



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	2023 Commitments	2024 Budget	Future Commitments 2025 and Beyond	MTW or Non-MTW	Period
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	\$23,687,500	\$23,087,500	\$23,087,500		