, we are excited to continue our conversations with various stakeholders about how to deliver high-quality affordable homeownership on this site.

Homeownership Opportunities

Attached to this report, you will find recommendations regarding increased access to homeownership opportunities for THA customers. As you will see, we will lean into existing programs within THA and in the community to leverage those resources for THA's customers.

INCREASE HOUSING ACCESS AND STABILITY

Housing Choice Vouchers

In the past six months, Rental Assistance staff have issued 360 vouchers, including 239 Special purpose vouchers, and have admitted 223 new households to the program. Overall, across all voucher programs, voucher utilization is at 95.8%.

In Q1 of 2023, 45.6 % of households with a shopping voucher were successful within their first 90 days. 63.2% of households with a shopping voucher were successful within 210-days. The average number of days to find housing is 78 days down from 82 days in Q1 last year (2022).

THA's Housing Navigators have been instrumental in assisting high-barrier households to reach success and utilize their voucher. This team provides resources and funding for application fees, holding fees, and deposit assistance. This team recently partnered with a housing

provider who reduced their move-in costs to allow some of our households an opportunity to sign a lease. This is the result of years of relationship-building with the housing providers in our community.

Payment Standards Analysis

Policy, Improvement & Evaluation Department staff recently concluded our annual Payment Standards Analysis. The goal of this analysis is to ensure that we serve our customers well. We evaluate data, including rent burden, voucher success, vacancy rates, and market rents, to determine how well our customers are faring. This process helps inform and assist us in making decisions that align with our agency's goals and ensure we are not leading the market. We aim to reduce rent burden, increase housing choice, reduce unplanned relocation, and increase housing success while meeting our Moving-to-Work Substantially the Same requirement and maintaining a balanced budget.

Based on this year's analysis, we believe our customers are faring well in the market for several reasons.

- Their rent burdens are decreasing steadily.
- The value of a voucher aligns with and, in some cases, is ahead of the current market.
- The number of days it takes to find housing is decreasing.
- Voucher success rates are increasing.
- Vacancy rates are rising slightly which often leads to lower rents or concessions.

These indicators provide the evidence to recommend maintaining the payment standards that went into effect in January 2023.

Software Updates

After a significant unforeseen circumstance, THA elected to postpone the scheduled go-live for Yardi from our original October launch to May 2024. The reason for the delay was a critical issue as it related to rent calculations and the accuracy of payments to landlords. At the time of go-live, this issue could not be resolved, and THA had little choice but to postpone it to May 2024. The reason for the go-live now being in May is because of the operational needs related to year-end financial processing.

The specific cause of the issue was a missed configuration in the Yardi financial setup that caused rents to be miscalculated. At the time of go-live, THA was told that the Yardi system did not support our configuration, but it was later discovered that the configuration was missed by Yardi staff. The Yardi system could have calculated our rents correctly. While it is good news

that THA will not need custom programming completed, the issue did cause a delay in the project.

As for how this configuration was missed, the answer lies with Yardi's script-based project management methodology. This methodology relies on their consultant addressing a housing authority's needs by running through a script to gather information and details about how it operates so the Yardi system can be configured, and data can be migrated. The risk in using this methodology is that if an issue in the script is inadvertently missed during the configuration phase of the project, then there is a risk the item will not be addressed for go-live. That is what happened here. Further, the Yardi methodology does not, in some cases, allow for functionality testing until data is loaded at go-live. THA expressed concerns about this methodology and testing concerns, but this is the established methodology Yardi uses for all its customers for their system implementations.

THA is involved in productive conversations with Yardi over THA's delayed implementation. They understand the cause and significant impact on THA due to the issue. They have already made concessions to THA to address our concerns, including financial mitigations and replacing the Yardi project lead for THA. We look forward to working with Yardi further to address our needs due to the delay.

That said, the delay will have a financial impact on THA. However, because of careful and conservative budgeting, the effect will be less than it might have been. We are currently anticipating a \$350,000 budget impact.

There are, however, several silver linings because of this delay. For example, other, less critical needs were discovered during the go-live process. These can now be better addressed. There were some data transition errors at Yardi, which can now be fixed. We had some phase 2 items that can now be moved forward. Most significantly, THA completed the conversion into the Yardi system so that THA now has a fully working Yardi system to test functionality thoroughly. These combined issues will allow THA a much better, more functional system in May than we would have had in October.

Still, the delay does significantly impact THA. As mentioned earlier, we are working with Yardi to address those. THA is also taking more control of the Yardi project plan to the extent we can and adjusting it to mitigate impacts and make the conversion more efficient and effective. While delay will impact staff, we are working hard to make the May go-live as least impactful as possible for most staff.

THA continues to believe in the Yardi system. It has the largest market share of any public housing system, and many of our peers are in the process of converting to it, including here in

the Pacific Northwest. Functionality and service could never be equaled with our current system. Further, our current system continues to have critical issues that the Yardi system will address. Finally, many changes are coming from HUD that our current system cannot manage. We look forward to a successful go-live with Yardi in May

Eviction Prevention

Throughout September and October, staff have been working hard to ensure that THA residents and voucher holders have the resources necessary to stay housed. For several families, eviction is a real possibility as Covid Re-payment Agreements have been violated and/or as they have been unable to afford their rent. The CSE and Property Management departments worked together to help tenants access available resources through MDC by holding four eviction prevention events across the portfolio and by reaching out to individual households facing eviction. In total, more than 80 people came in for assistance with more than 50 applying for financial support on the spot. We also had DSHS's mobile benefits unit on site to help families apply for benefits, Tacoma Pro Bono and Northwest Justice Project available to help folks with legal needs, and career teams on site to help families find employment.

Alongside this eviction prevention work, THA and Tacoma Public Utilities also held an event at the Family Investment Center to assist families in signing up for utility assistance. In total, 62 new families will receive a \$42 bill credit. THA and TPU are working together to find additional ways to streamline support for families and expect to enroll many new families in the coming months.

Customer Support

The CSE team actively supported on-site partners with KBTC, Club Z Tutoring, Skyhawks and the Farmer's Market. All these activities are responsive to residents' requests and help families feel supported and connected to their communities.

Additionally, staff in RA, PM and CSE have supported individual residents and their families through some unspeakable tragedies. Often, tragedy impacts more than just a family – sometimes, it impacts a whole building or community. In the last two months staff have rallied around families at the drop of a hat to bring resources, provide a shoulder or source of caring, helping to carry folks through several crises. While this work is not glamorous or notable via data, the impact of this level of care is profound, and our staff have shown up in ways we can be deeply proud of.

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

The Staff DEIB Steering Committee has the following update:

- The DEIB staff steering committee developed interview questions and served in two rounds of DEIB Strategic Advisor interviews; one of which DEIB steering committee had its own panel;
- We released the Sept./October DEIB steering committee newsletter & currently planning Nov/Dec newsletter where we aim to get staff involvement outside of committee;
- The DEIB staff steering committee is currently planning an upcoming retreat focused on communication and trust-building.

Thanks to the participation of the DEIB Steering Committee and THA staff, we are excited to announce THA first-ever Strategic Advisor of DEIB, Priya Saxena, will be starting on November 27th.

Priya has extensive research, evaluation, facilitation, continuous improvement, and racial equity experience. They bring about ten years of experience to this work, including many years conducting community-based research with housing authorities and their clients nationwide. Most recently, Priya has owned and operated their consulting business, Equitable Future.

Priya's focus over the first few months will be on getting to know us, joining the THA Leadership Team, joining the Staff DEIB Steering Committee, assessing the accessibility of our administrative offices, and assisting with the review of THA's human resources policies and practices.

MAKE THA A GREAT PLACE TO WORK

In September and throughout the coming months, we will focus on supporting staff through the Yardi conversion. This means focusing on training and support and providing resources to help staff manage stress. We are also working diligently to fill vacant positions to have adequate staff to complete our work.

The Human Resources Department is actively preparing for the annual Open Enrollment period, set to take place from November 1 through November 30. Starting January 1, 2024, Tacoma Housing Authority will introduce a comprehensive enhancement to our employee benefits package via the Public Employees Benefits Board (PEBB). This new offering will provide our

benefit-eligible employees with an expanded range of services, including three separate Dental options, Life and Accidental Death and Dismemberment Insurance (AD&D), and Long-term Disability Insurance (LTD), supplementing our current medical coverage. Additionally, our voluntary SmartHealth wellness program platform will transition to being administered by WebMD in January 2024, offering a fresh interface, innovative features, and continuing opportunities for activities, challenges, and wellness incentives. Complementing these benefits are the updated IRS provisions on savings: HSAs will now allow annual contributions of up to \$4,150 for individuals and \$8,300 for families, while FSAs will embrace a cap of \$3,050 annually. Collectively, these benefits prioritize our agency's commitment to the well-being of our dedicated team.

ADVOCACY ITEMS

In October, Commissioner Rumbaugh, Aley Thompson, Adam Ydstie, Nicholas Carr, and April Black traveled to Washington DC for legislative meetings and the Council of Large Public Housing Authorities Fall Meeting. The group focused on advocacy for:

- Stable HUD funding;
- Greater availability of low-income housing tax credits;
- Higher Rental Assistance Demonstration (RAD) rents; and
- Assistance with unsustainable insurance rate increases across the nation's affordable housing portfolio.

Insurance was a huge focus of our advocacy efforts throughout October. In late September, we were notified our insurance policy would be canceled effective October 31st. After having the same insurance carrier for the past eight years, this cancellation was a surprise. We have been shopping for new insurance using our broker, and the first bids came in at a 213% increase over last year. This equated to over \$2.2M in annual insurance premium increases across the agency.

Days before our insurance was set to expire, we received a bid from a second insurance company, Housing Authority Insurance Group. After negotiations with them and a few supplemental insurance carriers, we have secured insurance for all THA assets. The final rate increase was an average of 47% higher than last year. While this is an unsustainable percentage with flat HUD funding, it is much better than the 213% we faced in October. We will continue searching for ways to secure more affordable rates and/or additional HUD funding to sustain our property budgets.

Special thanks to Erika Munoz for her persistence in finding replacement insurance and getting all policies in place without a lapse in coverage.



To: THA Board of Commissioners
From: Katie Escudero, Policy, Innovation, and Evaluation Manager
Jess Thompson, Project Manager II - Policy, Innovation, and Evaluation
Date: November 8, 2023
Subject: Homeownership Opportunities for THA Customers

BACKGROUND

For the past several months, Policy, Innovation, and Evaluation (PIE) staff have been investigating the opportunity to bring homeownership opportunities to the people THA serves. Through the establishment of new agency goals, THA has sharpened its focus on centering equity in its work by providing pathways for wealth generation and asset building opportunities for the households it serves. Homeownership is a primary pathway for wealth building.¹

THA offered a homeownership program from 2005 – 2011. During this time, THA helped nearly 30 families purchase homes. However, the previous homeownership program participants were not reflective of THA's population, with an overrepresentation of households on fixed incomes and households headed by a white household member. As THA looks to bring homeownership back into focus, we must also address that in recent years the Tacoma housing market has undergone significant changes and become increasingly competitive. These changes make homeownership further out of reach and are predicted to lead to further racial and economic disparities for Tacoma's low-income and Black, Indigenous, and people of color (BIPOC) communities. THA is in a unique position to engage in a couple of recent efforts that aim to improve access to homeownership.

Through data analysis, a landscape assessment of current programs and resources in Tacoma, and consultation with THA staff, PIE staff have identified the barriers and opportunities related to homeownership access. Our findings and recommendations for next steps are summarized in this memo.

CONTEXT

Most THA households are extremely low-income, earning less than 30% of Area Median Income (AMI). According to a recent analysis, the median household income among THA households is just over \$12,000. Given THA's limited housing resources, the agency targets its assistance to the most marginalized households facing the greatest barriers to housing stability. Because of this, most households are not positioned to access homeownership as even subsidized programs require a certain level of income, typically between 50% and 80% of AMI.

¹ Teles, et al (May 2023). Using Vouchers to Support Homeownership.
<https://www.urban.org/sites/default/files/2023-05/Using%20Vouchers%20to%20Support%20Homeownership.pdf>

In July 2023, the median home price in Tacoma was \$455,000. Taking into account interest rates around 7%, HUD's requirement that families put 3% down, and THA's payment standards, THA families using a voucher would only be able to afford homes valued at \$300,000 and below. As of July 1, 2023, there were 24 homes listed at or below \$300,000 in THA's jurisdiction. 18 of those were mobile homes.

However, about 10% of THA's households do fall within the 50-80% of AMI range. Additionally, more than 100 families participate in the Family Self-Sufficiency (FSS) program, which is designed to assist families in achieving their economic goals, of which homeownership is a primary goal (90% of FSS participants). FSS allows households to collect up to \$8,500 in escrow, which could be used as a downpayment on a house. THA has an opportunity to link these households to existing programs and opportunities available in Tacoma, that are outlined further in the next section.

OPPORTUNITIES

Habitat for Humanity is looking to increase their housing stock

Pierce County Housing Authority (PCHA) is selling 124 single family homes that have been used as public housing. Tacoma Pierce County Habitat for Humanity has secured legislative funding to buy 80 of these homes from PCHA over the next few years. Additionally, they have plans to develop 20-40 additional new construction homes in the coming years. This is a significant influx of housing and would increase their existing housing stock by more than 30%.

However, there's a narrow income threshold for households to qualify for a Habitat home; they must be below 80% of AMI and able to qualify for a \$160,000 – \$200,000 loan. Successful Habitat homebuyers are usually in the 50-60% of AMI range. Additionally, Habitat has recently moved to a land-lease model. This means Habitat retains ownership of the land and the homebuyer purchases the home. The homeowner enters a 99-year renewable and inheritable land lease. In purchasing a Habitat home, the buyer agrees to sell the home at a restricted price to ensure continued affordability. This is known as restricted resale. As these homes are outside of the private housing market, equity is limited to 1-2% per year that the family is in the home.

While this model makes homeownership more affordable and attainable for people priced out of the market, it also limits the amount of equity and wealth a family can build. This begs the question if Habitat homebuyers are ever able to build enough equity to participate in the private market. This model of homeownership appears to be a middle ground by providing more stability than renting while at the same time limiting wealth accrual. On the other hand, by creating a separate housing market in which families are protected by changing market conditions, equity is at least guaranteed and not dependent on market forces. This may be a protective factor in cases of a real estate bubble or irresponsible lending practices – many of which have historically had a disparate impact on BIPOC homeowners.

The Black Home Initiative (BHI) is increasing investments and collaboration in King County and North Pierce County to address disparities in homeownership

Last year, Civic Commons launched the Black Home Initiative (BHI) to address disparities in homeownership in King and north Pierce counties. With funding from Chase Bank, BHI "will address these inequities with a cross-sector approach that includes obtaining land, creating new funding mechanisms aligned with the needs of developers, and targeting a variety of housing types and methods of sale. Loans will come from a variety of sources, including financial

institutions and credit unions who are willing to create new pathways for successful homeownership. A combination of various down payment resources will also be essential.”

Pierce County’s involvement in the BHI includes several community organizations and leaders that THA’s PIE staff have already been communicating with to explore existing resources and potential partnership. THA has also signed a partnership pledge with BHI. Rather than building and bringing community to the table as THA explores and develops a homeownership program, BHI has already laid the groundwork and not only seated the relevant players around the table but has the additional resources and capacity to facilitate long lasting and sustainable partnerships.

For instance, one of the workgroups is focused on developing a coordinated intake dashboard that would assess “homebuyer-curious” households to determine where they are in terms of being “homebuyer-ready”. From there, the portal will connect the household to relevant resources based on their circumstances. This will help ensure households are made aware of the opportunities and supports that fit their situation and placement along the homebuyer pathway. The portal is being developed by the Washington Homeownership Resource Center with plans to launch in service to the BHI but with the intent to be a state-wide resource for anyone interested in becoming a homeowner. This tool would also have the ability to identify service providers and homeownership counselors familiar with the Section 8 Homeownership Program. This has the potential to be an incredibly valuable resource that THA could be part of shaping and piloting to ensure it meets the needs of our households, without having to invest a significant amount of time or capacity.

In sum, the BHI is eager to engage PHAs in their work. Though the focus of BHI’s work is on Black homeownership, the tools being developed will not be limited to only Black households. By reducing the systemic barriers that Black homebuyers face, other low-income and marginalized populations will be able to realize improved homeownership outcomes.

However, it should be noted that, like Habitat’s programming, BHI is also targeting currently eligible households in the 50-80% of AMI income range. As stated before, most of THA’s households fall outside of this range so THA should continue to explore and provide opportunities that expands the pool of eligible households while intentionally targeting BHI resources to households who fall within that range.

NEXT STEPS AND RECOMMENDATIONS

Given the challenging market conditions and generally extremely low incomes of the households THA serves, THA should look for ways to refer to and coordinate with local homeownership programs but not establish a standalone program at this time. THA’s Client Support and Empowerment (CSE) Department should also continue its asset building and income progression efforts to prepare households to pursue homeownership programs when they are financially stable and ready to do so. Finally, THA should consider if there are opportunities to develop homeownership opportunities on land it currently owns or may acquire in the future. More specific recommendations are as follows:

Continue offering asset building programming, including FSS, and connecting THA residents with financial resources

CSE works with an array of partners to bring financial coaching, wealth building, and money management resources to THA residents. These resources are paramount to not only stabilizing

the households THA serves but also providing pathways to income progression, which is key to homebuyer readiness. According to our partners at PCHA, who currently operate a homeownership voucher program, most clients who purchase a home are those who increased their income through FSS participation rather than with a homeownership voucher. PIE recommends building on these partnerships and developing a warm handoff or pipeline for the nearly 10% of households who could qualify for existing homeownership programs.

Track local programs and opportunities for partnership

PIE staff continue to monitor programming, funding, and partnership opportunities around homeownership through regular engagement with BHI planning efforts and communication with local Habitat for Humanity partners. As programming and opportunities align with THA's goals and population, PIE staff raise these opportunities to leadership and staff.

Consider targeted partnership with local employers that provide higher wage jobs and opportunity for income progression

PIE staff recommends that THA research and explore partnerships with local employers that offer high wage-earning jobs, including healthcare and tech. To sustain a mortgage over the long-term, regardless of the presence of a subsidy, a household needs to be making an income that can afford mortgage payments. By creating pathways to higher wages, THA can help alleviate this barrier to homeownership.

Better understand resident barriers to homeownership

To best design an initiative and subsequent programming, THA should invest resources in better understanding barriers, opportunities, and hopes among THA households, related to homeownership and income progression. This could be in the form of focus groups, engagement with existing resident forums, and/or consulting with CSE staff who hold close relationships with many of the households THA serves.

Explore developing homeownership opportunities

When THA has the opportunity to develop or redevelop parcels of land, we should consider the feasibility of providing affordable homeownership units on those properties. Currently, THA is exploring developing a portion of Hillsdale Heights as affordable homeownership units.

Remove barriers to housing stability in existing homeownership voucher program

While THA has not issued homeownership vouchers since 2011, there are still 20+ households who are participating in this program. To ensure households can remain stably housed in their homes and to align with industry best practices, THA is proposing to waive the 10 to 15 year time limit associated with the homeownership voucher in addition to increasing the upfront amount that PHAs can offer households (in lieu of subsidizing the mortgage payment). These flexibilities will be beneficial in the future if THA considers reoffering this program.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



RESOLUTION 2023-11-08(1)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: 2024 Contract with Pierce County Rapid Re-Housing Contract Homeless Housing Program

This resolution would approve a new contract with Pierce County Human Services for Homeless Rapid Rehousing Housing Programs.

BACKGROUND

In 2013, Tacoma Housing Authority (THA) began investing in the Pierce County Rapid Rehousing system. This resolution will allow staff to negotiate a new agreement with Pierce County Human Services to continue the investment. The contract will continue to dedicate THA's investment to housing for families with children and unaccompanied young adults aged 18-24. Pierce County's use of funding includes rental assistance, minimal administration costs, and other types of flexible service including Rapid Rehousing, diversion, and prevention. THA will continue to report the outcomes of this investment in its annual Moving to Work (MTW) Report and to the Board upon consideration of the next contract renewal.

RECOMMENDATION

Authorize THA's Executive Director to negotiate and sign a contract for up to \$1.1 million with Pierce County for housing for families and young adults experiencing homelessness.



RESOLUTION 2023-11-08 (1)

2024 CONTRACT WITH PIERCE COUNTY RAPID RE-HOUSING CONTRACT HOMELESS HOUSING PROGRAM

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

WHEREAS, THA has been investing in the Pierce County Rapid Rehousing system and homeless housing programs since 2013; and

WHEREAS, A new contract must be executed to serve families and young adults in 2023; and

WHEREAS, The contract will be in effect through 2024; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate and to sign a new Pierce County Human Services contract for up to \$1.1 million for housing for families and young adults experiencing homelessness.

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

Resolution 2



RESOLUTION 2023-11-08(2)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval of Property-Based Subsidy Contract for Peoples Senior Living

Tacoma Housing Authority (THA) issued a Request for Proposals for Property-Based Subsidies. This resolution will award up to 124 Property-Based Subsidies to People's Senior Living.

BACKGROUND

The Property-Based Subsidy program is different from THA's Tenant-Based and Project-Based programs. It is similar to the project-based voucher program in that the subsidy is tied to a property, as opposed to the tenant. Like the project-based voucher program, THA also regularly inspects units to ensure they are safe for occupancy. Both subsidies also share the same purpose; to make housing accessible and affordable to low-income households for an extended time. The local property-based subsidy is different from the project based in three primary ways:

- Like other programs, tenants must income qualify and have incomes below set standards, but the tenant rents are fixed regardless of the tenant's actual income. This provides predictable rent amounts for tenants rather than rent going up or down based on their income. Fixed rents make the program easier to explain, understand and manage for both tenants and landlords. The fixed subsidy also removes a disincentive for tenants to increase their earned income because the tenant's share of the rent will not increase if they earn more. On the other hand, it also means that a tenant's rent share will not decrease if their income goes down.

- The subsidies to the owner would be set on an annual basis, subject to the property meeting negotiated minimum occupancy rates, rather than varying month-to-month, based on tenant rent calculations. This provides a stable, predictable, and easy to administer income stream for the owners and predictable expenses for the housing authority.
- The owner is responsible for advertising vacancies, screening its tenants, and verifying the income of tenants. The tenants will not have a relationship with the housing authority. Tenants will just realize affordable rents at the property level based on the subsidy that is being provided to the owner. The arrangement offers tenants the tenant protections of THA's other programs.

In November 2022, THA issued a Request for Proposal (RFP) for Property-Based Subsidies (PBS). This RFP currently remains open, and submitted applications are reviewed every 30 days.

THA has received one proposal. The RFP review committee scored the application, and the Committee and staff recommend awarding Property-Based subsidies to Peoples Senior Living.

This was the sole application, and it scored well, receiving a total of 195 points.

- Units set aside for households below 30% AMI received 3 points; **Score 105 points.**
- Units set aside for households below 40% AMI received 2 points; **Score 30 points.**
- Units set aside for households below 50% AMI received 1 point; **Score 25 points.**
- Occupancy for all available vacancies restricted to households that are homeless or at risk of homelessness received 10 points; **Score 0 points.**
- Occupancy restricted to special-needs population received 10 points; **Score 10 points.**
- Supportive services available to residents of the project awarded 10 points; **Score 10 points.**
- Owner/manager experience awarded 15 points. **Score 15 points.**

Peoples Senior Living is owned by Cascade Park Communities, an existing partner who has 2 other Property-Based contracts with THA.

Peoples Senior Living is a 124-unit property, currently the owner seeks to subsidize 75 units. This is a unique partnership that allows THA to support a community partner who provides assisted living to Medicaid-eligible households at a time when these types of facilities are closing and or unable to maintain stable operations. Throughout THA's portfolio, THA subsidizes independent living. Not only does this partnership expand THA's ability to subsidize assisted living, but our residents are also prioritized for placement in these units when they can no longer live independently.

Initially this partnership will subsidize 75 units:

- 35 Units at 30% AMI
- 15 Units at 40% AMI
- 25 unit at 50% AMI

RECOMMENDATION

Authorize THA's Executive Director to negotiate and sign a Property-Based Subsidy contract with Peoples Senior Living for up to 10 years for up to 124 units.



RESOLUTION 2023-11-08 (2)

APPROVAL OF PROPERTY-BASED SUBSIDY CONTRACT FOR PEOPLES SENIOR LIVING

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

WHEREAS, THA held a competitive process for Property-Based subsidies; and

WHEREAS, Peoples Senior Living was the highest scoring respondent and will be awarded up to 124 units; and

WHEREAS, The effective date of the contract will be up to the discretion of the Executive Director; and

WHEREAS, The contract term will be determined through negotiations with the respondent; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate, and if those negotiations are successful, execute a Property-Based Subsidy contract with Peoples Senior Living.

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

Resolution 3



RESOLUTION 2023-11-08 (3)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval of Revision to THA's Administrative Plan: Update to Local Waitlist Preferences

This resolution would authorize Tacoma Housing Authority (THA) to revise its Administrative Plan waitlist preference policy so it may receive referrals from supportive service providers to fill next-available units within THA's portfolio and for its voucher programs.

BACKGROUND

Tacoma Housing Authority primarily provides subsidized housing assistance to those who apply and are selected off its consolidated waitlist. THA's waitlist includes preferences for specific populations, which allows select households to bypass the consolidated waitlist. Per Housing and Urban Development (HUD) regulations at [24 CFR 982.207](#) and [HUD PIH Notice-23-13](#), Public Housing Authorities (PHAs) are permitted to establish local preferences, including referrals from partner agencies, and to give priority to serving households that meet those criteria.

Over the last year and a half, in alignment with THA's goals to increase and maintain housing access and stability for low-income Tacomans, the THA Board of Commissioners have approved changes to THA's local preferences that allow for direct referrals from our community partners to serve households with the highest barriers and who are experiencing homelessness and housing instability. In February 2023, THA passed a revision to our Local Preferences to allow a preference for Foundational Community Supports (FCS)-eligible households (Resolution 2023-02-23(3)). Prior to that, in April 2022, THA approved a waitlist preference policy accepting referrals from Pierce County's Coordinated Entry System for its homeless set-side units (Resolution 2022-04-27(3)).

Through this resolution, THA seeks to explore and pilot expanding its local waitlist preference policy, allowing for potential referrals from service providers that provide lease-up and housing stabilization services to households experiencing homelessness and housing instability in Tacoma. Consistent with past resolutions to expand THA's waitlist preferences and in alignment with community strategic plans to address homelessness, this would allow THA's housing resources to be targeted to households who face among the highest barriers accessing and maintaining affordable housing.¹ Additionally, THA seeks to utilize these partnerships with service providers to ensure supportive services, which are often underfunded and scarce assets in affordable housing, would be offered to households for at least six months after lease-up to ensure a household successfully stabilizes in housing. In turn, THA can offer its vouchers and vacancies in THA's portfolio units to households who have already worked with providers to establish case management, meet THA's eligibility criteria, and are receiving assistance for leasing up, all of which benefits THA's goals for meeting its utilization targets and leasing up quickly.

Over the next couple months, THA will explore and pilot entering into memorandum of understanding (MOU) agreements with prospective service providers. Upon execution of the MOUs, THA will actively monitor its utilization rates and reserves the right to halt the waitlist preference policy for referrals from service providers if utilization targets have been met or there is a sufficient number of households to pull from THA's consolidated waitlist. In doing this, THA still intends to pull from the consolidated waitlist at a regular cadence so that households would be regularly pulled between the consolidated waitlist and from referrals received from THA's waitlist preference policy. Finally, THA will monitor performance based on its MOU agreements with partners to ensure services provided to households are compliant with Fair Housing requirements, follow Housing First and Trauma-Informed Care principles, and are person-centered such that households benefitting from this waitlist preference are able to lease-up quickly and receive evidence-based services that assist them in becoming stable in housing. In early 2024, THA's Policy, Improvement, and Evaluation Department intends to complete an analysis of THA's Waitlist Preference Policy in full, considering recommendations for an equitable and comprehensive waitlist preference policy.

¹ This waitlist preference policy is in alignment with the Washington Consolidated Plan's goals to reduce homelessness and provide decent housing (<https://deptofcommerce.app.box.com/s/cd7vm7hmmfftwzy5qrrmjgbwvvcn7i2c>) and the City of Tacoma's Affordable Housing Action Strategy to create a range of resources for households experiencing a housing crisis and reducing barriers for those who often encounter them (<https://www.cityoftacoma.org/cms/one.aspx?portalId=169&pageId=148642>). Furthermore, this policy change addresses the strategies outlined in the Pierce County's Comprehensive Plan to End Homelessness to create dedicated housing voucher interventions for households experiencing homelessness and targeting households at-risk of homelessness (<https://www.piercecountywa.gov/DocumentCenter/View/109977/Comprehensive-Plan-to-End-Homelessness-with-Appendices-and-Shelter-Action-Plan>).

RECOMMENDATION

Approve Resolution 2023-02-23 (3) authorizing revisions to THA's Administrative Plan (Chapter 4 Section III.C) to expand its waitlist preference policy for receiving referrals from supportive service providers to fill next-available units within THA's portfolio and for its voucher programs.

4-III.C. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

Local Preferences [24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

THA Policy

THA will utilize a lottery system for selecting off its consolidated waitlist. There will only be preferences for the following:

- The Executive Director will, at their discretion, identify when, and if, to make a set number of Housing Choice Vouchers available in response to a federally-declared disaster. When these vouchers are made available, households that can document that they have been displaced by a presidentially declared Major Disaster Declaration (MDD) will be eligible for this preference. Displaced households will be able to apply, even if the waiting list is closed, and receive this emergency preference. In order to qualify the applicant must provide evidence that the family resided in the disaster area before occurrence. Eligibility will be verified by Tacoma Housing Authority. To demonstrate need the applicant may provide, as verified by FEMA, an assessment of damage to their property showing their pre-disaster residence is either uninhabitable or inaccessible. Applicant should provide documentation demonstrating a lack of, or insufficient insurance coverage to meet housing needs. Applicants must also meet PHA program eligibility requirements.
- The PHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding.
- THA will offer a preference to eligible households experiencing homelessness or housing instability from the following referral mechanisms:
 - Households experiencing homelessness referred by Pierce County's Coordinated Entry System for its homeless set aside units.
 - Households experiencing homelessness or housing instability referred by service partners with which THA has entered into MOU agreements to

provide lease-up assistance and housing stabilization services to these households for no less than 6 months.

- THA may offer a preference to Foundational Community Supports (FCS) eligible households referred by community FCS providers. The number of successful (housed) referrals may not exceed 50 unit referrals and 50 voucher referrals per year.
- THA will also offer preferences for RAD exits, PBV exits, displacement due to disaster, and transfers.
- THA will allow those on the transfer waitlist to be served ahead of those on the regular waitlist in accordance with Chapter 12 of THA's ACOP. As of July 1, 2020 THA may offer a Housing Choice Voucher subsidy to households on the transfer waitlist for the following reasons:

Emergency Transfer
Reasonable Accommodation
Over-housed
Under-housed

Until a comprehensive transfer waitlist policy revision is completed, households that refuse a Housing Choice Voucher offer will remain on THA's transfer list.

When THA's consolidated waitlist is suspended or closed, applications from households that meet the preference criteria above will continue to be accepted and placed on the waitlist at THA's discretion.



RESOLUTION 2023-11-08 (3)

APPROVAL OF REVISION TO THA'S ADMINISTRATIVE PLAN: UPDATE TO LOCAL WAITLIST PREFERENCES

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

WHEREAS, the Administrative Plan related to administration of THA's housing programs 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, THA seeks to accept referrals from supportive service providers to fill next-available units within THA's portfolio and for its voucher programs; and

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 as follows:

Authorize revisions to THA's Administrative Plan (Chapter 4 Section III.C) to expand THA's waitlist preference policy so it may begin receiving referrals from supportive service providers to fill next-available units within THA's portfolio and for its voucher programs.

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

Resolution 4



RESOLUTION 2023-11-08 (4)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Interlocal Cooperative Agreement with King County Housing Authority for Project Management Professional Services.

This resolution would authorize Tacoma Housing Authority's (THA's) Executive Director to execute an Intergovernmental Cooperative Agreement with King County Housing Authority (KCHA) so that it may rely on KCHA's procurement of Nims & Associates.

BACKGROUND

THA seeks to secure a consultant to assist with the Yardi conversion. For this same type of work, KCHA procured Nims & Associates through a competitive bidding process. THA wishes to rely on KCHA's procurement of Nims & Associates. This is permissible if THA and KCHA sign an Interlocal Cooperative Agreement.

RECOMMENDATION

Staff recommend entering into an Interlocal Cooperative Agreement with King County Housing Authority, so it may contract with Nims & Associates for project management for the Yardi Software Conversion.



RESOLUTION 2023-11-08 (4)

Interlocal Agreement with King County Housing Authority for Yardi Conversion Project Management

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

WHEREAS, THA wishes to seek a consultant to assist with the project management of the Yardi software conversion; and

WHEREAS, KCHA followed the Housing and Urban Development (HUD) procurement process 24 CFR 85.36 in procuring Nims & Associates; and

WHEREAS, Chapter 39.34 RCW (The Interlocal Cooperation Act) permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, includes the purchase of goods and services; now, therefore, be it

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

The Executive Director is authorized to enter into an Interlocal Cooperative Agreement with King County Housing Authority so that THA may rely on KCHA's procurement of Nims & Associates.

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair

Resolution 5

RESOLUTION 2023-11-08(5)

Date: November 8, 2023

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 2024. The details are set forth in the attachments.

BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2024. 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 significant programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes, each department director will manage and control their department budget following Federal, State, and Local regulations.

The Board and Executive Director provided direction for writing this budget. With the planned IT conversion from Open Door and Intacct to Yardi, it was decided that there would be more of a continuing resolution/carry-on approach, with every department reviewing their budgets and attempting to live within budgeted amounts from their 2023 budget. If this was possible, any new items were typically identified without assigning a particular dollar amount. This was to let staff know what has been approved for 2024, even though dollar amounts remained the same. For example, if a department determined it would need to attend a new training, the further training would be listed without a dollar amount. The department would need to reduce spending on other training to stay within the approved training budget. There were also areas we knew from the beginning where changes would have to be made. These areas are addressed below. The Finance Department facilitated multiple meetings with the other Directors to come up with a budget based on this direction to present to both me and now the Board.

NOTABLE INFORMATION

- The 2024 budget is based on 2023 federal funding levels.
- The budget for Housing Assistance Payments (HAP) was adjusted to reflect current utilization and costs, projecting out to 2024.
- The salary budget reflects the commitment to staff to pay salaries commensurate with the level needed to rent a 2-bedroom unit in Tacoma.
- With the planned change of the IT platform to Yardi, we have reviewed the costs associated with the conversion to ensure that they are updated and accurate based on the revised implementation timeline.
- THA has reviewed and updated all property budgets, both Tax Credit and THA-owned for the 2024 budget. Changes were made in the property budgets to reflect the changing needs of individual properties. There were no changes in overall staffing or significant initiatives.
- As grant funding changes each year, we have worked with the different departments to update the grant funding and expenditures to reflect what will occur in 2024 adequately. As we have done in the past, we balance out the expenses with income for grants to have a net zero impact on the agency for each year.
- In the Development area, we will continue the Housing Hilltop development, along with continuing to progress with the development of Aviva Crossing. THA will continue to look for other partnership, development, and acquisition opportunities that will expand the Agency's ability to serve lower-income Tacoma residents.
- The 2024 budget fits recurring expenses within recurring income.
- 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 2024 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 HUD designates under the terms of the demo/dispo application for rehab or existing and developing of new affordable housing in the community. THA continues to focus on maximizing the use of MTW reserves and the reserves associated with the sale of public housing properties while limiting the use of Business Activity reserves. Continuing this approach in the 2024 budget, we project minimal HAP reserves remaining at HUD at the end of 2024. The cash management regulations HUD follows do 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, as well as attempting to capture the significant changes affecting the agency in 2024 while using a continuing resolution philosophy to streamline the process so staff can focus on the IT conversion to the Yardi platform. It also recognizes the degree of uncertainty that lies ahead, which will require THA to remain flexible.

The proposed budget leaves THA in good shape for 2024. It allows THA to continue core programs. It will enable 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.

ADDITIONAL INFORMATION

- **Budget Principles**

- As Congress had not passed a budget for HUD when we began building our budget, we will presume the worst of the plausible budget versions working their way through Congress. The most recent House and Senate proposals include a small increase in funding for rental assistance. With the local FMRs increasing by over 20% compared to the national average increase of 12%, it would be anticipated that THA would be one of the beneficiaries of this increase. The ongoing dysfunction in Washington, most recently illustrated by the negotiations to increase the debt ceiling and the struggle to name a Speaker of the House, raises the possibility of a continuing resolution that could lead to flat funding. As a result, we are budgeting at the 2023 MTW funding levels.
- The budget will account for THA's strategic objectives.
- The budget will fit recurring and non-project-oriented expenses within recurring income.
- We will have reserve levels within Board directed limits; not too much and not too little.
- We will spend reserves on non-recurring expenses that:
 - Save us money;
 - Make us money;
 - Make us more effective.

- **Rental Assistance**

- HAP is the largest driver of expenses for our agency budget, accounting for approximately 63% of the agency's operating expenses. As previously stated, we are budgeting for flat funding in 2024. The challenge is that due to rent restrictions in COVID and the current housing market, rents have gone up substantially since the beginning of 2022. Our funding has not kept up with the

increases we have seen over the past few years. In 2022, we saw an increase in funding of 2.7% while the cost of our average traditional voucher increased 11.1%. For 2023, we received an increase of 8.3%, and through August, the cost of our average traditional voucher was up an additional 10.1%. While we expect that our per voucher cost growth rate will slow to 5.2%, we also need to address the rising costs, particularly insurance, in our tax credit partnerships. We have historically increased the rents to our subsidized units by the Operating Cost Adjustment Factor (OCAF) provided by HUD. The OCAF increase is provided at the state level and has not accurately reflected the changing conditions of our local market. The long-term impact of this was amplified this year with the dramatic increase in insurance. To address this, we plan to significantly increase the rents for our non-RAD (Rental Assistance Demonstration) project-based voucher units. This will, in turn, increase our HAP expenses at those properties.

- The lifting of the COVID restrictions has presented other challenges Rental Assistance. THA has seen a substantial increase in the turnover of our managed PBV units, which created a backlog of units that needed to be turned and leased up. We have also seen an uptick in the attrition of Tenant-based voucher holders. The result of these changes is that the Rental Assistance department needs to process a significantly greater number of applications to maintain utilization. Due to the utilization and budgetary challenges noted above, our MTW utilization rate has been slowly falling over the past few years. This trend will continue, but even with these challenges, we were still able to budget a 95% utilization rate of our MTW baseline for 2024.
- The Special Purpose Voucher program (EHV, FUP, Mainstream, NED, VASH) projected utilization and average HAP have been updated for the 2024 budget. While MTW utilization has been challenging, we are budgeting for another year of rapid growth in the number of families served using Special Purpose Vouchers.
- Section 8 Admin Fees are budgeted at 2023 funding levels and the 89.5% proration received in 2023. It is reasonably likely that the per voucher funding rate may increase, but a lower proration would likely offset any increase.
- **Salaries and Benefits**
 - In the 2023 budget, THA committed to “Make THA a great place to work.” In doing so, the agency committed to doing a salary analysis for all positions in 2023, as well as taking a look at our minimum salaries and work towards ensuring that all staff are able to live in the South Sound area without struggling financially. The bulk of this work was completed in time for the raises that took effect in July. Working with our Union partners, THA increased its minimum salary to a housing wage of \$32 per hour for all employees. This will allow all staff to afford a 2 BR unit in the Tacoma area. The cost to the agency was

approximately \$1 million. Additionally, the agency looked at all positions and repositioned several job classifications to ensure they were reflective of the current market. Lastly, experience was looked at for all employees, and several equity adjustments were made for staff to ensure they were adequately compensated for their overall experience. The overall wage increase in July was just over 15%. The 2023 budget included an adjustment for a six-month increase and was placed in HR as a placeholder. The 2024 budget reflects the department they work in, and the raises that took effect in July annualized for the entire year. Ensuring that our compensation practices and policies result in equitable outcomes will be an ongoing process. Having addressed the majority of these changes in 2023, we believe we can make any necessary adjustments without setting aside any additional funding.

- For the 2024 budget, we did not include a raise percentage or an increase to the medical and dental benefits due to this being more of a continuing resolution budget. THA budgets for all positions being fully staffed for the entire year. It has been determined that the impact for any raises, and health benefit increases can be absorbed within the 2023 budgeted amount due to staffing never being 100%. The budget also calculates health insurance costs based on the insurance plan with the highest employer contribution, which provides an additional buffer. Any benefits that are calculated as percentages of salaries, such as Retirement, will reflect a budgeted increase based on the salary increase.

- **IT Expenditures**

- The 2023 budget was carefully crafted to consider the expenses associated with the Yardi conversion, including the costs for the coming years. This was an area we wanted to ensure that we reflected accurately in 2024. In working with IT, it was determined that no major changes were needed for the 2024 budget other than adjusting Yardi implementation costs.

- **2023 Initiatives brought forward to 2024**

- As the 2024 budget is intended to be a continuing resolution type budget, we are not introducing any new major initiatives in 2024, but are moving forward with initiatives from 2023, which span multiple years, and in many cases embedded in how we do the work. The following is a synopsis of the initiatives.
 - *Increase the amount of available housing for low-income families*
 - *Increase housing access & stability*
 - *Embed principles of Diversity, Equity, Inclusion & Belonging (DEIB) in THA's programs, culture & priorities*
 - *Make THA a great place to work*

- **Reserves and Capital spending**

Reserves are important. We want to keep enough for essential purposes: to operate safely, remain credit-worthy to investors and partners, and 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. The Board then makes a determination as to what level of reserves is optimal. For our MTW funds, we project reserve levels at approximately \$1.2 million at THA and \$875,000 at HUD at the end of 2024. For our Business Activity funds (Non-MTW without restrictions), we anticipate approximately \$11.7 million.

In the budget, we specify certain areas where we will transfer from certain areas or pull from reserves rather than operations for expenditures. In addition to funding non-recurring expenses, reserves are used for a variety of capital items. There are several large capital transactions planned for 2024.

- THA will be retiring the debt associated with Aviva Crossing/James Center North. We will be utilizing a combination of Business Activity Reserves, Property Reserves and ACC Sales Proceeds.
 - \$2.2 Million – Early retirement of the WSHFC loan to facilitate the sale of parcels that will be developed by third parties.
 - \$1.5 Million – Retirement of the remaining portion of the Enterprise loan.
- We are budgeting \$475,000 in MTW reserves to improve THA infrastructure and update the THA fleet.
- THA continues to look for opportunities to acquire new affordable units to serve our clients better. We are budgeting \$2 million from Reserves with Restrictions funds (ACC sales proceeds) and an additional \$2 million of Business Activities reserves for rental property purchases.
- We are budgeting a \$2,511,000 transfer of funds from THA-owned rental properties to Business activities at end of 2023 to maintain optimal Operating and Replacement reserves at the properties. This amount includes \$1 million related to the retirement of debt for Aviva Crossing.
- Part of the redevelopment of Aviva Crossing will require the leasing of land and the sale of the front commercial parcel. Combined this will provide THA \$4.1 million in additional funding.

- **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 \$3.7 million reserve level for this category.

- **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	\$ 1,198,000
○	Business Activities (Non-MTW) reserves	\$ 11,761,000
○	PH Owned Property reserves	\$ 3,700,000
○	Reserves with Restrictions	\$ 5,056,000
○	Housing Hilltop Construction Reserve	\$ 8,287,500
○	Section 8 Reserves held at HUD	<u>\$ 875,000</u>
		\$ 30,877,500

RECOMMENDATION

I recommend that the Board adopt Resolution 2023-11-8 (5) to formally approve THA's Fiscal Year 2024 Annual Budget.



RESOLUTION 2023-11-08(5)

Fiscal Year 2024 Annual Budget

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma
WHEREAS, The Housing Authority of the City of Tacoma ("Authority") intends to incur expenses and other cash outflows for Fiscal Year 2024.

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 2024 annual budget,

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

The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2024 Agency wide budget. Expenses and other cash outflows are projected as follows:

Expenses - Operations

Asset Management & Real Estate Development	2,199,732
Client Support & Empowerment	5,188,552
Executive	2,305,857
Finance	2,390,608
Human Resources	1,195,166
Information Technology	4,591,591
Policy, Innovation and Evaluation	2,577,797
Rental Assistance	66,221,002
Property Management Overhead	3,435,355
Property Budgets	<u>3,311,429</u>
Subtotal	\$93,417,089

<u>Additional Cash Outflows</u>	
Debt Service	258,748
Loan Payoffs	3,670,000
Capital Expenditures	4,475,000
Replacement Reserves	<u>175,852</u>
Subtotal	\$8,579,600
 TOTAL APPROVED BUDGET	 <u>\$101,996,689</u>

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2024 Budget
November 8, 2023

Rev 2023-10-30 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 01/01/24	-	Minimum	Maximum	Amount to Reserve - 2024	=	Amount of reserves available to use in FY-2024
a. MTW Reserves	\$1,500,000		\$900,000	\$7,300,000	\$1,100,000		\$400,000
b. Business Activities (Non-MTW) reserves	\$11,619,000		\$6,500,000	\$13,000,000	\$10,000,000		\$1,119,000
c. THA Owned Property	\$4,998,000		\$3,500,000	\$4,500,000	\$3,700,000		\$1,298,000
d. Reserves with Restrictions (ACC sale proceeds)	\$8,056,000		\$0	\$0	\$0		\$8,056,000
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.	\$9,250,000		\$0	\$0	\$0		\$9,250,000
	\$43,710,500		\$19,187,500	\$33,087,500	\$23,087,500		\$20,123,000

MTW Reserves	Annual Amount	Minimum		Maximum	
		Period	Amount	Period	Amount
MTW Expenses Non-HAP	\$22,000,000	1/2 month	\$900,000	4 months	\$7,300,000
		Total	\$900,000	Total	\$7,300,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2024

	Recurring Income	-	Cost of Recurring operations	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$63,354,000		\$65,218,000		(\$1,864,000)
Non-MTW	\$15,857,000		\$15,319,000		\$538,000
Rental Properties	\$4,959,000		\$3,614,000		\$1,345,000
Total	\$84,170,000		\$84,151,000		\$19,000

3. BUDGET IMPACT - RESERVES - FY-2024

	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 - 01/01/24	\$1,500,000	\$11,619,000	\$4,998,000	\$8,056,000	\$8,287,500	\$9,250,000	\$43,710,500
a. Recurring Surplus/(Shortfall) ¹	(\$1,864,000)	\$538,000	\$1,345,000				\$19,000
Non-Recurring Income/(Expense)							Amount
b. Non Recurring Income - Operational	\$0	\$939,000					\$939,000
c. Non Recurring Income - Capital	\$0	\$4,055,000					\$4,055,000
d. Non Recurring Expenses - Operational	(\$6,338,000)	(\$3,231,000)	(\$132,000)				(\$9,701,000)
e. Non Recurring Expenses - Capital	(\$475,000)						(\$475,000)
f. Operating Transfers		\$2,511,000	(\$2,511,000)				\$0
g. HUD HAP Drawdown/Transfer to MTW	\$8,375,000					(\$8,375,000)	\$0
h. James Center North Loan Payoffs (Enterprise & WSHFC)		(\$2,670,000)		(\$1,000,000)			(\$3,670,000)
i. Acquisitions & Transaction Costs		(\$2,000,000)		(\$2,000,000)			(\$4,000,000)
Projected Reserves - 12/31/24	\$1,198,000	\$11,761,000	\$3,700,000	\$5,056,000	\$8,287,500	\$875,000	\$30,877,500

4. FY-2024 PROJECTED END OF YEAR RESERVE LEVELS

Type/Purpose of Reserves	Projected Reserves 12/31/24	Minimum	Maximum
a. MTW Reserves	\$1,198,000	\$900,000	\$7,300,000
b. Business Activities (Non-MTW) reserves	\$11,727,000	\$6,500,000	\$13,000,000
c. THA Owned Property	\$3,734,000	\$3,500,000	\$4,500,000
d. Reserves with Restrictions (ACC sale proceeds)	\$5,056,000	\$0	\$0
e. Housing Hilltop Construction Reserve	\$8,287,500	\$8,287,500	\$8,287,500
f. Section 8 Reserves held at HUD.	\$875,000	\$0	\$0
Totals	\$30,877,500	\$19,187,500	\$33,087,500

Amount to Reserve - 2024	Excess/(Deficit) Reserves Over Amount to Reserve
\$1,100,000	\$98,000
\$10,000,000	\$1,761,000
\$3,700,000	\$0
\$0	\$5,056,000
\$8,287,500	\$0
\$0	\$875,000
\$23,087,500	\$7,790,000

5. CHANGES IN RECURRING INCOME AND EXPENSES

5.1 Changes in Recurring FY-24 Income	Amount	Changes in Recurring FY-24 Expense	Amount
a. Section 8 HAP - HUD increase		Section 8 HAP increases	
b. -FY 2024 Projected MTW Funding (Flat Funding)	\$2,327,000	- MTW projected increase in HAP	\$3,343,000
c. -FY 2024 Projected Special Purpose (Non-MTW) Voucher Funding	\$2,810,000	- Increase in Special Purpose (Non-MTW) HAP	\$2,810,000
d. Section 8 Admin Fees (Compared to 2023 Budget)	\$321,000	Staffing	
e. FSS Coordinator Grant	\$47,000	- New Positions (Salaries & Benefits)	\$0
f. Interest Income	\$727,000	- Salary & Benefit Adjustments	\$316,000
g. Management Fee Revenues	\$265,000	Insurance	\$249,000
h. Lease & CAM Charges	\$197,000	Management Fees	\$143,000
i. Tax Credit waterfall payments	\$44,000	Third party managed maintenance contracts and materials	\$117,000
j. Tenant Revenue	\$8,000	Employee Appreciation luncheon	\$30,000
		Bank Fees	\$26,000
		Excise Tax and Bad Debt	\$17,000
		Utilities	\$14,000
		Eviction Prevention (moved to non-recurring)	(\$100,000)
		Tenant screening	(\$50,000)
		Protective Services	(\$49,000)
		Audit fees	(\$17,000)
		Debt Service	(\$91,000)
		Recruiting	(\$13,000)
		Legal	(\$9,000)
		Advertising & Marketing at James Center	(\$5,000)
K. Subtotal	\$6,746,000		\$6,731,000

6. NOTEABLE CHANGES IN NON-RECURRING INCOME AND EXPENSES

Notable Changes in Non-Recurring FY-24 Income		Notable Changes in Non-Recurring FY-24 Expense	
a. 2023 HAP income carryover and included in 2024 budget	(\$1,625,000)	Yardi conversion and system buildout	\$1,150,000
b. EHV service fees	(\$163,000)	Staffing	
c. Public Housing Capital Funds	(\$486,000)	- New Positions (Salaries & Benefits)	\$0
d. Grant Income (All grants with end dates)	(\$363,000)	- Salary & Benefit Adjustments	\$286,000
		Due Dilligence (Hillside & Aviva Crossing)	\$150,000
		Eviction Prevention (moved to non-recurring)	\$100,000
		New ADP HR Management Contract	\$99,000
		Tenant Security deposit assistance	\$50,000
		FF&E for the community room at the FIC	\$45,000
		EHV Incentive & Service Fees	(\$186,500)
		Grant related expenditures (excluding salaries)	(\$132,000)
		HR compensation and NeoGov contracts	(\$38,500)
e. Subtotal	(\$2,637,000)		\$1,523,000

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

Recurring FY-25 Income		Recurring FY-25 Expense	Amount
a. Section 8 HAP - HUD increase	TBD	Section 8 HAP	TBD
Non-Recurring FY-25 Income		Non-Recurring FY-25 Expense	Amount
a. Developer Fees		Yardi conversion and system buildout	TBD
1. Housing Hilltop (2026)	\$0	Property Purchases	TBD
2. Aviva Crossing - Mercy	TBD	Housing Hilltop Construction (Funded through Housing Hilltop Reserve)	\$8,287,500
b. James Center North Land Sale	TBD		

8. INCOME & EXPENSES FROM CAPITAL TRANSACTIONS

Capital Income	Amount	MTW/Non-MTW/Properties	Department
a. James Center North Land Sale - Mercy	\$1,055,000	Non -MTW	AMRED
b. James Center North Land Sale (front commercial)	\$3,000,000	Non -MTW	AMRED
c. James Center North Land Sale (back commercial)	\$0	Non -MTW	AMRED

Capital Expenses	Amount	MTW/Non-MTW/Properties	Department
a. IT Program Development		\$125,000	
1. Community room infrastructure upgrades	\$50,000	MTW	IT
2. Replace IT firewall	\$75,000	MTW	IT
3. Yardi buildout (included in Non-Recurring Expenses)	\$0	MTW	IT
b. Maintenance Vehicles	\$100,000	MTW	PM
c. Inspector Vehicles	\$0	MTW	RA
d. THA administrative space reconfiguration for universal design and best use	\$250,000	MTW	AMRED
d. James Center North		\$3,670,000	
1. WSHFC loan retirement	\$2,170,000	Non MTW	AMRED
2. Enterprise loan retirement (Extended to 2024)	\$1,500,000	Non MTW	AMRED
e. Housing Hilltop Redevelopment - 2025/26		\$0	
1. Gap Financing will be in 2025/26		Non MTW	AMRED
f. New Acquisitions		\$4,000,000	AMRED
1. THA Funds - HUD Restricted Sales Proceeds	\$2,000,000	Non-MTW	AMRED
1. THA Funds - Business Activities	\$2,000,000	Non-MTW	AMRED

**Tacoma Housing Authority - Agency Wide Budget
FY2024**

	<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	-	2,560,000	-	-	-	-	-	26,400	78,744,452	81,330,852
Tenant Revenue	-	-	-	-	-	-	-	3,648,909	-	3,648,909
Management Fee Revenues	326,280	636,273	154,236	742,170	143,459	494,160	125,748	522,710	605,140	3,750,175
Other Revenues	39,582	598,675	-	693,000	-	-	50,000	3,272,032	101,677	4,754,966
Total Revenue	365,862	3,794,948	154,236	1,435,170	143,459	494,160	175,748	7,470,051	79,451,269	93,484,903
Total Revenue	365,862	3,794,948	154,236	1,435,170	143,459	494,160	175,748	7,470,051	79,451,269	93,484,903
Expenses - Operations										
Operating Expense										
Administrative Expenses	2,042,632	127,004	2,296,828	2,355,322	1,130,865	4,587,326	2,568,068	2,537,584	6,769,099	24,414,727
Tenant Services	-	5,028,591	-	-	-	-	-	84,650	178,886	5,292,127
Utilities	13,000	-	-	-	-	-	-	467,595	-	480,595
Maintenance	60,000	3,000	-	-	-	-	-	2,210,717	6,000	2,279,717
Protective Services (THA)	-	-	-	-	-	-	-	32,520	-	32,520
Insurance Premiums	82,101	29,957	9,029	12,786	4,301	4,265	9,729	457,050	50,917	660,136
Total Other General Expenses	2,000	-	-	22,500	60,000	-	-	292,301	103,700	480,501
Interest Expense and Amortization Cost	-	-	-	-	-	-	-	567,866	-	567,866
Total Operating Expense	2,199,732	5,188,552	2,305,857	2,390,608	1,195,166	4,591,591	2,577,797	6,650,284	7,108,602	34,208,189
Non-Operating Expenses										
Extraordinary Maintenance Expense	-	-	-	-	-	-	-	96,500	-	96,500
Housing Assistance Payments	-	-	-	-	-	-	-	-	59,112,400	59,112,400
Total Non-Operating Expenses	-	-	-	-	-	-	-	96,500	59,112,400	59,208,900
Total Expenses - Operations	2,199,732	5,188,552	2,305,857	2,390,608	1,195,166	4,591,591	2,577,797	6,746,784	66,221,002	93,417,089
Surplus/(Loss) - Operations	(1,833,870)	(1,393,604)	(2,151,621)	(955,438)	(1,051,708)	(4,097,431)	(2,402,049)	723,267	13,230,267	67,814
Capital Revenue (Expense)	(245,000)	-	-	-	-	(75,000)	-	(275,852)	-	(595,852)
Liability and Equity	(3,670,000)	-	-	-	-	-	-	(258,748)	-	(3,928,748)
Reserve Appropriation	5,500,000	-	-	-	-	-	-	-	-	5,500,000
Net Surplus/(Loss)	(248,870)	(1,393,604)	(2,151,621)	(955,438)	(1,051,708)	(4,172,431)	(2,402,049)	188,667	13,230,267	1,043,214

Resolution 2023-11-08 (5)

Attachment C

Tacoma Housing Authority - Property Budget FY- 2024

	<u>Aviva Crossing</u>	<u>Highland Crest Apartments</u>	<u>North Highland Court</u>	<u>Outrigger Apartments</u>	<u>Prairie Oaks</u>	<u>Salishan 7</u>	<u>Subtotal</u>
Revenue - Operations							
Revenue	1,199,113	1,105,464	502,414	659,596	234,504	1,236,647	4,937,738
Total Revenue	1,199,113	1,105,464	502,414	659,596	234,504	1,236,647	4,937,738
Expenses - Operations							
Operating Expense	598,407	716,390	339,921	416,040	204,970	932,301	3,208,030
Non-Operating Expenses							
Extraordinary Maintenance Expense	-	-	-	90,000	-	5,000	95,000
Total Non-Operating Expenses	-	-	-	90,000	-	5,000	95,000
Total Expenses - Operations	598,407	716,390	339,921	506,040	204,970	937,301	3,303,030
Surplus/(Loss) - Operations	600,706	389,074	162,493	153,556	29,534	299,346	1,634,709
Capital Expenses Revenue	0	39,828	13,011	44,100	6,913	72,000	175,852
Liability and Equity	-	103,797	45,485	57,660	39,306	12,500	258,748
Net Surplus/(Loss)	600,706	245,448	103,997	51,796	(16,685)	214,846	1,200,108

Resolution 6



RESOLUTION 2023-11-08(6)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: 2024 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 a Moving to Work (MTW) agency, and therefore subject to Housing and Urban Development (HUD) Cash Management rules. Currently, 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 spending 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 in both capital and operational areas and identifies areas where the Reserve funds will allow THA to accomplish its goals.

The Board sets the minimum reserve balances, which will not be changed without Board approval. You will note that the commitments may exceed available reserves beyond the



minimum levels. That is purposeful to show we have more needs than reserves, and we will need to make choices if we don't increase our resources, as planned, in the future.

Formally committing these funds with Board approval is a valuable planning tool. It also helps HUD understand that THA has plans for the funds.

This Resolution updates the list of commitments.

RECOMMENDATION

Approve Resolution 2023-11-08 (6) committing THA reserves as identified in the attached Schedule of Board Reserve Commitments.



RESOLUTION 2023-11-08(6)

Commitment of Agency and Moving to Work Reserves

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

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 reserves, both MTW and Non-MTW; and

WHEREAS, The Authority has submitted an initial MTW commitment of Reserves in the 2024 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: November 8, 2023

Dr. Minh-Anh Hodge, Chair

2024 Schedule of Board Reserve Commitments

Board Future Commitments		2023 Commitments	2024 Budget	Future Commitments 2025 and Beyond	MTW or Non-MTW	Period
a.	Business Process Improvement Project	\$515,000	\$500,000	\$1,100,000	MTW	2022-2026
b.	Faircloth & Property Repositioning			\$3,500,000	MTW / Non MTW	2025-2027
c.	James Center North Loan Payment (ECLF)	\$3,000,000	\$1,500,000		Non MTW	2023-2024
d.	James Center North Loan Payment (WSHFC)		\$2,170,000		Non MTW	2024
e.	Housing Hilltop			\$8,287,500	Non MTW	2025
f.	Software Platform Conversion / IT Upgrades	\$1,480,000	\$1,275,000		MTW	2022 - 2024
g.	Property Acquisitions	\$2,000,000	\$4,000,000	\$2,000,000	MTW / Non MTW	2023 -
i.	THA administrative space reconfiguration for universal design and best use		\$250,000	\$1,000,000	MTW	2024-2025
Commitments by Year		\$6,995,000	\$9,695,000	\$15,887,500		

Minimum Reserve Balances						
1.	Business Activity Reserves	\$10,000,000	\$10,000,000	\$10,000,000	Non MTW	In perpetuity
2.	MTW Reserves	\$1,000,000	\$1,100,000	\$1,100,000	MTW	In perpetuity
3.	THA Property Reserves	\$4,400,000	\$3,700,000	\$3,700,000	Non MTW	In perpetuity
4.	Housing Hilltop (Half of total THA cash contribution)	\$8,287,500	\$8,287,500	\$8,287,500	Non MTW	2025
Minimum End of Year Reserves by Year		Totals	\$23,687,500	\$23,087,500	\$23,087,500	

Resolution 7



RESOLUTION 2023-11-08 (7)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval of Accounts Receivable Write-Offs

This resolution would authorize THA staff to “write off” debts associated with landlord accounts.

BACKGROUND

THA has established a process of writing off owner-receivable bad debt. THA incurs this bad debt when a program participant leaves the Housing Choice Voucher program without timely notifying THA, creating overpayments to the property owner that need to be refunded to THA.

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

THA has notified each owner of his or her debt included in this write-off. THA mailed two notices to the last known address of the owner. These notices allow the owner to pay the debt or enter a repayment agreement with THA. Sending these debts to collections is the last resort. Any of these accounts not sent to collections because the balances are past the statute of limitations or the balances are immaterial (under \$50) are shown below with an asterisk (*).

RECOMMENDATION

Approve Resolution 2023-11-08 authorizing THA to write off tenant accounts totaling \$12,267.00.



RESOLUTION 2023-11-08 (7)

(Approval of Accounts Receivable Write-Offs)

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

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

WHEREAS, each individual included in this property owner's write-off has been notified of their debt and given the opportunity to pay prior to this resolution.

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

Authorizes THA staff to “write off” the following accounts and send these debts to an external collection agency to pursue collection action:

Ledger #	Balance
LD-2020-047013	\$2,032.00
LD-2018-038264	\$1,187.00
LD-2017-036654	\$3,026.00
LD-2017-006085	\$1,246.00
LD-2017-027896	\$600.00*
LD-2017-028305	\$571.00*
LD-2017-028471	\$557.00*
LD-2020-048917	\$3,048.00
	<u>\$12,267.00</u>
Total THA Write Off	<u>\$1,728.00</u>
Total THA to Collections	<u>\$10,539.00</u>

Approved: November 8, 2023

Dr. Minh-Anh Hodge, Chair