



RESOLUTION 2024-12-11 (9)

Date: December 11, 2024

To: THA Board of Commissioners

From: April Black
Executive Director

Re: 2025 Board Commitments

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

BACKGROUND

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

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

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

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

This Resolution updates the list of commitments.

RECOMMENDATION

Approve Resolution 2024-12-11 (9) committing THA reserves as identified in the attached Schedule of Board Reserve Commitments.



RESOLUTION 2024-12-11 (9)

(COMMITMENT OF AGENCY & 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 2023-11-08 (6) and reflects the Authority's current plans for such capital and operational expenditures of THA' reserve's, both MTW and Non-MTW; and

WHEREAS, The Authority has submitted an initial MTW commitment of Reserves in the 2025 MTW plan, and intends to include an updated Schedule of Board Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it

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

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

Approved: December 11,2024


Derek Young, Chair

2025 Schedule of Board Reserve Commitments

Board Future Commitments	2024 Commitments	2025 Budget	Future Commitments 2026 and Beyond	MTW or Non-MTW	Period
a. Business Process Improvement Project	\$500,000	\$475,000	\$500,000	MTW	2022 - 2026
b. Faircloth & Property Repositioning		\$200,000	\$3,500,000	MTW / Non MTW	2025 - 2027
c. Aviva Crossing (James Center North) Loan Payment (ECLF)	\$1,500,000			Non MTW	2023 - 2024
d. Aviva Crossing (James Center North) Loan Payment (WSHFC)	\$2,170,000	\$1,284,900		Non MTW	2024 - 2025
e. Aviva Crossing (James Center North) Infrastructure & Loan		\$2,110,500		Non MTW	2025
e. Housing Hilltop		\$8,287,500	\$7,187,500	Non MTW	2025-2026
f. Software Platform Conversion / IT Upgrades	\$1,275,000	\$500,000		MTW	2022 - 2025
g. Property Acquisitions & Future Development Opportunity Evaluation	\$4,000,000	\$3,000,000	\$6,000,000	MTW / Non MTW	2024 -
i. THA administrative and community space upgrades	\$250,000	\$500,000		MTW	2024 - 2025
Commitments by Year	\$9,695,000	\$16,357,900	\$17,187,500		

Minimum Reserve Balances	2024 Commitments	2025 Budget	Future Commitments 2026 and Beyond	MTW or Non-MTW	Period
1. Business Activity Reserves	\$6,500,000	\$7,000,000	\$7,000,000	Non MTW	In perpetuity
2. MTW Reserves	\$900,000	\$900,000	\$900,000	MTW	In perpetuity
3. THA Property Reserves	\$3,500,000	\$3,000,000	\$3,000,000	Non MTW	In perpetuity
4. Housing Hilltop (Half of total THA cash contribution)	\$8,287,500			Non MTW	2025
Minimum End of Year Reserves by Year	\$19,187,500	\$10,900,000	\$10,900,000		