



TACOMA HOUSING AUTHORITY
BOARD OF COMMISSIONERS

BOARD PACKET

DECEMBER 10, 2025



**Tacoma
Housing
Authority**

REGULAR MEETING

BOARD OF COMMISSIONERS

DECEMBER 10, 2025

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Regular Meeting on **Wednesday, December 10, 2025, at 4:45 pm via Zoom and at 902 S L Street, Tacoma, WA 98405.**

Join Zoom Meeting

<https://us06web.zoom.us/j/84956747194?pwd=IqZvanH6fAcrLZeuE8w1RMqAh6p5Wg.1>

Meeting ID: 849 5674 7194 / Passcode: 250483 / 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
Records and Public Disclosure Manager

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
BOARD OF COMMISSIONERS REGULAR MEETING
DECEMBER 10, 2025, 4:45 PM

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

Join Zoom Meeting

<https://us06web.zoom.us/j/84956747194?pwd=lqZvanH6fAcrLZeuE8w1RMqAh6p5Wg.1>

Meeting ID: 849 5674 7194 / Passcode: 250483 / Call (253) 215-8782

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES AND 2026 BOARD MEETING SCHEDULE**
 - 3.1. Minutes of November 5, 2025—Regular Session
 - 3.2. Minutes of November 21, 2025-Special Session
 - 3.3. Approval of 2026 Board Meeting Schedule

4. GUEST COMMENTS

The Tacoma Housing Authority Board of Commissioners welcomes comments and feedback from members of the public. During the public comment period, comments are limited to three minutes per speaker, and there will not be a substantive response. Once each speaker is finished, their comment will be acknowledged and thanked, and then the Board will move onto the next speaker.

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

6. FINANCE REPORT

- 6.1 Ratifying Cash Disbursement for October 2025

7. AGENCY UPDATES

7.1 Agency Monthly Update

8. NEW BUSINESS

8.1 2025-12-10 (1) Payment Standards Update

8.2 2025-12-10 (2) 2026 Utility Allowance Schedule

8.3 2025-12-10 (3) Fiscal Year 2026 Annual Budget

8.4 2025-12-10 (4) Commitment to Agency and Moving to Work
Reserves

8.5 2025-12-10 (5) Approval of Accounts Receivable Write-Offs-
Tenants

9. COMMENTS FROM THE COMMISSIONERS

10. ADJOURNMENT



TACOMA HOUSING AUTHORITY

MINUTES



BOARD OF COMMISSIONERS MEETING MINUTES

REGULAR SESSION

WEDNESDAY, NOVEMBER 5, 2025

The Commissioners of the Housing Authority of the City of Tacoma (THA) met in Regular Session at 902 South L Street, Tacoma, WA 98405 at 4:45 pm on Wednesday, November 5, 2025.

1. CALL TO ORDER

Chair Rumbaugh called the meeting to order at 4:50 pm.

2. ROLL CALL

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

PRESENT	ABSENT
COMMISSIONERS	
Chair Stanley Rumbaugh (arrived late at 4:50 pm)	
Vice Chair Minh-Anh Hodge	
Commissioner Athena Dunn	
Commissioner Derek Young	
STAFF	
April Black, Executive Director	
Aley Thompson, Deputy Executive Director	
Sha Peterson, Records and Public Disclosure Manager	
Woodson Baldwin, IT Support Supervisor	
	Amber Prentice, Rental Assistance Director
Caroline Cabellon, Client Support and Empowerment Director	
Ken Short, Asset Management and Real Estate Development Director	
Lauren Kirigin, Senior General Counsel	
	Lynette Scott, Human Resources Director
	Marquis Jenkins, Property Management Director
Nando Ruiz, Rental Assistance Associate Director	
Priya Saxena, Strategic Initiatives Director	
Richard Deitz, Finance Director	
William Morse, Director/CIO	

Chair Rumbaugh declared there was a quorum present at 4:51 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Chair Rumbaugh asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, September 24, 2025. Commissioner Young moved to adopt the minutes. Commissioner Dunn seconded.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	0
Abstain:	1
Absent:	0

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

5.1 REAL ESTATE DEVELOPMENT COMMITTEE—CHAIR STANLEY RUMBAUGH, VICE CHAIR MINH-ANH HODGE

The committee met on October 23rd to discuss challenges associated with securing take-out financing for the Housing Hilltop project, primarily due to ongoing concerns regarding the income-to-debt ratio. This remains a significant issue requiring resolution. Take-out financing was the primary focus of the discussion. Additionally, there are considerations involving potential amendments to Tacoma ordinances that could allow low-income housing providers certain exemptions from current eviction moratoriums.

5.2 FINANCE AND AUDIT COMMITTEE—COMMISSIONER DEREK YOUNG, COMMISSIONER ATHENA DUNN

Commissioners Dunn and Young conducted a meeting with the auditors as part of the exit process and achieved another clean audit. Director Deitz and the team are to be commended for their efforts. Chair Rumbaugh remarked on the notable accomplishment of having secured six consecutive clean audits.

5.3 COMMUNITY PARTNERSHIPS AND ADVOCACY COMMITTEE—COMMISSIONER ATHENA DUNN

The committee did not meet.

5.4 EDUCATION, HOUSING SERVICES AND PARTNERSHIPS COMMITTEE—VICE CHAIR MINH-ANH HODGE, COMMISSIONER DEREK YOUNG

The committee did not meet.

6. FINANCE REPORT

FINANCE

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

6.1 RATIFYING CASH DISBURSEMENT FOR SEPTEMBER 2025

PBV rents increased in September, and ADP was paid three times, covering three payrolls. The bank balance was \$29.7M, down \$1.1M from the previous month. \$1.3M of MTW cash was spent, and changes were mostly in unrestricted cash. Waterfall payments were made for the properties.

Commissioner Young moved to ratify the payment of cash disbursements totaling \$10,197,892 for the month of September 2025. Commissioner Dunn seconded.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved.

7. AGENCY MONTHLY REPORT

Today marks the longest government shutdown in history. Despite this, THA operations remain stable and staff continue to conduct business as usual. THA funding is secured through mid-December; should the shutdown persist beyond that date, THA will initiate discussions regarding reserve usage. At this time, there is no indication from Congress of an upcoming vote.

Staff intend to present the agency budget in December. Income estimates for 2026 are projected to align with those for 2025. Additionally, staff will review payment standard analyses and consider potential adjustments. The Board has requested that payment standards be discussed at sub-committee meetings, with the primary budget focus scheduled for the December 10th meeting. Commissioner Dunn has asked for more detailed written documentation.

Staff are preparing to finalize several initiatives and are collaborating with Bridge Meadows, which involves a walk-on resolution related to this partnership. Persistent challenges concerning rent collection continue to affect THA's ability to meet property debt obligations. Staff are currently set to convert financing in January; if unresolved, a six-month extension may be needed. Efforts are ongoing to

address these issues utilizing all available resources, though the moratorium remains a significant concern. We encourage city council action and plan to provide testimony at upcoming council meetings.

In addition to routine responsibilities, there are numerous challenges presently facing THA. ED Black expressed appreciation to staff for maintaining business operations while managing these additional matters. Chair Rumbaugh reported from DC regarding CLPHA, noting a leadership change—the first in 30 years—which was conducted seamlessly. ED Black has spoken highly of the successor.

8. NEW BUSINESS

8.1 2025-11-05 (1) AUTHORITY TO EXECUTE CONTRACT DOCUMENTS WITH EVERN NORTHWEST

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

WHEREAS, THA entered into a contract with Evern Northwest for Environmental Site Assessments at Hillside I & II and Salishan One, Salishan Two, and Salishan Three; and

WHEREAS, Evern has completed contract work in phases; and

WHEREAS, The contract's value must increase to allow for the project's final phase, which includes ambient air quality testing and further sub-slab testing; and

WHEREAS, THA's Procurement Policy requires Board Approval for contracts greater than \$150,000 when previously authorized by a Board approved budget; and

WHEREAS, THA's final phase will surpass the threshold; and

WHEREAS, THA seeks to execute a Contract Amendment that will increase the contract value to NTE \$200,000; now, therefore, be it

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

THA is approved to execute contract documents with Evern Northwest for a Not to Exceed value of \$200,000.

Commissioner Young motioned to approve the resolution. Commissioner Dunn seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved: November 5, 2025

8.2 2025-11-05 (2) SALISHAN-HILLSIDE PHASE 1 GOVERNMENTAL NOTE FINANCING

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of one or more series of revenue notes in a combined principal amount not to exceed \$80,000,000, the proceeds of which will be used to make one or more loans to Salishan-Hillside Phase 1 LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to acquire, rehabilitate, and equip affordable rental housing projects to provide housing for low income persons in Tacoma, Washington; providing for the determination of the forms and terms of the revenue notes; authorizing the execution and delivery of a funding loan agreement with respect to the issuance of the revenue notes, a borrower loan agreement providing for repayment of the loans, a regulatory agreement governing the use of the projects, and other note and loan documents; providing for the issuance and delivery of the revenue notes to Citibank, N.A. or an affiliate thereof and the borrowing and repayment of the proceeds thereof; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

Adopted November 5, 2025

This document was prepared by:

FOSTER GARVEY P.C.

1111 Third Avenue, Suite 3000

Seattle, Washington 98101

(206) 447-4400

HOUSING AUTHORITY OF THE CITY OF TACOMA

RESOLUTION NO. 2025-11-05 (2)

(Salishan-Hillside Phase 1 – Governmental Note Financing)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the issuance of one or more series of revenue notes in a combined principal amount not to exceed \$80,000,000, the proceeds of which will be used to make one or more loans to Salishan-Hillside Phase 1 LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner, to provide part of the funds with which to acquire, rehabilitate, and equip affordable rental housing projects to provide housing for low income persons in Tacoma, Washington; providing for the determination of the forms and terms of the revenue notes; authorizing the execution and delivery of a funding loan agreement with respect to the issuance of the revenue notes, a borrower loan agreement providing for repayment of the loans, a regulatory

agreement governing the use of the projects, and other note and loan documents; providing for the issuance and delivery of the revenue notes to Citibank, N.A. or an affiliate thereof and the borrowing and repayment of the proceeds thereof; authorizing and directing appropriate officers of the Authority to execute such documents as are useful or necessary to the purposes of this resolution; and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines:

(a) Statutory Authorization. The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project and . . . to establish and revise the rents or charges therefor” (RCW 35.82.070(5)); (iii) issue bonds, notes or other obligations for any of its corporate purpose (RCW 35.82.020(11) and RCW 35.82.130); (iv) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(19)); (v) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040). The phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

(b) The Borrower. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Salishan-Hillside Phase 1 LLLP (the “Borrower”) to be formed by filing a certificate of limited liability limited partnership with the Washington Secretary of State on October 7, 2024, and executing the Limited Partnership Agreement for Salishan-Hillside Phase 1 LLLP dated as of October 4, 2024, with Tacoma Housing Development Group, a Washington nonprofit corporation, for the purpose of acquiring (by ownership and/or long term lease), developing, rehabilitating, equipping, operating, managing, and maintaining properties including the Projects (as defined below). RBC- Salishan Hillside, LLC, a Delaware limited liability company (the “Investor Limited Partner”) and RBC Community Investments Manager II, Inc., a Delaware corporation (the “Special Limited Partner” and, together with the Investor Limited Partner, the “Limited Partners”), or one or more of their affiliates, are willing to be limited partners in the Borrower and to make capital contributions to the Borrower.

(c) The Projects. The Borrower has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to acquire, rehabilitate, and equip two multifamily rental housing developments known as Salishan One, Two and Three (the “Salishan Project”) and Hillside Terrace (the “Hillside Terrace Project” and, together with the Salishan Project, the “Projects” and each, a “Project”), all located in the City of Tacoma, Washington. In connection with the financing of the Projects, the Authority will transfer leasehold interests in the land and improvements constituting the Projects to the Borrower, and the Authority will be provided with an option and right of first refusal to acquire the Borrower’s interest in the Projects and/or the Limited Partners’ interests in the Borrower.

(d) Issuance of Governmental Notes Necessary and Advisable and in the Best Interests of the Authority. The Borrower has requested that the Authority issue one or more series of multifamily revenue notes in the combined principal amount of not to exceed \$80,000,000 for the purpose of assisting the Borrower in financing the Projects. It is necessary and advisable, important for the feasibility of the Projects, and in the best interest of the Authority to issue the multifamily notes in a combined principal amount of not to exceed \$80,000,000, the proceeds of which will be used to make one or more loans to the Borrower for the purposes described herein.

Section 2. Definitions. Certain capitalized terms used herein have the meanings set forth in the foregoing Section 1. In addition, as used in this resolution, the following capitalized terms have the following meanings, except as otherwise expressly provided or unless the context otherwise clearly requires:

“Assignment and Subordination of Developer Fees” means the Assignment and Subordination of Developer Fees, Pledge and Security Agreement to be executed by the Borrower and the Authority, relating to the assignment of the developer fees and other payments payable to the Authority (in its capacity as developer) with respect to the Projects, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Architect’s Agreement” means the Assignment of Architect’s Agreement and Plans and Specifications to be executed by the Borrower and consented to by the architect for the Projects, relating to assignment to the Funding Lender of certain of the Borrower’s rights under the architect contract with respect to the Projects, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Construction Contract” means the Assignment of Construction Contract to be executed by the Borrower and consented to by the contractor for the Projects, relating to assignment to the Funding Lender of certain of the Borrower’s rights under the construction contract with respect to the Projects, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Equity Interests” means the Assignment of Equity Interests, Pledge and Security Agreement to be executed by the Borrower and the Authority (in its capacity as general partner of the Borrower), relating to the assignment of certain of the Authority’s equity interests in the Borrower, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Equity Investor Capital Contributions” means the Assignment of Equity Investor Capital Contributions, Pledge and Security Agreement to be executed by the Borrower, relating to the assignment to the Funding Lender of certain of the Borrower’s equity interests in equity collateral, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Housing Assistance Payments Agreement” means one or more Assignments of Housing Assistance Payments Agreement to be executed by the Borrower, relating to the assignment to the Funding Lender of certain of the Borrower’s interests under certain Housing Assistance Payments Contracts pertaining the Projects, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Management Agreement” means the Assignment of Management Agreement to be executed by the Borrower and the Authority (in its capacity as manager of the Projects), relating to assignment to the Funding Lender of certain of the Borrower’s rights under property management

agreements with respect to the Projects, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Project Documents” means the Assignment of Project Documents to be executed by the Borrower, relating to the assignment of the Borrower’s rights under construction contracts, engineer’s agreements, architect’s agreements, and other agreements associated with the development and operation of the Projects, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Security Instrument and Loan Documents” means the Assignment of Security Instrument and Loan Documents to be executed by the Authority, relating to the assignment to the Funding Lender of the Authority’s interests in the Deed of Trust and certain Loan Documents, including any supplements or amendments thereto made in conformity therewith.

“Authority” means the Housing Authority of the City of Tacoma, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Washington.

“Authority Loan Escrow Agreement” means the Authority Loan Escrow Agreement among the Authority, the Borrower, the Funding Lender, and U.S. Bank Trust Company, National Association, relating to the deposit of certain funds of the Authority to be used to fund loans to the Partnership, including any supplements or amendments thereto made in conformity herewith and therewith.

“Authorization to Request Advances” means the Authorization to Request Advances made by the Borrower, including any supplements or amendments thereto or replacements thereof.

“Authorized Officers” means the Executive Director of the Authority and any Deputy Executive Director of the Authority, and their respective designees.

“Board” means the Board of Commissioners of the Authority.

“Borrower” means Salishan-Hillside Phase 1 LLLP, a Washington limited liability limited partnership of which the Authority is the sole general partner.

“Borrower Loan Agreement” means the Borrower Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Borrower Note (Construction)” means the Multifamily Note (Construction) to be executed by the Borrower in favor of the Authority and endorsed in favor of the Funding Lender.

“Borrower Note (Construction/Permanent)” means the Multifamily Note (Construction/Permanent) to be executed by the Borrower in favor of the Authority and endorsed in favor of the Funding Lender.

“Code” shall mean the Internal Revenue Code of 1986 as in effect on the Closing Date (as defined in the Funding Loan Agreement) or (except as otherwise referenced in the Funding Loan Agreement) as it may be amended to apply to obligations issued on the Closing Date.

“Construction Funding Agreement” means the Construction Funding Agreement to be executed by the Borrower and the Funding Lender, setting forth certain covenants and conditions relating to the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.

“Contingency Draw-Down Agreement” means the Contingency Draw-Down Agreement to be executed by the Borrower and the Funding Lender, setting forth certain provisions relating to full funding of the Loan, if necessary to preserve the tax-exempt status of the Governmental Notes, including any supplements or amendments thereto made in conformity herewith and therewith.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement to be executed by the Borrower and the Funding Lender, setting forth certain provisions relating to the Borrower’s undertaking to provide information to the Funding Lender, including any supplements or amendments thereto made in conformity herewith and therewith.

“Deed of Trust” means the Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, encumbering the Borrower’s leasehold interest in the real property and improvements and personal property constituting the Projects, securing payment of the Loan, including the exhibits thereto, and any supplements or amendments thereto made in conformity herewith and therewith.

“Draws” means incremental draws on the Governmental Notes.

“Environmental Indemnification Agreement” means the Agreement of Environmental Indemnification to be executed by the Borrower and the Authority relating to environmental claims with respect to the Projects, including any supplements or amendments thereto made in conformity therewith.

“Executive Director” means the Executive Director of the Authority.

“Financing Documents” means, collectively, the Funding Loan Agreement, the Governmental Notes, the Tax Certificate and Agreement, the Loan Documents, and all other documents or instruments evidencing, securing or relating to the Loans.

“Fiscal Agent” means the entity serving as fiscal agent under the Funding Loan Agreement, initially U.S. Bank Trust Company, National Association.

“Funding Lender” means any person who is the registered owner of the Governmental Notes, initially Citibank, N.A., or an affiliate thereof.

“Funding Loan” or “Funding Loans” means one or more loans to be made to the Authority by the Funding Lender pursuant to the Funding Loan Agreement, as evidenced by the Governmental Notes.

“Funding Loan Agreement” means the Funding Loan Agreement among the Funding Lender, the Fiscal Agent, and the Authority providing for one or more loans from the Funding Lender to the Authority evidenced by the Governmental Notes.

“General Revenues” means all revenues of the Authority from any source, but only to the extent that those revenues are available to pay the Authority’s obligations under the Guaranty or Environmental Indemnification Agreement and are not now or hereafter pledged or restricted, by law, regulation,

contract, covenant, resolution, deed of trust or otherwise (including restrictions relating to funds made available to the Authority under the U.S. Housing Act of 1937), solely to another particular purpose.

“Governmental Notes” shall mean, together, the Governmental Lender Tranche A Note and the Governmental Lender Tranche B Note.

“Governmental Lender Tranche A Note” means the Multifamily Mortgage Revenue Construction/Permanent Note, 2025 (Salishan-Hillside Phase 1), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Governmental Lender Tranche B Note” means the Multifamily Mortgage Revenue Construction Note, 2025 (Salishan-Hillside Phase 1), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Guaranty” means, together, the Completion and Repayment Guaranty (Including Operating Deficit Guaranty) and the Exceptions to Non-Recourse Guaranty to be executed by the Authority providing for a guaranty of certain of the Borrower’s obligations with respect to the rehabilitation of the Projects and repayment of the Loan, including any supplements or amendments thereto made in conformity herewith and therewith.

“Landlord’s Estoppel Certificate” means the estoppel certificate made by the Authority, in its capacity as landlord under the Lease, to the Funding Lender, including any supplements or amendments thereto made in conformity therewith.

“Loan” means the loan(s) from the Authority to the Borrower of the proceeds of Draws on the Governmental Notes.

“Loan Documents” means, collectively, the Assignment and Subordination of Developer Fees, the Assignment of Architect’s Agreement, the Assignment of Construction Contract, the Assignment of Equity Interests, the Assignment of Equity Investor Capital Contributions, the Assignment of Housing Assistance Payments Agreement, the Assignment of Management Agreement, the Assignment of Project Documents, the Assignment of Security Instrument and Loan Documents, the Authorization to Request Advances, the Authority Loan Escrow Agreement, the Borrower Loan Agreement, the Borrower Note (Construction), the Borrower Note (Construction/Permanent), the Construction Funding Agreement, the Contingency Draw-Down Agreement, the Continuing Disclosure Agreement, the Deed of Trust, the Environmental Indemnification Agreement, the Guaranty, the Landlord’s Estoppel Certificate, the Priority and Subordination Agreement, the Regulatory Agreement, the Replacement Reserve Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Borrower.

“Priority and Subordination Agreement” means the Priority and Subordination Agreement among the Borrower, the Funding Lender, the Washington State Department of Commerce, the Authority, Salishan Association, the Washington State Housing Finance Commission, and any other parties thereto, including any supplements or amendments thereto made in conformity therewith.

“Project” means any one of the following:

“Hillside Terrace Project” means the acquisition, rehabilitation, and equipping of the approximately 46-unit multifamily housing facility currently known as known as Hillside Terrace and

located in the vicinity of 2330 South G Street, Tacoma, Washington on a portion of the Property described in Exhibit A of the Regulatory Agreement.

“Salishan Project” means the acquisition, rehabilitation, and equipping of the approximately 270-unit multifamily housing facility currently known as Salishan One, Two and Three and located in the vicinity of 3903 E Q Street, 4209 Salishan Boulevard, and 4340 Salishan Boulevard, Tacoma, Washington on a portion of the Property described in Exhibit A of the Regulatory Agreement.

“Projects” means, together, the Hillside Terrace Project and the Salishan Project.

“Proposal Letter” means the preliminary application for financing dated July 25, 2025 prepared by the Funding Lender setting forth certain of the terms under which the Funding Lender may fund the Governmental Notes, as it may be amended and supplemented, and any supplement or amendment or commitment letter issued pursuant or supplemental thereto.

“Regulatory Agreement” means one or more Regulatory Agreement executed by the Borrower for the benefit of the Authority governing the use of the Projects, and including any supplements or amendments thereto made in conformity herewith and therewith.

“Replacement Reserve Agreement” means the Replacement Reserve Agreement to be executed by the Borrower and the Funding Lender, providing for the establishment of a replacement reserve fund, including any supplements or amendments thereto made in conformity therewith.

“Tax Certificate and Agreement” the Tax Certificate and Agreement to be executed by the Borrower and the Authority in connection with the Governmental Notes, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Funding Loan Agreement.

Section 3. Authorization of Governmental Notes and Loan and Application of Proceeds. The Governmental Lender Tranche A Note shall be called the “Multifamily Mortgage Revenue Construction/Permanent Note, 2025 (Salishan-Hillside Phase 1)” and the Governmental Lender Tranche B Note shall be called the “Multifamily Mortgage Revenue Construction Note, 2025 (Salishan-Hillside Phase 1),” which designation may be adjusted as permitted by this Section 3. The Board hereby delegates to the Authorized Officers, and each of them acting alone, the authority to determine and approve the final terms of the Governmental Notes, including the number of series of Governmental Notes, the final principal amounts, dates, interest rates, payment dates, maturity dates, and redemption provisions of each Governmental Note, whether any series of the Governmental Notes shall be issued on a taxable or tax-exempt basis, and the principal amounts of each series of the Governmental Notes, and to adjust the titles of the Governmental Notes to reflect any series designation, the issuance of any series on a taxable or tax-exempt basis, the year of issuance, and other changes intended to assist with the issuance of the Governmental Notes, all as may be set forth in the Funding Loan Agreement. The Governmental Notes shall be issued in a combined principal amount of not to exceed \$80,000,000. Each Governmental Note shall be dated its date of initial delivery, shall be issued in registered form, and shall be in such principal amount (subject to the preceding sentence), bear interest payable on such dates and at such rates, mature at such times and in such amounts, have such prepayment or redemption provisions, and have such other provisions consistent with the purposes of this resolution as set forth in the Governmental Notes and the

Funding Loan Agreement. The execution of the Financing Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 4. Draws on the Governmental Notes. It is currently anticipated that the Governmental Lender Tranche A Note will be issued as a fully funded obligation at closing. The Board authorizes the Authorized Officers, and each of them acting alone, as authorized signors for the Authority, in its capacity as general partner of the Borrower, and their respective designees, to make draws on any Governmental Note issued as a draw-down obligation in such amounts and at such times as they may determine, those draws to be made in accordance with the terms and provisions set forth in the Financing Documents. Draws on each Governmental Note issued as a draw-down obligation shall be limited to the not to exceed principal amount of that Governmental Note. In the event that the Authority determines that it is in the best interest of the Authority or the Borrower to convert any Governmental Note originally issued as a draw down obligation into a fully funded obligation, the Authority is authorized to draw amounts that have not been drawn to date (the "Remaining Authorized Amount") on such Governmental Note, and to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as general partner of the Borrower, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Projects).

Section 5. Security for the Governmental Notes. The Funding Loan, the Governmental Notes, and the obligations of the Authority in its capacity as Governmental Lender under the Funding Loan Agreement and the other Financing Documents shall be special obligations the Authority payable solely from the Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments (each as defined in the Funding Loan Agreement) derived by the Authority in its capacity as governmental lender under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement.

The Funding Loan will be a limited obligation of the Governmental Lender, payable solely from the Pledged Revenues and other funds and money and Security pledged and assigned under the Funding Loan Agreement. The obligations of the Authority under the Financing Documents and the Governmental Notes will not be a debt of the City of Tacoma, the State of Washington or any political subdivision thereof and neither the City of Tacoma, nor the State of Washington or any political subdivision thereof (other than the Authority) shall be liable thereon, nor shall the obligations of the Authority under the Financing Documents or under the Governmental Notes be payable out of any funds or properties other than those of the Authority expressly pledged thereto. None of the Authority, the State of Washington, or any political subdivision thereof (except the Authority, to the limited extent set forth in the Funding Loan Agreement) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Funding Loan or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth in the Funding Loan Agreement, and none of the Funding Loan or the Governmental Notes or any of the Authority's agreements or obligations with respect to the Funding Loan or the Governmental Notes, of in the Financing Documents, shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Authority has no taxing power.

The Authority pledges its General Revenues to payment of its obligations under the Guaranty and the Environmental Indemnification Agreement subject to release in accordance with their respective terms. The Authority reserves without limitation the right to issue other obligations, the principal of and interest on which are to be paid from the General Revenues on a parity of lien with the with the obligations

of the Authority under the Guaranty and the Environmental Indemnification Agreement. The Authority may also pledge any specific revenues, which otherwise would be General Revenues, to the payment of other obligations, such payments to have priority over the payments to be made under Guaranty and the Environmental Indemnification Agreement.

Upon the issuance of the Governmental Notes, the Authority shall cause the Loan Documents to be executed by the Borrower for the benefit of the Authority and/or the Funding Lender, and shall assign certain of its rights under the Loan Documents to which it is a party to the Funding Lender, as security for the payment of the principal of and interest on the Governmental Notes. The Authority shall retain rights under the Regulatory Agreement and certain rights under the Borrower Loan Agreement as described therein.

Except to the extent of the pledge of the General Revenues of the Authority to payment of the Authority's obligations under the Guaranty and the Environmental Indemnification Agreement to which it is a party, neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Governmental Notes or the obligations of the Authority under the Funding Loan Agreement or any other Financing Documents.

Section 6. Form and Execution of Governmental Notes. The Governmental Note shall be in a form consistent with the provisions of this resolution, the Funding Loan Agreement, and state law, and shall bear the manual or facsimile signatures of the Chair of the Board and Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. The Governmental Notes shall be authenticated by the Fiscal Agent as set forth in the Funding Loan Agreement. No Governmental Note shall be valid for any purpose until so authenticated. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Governmental Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution and the Funding Loan Agreement.

Section 7. Preservation of Tax Exemption for Interest on Governmental Notes. The Authority covenants that it will take all actions necessary to preserve the status of interest on the Governmental Notes issued as obligations the interest on which is excluded from gross income for federal income tax purposes (the "Tax-Exempt Governmental Notes") as excluded from gross income for federal income tax purposes, except for any period during which such Tax-Exempt Governmental Note is held by a "substantial user" of the Projects or a "related person" within the meaning of Section 147(a) of the Code. The Authority also covenants that, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Governmental Notes, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Governmental Notes, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Exempt Governmental Notes from being included in gross income for federal income tax purposes.

The Borrower Loan Agreement shall require the Borrower to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such amounts to be reimbursed or other money received under the terms of the Borrower Loan Agreement, in so complying.

Section 8. Approval of Sale of Governmental Notes to Funding Lender. It is anticipated that Citibank, N.A. will offer to lend the proceeds of the Funding Loan to the Authority under the terms and conditions contained in this resolution and to be set forth in the Funding Loan Agreement and the Governmental Notes. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to make such financing available under the terms and conditions in this resolution. The Governmental Notes will be delivered to the Funding Lender with the approving legal opinion of Foster Garvey P.C. regarding the Governmental Notes.

Section 9. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Financing Documents and the forms of the Governmental Notes. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in, the Governmental Notes, the Financing Documents to which it is a party, and this resolution, and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Governmental Notes. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to execute on behalf of the Authority and deliver the Governmental Notes, the Financing Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Governmental Notes or required by the Funding Lender as a condition the transactions contemplated by this resolution. The Board further authorizes the Authorized Officers, and each of them acting alone, to do everything necessary or appropriate for the issuance, execution and delivery of the Governmental Notes, including, without limitation, appointing the Fiscal Agent, and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the Governmental Notes.

Section 10. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board may in the absence of such person be taken by the duly authorized acting Chair of the Board. Any action authorized by this resolution to be taken by the Executive Director of the Authority, may in the absence of such person be taken by a duly authorized acting Executive Director of the Authority or Deputy Executive Director of the Authority.

Section 11. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to: (i) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; (ii) cause the Authority to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution; and (iii) create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

Section 12. Changes to Titles or Parties; Omission of Documents. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form. The Authorized Officers, and each of them acting alone, in their discretion, may determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the

Authority (acting on its own behalf and/or in its capacity as general partner of the Borrower) not to execute or deliver such document.

Section 13. Ratification and Confirmation. Any actions of the Authority or its officers or employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 14. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution, the Financing Documents, or the Governmental Notes.

Section 15. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting thereof this 5th day of November, 2025.

HOUSING AUTHORITY OF THE CITY OF TACOMA

By:

Chair, Board of Commissioners

ATTEST:

Executive Director and Secretary

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the City of Tacoma (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. The foregoing Resolution No. 2025-11-05 (2) (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a special meeting of the Board of Commissioners of the Authority (the "Board") held at the Authority's Administrative Office on November 5, 2025 (the "Meeting"), as that Resolution appears in the records of the Authority, and the Resolution is now in full force and effect;
2. Written notice specifying the time, place and noting the business to be transacted (the "Notice") was given to all members of the Board by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the Meeting or such longer period as required by the Authority's Bylaws (the "Notice"), a true and complete copy of the Notice is attached hereto as Appendix 1;
3. The Notice was also posted on the Authority's website and prominently displayed at the main entrance of the Authority's Administrative Office and the entrance to the special meeting location (if different) at least 24 hours prior to the Meeting;

4. The Notice was also given by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the Meeting to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

2. The Meeting was duly convened and held, and included an opportunity for public comment, in all respects in accordance with law, a quorum was present throughout the Meeting, and a majority of the members of the Board present at the Meeting voted in the proper manner for the adoption of the Resolution; all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of November, 2025.

Secretary and Executive Director of the Authority

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

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved: November 5, 2025

Stanley Rumbaugh, Chair

8.3 2025-11-05 (3) SALISHAN-HILLSIDE PHASE 1 LLLP OMNIBUS

A RESOLUTION authorizing the lease of Authority property to Salishan-Hillside Phase 1 LLLP, authorizing matters relating to the financing of the Salishan One, Two and Three and Hillside Terrace affordable housing properties, including loans to Salishan-Hillside Phase 1 LLLP, approving the execution and delivery of documents relating to the financing, acquisition, rehabilitation, development, equipping of the Salishan One, Two and Three and Hillside Terrace affordable housing properties; and determining related matters.

Adopted November 5, 2025

This document was prepared by:

*FOSTER GARVEY P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

A RESOLUTION authorizing the lease of Authority property to Salishan-Hillside Phase 1 LLLP, authorizing matters relating to the financing of the Salishan One, Two and Three and Hillside Terrace affordable housing properties, including loans to Salishan-Hillside Phase 1 LLLP, approving the execution and delivery of documents relating to the financing, acquisition, rehabilitation, development, equipping of the Salishan One, Two and Three and Hillside Terrace affordable housing properties; and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines that:

(a) Statutory Authorization. The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project and . . . to establish and revise the rents or charges therefor” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040); (v) “make . . . loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing or refinancing of land, buildings, or developments for housing for persons of low income” (RCW 35.82.070(19)); and (vi) issue bonds, notes or other obligations for any of its corporate purposes (RCW 35.82.020(11) and 35.82.130). The phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

(b) The Partnership. Pursuant to the authority provided by RCW 35.82.070(1), the Authority caused Salishan-Hillside Phase 1 LLLP (the “Partnership”) to be formed by filing a certificate of limited liability limited partnership with the Washington Secretary of State on October 7, 2024, and executing Limited Partnership Agreement for Salishan-Hillside Phase 1 LLLP dated as of October 4, 2024, with Tacoma Housing Development Group, a Washington nonprofit corporation, for the purpose of acquiring (by ownership and/or long term lease), developing, rehabilitating, equipping, operating, managing, and maintaining properties including the Projects (as defined below). RBC-Salishan Hillside, LLC, a Delaware limited liability company (the “Investor Limited Partner”) and RBC Community Investments Manager II, Inc., a Delaware corporation (the “Special Limited Partner” and, together with the Investor Limited Partner, the “Limited Partners”), or one or more of their affiliates, are willing to be limited partners in the Partnership and to make capital contributions to the Partnership. In connection with the admission of the Limited Partners as limited partners of the Partnership, it is necessary to amend and restate the

Partnership's original partnership agreement, and to execute and deliver certain other agreements, certificates and documents relating to the Partnership and the Project (as defined below).

(c) The Projects. The Authority owns the multifamily housing developments located in the vicinity of 3903 E Q Street, sometimes known as Salishan One ("Salishan One"), 4209 Salishan Boulevard, Tacoma Washington, sometimes known as Salishan Two ("Salishan Two"), 4340 Salishan Boulevard, Tacoma Washington, sometimes known as Salishan Three ("Salishan Three" and, collectively with Salishan One and Salishan Two, the "Salishan Properties"), and 2330 South G Street, Tacoma, Washington, sometimes known as Hillside Terrace ("Hillside Terrace" and collectively with the Salishan Properties, each an "Apartment Complex" and collectively, the "Apartment Complexes"), which contain, in aggregate 315 dwelling units.

Salishan One has been leased to Salishan One LLC pursuant to an Amended and Restated Lease Agreement dated as of January 13, 2005 (together with any amendments and supplements thereto, the "Salishan One Lease"), Salishan Two has been leased to Salishan Two LLC pursuant to an Amended and Restated Lease Agreement dated as of January 14, 2005 (together with any amendments and supplements thereto, the "Salishan Two Lease"), Salishan Three has been leased to Salishan Three LLC pursuant to an Amended and Restated Lease Agreement dated as of November 2, 2005 (together with any amendments and supplements thereto, the "Salishan Three Lease"), and Hillside Terrace has been leased to Hillside Terrace Phase II Limited Partnership pursuant to an Amended and Restated Lease Agreement dated as of March 4, 2003 (together with any amendments and supplements thereto, the "Hillside Terrace Lease"). The Authority is the managing member of each of Salishan One LLC, Salishan Two LLC, and Salishan Three LLC and the general partner of Hillside Terrace Phase II Limited Partnership. In connection the Project (as described below), it is necessary to terminate Salishan One Lease, the Salishan Two Lease, the Salishan Three Lease, and the Hillside Terrace Lease and to lease the Apartment Complexes and the land on which they are located to the Partnership.

The Partnership has applied to the Authority for financial assistance for the purpose of providing part of the funds necessary to finance, acquire (by lease), rehabilitate, and equip the Apartment Complexes, each of which is located within the Authority's service area, all to provide housing for low-income persons (the "Project"). In connection with the financing for the Project, the Authority will lease the Project to the Partnership and the Partnership will provide the Authority with an option and right of first refusal to acquire the Partnership's interest in the Apartment Complexes at or before the end of the 15-year low-income housing tax credit "compliance period."

(d) Existing Funding Sources. To finance the Apartment Complexes, the Authority and/or Salishan One LLC, Salishan Two LLC, Salishan Three LLC, or Hillside Terrace Phase II Limited Partnership, as applicable, obtained loans from sources including the State of Washington Department of Community, Trade and Economic Development, Office of Community Development, now known as the Washington State Department of Commerce ("Commerce"), the Authority, and the Tacoma Community Redevelopment Authority ("TCRA"), some of which loans remain outstanding. In connection with the termination of the Salishan One Lease, the Salishan Two Lease, the Salishan Three Lease, and the Hillside

Terrace Lease, the Authority will forgive certain loans previously made by the Authority to Salishan One LLC, Salishan Two LLC, Salishan Three LLC, or Hillside Terrace Phase II Limited Partnership to finance the Apartment Complexes. The Authority currently anticipates that TCRA will also forgive any outstanding loans relating to the Apartment Complexes. In connection with the financing of the Project, the Partnership is expected to assume certain obligations under the documents pertaining to the existing Commerce funding for the Apartment Complexes.

(e) Sources of Financing. The total cost of the Project is anticipated to be approximately \$157,500,000, which will be financed by the Partnership with sources of funds that include a loan in the approximate amount of \$75,000,000 derived from proceeds of tax-exempt obligations issued by the Authority, of which approximately \$53,000,000 is expected to be repaid with capital contributions from the Investor and/or other sources, additional loans from the Authority in the approximate aggregate amount of \$61,500,000 from sources other than proceeds of tax-exempt obligations, capital contributions in the approximate amount of \$60,000,000 from the Investor, deferral of all or a portion of the developer fee payable to the Authority, income from operation of the Apartment Complexes, and capital contributions from the Authority in the approximate amount of \$10.

(f) HUD Rental Assistance Demonstration and Section 8 Units. Approximately 188 units within the Apartment Complexes currently receive subsidy under the U.S. Department of Housing and Urban Development's ("HUD's") Rental Assistance Demonstration ("RAD") program. Approximately 127 units within the Apartment Complexes currently receive other project-based Section 8 subsidy. In connection with the transfer of the Apartment Complexes to the Partnership via long-term lease, certain HUD program documents and use agreements (or assignments thereof) must be executed and, as applicable, recorded against certain of the Apartment Complexes.

(g) Additional Findings. The Board finds and determines that the Apartment Complexes likely would not be rehabilitated and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor committed to make capital contributions to the Partnership. The Board further finds that the loans to be made by the Authority to the Partnership are important for the feasibility of the Project. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable for it to serve as general partner of the Partnership and developer of the Project, to obtain the various funding sources on behalf of the Project described above, and to make such funds available to the Partnership. The financial assistance to be provided by the Authority pursuant to this resolution is necessary to support the poor and infirm.

Section 2. Approval of Transaction Documents. The Authority is authorized to continue as a general partner of the Partnership and to provide development services to the Partnership. The Authority's Executive Director and any Deputy Executive Director of the Authority (each, an "Authorized Officer" and together, the "Authorized Officers"), and each of them acting alone, are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (acting on its own behalf and/or as general partner of the Partnership) (i) those documents listed in Exhibit A (collectively, the "Transaction Documents") in such

forms as any Authorized Officer may approve (with the understanding that an Authorized Officer's signature on a Transaction Document shall be construed as the Authority's approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority or the Partnership to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself and/or as the general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).

The Authorized Officers (or their designees), and each of them acting alone, are authorized and directed, without further Board approval, to take such actions on behalf of the Authority as are required to be taken by the general partner of the Partnership.

Section 3. Authorization to Lend Money. The Authority is authorized to make one or more (collectively, the "Housing Authority Loans") to the Partnership in a maximum combined principal amount of \$65,000,000 to finance or refinance a portion of the Partnership's costs of acquiring, rehabilitating, equipping, and/or furnishing the Apartment Complexes, all pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading "Housing Authority Loan Documents" (collectively, the "Housing Authority Loan Documents"). The Authorized Officers, and each of them acting alone, are authorized to determine the number of Housing Authority Loans and the principal amount of each Housing Authority Loan (subject to the limitations set forth herein), which terms shall be set forth in the Housing Authority Loan Documents. The Authorized Officers, and each of them acting alone, are further authorized on behalf of the Authority to determine the source (or sources) of funds for each Housing Authority Loan (which may include, without limitation, funds received from Commerce). The Housing Authority Loans are intended to be in addition to the loan of Authority governmental note proceeds to the Partnership authorized by a separate resolution of the Board. The Partnership is authorized to borrow the Housing Authority Loans from the Authority in a maximum combined principal amount of \$65,000,000. Without limiting the foregoing, the Authorized Officers, and each of them acting alone, are granted the discretionary authority to determine that all or any portion of the funds authorized to be made available to the Partnership as Housing Authority Loans will instead be contributed as one or more capital contributions to the Partnership and to negotiate, execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any forms, affidavits, certificates, letters, documents, agreements, and instruments that such officer determines to be necessary or advisable to document such capital contributions.

Section 4. Approval of Real Estate Encumbrances. In furtherance of its statutory authority to provide decent, safe, and sanitary living accommodations for persons of low income, the Authority is authorized to (i) lease to the Partnership, for a term not exceeding 100 years, the Apartment Complexes and the land on which the Apartment Complexes are located, all other improvements located on such land, and the Authority's interest in all personal property located on such land and in such improvements; (ii) encumber the Authority's interest in the Apartment Complexes and the land on which they are located

(including its fee interest therein), and certain other property of the Authority, pursuant to the covenant agreements, regulatory agreements, extended use agreements, and other encumbrances that are Transaction Documents; and (iii) cause the Partnership to encumber the Partnership's interest in the Apartments Complexes and the land on which the Apartment Complexes are located (including its leasehold interest therein) and certain other property of the Partnership.

Section 5. Approval of Housing Authority Capital Contribution; Development Deficit/Operating Deficit Loans. The Authority is authorized to make capital contributions or additional development deficit and/or operating deficit loans to the Partnership, in any case from available Authority funds, and all pursuant to the Transaction Documents listed in Exhibit A under the heading "Partnership Documents." The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority to determine the source (or sources) of funds for such capital contributions and/or loans contemplated under the Transaction Documents.

Section 6. Actions Regarding Existing Agreements. The Authority (acting on its own behalf, as general partner of the Partnership, as managing member of Salishan One LLC, Salishan Two LLC, and Salishan Three LLC, and/or as general partner of Hillside Terrace Phase II Limited Partnership) is authorized (i) to terminate Salishan One Lease, the Salishan Two Lease, the Salishan Three Lease, and the Hillside Terrace Lease, (ii) in connection with the termination of any such existing lease, to forgive all outstanding amounts (including principal, interest, and any fees) owed to the Authority by Salishan One LLC, Salishan Two LLC, Salishan Three LLC and/or Hillside Terrace Phase II Limited Partnership, (iii) to consent to and otherwise participate in the assignment of existing RAD and other HUD subsidy documents pertaining to any Apartment Complex to the Partnership, and (iv) cause the Partnership to assume instruments and obligations pertaining to the existing Commerce funding for the Apartment Complexes, which instruments may be amended in connection with such assumption. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as general partner of the Partnership, as managing member of Salishan One LLC, Salishan Two LLC, and Salishan Three LLC, and/or as general partner of Hillside Terrace Phase II Limited Partnership) to negotiate, execute, deliver and, if necessary, file such documents as are necessary or desirable to accomplish the actions authorized by this Section.

Section 7. Assignments. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership the Authority's rights under construction contracts, architectural contracts (if any), geotechnical consultant contracts, and other development contracts, as such rights pertain to the rehabilitation of the Apartment Complexes, and (ii) assigning to lenders and others the Partnership's interests in such contracts.

Section 8. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of the Authority (acting on its own behalf and/or as general partner of the Partnership) to execute, deliver, and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing

tax credits in connection with the Project including, without limitation: the filing of one or more applications with the Washington State Housing Finance Commission (the "Commission"); the execution of all necessary and related documents, including without limitation, regulatory agreements, declarations, and restrictive covenants; the making of determinations required by Section 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended; and the making of certifications with respect to the Project and the Partnership of the type described in Treasury Regulation Section 1.42-8(b)(4)(i). The Authorized Officers, and each of them acting alone, are granted the discretionary authority to determine that the Partnership should be converted from a limited liability limited partnership to a limited partnership and to execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any forms, affidavits, certificates, letters, documents, agreements, and instruments that such officer determines to be necessary or advisable to effect such conversion.

Section 9. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf, as general partner of the Partnership, as managing member of Salishan One LLC, Salishan Two LLC, and Salishan Three LLC, and/or as general partner of Hillside Terrace Phase II Limited Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority, Instrumentality, and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements, and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, rehabilitation, development, financing, equipping, operation, and leasing of the Apartment Complexes; (iii) cause the Authority, the Partnership, and/or Instrumentality to expend such funds as are necessary to pay for all filing fees, application fees, registration fees, and other costs relating to the actions authorized by this resolution; and (iv) notwithstanding any other Authority resolution, rule, policy, or procedure, to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records, and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, company management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents, and appointments of attorneys for service of process. The adoption of this resolution does not constitute a guarantee or commitment that the transactions contemplated by this resolution will be consummated as described herein. The Authorized Officers are granted the discretionary authority to determine whether, when, and (subject to the terms of this resolution) on what terms to proceed with the transactions described herein and shall have the right to determine not to proceed with any portion of the transactions contemplated hereby for any reason including, if, in their judgment, the available terms or the risks associated with such transaction are unacceptable to the Authority.

Section 10. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority (whether acting on its own behalf, as general partner of the Partnership, as managing member of Salishan One LLC, Salishan Two LLC, and Salishan Three LLC, and/or as general partner of Hillside Terrace Phase II Limited Partnership, as applicable) to fulfill the Authority's duties and obligations, and cause the Partnership, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, and Hillside Terrace Phase II Limited Partnership to fulfill the applicable duties and obligations under the Transaction Documents.

Section 11. Increase in Authority Participation. The Authorized Officers, and each of them acting alone, are authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, and to increase the principal amount of any loan by, or capital contribution from, the Authority by an amount up to \$500,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by or contributed to the Partnership for the Project exceeds the aggregate maximum principal amount stated in this resolution and the Bond Resolution for all loans and capital contributions by the Authority to the Partnership.

Section 12. Acting Officers Authorized. Any action authorized or required by this resolution to be taken by the Authority's Executive Director may, in such person's absence, be taken by the acting Executive Director of the Authority.

Section 13. Changes to Titles or Parties. While the titles of and parties to the Transaction Documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 14. Ratification and Confirmation. All actions of the Authority and its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the selection of the Limited Partners) are ratified and confirmed.

Section 15. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provision of this resolution.

Section 16. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting held on November 5, 2025.

HOUSING AUTHORITY OF THE CITY OF TACOMA

Chair, Board of Commissioners

ATTEST:

Executive Director and Secretary

EXHIBIT A

Partnership Documents

- Amended and Restated Agreement of Limited Partnership by and among the Authority, Instrumentality, and the Investor;
- Development Agreement between the Partnership and the Authority;
- Purchase Option and Right of First Refusal Agreement among the Partnership, the Authority, and the Investor;
- Reimbursement and Assignment Agreement between the Partnership and the Authority; and
- Tax certification by the Authority.

Tax-Exempt Loan Documents

- Regulatory Agreement between the Partnership and the Authority;
- Funding Loan Agreement among the Authority, Citibank, N.A. (the “Bank”), and U.S. Bank Trust Company, National Association, as fiscal agent (the “Fiscal Agent”);
- Multifamily Mortgage Revenue Construction/Permanent Note, 2025 (Salishan-Hillside Phase 1) made by the Authority and authenticated by the Fiscal Agent;
- Multifamily Mortgage Revenue Construction Note, 2025 (Salishan-Hillside Phase 1) made by the Authority and authenticated by the Fiscal Agent Continuing Disclosure Agreement between the Partnership and the Bank;
- Borrower Loan Agreement between the Partnership and the Authority, and acknowledged by the Bank;
- Construction Funding Agreement between the Partnership and the Bank;

- Multifamily Note (Construction/Permanent) by the Partnership in favor of the Authority and endorsed by the Authority in favor of the Bank;
- Multifamily Note (Construction) by the Partnership in favor of the Authority and endorsed by the Authority in favor of the Bank;
- Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing from the Partnership in favor of the Authority;
- Assignment of Security Instrument and Loan Documents from the Authority to the Bank;
- Completion and Repayment Guaranty (Including Operating Deficit Guaranty) from the Authority in favor of the Bank;
- Exceptions to Non-Recourse Guaranty from the Authority in favor of the Bank;
- Agreement of Environmental Indemnification from the Authority and the Partnership in favor of the Bank;
- Replacement Reserve Agreement between the Partnership and the Bank;
- Authority Loan Escrow Agreement among the Authority, the Bank, and U.S. Bank Trust Company, National Association, as acknowledged by the Partnership;
- One or more assignments of Housing Assistance Payments Agreement from the Partnership to the Bank;
- One or more consents to Assignment of HAP Contract as Security for Financing by the Authority;
- Assignment of Subordination of Developer Fees, Pledge and Security Agreement from the Partnership and the Authority in favor of Bank;
- Assignment of Management Agreement from the Partnership and the Authority in favor of the Bank;
- Assignment of Equity Interests, Pledge and Security Agreement from the Partnership and the Authority in favor of the Bank;
- Assignment of Equity Investor Capital Contributions, Pledge and Security Agreement from the Partnership in favor of the Bank;
- Assignment of Project Documents from the Partnership in favor of the Bank;
- Assignment of Architect's Agreement and Plans and Specifications from the Partnership in favor of the Bank;
- Assignment of Construction Contract from the Partnership in favor of the Bank;
- Authorization to Request Advances from the Partnership;
- Title Escrow Agreement by and among the Partnership, the Bank and Chicago Title Insurance Company;
- Continuing Disclosure Agreement between the Partnership and the Bank;
- Contingency Draw-Down Agreement among the Partnership, the Bank, and the Fiscal Agent; and
- Federal Tax Certificate and Agreement between the Partnership and the Authority.

Housing Authority Loan Documents

- Omnibus Loan Agreement between the Authority, as lender, and the Partnership, as borrower;
- Promissory Note (Salishan-Hillside Phase 1 Acquisition Loan) by the Partnership for the benefit of the Authority;

- Promissory Note (Housing Authority Loan B) (Housing Authority Loan B) by the Partnership for the benefit of the Authority;
- Promissory Note (Salishan-Hillside Phase 1 Second Rehabilitation Loan) (Housing Authority Loan C) by the Partnership for the benefit of the Authority;
- Promissory Note (Salishan-Hillside Phase 1 Third Rehabilitation Loan) (Housing Authority Loan D) by the Partnership for the benefit of the Authority;
- Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Omnibus Loans – Salishan-Hillside Phase 1) by the Partnership in favor of the Authority; and
- Hazardous Substance Warranty/Indemnity Agreement by the Partnership for the benefit of the Authority.

Commerce Documents

- One or more Assignment, Assumption and Consent Agreements relating to each Apartment Complex among Commerce, the prior borrower, the Authority, and the Partnership.

HUD Documents

- Assignment and Assumption of Rental Assistance Demonstration Use Agreement among the prior holder of a leasehold interest in the applicable Apartment Complex, Partnership, the Authority, and HUD for each Apartment Complex;
- Assignment and Assumption Agreement of Rental Assistance Demonstration (RAD) Housing Assistance Payments Contract among the prior holder of a leasehold interest in the applicable Apartment Complex, the Authority, the Partnership, and HUD, for each Apartment Complex; and
- Housing Assistance Payments Contracts between the Partnership and the Authority for each Apartment Complex.

Real Estate Documents

- Regulatory Agreement (Extended Use Agreement) relating to each Apartment Complex among the Washington State Housing Finance Commission (the “Commission”), the Authority, and the Partnership;
- Lease Agreement between the Authority and the Partnership;
- Memorandum of Lease Agreement between the Authority and the Partnership; and
- Priority and Subordination Agreement among the Partnership, the Bank, Commerce, the Authority, and the Commission.

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Secretary and Executive Director of the Housing Authority of the City of Tacoma (the “Authority”) and keeper of the records of the Authority, CERTIFY:

1. The foregoing Resolution No. 2025-11-05 (3) (the “Resolution”) is a full, true and correct copy of the Resolution duly adopted at a special meeting of the Board of Commissioners of the Authority

(the “Board”) held at the Authority’s Administrative Office on November 5, 2025 (the “Meeting”), as that Resolution appears in the records of the Authority, and the Resolution is now in full force and effect;

2. Written notice specifying the time, place and noting the business to be transacted (the “Notice”) was given to all members of the Board by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the Meeting or such longer period as required by the Authority’s Bylaws (the “Notice”), a true and complete copy of the Notice is attached hereto as Appendix 1;

3. The Notice was also posted on the Authority’s website and prominently displayed at the main entrance of the Authority’s Administrative Office and the entrance to the special meeting location (if different) at least 24 hours prior to the Meeting;

4. The Notice was also given by mail, fax, electronic mail or by personal delivery at least 24 hours prior to the Meeting to each local radio or television station and to each newspaper of general circulation that has on file with the Authority a written request to be notified of special meetings and to any others to which such notices are customarily given by the Authority; and

2. The Meeting was duly convened and held, and included an opportunity for public comment, in all respects in accordance with law, a quorum was present throughout the Meeting, and a majority of the members of the Board present at the Meeting voted in the proper manner for the adoption of the Resolution; all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of November, 2025.

Secretary and Executive Director of the Authority

Vice Chair Hodge motioned to approve the resolution. Commissioner Dunn seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved: November 5, 2025

Stanley Rumbaugh, Chair

8.4 2025-11-05 (4) AMENDMENTS TO HR-35.15 FAMILY AND MEDICAL LEAVE POLICY

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

WHEREAS, changes to several laws governing statutory leave were adopted during the 2025 Legislative Session and are effective beginning January 1, 2026. Implementing these statutory changes, as well as

others including changes to Washington’s paid sick leave law, requires revising our Family and Medical Leave (FML) Policy; and

WHEREAS, THA seeks to change its method for calculating leave eligibility and usage under the FMLA to a “12-month forward” method; and

WHEREAS, changing this method for calculating leave eligibility and usage will simplify the process for employees and THA, as it will provide a clear and predictable timeframe for determining FMLA entitlement that will make it easier to track and use leave; and

WHEREAS, ensuring compliance with changing employment laws and increasing efficiency and clarity in its processes all further THA’s goal to serve as a great employer; now, therefore, be it

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

1. Employees who request Family and Medical Leave starting on January 5, 2026, will follow the revised policy.
2. This resolution supersedes any conflicting policies or resolutions previously adopted by the Board of Commissioners.
3. This resolution shall take effect immediately upon its adoption.

Commissioner Dunn motioned to approve the resolution. Commissioner Young seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved: November 5, 2025

Stanley Rumbaugh, Chair

8.5 2025-11-05 (5) SOCIAL MEDIA POLICY

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

WHEREAS, social media policies set important standards for how public agencies monitor and manage content; and

WHEREAS, Tacoma Housing Authority currently does not have a social media policy; and

WHEREAS, the social media policy as currently drafted encourages appropriate use by the public and management by our staff; now, therefore, be it

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

1. Tacoma Housing Authority’s authorized social media users will implement standards that encourage proper record retention and content moderation.
2. This resolution supersedes any conflicting policies or resolutions previously adopted by the Board of Commissioners.
3. This resolution shall take effect immediately upon its adoption.

Commissioner Dunn motioned to approve the resolution. Commissioner Young seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved: November 5, 2025

Stanley Rumbaugh, Chair

8.6 WALK-ON: ONE YEAR AUTHORIZATION FOR EXECUTIVE DIRECTOR TO ENTER INTO LITIGATION

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA).

WHEREAS, THA is a public body corporate and politic of the State of Washington with authority granted to it under chapter 35.82 RCW; and

WHEREAS, housing authorities organized under the laws of the State of Washington are expressly authorized to “sue and be sued” and to “make and execute contracts and other instruments ...necessary or convenient to the exercise of the powers of the authority” pursuant to RCW 35.82.070(1); and

WHEREAS, housing authorities organized under the laws of the State of Washington are authorized “to do any and all things necessary or desirable to secure the financial aid or cooperation of the federal government in the undertaking, construction, maintenance or operation of any housing project by such authority” via RCW 35.82.200(1); and

WHEREAS, THA as a public body, and based upon the recommendation of the Senior General Counsel, may identify opportunities for litigation now and in the future; now, therefore, be it

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

THA’s Executive Director is hereby authorized for the period of one year to enter into litigation as deemed necessary and desirable, based upon the recommendation of the Senior General Counsel.

Commissioner Dunn motioned to approve the resolution. Commissioner Young seconded the motion.

Upon roll call, the vote was as follows:

AYES: 4
NAYS: 0
Abstain: 0
Absent: 0

Motion approved: November 5, 2025

Stanley Rumbaugh, Chair

8.7 WALK-ON: 2025-11-05 (7) AMENDMENT TO SALE OF 3 HILLSDALE HEIGHTS TO BRIDGE MEADOWS

HOUSING AUTHORITY OF THE CITY OF TACOMA

RESOLUTION NO. 2025-11-05 (7)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma, amending Resolution 2024-08-28(4) to clarify that the sale price for the Hillside Heights property may take into account use restrictions imposed on the property, and determining related matters.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOUSING AUTHORITY OF THE CITY OF TACOMA as follows:

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines:

- (a) Original Resolution. On August 28, 2025, the Board adopted Resolution 2024-08-28(4) (the “Original Resolution”) authorizing, among other things, the sale of certain Property (as defined in the Original Resolution) to Bridge Meadows, an Oregon nonprofit corporation, or an affiliate or designee thereof (the “Buyer”) in exchange for a purchase price equal to the fair market value of the Property.
- (b) Use Restrictions and Fair Market Value. In connection with the proposed development of the Property as affordable intergenerational housing, the Authority anticipates that use restrictions will be recorded against the Property requiring that the Property be developed and operated as housing affordable to households at or below specified income levels. The Authority further anticipates that such use restrictions may reduce the fair market value of the Property.
- (c) Clarification to Fair Market Value Sale Price Requirement. The Authority has determined that the development of the Property as housing affordable to persons of low-income would provide a needed housing resource in the City of Tacoma and is consistent with the Authority’s statutory purposes. The Board wishes to clarify that use restrictions to be imposed upon the Property should be taken into account in determining the fair market value of the Property for purposes of establishing the minimum purchase price for the Property authorized by the Original Resolution.

Section 2. Definitions. Capitalized terms used but not otherwise defined in this resolution shall have the meanings ascribed thereto in the Original Resolution.

Section 3. Amendment of Original Resolution. Section 2 of the Original Resolution is hereby amended and restated to provide as follows [*new text double underlined, deleted text struck through*]:

Section 2. The Authority is authorized to sell the Property to the Buyer for a purchase price of not less than fair market value as determined by ~~an appraisal acceptable to the Authorized Officers (as hereinafter defined), and each of them acting alone, which determination may take into account use restrictions imposed or to be imposed upon the Property.~~ The Authority's Executive Director, any Deputy Executive Director of the Authority, and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to cause the Property to be sold to the Buyer and, in connection therewith, to: (i) determine the timing of such sale; (ii) determine the purchase price (subject to the limitation set forth above); (iii) determine the terms of any such sale (provided, no such sale shall be made by means of an installment purchase contract without further Board approval); and (iv) execute, deliver and, if applicable, file a purchase and sale agreement, transfer deed and other property transfer instruments as any such Authorized Officer deems necessary or desirable to carry out the transactions contemplated by this resolution. In connection with such conveyance, the Board hereby authorizes each Authorized Officer to take any and all actions necessary to dispose of the Property in accordance with this resolution.

Section 4. No Other Changes. Except as and to the extent modified by this resolution, the Original Resolution shall remain in full force and effect.

Section 5. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 6. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution.

Section 7. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting thereof this 5th day of November 2025.

HOUSING AUTHORITY OF THE CITY OF TACOMA

By _____
Chair

ATTEST:

Executive Director

Commissioner Young motioned to approve the resolution. Commissioner Dunn seconded the motion.

Upon roll call, the vote was as follows:

AYES:	4
NAYS:	0
Abstain:	0
Absent:	0

Motion approved: November 5, 2025

Stanley Rumbaugh, Chair

9. EXECUTIVE SESSION

The Board went into executive session at 5:26 pm for 19 minutes to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. RCW 42.30.110(1)(i). The came back into regular session at 5:45 pm.

10. COMMENTS FROM COMMISSIONERS

Vice Chair Hodge praised ED Black and staff for maintaining operations during the government shutdown. Chair Rumbaugh agreed, noting these are difficult times and staying afloat is challenging. Vice Chair Hodge added that few agencies can claim similar success. Chair Rumbaugh observed varying levels of preparedness in DC.

11. ADJOURNMENT

There being no further business to conduct, the meeting ended at 5:46 pm.

APPROVED AS CORRECT

Adopted: December 10, 2025

Stanley Rumbaugh, Chair

BOARD OF COMMISSIONERS MEETING MINUTES

SPECIAL SESSION FRIDAY, NOVEMBER 21, 2025

The Commissioners of the Housing Authority of the City of Tacoma met in Special Session via Zoom, on Friday, November 21, 2025, at 12:00 pm to review the performance of a public employee.

1. CALL TO ORDER

Chair Rumbaugh called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 12:02 pm.

2. ROLL CALL

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

PRESENT	ABSENT
COMMISSIONERS	
Chair Stanley Rumbaugh	
Vice Chair Minh-Anh Hodge	
Commissioner Derek Young	
	Commissioner Athena Dunn
STAFF	
April Black, Executive Director	
	Aley Thompson, Deputy Executive Director
Sha Peterson, Records and Public Disclosure Manager	
Woodson Baldwin, IT Support Supervisor	
	Amber Prentice, Rental Assistance Director
	Caroline Cabellon, Interim Director for Client Support and Empowerment
	Ken Short, Asset Management and Real Estate Development Director
	Lauren Kirigin, Senior General Counsel
	Lynette Scott, Human Resources Director
	Marquis Jenkins, Property Management Director
	Nando Ruiz, Associate Director of Rental Assistance
Priya Saxena, Strategic Initiatives Director	
Richard Deitz, Finance Director	
	William Morse, Director/CIO

Chair Rumbaugh declared there was a quorum present at 12:03 pm and proceeded.

3. NEW BUSINESS

3.1 2025-11-121 (1) APPROVAL TO USE THA FUNDS TO RETIRE SALISHAN 5 DEBT

In August, staff asked the Board to approve refinancing Section 32 funds, which are proceeds from selling lots at Salishan. Using these funds would help the property pay off interest on its debt and boost cash flow. Vice Chair Hodge wanted to know what other uses were permitted for these funds. Executive Director Black clarified that Section 32 funds can currently be used only for properties with Section 8 support or project-based funding; at present, they can't be used for anything else.

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

WHEREAS, Salishan Five LLC has a loan with Citicorp in excess of \$1 million that is maturing December 1, 2025; and

WHEREAS, THA is the managing member of Salishan Five, LLC; and

WHEREAS, it is in THA's interest to retire the debt with Citicorp by funding to the property a loan, grant, or equity investment of Section 32 proceeds or other THA dollars; and

WHEREAS, THA is authorized to "consent to any modification with respect to ... payment of any installment of principal or interest security, or any other term of any ... agreement of any kind to which the authority is a party." RCW 35.82.070(5); and

WHEREAS, 24 CFR 906.31(a) authorizes PHAs to use Section 32 funds, "for purposes relating to low-income housing and in accordance with its PHA plan"; and

WHEREAS, the purpose of using Section 32 funds to retire the debt is related to low-income housing as defined 24 CFR 906.2; and

WHEREAS, this use of funds is covered in THA's 2025 MTW Plan strategic goals to "Invest in Housing Stability and Community Vitality" and "Enhance our Financial Resilience and Sustainability"; now, therefore, be it

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

To approve the use of THA funds to retire Salishan Five, LLC debt.

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

Upon roll call, the vote was as follows:

AYES: 3
NAYS: 0

Abstain: 0
Absent: 1

Motion approved: November 21, 2025

Stanley Rumbaugh, Chair

4. ADJOURNMENT

There being no further business to conduct, the meeting ended at 12:10 pm.

APPROVED AS CORRECT

Adopted: December 10, 2025

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

MOTION
Approval of the 2026
Board Meeting Schedule



MOTION

Date: December 10, 2025

To: THA Board of Commissioners

MOTION

Move to approve the 2026 Tacoma Housing Authority (THA) Board of Commissioners' meeting schedule.

INTENT

Approve the 2026 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: December 10, 2025

Stanley Rumbaugh, Chair



2026 Board of Commissioners Meeting Schedule

Regular Meetings		Special Sessions	Location: 902 South L Street, Tacoma, WA
Monthly Meetings	Study Sessions		Online Streaming
January 28			https://us06web.zoom.us/j/89827446781?pwd=VxwIBRt9xBaQaldCXFgpSP2UVdFX7g.1
	February 6		https://us06web.zoom.us/j/88931466682?pwd=wC364csbZY08eID9Y9uGj0ugA4rW1b.1
February 25			https://us06web.zoom.us/j/89473299404?pwd=0SvKy7Px3eVUA2IONMYa8Wh19oTtU.1
March 25			https://us06web.zoom.us/j/82695818439?pwd=cgiOVrZOXuMah6w5zlABJltvclNQ1A.1
April 22			https://us06web.zoom.us/j/84469026783?pwd=YQLOIUBO191be3dEciQHJHok22ZZqm.1
	May 1		https://us06web.zoom.us/j/81402841712?pwd=kJNBdsR46K7FYQlj95Lz098vYvdhCR.1
May 27			https://us06web.zoom.us/j/82613317599?pwd=vykJRaM3U34tQex8UHqWDSMUETeuw5.1
June 24			https://us06web.zoom.us/j/82253002167?pwd=TebplaX8DUCjawLAJLFisAdTIXRTLA.1
	July 10		https://us06web.zoom.us/j/86713735234?pwd=UzVISUYvmW2PXLwg0IG5hjDDqHFNja.1
July 22			https://us06web.zoom.us/j/86517868740?pwd=5M2um2hqKMtEjQyxapqjd1tl1Nrluu.1
August 26			https://us06web.zoom.us/j/87927537808?pwd=fITqtrUviLTmIlgQzj57S1KRteLogBa.1
	September 11		https://us06web.zoom.us/j/88186507245?pwd=gzFninJVGRaoLM4ns1h7bW4Tzj2Ns9.1

September 23			https://us06web.zoom.us/j/83307450574?pwd=2y66syGDlwocRHd61TKMRst0YCpQ7S.1
October 28			https://us06web.zoom.us/j/84370461611?pwd=HxEi1dLOUP2dnHXfjq0mJKMYmL3CM9.1
	November 6		https://us06web.zoom.us/j/83230099681?pwd=JukOicxOOLr4mdUplexdB3MgALj1U9.1
November 11			https://us06web.zoom.us/j/81467316380?pwd=4zFVTcHqh8zkZ8D0tjafeqGI6VsMOa.1
December 9			https://us06web.zoom.us/j/82001497367?pwd=adv5bkZlZ4AFMe87u7SKWl6xwBQDjt.1

Regular Meetings begin at 4:45 pm / **Study Sessions** begin at 12:00 pm
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.



Real Estate Development Committee

Chair Stanley Rumbaugh
Vice Chair Minh-Anh Hodge

Finance Committee

Commissioner Derek Young
Commissioner Athena Dunn

Community Partnerships and Advocacy Committee

Commissioner Athena Dunn

Education, Housing, Services and Partnerships Committee

Commissioner Derek Young
Vice Chair Minh-Anh Hodge



TACOMA HOUSING AUTHORITY

FINANCE REPORT



MOTION

Date: December 10, 2025

To: THA Board of Commissioners

MOTION

Adopt a consent motion ratifying the payment of cash disbursements totaling \$9,692,994 for the month of October 2025.

Approved: December 10, 2025

Stanley Rumbaugh, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of October 2025

	Check Numbers		From		To		From		To	
	From	To	From	To	From	To	From	To		
			Amount			Totals				
	A/P Checking		SAL 7 Checking		THDG Checking					
Checks	98,109	-	98,149	1,047	-	1,047	10,376	-	10,386	
Wire/EFT	150	-	158	-	-	-	-	-	-	
ACHs	4,295	-	4,390	244	-	255	1,010	-	1,010	
Business Support Center						830,243	Program Support			
Moving To Work Support Center						56,341				
Moving To Work Buildings (used by Support Center)						178,492				
Tax Credit Program Support Center						35,787				
Support Center Allocation						46,299				
Section 8 Programs						55,190	Section 8 Operations			
Hillsdale Heights						11,402	Property Operations			
James Center						383,111				
Salishan 7						68,590				
Alberta J Canada Bldg						112,816				
Housing Hilltop LLLP						666				
Education Program - THDG						1,302	THDG			
Hilltop Redevelopment - THDG						2,000				
THDG - General						6,950				
Aviva Crossing - EPA Funds						1,965	Development			
Aviva Crossing - Pierce County Funds						362,404				
Hillside Terrace & Salishan Resyndication						107,427				
Bus Development Activity						52	Client Support			
CS General Business Activities						2,628				
Department of Commerce Funding for Crisis Residential Center						415,086				
Community Services MTW Fund						6,637	Public Housing			
AMP 6 - Scattered Sites						703				
AMP 9 - HT 1500 - Subsidy						193				
THA SUBTOTAL						2,686,282				
Hillside Terrace 2 & 1500						5,532	Tax Credit Projects - Reimbursable			
Bay Terrace I & II & Community Facility						21,025				
Housing Hilltop LLLP						24,600				
Arlington Youth Campus						4,116				
Court F (The Rise)						5,606				
Renew Tacoma Housing						55,037				
Salishan 1 - Salishan 6						32,821				
Tax Credit Property Allocations						24,359				
TAX CREDIT SUBTOTAL (Operations & Development - billable)						173,096	2,859,378			
Section 8 Checking Account (HAP Payments)										
SRO/HCV/VASH/FUP/NED/EHV/MSV	Check #'s	490,223	-	490,335	215,802					
	ACHs	59,023	-	59,976	5,439,448	\$	5,655,250			
Payroll & Payroll Fees - ADP	EFT	40	-	41		\$	1,178,366			
TOTAL DISBURSEMENTS							\$	9,692,994		



TACOMA HOUSING AUTHORITY



Date: December 10, 2025

To: THA Board of Commissioners

From: Richard Deitz
Director of Finance

Re: Finance Department Board Report

1. FINANCIAL STATEMENT

I present the October 2025 disbursement reports for your approval.

The Finance Department is submitting the financial statement for the period ending September 30, 2025, which reflects the agency's strong financial performance and a solid year-end outlook. Current projections indicate a healthy operating surplus of \$3,953,847 as shown on *Line 46 – Operating Surplus/(Deficit)*. After accounting for capital expenditures (*Line 55 – THA Surplus/(Deficit)*), the anticipated year-end surplus is \$3,773,254. THA's financial performance in the current quarter does not look healthy; however, this is simply due to timing differences. While these figures demonstrate continued financial strength, it is important to note that several significant fourth-quarter transactions—such as property sales, the Hillside-Salishan resyndication, Outrigger loan refinancing, and a partnership loan or contribution to Salishan V—were pending at the time of this report. Consequently, actual results may vary from current projections.

The financial statement illustrates that the agency continues to do well and will end the year in a solid financial position. A large number of significant transactions are scheduled for the fourth quarter, including property sales, the Hillside-Salishan resyndication, Outrigger loan refinancing, and a partnership loan or contribution to Salishan V. Several of these transactions had not occurred as of the time of this report. As a result, projections may vary significantly from actual results.

General themes and notable items are addressed below.

- *Line 1, HAP reimbursements* – THA is currently outperforming the budget due to additional MTW funding received in June, which has strengthened the MTW cash position. By year-end, funding levels are expected to align more closely with actual MTW expenditures, which remain slightly below the budgeted amounts.
- *Line 2 – Section 8 Admin fee earned* – THA received significant additional funding in June related to the 2024 administrative fee reconciliation, and a second large payment in September related to a change in the 2025 Administrative fee proration.

These additional payments lead to the overage seen at the end of the third quarter. As of the time of this report, THA had received HUD funding notifications for the majority of the 2025 administrative fee funding. Based on these notices, we project funding to be in line with the budget by year-end. In 2025, we have seen more funding corrections from HUD than in prior years, so it is still possible for actual results to vary from projections.

- *Line 3 – Community Services* – The 2025 budget assumed \$90,000 in funding from a ROSS grant that THA ultimately did not receive. This shortfall is partially mitigated by increased funding from the FSS grant.
- *Line 6 – Other Government Grants* – The budget for this category is tied to a grant for the Arlington Campus, which is running slightly over budget. The majority of the variance is tied to an EPA grant for Aviva Crossing that was budgeted in Line 53 – Revenue – Capital Grants/Sale of Property.
- *Line 7 – Tenant Revenue – Dwelling Rent* – Dwelling rent revenue is currently below forecast, primarily due to lower-than-expected rental revenue at the North Highland and Highland Crest properties.
- *Line 8 – Tenant Revenue - Other* – Higher than anticipated move-out related charges have resulted in greater than expected revenue. The revenue from utility reimbursements is also running higher than was anticipated.
- *Line 10 – Other Revenue* – The current overage is due to additional grant funding. The variance appears greater due to timing issues that will be resolved in the fourth quarter.
- *Line 11 – Developer Fee Income* – The budget included a conservative estimate of the developer fee for the Hillside-Salishan resyndication. The forecast has since been revised to reflect the portion of the developer fee anticipated at closing.
- *Line 12 – Other Revenue – T/C Waterfall Payments* – The properties experienced unusually high extraordinary maintenance costs related to unit turnover during the summer. The majority of these expenses will be covered by replacement reserves. As of the end of the third quarter, these funds had not been drawn, thus limiting available cash flow. Portfolio-wide rent increases also went into effect on September 1st, providing additional cash flow.
- *Line 13 – Investment Income* – The higher-than-expected interest revenue is attributable to two primary factors. First, THA maintained a larger cash balance due to the delayed funding of the Housing Hilltop loans. Second, the budget assumed potential interest rate reductions, resulting in a lower projected rate than the actual rate currently being realized.
- *Lines 15 – 25 – Administrative Expense* – As in prior years, Administrative Expenses are currently tracking well below budget. This trend is expected to continue through the end of the year, with all line items expected to either come in on or below budget. The most significant savings in this area have come from not refilling several vacant positions and less due diligence work than was contemplated during the budget process.

- *Lines 26 – 29 – Tenant Service* – The Tenant Services area is currently operating under budget, and this trend is expected to continue. CSE has had multiple vacancies throughout the year, resulting in significant savings. The variance in *Line 28 – Tenant Service – Other* is primarily due to timing differences related to a state grant previously referenced under *Line 6 – Other Government Grants*. Additionally, THA's share of the costs for operating the Bay Terrace Community Facility is recorded in this category, although it was originally budgeted under *Administrative Expenses*.
- *Lines 31 – 35 – Ordinary Maintenance and Operations* – The third-party managed properties, Outrigger, North Highland, and Highland Crest, are a combined \$ 242,375 over budget in this category. The most significant areas of overages are related to unit turn and repair costs. If it were not for these overages, THA would be underbudgeted in this area.
- *Lines 36 – 40 General Expenses* – Grant-funded expenses related to the Aviva Crossing development, originally budgeted under capital, are being recorded under *Line 38 – Other General Expense*, resulting in a substantial variance. Insurance savings offset a portion of this overage; however, these savings primarily reflect a timing difference that is expected to resolve by year-end.
- *Line 43 – Sec 8 HAP Payments* – Through August, HAP expenses were running just over budget. The most significant percentage variance from projections was due to THA's port-out payments. This is due to an increase in the number of voucher holders porting out to other jurisdictions and not being absorbed, leaving THA responsible for the HAP payment. These vouchers are significantly more expensive than other tenant-based vouchers, so a small change can have a disproportionately large impact. On September 1st, the new rents for THA-managed PBV units went into effect, which resulted in a roughly \$270,000 increase in monthly HAP. As a result, HAP expenses will be significantly higher in the fourth quarter. The lack of additional rapid rehousing billing will partially offset this increase.
- *Lines 51 – 54 Capital Transactions* – The 2025 budget anticipated numerous significant capital transactions that have either not yet occurred or have been recorded within the operating section of the report. Current activity in this category primarily reflects funding for the initial half of the Housing Hilltop loan. Additionally, THA has partially funded its loan to Mercy Housing to support infrastructure work at Aviva Crossing, and THA has paid a substantial portion of the planned grant-funded infrastructure.

2. INVESTMENTS

Surplus funds are invested in Heritage checking and the Washington State Investment Pool. Rates with Heritage Bank are at 2.54%. The Washington State Local Government Investment Pool currently provides a return rate of 4.38%.

3. AUDIT

There is no update at this time.

4. BUDGETS

The 2026 annual budget is being presented to the THA Board for approval at the December 10, 2025, Board meeting.

5. YEAR-END UPDATE

There is no update at this time.

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		September-25				Thru 12/31/2025		
		CURRENT QTR ACTUAL	YEAR TO DATE ACTUAL	BUDGETED YTD	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
OPERATING RECEIPTS								
1	HUD grant - Section 8 HAP reimbursement	15,350,421	59,082,197	58,478,892	1.03%	76,490,000	78,075,620	-2.03%
2	HUD grant - Section 8 Admin fee earned	1,913,798	5,151,470	4,661,996	10.50%	6,094,000	6,215,994	-1.96%
3	HUD grant - Community Services	61,584	186,310	251,936	-26.05%	255,747	335,915	-23.87%
4	HUD grant - Public Housing subsidy	595	1,639	6,900	-76.25%	2,500	9,200	-72.83%
5	HUD grant - Capital Fund Operating Revenue	0	0	10,575	-100.00%	14,100	14,100	0.00%
6	Other Government Grants	691,522	2,788,306	1,593,750	74.95%	3,188,000	2,125,000	50.02%
7	Tenant Revenue - Dwelling rent	1,076,687	3,136,908	3,311,598	-5.28%	4,183,000	4,415,464	-5.26%
8	Tenant Revenue - Other	61,286	188,883	146,813	28.66%	252,000	195,750	28.74%
9	Management Fee Income	1,013,877	2,965,708	3,059,752	-3.07%	3,984,000	4,079,669	-2.35%
10	Other Revenue	607,349	1,949,885	1,602,780	21.66%	2,235,000	2,137,040	4.58%
11	Other Revenue - Developer Fee Income	0	0	525,000	N/A	1,812,500	700,000	N/A
12	Other Revenue - T/C Waterfall Payments	145,764	1,269,084	2,314,500	-45.17%	3,161,000	3,086,000	2.43%
13	Investment income	131,968	454,692	266,393	70.69%	563,000	355,190	58.51%
14	TOTAL OPERATING RECEIPTS	21,054,851	77,175,083	76,230,884	1.24%	102,234,847	101,744,942	0.48%
OPERATING EXPENDITURES								
Administrative Expenses								
15	Administrative Salaries	2,815,541	8,157,517	9,521,590	-14.33%	10,877,000	12,757,922	-14.74%
16	Administrative Personnel - Benefits	778,579	2,455,618	3,308,150	-25.77%	3,274,000	4,404,122	-25.66%
17	Audit Fees	112,657	117,943	93,000	26.82%	124,000	124,000	0.00%
18	Management Fees	150,115	428,470	570,107	-24.84%	585,000	760,143	-23.04%
19	Office Expense	474,281	1,664,344	2,130,165	-21.87%	2,219,000	2,840,220	-21.87%
20	Legal	117,501	232,537	320,850	-27.52%	310,000	427,800	-27.54%
21	Travel/Training	48,697	167,951	439,285	-61.77%	239,000	585,713	-59.20%
22	Other administrative expenses	554,460	1,972,046	2,052,118	-3.90%	2,679,000	2,736,157	-2.09%
23	Due diligence - Perspective Development	11,175	20,175	862,500	-97.66%	100,000	1,150,000	-91.30%
24	Contingency	0	0	78,750	-100.00%	105,000	105,000	0.00%
25	Total Administrative Expenses	5,063,006	15,216,600	19,376,515	-21.47%	20,512,000	25,891,077	-20.78%

**TACOMA HOUSING AUTHORITY
AGENCY WIDE**

		September-25				Thru 12/31/2025		
		CURRENT MTH ACTUAL	YEAR TO DATE ACTUAL	BUDGETED	VARIANCE	PROJECTED ACTUAL	BUDGETED	VARIANCE
	Tenant Service							
26	Tenant Service - Salaries	435,158	1,273,064	1,492,098	-14.68%	1,731,000	1,999,313	-13.42%
27	Tenant Service Personnel - Benefits	128,322	411,914	562,990	-26.83%	560,000	751,242	-25.46%
28	Tenant Service - Other	632,494	2,089,577	1,887,627	10.70%	2,786,000	2,516,836	10.69%
29	Total Tenant Services	1,195,974	3,774,555	3,942,715	-4.27%	5,077,000	5,267,391	-3.61%
	Utilities							
30	Total Project Utilities	123,551	362,540	353,934	2.43%	477,000	471,912	1.08%
	Ordinary Maintenance & Operations							
31	Maintenance Salaries	247,197	791,496	792,259	-0.10%	1,558,000	1,061,040	46.84%
32	Maintenance Personnel - Benefits	65,575	208,749	247,948	-15.81%	278,000	331,415	-16.12%
33	Maintenance Materials	50,462	210,187	143,160	46.82%	266,000	190,880	39.35%
34	Contract Maintenance	201,532	778,407	642,572	21.14%	1,012,000	856,763	18.12%
35	Total Routine Maintenance	564,766	1,988,840	1,825,939	8.92%	3,114,000	2,440,098	27.62%
	General Expenses							
36	Protective Services	15,390	27,038	14,008	93.02%	36,000	18,677	92.75%
37	Insurance	139,623	412,162	514,393	-19.87%	636,000	685,857	-7.27%
38	Other General Expense	221,033	1,516,146	309,162	390.41%	2,022,000	412,216	390.52%
39	Interest Expense	134,306	375,872	402,673	-6.66%	501,000	512,830	-2.31%
40	Total General Expenses	510,351	2,331,219	1,240,236	87.97%	3,195,000	1,629,580	96.06%
41	TOTAL OPERATING EXPENSES	\$ 7,457,649	\$ 23,673,754	\$ 26,739,339	-11.46%	\$ 32,375,000	\$ 35,700,058	-9.31%
	Nonroutine Expenditures							
42	Ext. Maint/Fac Imp/Casualty Loss (Proceeds)	104,963	155,233	93,384	66.23%	237,000	124,512	90.34%
43	Sec 8 HAP Payments	16,514,562	48,748,575	47,981,350	1.60%	65,669,000	64,301,774	2.13%
44	Total Nonroutine Expenditures	16,619,525	48,903,808	48,074,734	1.72%	65,906,000	64,426,286	2.30%
45	TOTAL EXPENDITURES	24,077,174	72,577,562	74,814,073	-2.99%	98,281,000	100,126,344	-1.84%
46	OPERATING SURPLUS/(DEFICIT)	(3,022,322)	4,597,521	1,416,811	224.50%	3,953,847	1,618,598	144.28%
47	Debt Service Principal Pymt/Loan Payoffs	(35,898)	(159,321)	(1,136,543)	-85.98%	(1,515,391)	(1,515,391)	0.0%
48	Surplus/Deficit Before Reserve Appropriations	(3,058,221)	4,438,201	280,268	1483.56%	2,438,456	103,207	2262.68%
49	Reserve Appropriations - Operations/Loan Payoff	0	0	963,675		1,284,900	1,284,900	
50	Surplus/Deficit Before Capital Expenditures	(3,058,221)	4,438,201	1,243,943		3,723,356	1,388,107	
51	Capitalized Items/Development Projects	(2,349,951)	(10,550,864)	(12,681,000)	-16.80%	(12,737,000)	(16,908,000)	-24.67%
52	Reserve for Replacement	(50,581)	(136,568)	(128,042)	6.66%	(170,723)	(170,723)	0.00%
53	Revenue - Capital Grants/Sale of Property	0	0	3,832,500	-100.00%	1,827,621	5,110,000	-64.23%
54	Reserve Appropriations - Capital	1,608,756	9,227,353	9,298,500	-0.77%	11,130,000	12,398,000	-10.23%
55	THA SURPLUS/(DEFICIT)	(3,849,996)	2,978,121	1,565,901		3,773,254	1,817,384	

TACOMA HOUSING AUTHORITY

CASH POSITION - September 2025

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	3,605,953	2.54%
Section 8 Checking	6,759,493	2.54%
THA Scattered Sites Proceeds	6,040,413	2.54%
FSS Escrows	152,126	2.54%
FSS Forfeitures	60,347	2.54%
Note Fund Account	110	2.54%
THDG - Tacoma Housing Development Group	910,803	2.54%
Salishan 7 Operations	1,789,977	2.54%
Salishan 7 Security Deposit	38,134	2.54%
Salishan 7 Replacement Reserve	816,739	2.54%
Salishan 7 Operating Reserve	219,301	2.54%
North Highland Operations	21,117	2.54%
North Highland Security Deposit	28,515	2.54%
North Highland Capital Reserve	423,249	2.54%
Highland Crest Operations	1,402,941	2.54%
Highland Crest Replacement Reserve	493,045	2.54%
Highland Crest Security Deposit	41,429	2.54%
Outrigger Operations	779,346	2.54%
Outrigger Replacement Reserve	444,251	2.54%
Outrigger Security Deposit	25,428	2.54%
Payroll Account	597,129	2.54%
HOME STREET BANK		
James Center North Operations	1,092,609	0.00%
James Center North Security Deposit	70,325	0.00%
WASHINGTON STATE		
Investment Pool	\$ 1,091,586	4.38%
1. TOTAL THA CASH BALANCE	\$ 26,904,367	
Less:		
2. Total MTW Cash Balance	\$ 3,040,050	
<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)	\$ 2,314,050	
3. MTW Cash Held By HUD	\$ 6,375,503	
4. Non MTW Cash Restrictions/Obligations		
4.1 Non MTW Operational Restrictions		
4.10 HUD Restricted - Lot and Property Sales	\$ 6,040,413	
4.101 Scattered Sites Proceeds (Afford Hsg)	6,040,413	
4.20 THA Property Accounts Reserved	\$ 4,931,402	
4.201 Security Deposit Accounts	203,830	
4.202 Highland Crest Operations Reserves	520,000	
4.203 Highland Crest Replacement Reserves	493,045	
4.204 James Center North Capital	80,288	
4.205 Outrigger Operations Reserve	150,000	
4.206 Outrigger Replacement Reserves	444,251	
4.207 Salishan 7 Operations Reserves	750,000	
4.208 Salishan 7 Replacement Reserves	816,739	
4.209 North Highland Court Operations Reserves	50,000	
4.210 North Highland Capital Reserve	423,249	
4.211 James Center North Operations Reserves (Debt Svc)	1,000,000	
4.30 Rental Assistance Reserves	\$ 899,369	
4.301 Mod Rehab Operating Reserves	66,995	
4.302 VASH, FUP, FYI, NED, EHV & MAIN HAP & AF Reserves	619,902	

TACOMA HOUSING AUTHORITY			
CASH POSITION - September 2025			
4.303 FSS Escrows & Forfeitures	212,473		
4.40 Prepaid Grants		\$ 1,038,296	
4.401 TPS Interlocal (CS-2017-011)	65,736		
4.402 College Spark (PI-2018-005)	35,172		
4.403 GTCF Grant (PI-2019-005)	26,584		
4.404 THDG	910,803		
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$ 12,909,480	
4.70 Agency Contracted or Budgeted Commitments Remaining		\$ -	
	-		
	-		
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$ 12,909,480	
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$ 10,954,837	
6. Development Advances - Project Reimbursement upon draw		\$ 502,355	
6.01 Housing Hilltop LLLP	502,355		



TACOMA HOUSING AUTHORITY

AGENCY MONTHLY REPORT

November 26, 2025

Payment Standards

Analysis and Recommendations for 2026
Operations

THA Leadership Team



Agenda

- Recommendation for 2026 Operations
- Analysis and Initial Findings
- Financial Impact

Recommendation

- Increase payment standards for all HCV bedroom sizes except studios so that no more than 40% of households are rent burdened.
- Do not change the payment standard for HCV studio units.
- Do not change the exception payment standard for VASH / EHV households.
- Financial Impact: A projected 2026 impact of \$720K and an ongoing annual impact of \$1.4M.
- STS Impact: A -1.2% (n=53) projected through 2026 and a -2.3% (n=102) on ongoing annual impact.

Recommended Payment Standard Changes, by BR (HCV, only)

	Studios	1-BR	2-BR	3-BR	4-BR	5-BR
Current Payment Standard	\$1,252	\$1,392	\$1,743	\$2,474	\$2,761	\$3,172
Proposed Payment Standard	\$1,252	\$1,408	\$1,832	\$2,591	\$3,211	\$3,747
Percent Increase	0%	1%	5%	5%	16%	18%
2026 HUD FMR	\$1,428	\$1,605	\$1,971	\$2,733	\$3,102	\$3,567
Proposed Payment Standard as a Percent of 2026 HUD FMR	88%	88%	93%	95%	104%	105%

Comparing Market Rent to Payment Standards

Key Questions

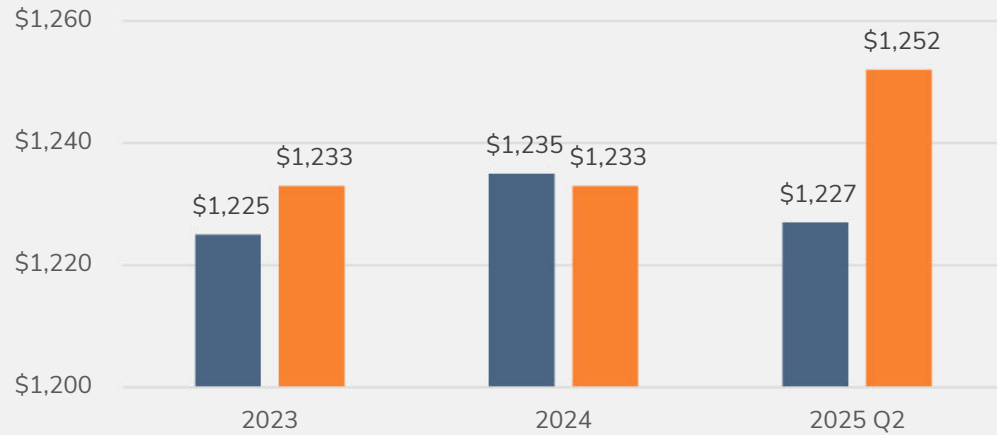
- Do payment standards fall below market rents?
- How does this compare to previous years?

Initial Findings

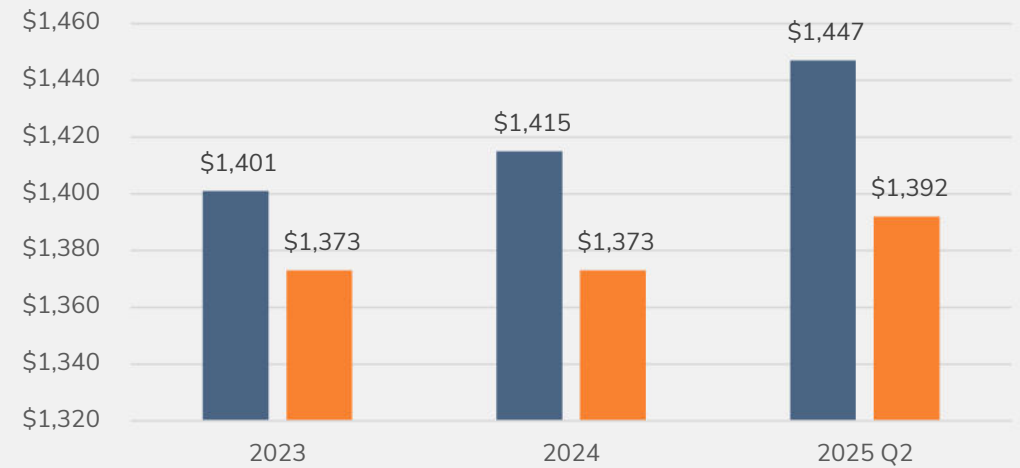
- Market rent for studio & 3-BR units fall below 2025 payment standards
- Market rent for 1- & 2-BR units landed above 2025 payment standards
- Historically,
 - Studio: 2025 is the 1st year market rent was below the payment standard
 - 1-BR: payment standards have always fallen below market rent
 - 2-BR: payment standards fell below market rent in 2025, first time since 2023
 - 3-BR: payment standard has always landed above market rent

Comparing Market Rent to Payment Standards

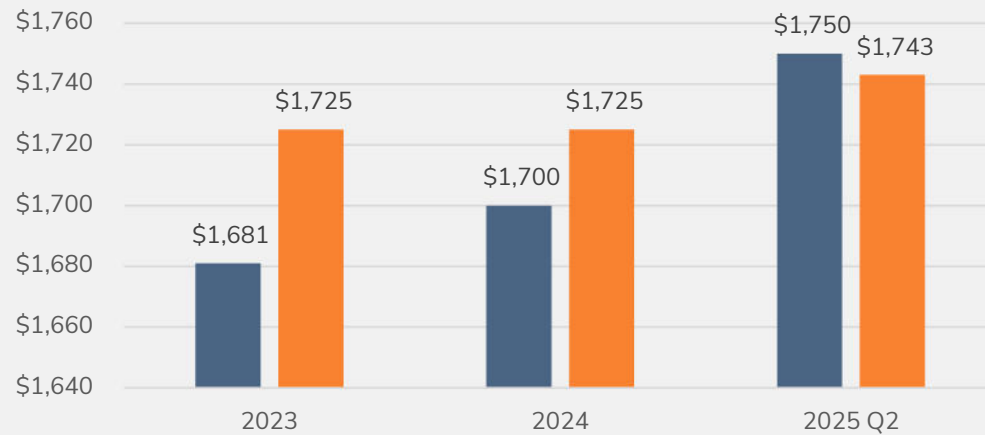
Studio



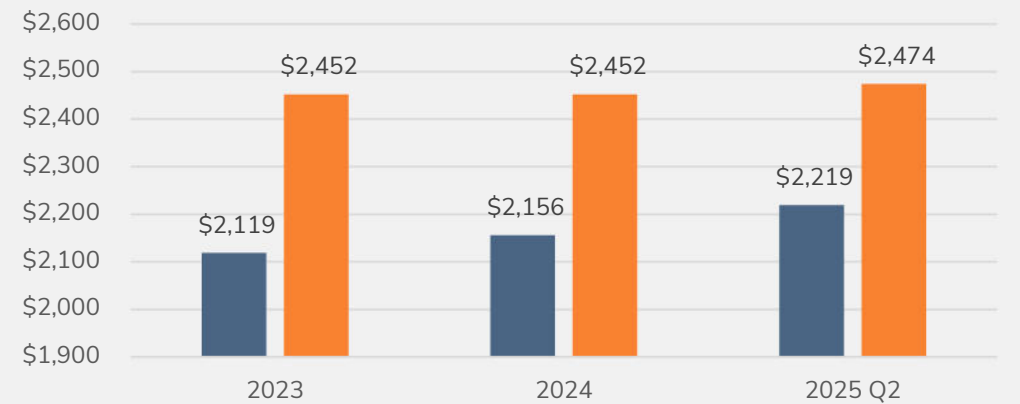
1-BR



2-BR



3-BR



Contract Rent Changes

Key Questions

- Are median contract rents and gross contract rents increasing?
- How does this compare to previous years?

Initial Findings

- Median contract and gross contract rents increased in 2025 across all bedroom sizes. These rates have been increasing since 2023.
- 3-BR units are the only ones where median gross contract rent surpassed market rent.
- The median contract rent for all other bedroom sizes has remained below HUD's FMRs, market rents, and THA's 2025 payment standards.
- However, the gap between THA's payment standards and gross contract rents is shrinking, especially for studio, 1-, and 2-BR units.
- **This means our current payment standards cause THA vouchers to be less competitive.**

Vacancy Rates

- Vacancy rates fell slightly, by 0.9%, between 2024 and 2025.
- Rates increased from 2022 to 2024.
- This is the first decrease since 2022.
- Lower vacancy rates are one indicator of a tighter rental market – signaling higher demand and a likelihood that renters will face higher competition for units.

Vacancy Rates, City of Tacoma, 2022-2025

Year	Vacancy Rate
2022	6.1%
2023	7.7%
2024	8.3%
2025	7.4%

Rent Burden

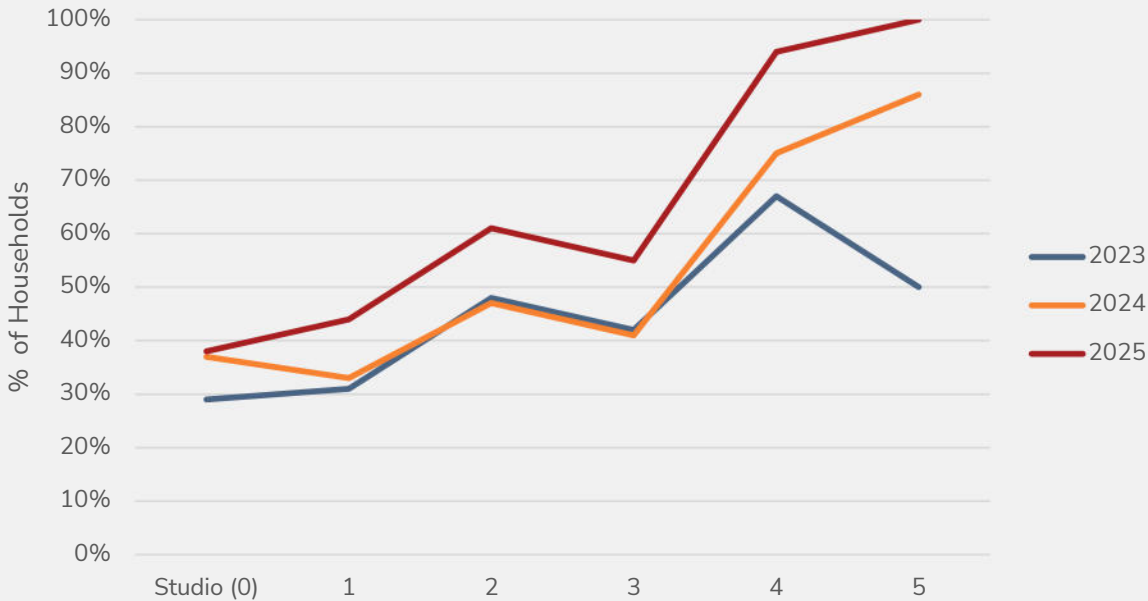
Key Questions

- Are 40% or more of households rent burdened?
- Is the share of rent burdened households trending up year over year?
- Is the median percentage of income spent on rent increasing?

Initial Findings

- In 2025, 40% (or more) of all households were rent burdened across all bedroom sizes except studios, where 39% are rent burdened.
- The percent of rent-burdened households has increased across all bedroom sizes since 2023.
- The median percentage of income spent on rent has increased for 2-, 3-, and 5-bedrooms. Studios saw a 1% decrease. And 4-bedrooms saw no change between 2024 and 2025.

Rent Burden by Bedroom Size, 2023-2025
(% and n of HHs whose rent is 30% or more of annual adjusted income)



Bedroom Size	Studio	1-BR	2-BR	3-BR	4-BR	5-BR
2023	29% (5)	31% (188)	48% (125)	42% (51)	67% (19)	50% (3)
2024	37% (11)	33% (264)	47% (174)	41% (68)	75% (27)	86% (6)
2025	38% (8)	44% (290)	61% (215)	55% (99)	94% (29)	100% (5)

Voucher Success Rates

Key Questions

- Is overall voucher success decreasing year over year?

Initial Findings

- Success rates have decreased for 1- and 3-bedroom units.
- The average success rate across all bedroom sizes has stayed the same (58%) between 2024 and 2025.

Voucher Success Rates (2024-2025)

Unit Size	2024	2025
1 Bedroom	61%	52%
2 Bedroom	50%	67%
3 Bedroom	75%	62%
4 Bedroom	0%	67%
Average	58%	58%

VASH and EHV Households

- We use an exception payment standard for VASH and EHV households
- Less than 40% of VASH & EHV families in studios, 1-, 2-, and 4-BR are rent burdened.
- In 3-BR units, about half VASH & EHV families are rent burdened, but with a median rate of 31%.
- Overall, VASH households are the least rent burdened across all voucher programs. EHV's program is sunseting.

VASH and EHV Median Rent Burden and Households Over 30% Rent Burden, 2025

Unit Size	VASH HH Count	Median Rent Burden VASH	Percent of Households Over 30% VASH	EHV HH Count	Median Rent Burden (EHV)	Percent of Households Over 30% Rent Burden (EHV)
0 Bedroom	8	26%	0%	1	27%	0%
1 Bedroom	42	27%	12%	12	28%	25%
2 Bedroom	6	27%	0%	21	28%	29%
3 Bedroom	2	31%	50%	6	32%	50%
4 Bedroom	N/A	N/A	N/A	1	27%	0%

Summary of Initial Findings

Question	Indicator	Studios	1-bd	2-bd	3-bd	4-bd	5-bd
Do payment standards fall below Costar market rents?	If yes, THA vouchers fall below traditional market rents and will be less competitive.	No	Yes	Yes	No	Market Data N/A	Market Data N/A
Are median contract rents and gross contract rents increasing?	If yes, market conditions are tightening, and THA vouchers will be less competitive.	Yes	Yes	Yes	Yes	Yes	Yes
Are 40% or more of households rent burdened?	If yes, families can be at risk of housing instability.	No	Yes	Yes	Yes	Yes	Yes
Is the share of rent burdened households trending up year over year?		Yes	Yes	Yes	Yes	Yes	Yes
Is the median percentage of income spent on rent increasing?		No	No	Yes	Yes	No	Yes
Is overall voucher success decreasing year over year?	If yes, families are struggling to find housing which means the value of THA vouchers is not competitive.	Market Data N/A	Yes	No	Yes	No	Market Data N/A

Financial Impacts

- We used two models to project changes in payment standards: (1) rent burden and (2) proportional.
- The “rent burden” model adjusts our payment standards to a level that ensures no more than 40% of current HCV households are rent burdened.
- The “proportional” model calculates an increase in payment standards that is proportional to the increase in median gross contract rent between 2024 and 2025.
- We recommend implementing the “rent burden” model. The table on slide 3 displays the changes. The table below outlines their financial impact.

Payment Standard Change Proposal	Projected 2026 Impact			Ongoing Annual Impact		
	Additional Cost	Households Served	STS %	Additional Cost	Households Served	STS %
First Proposal: Rent Burden	\$720,000	-53	-1.2%	\$1,400,000	-102	-2.3%
Second Proposal: Change in Gross Rent	\$860,000	-64	-1.4%	\$1,680,000	-122	-2.7%



To: THA Board of Commissioners
From: April Black, Executive Director
Date: December 10, 2025
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.

In this report you will find our agency highlights for the month of November. The agency updates are categorized as they relate to our long-term goals:

1. Enhance Our Financial Resilience and Sustainability
2. Add More Affordable Housing Throughout Tacoma and Pierce County
3. Invest in Housing Stability and Community Vitality
4. Serve as a Great Employer, Contractor, and Community Partner

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 in service to our community.

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ENHANCE OUR FINANCIAL RESILIENCE AND SUSTAINABILITY

Financial Sustainability updates are included in the Finance update.

ADD MORE AFFORDABLE HOUSING THROUGHOUT TACOMA AND PIERCE COUNTY

Housing Hilltop

Permanent Financing

- Efforts are currently underway to convert from construction to permanent financing. Based on the original schedule, this is anticipated to occur on February 28, 2026. However, due to higher than anticipated delinquency rates which affect debt service coverage ratio calculations, meeting the original deadline will be challenging.

Impact of Eviction Moratorium and Late Fee Cap

- Tacoma-area housing providers are experiencing significant unintended consequences from the current eviction moratorium and late fee cap. With limited repercussions for nonpayment, many tenants are delaying or avoiding rent payments. Physical evictions cannot occur until April 2026 (or June 2026 if children or educators reside in the home), allowing residents to remain without paying rent for extended periods.
- To mitigate these challenges, THA is pursuing mutual terminations to reduce financial impact. While this approach helps protect property performance, it has contributed to higher vacancy rates.

Management Updates

- FPI Merger: Asset Living is in the process of merging with our current third-party property manager, FPI
- Leadership Changes:
 - New Director of PNW Region started last week.
 - New Regional Manager expected by year-end.

Commercial Space

- North Commercial Space
 - AMRED has received a market analysis for the Hilltop area to help with occupying this space. Weekly marketing meetings are ongoing with the Broker.

Art Curation

- The first community workshop at Housing Hilltop was a success as 20 residents engaged in the event.

Aviva Crossing



Koz Lot (1)

- The final payment to WSHFC has been made (this acquisition loan matured in October) and reconveyance documents are being processed to clear title of this acquisition loan source in anticipation of Koz's closing. No date for closing has been set. Koz remains in the permitting process.

Related Northwest (Lot 3)

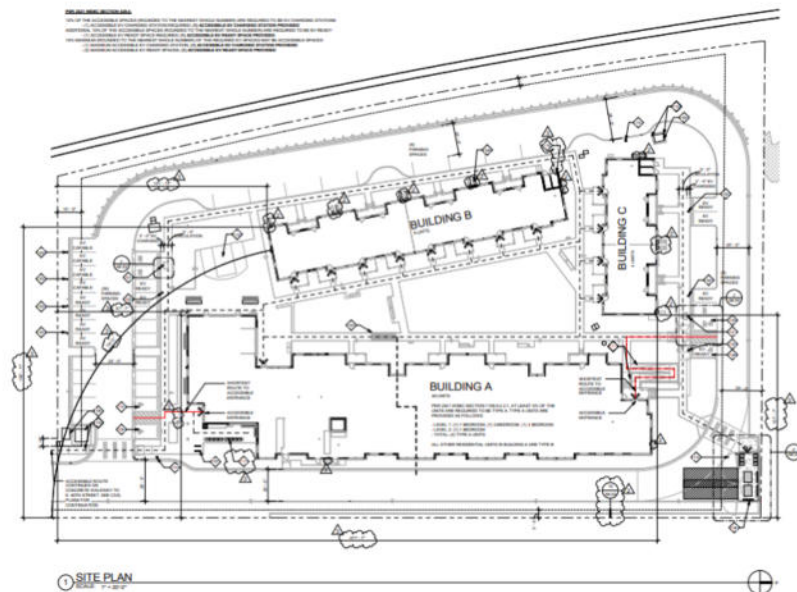
- THA is working on a lease analysis for the property to identify potential risks associated with the Related NW development timeline.

Mercy (Lot 4)

- The Mercy building (129 units) is starting to receive paint, both inside and out as drywall and siding are being installed. The building remains on track for an end of April 2026 delivery.
- Some final paving and pedestrian crossing enhancements on South Mildred Street associated with the shared infrastructure work will occur in 2026.



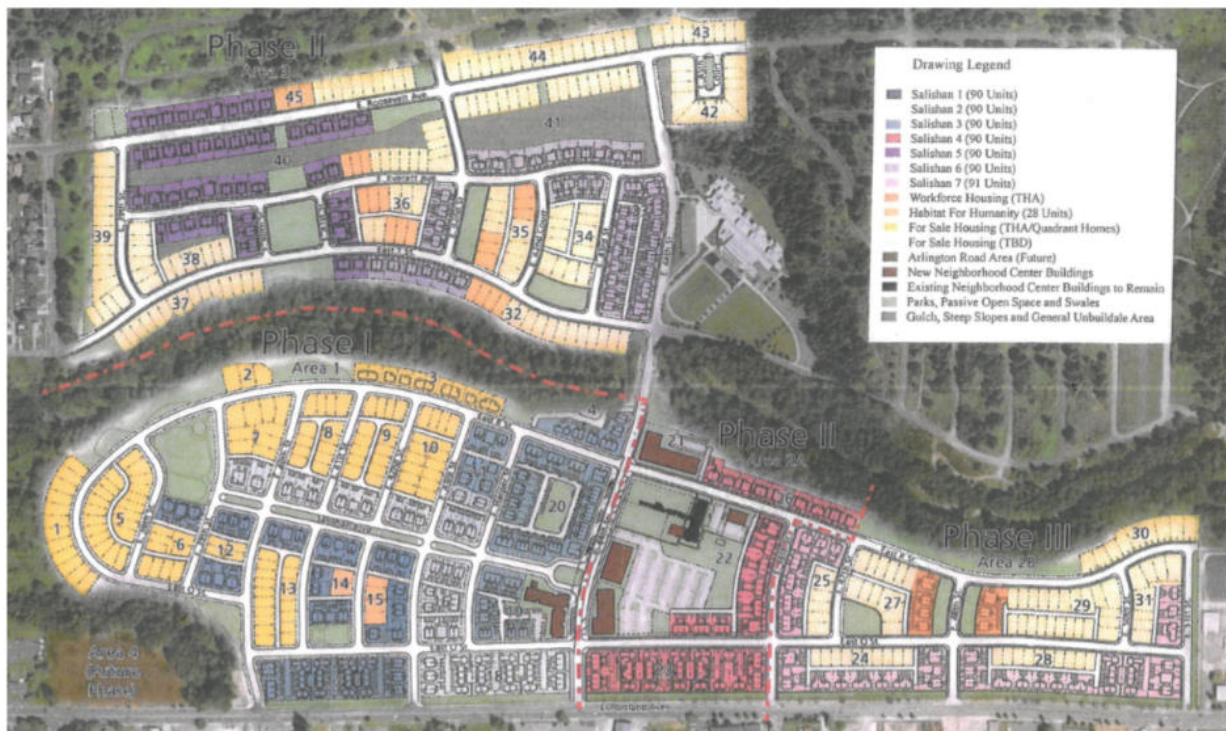
Hillsdale Heights



Bridge Meadows

- Closing is being rescheduled for January 2026 to allow for additional time to get through permitting.
- Boundary Line Agreement has been recorded with the County. City review of the Boundary Line Adjustment is ongoing.
- THA is coordinating with Bridge Meadows, environmental consultants and the city on final wetland delineations that will allow for development to proceed.

Salishan & Hillside 2300 Resyndication



- Staff are preparing for financial closing December 9th.
- The construction team is making preparations for their notice to proceed on December 10th.
- Relocation staff are preparing for the first round of moves scheduled for early January.

INVEST IN HOUSING STABILITY AND COMMUNITY VITALITY

Resident Support Initiatives

Asset Management has partnered with the Client Support and Empowerment (CSE) department as well as local organizations to provide resources and assistance residents at Housing Hilltop (HHT). Currently there are 51 THA voucher holders at HHT; 16 were sent to CSE as active 30-day notice recipients or in the eviction process. This equals 31% of voucher holders in that category. In the second week of December, Asset Management and CSE Community Builders will partner together to host resource fairs

at each building located at HHT to connect residents with support services and promote housing stability.

Rent Collection

The Property Management (PM) team in coordination with CSE, continues to issue violation letters and complete warm outreach for units one month behind on rent. 30-day non-payment notices are issued for households 2 months behind on rent. TMC 1.100 Winter Ban is in effect through April 1st. Therefore, there will be a significant decrease in evictions/move outs.

Rent Collection	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025
Total Rent Arrears	\$512,134	\$533,159	N/A	\$538,873	\$323,187
% of Households Current on Rent	60%	62%	N/A	62%	60.2%

Current Unit Turn Report

Work Orders Completed	2,682
Turns Completed	18
Issues Resolved	6
Projects Completed	2

Maintenance Project(s) Update

Phase I of 2 has been completed on the Wright St Elevator Project. ETA for full completion is before Christmas.

CSE Late Referrals

In Quarter 3 of 2025, CSE received almost double the number of new referrals for late rent (67) as the previous quarter. The table below breaks down the 2025 referrals reasons for CSE. Note: referred households may have multiple reasons why they are being referred; for example, Late Rent and a VAWA situation (Crisis Intervention).

The following chart breaks down the types of services that households have been referred to, following engagement with CSE referrals. Note that households may receive multiple referrals based off of their

unique needs; for example: a household receiving late rent (Housing Stability) services from CSE may receive support applying to MDC for energy assistance and receive Employment Services, if the reason for their late rent is lack of suitable income.

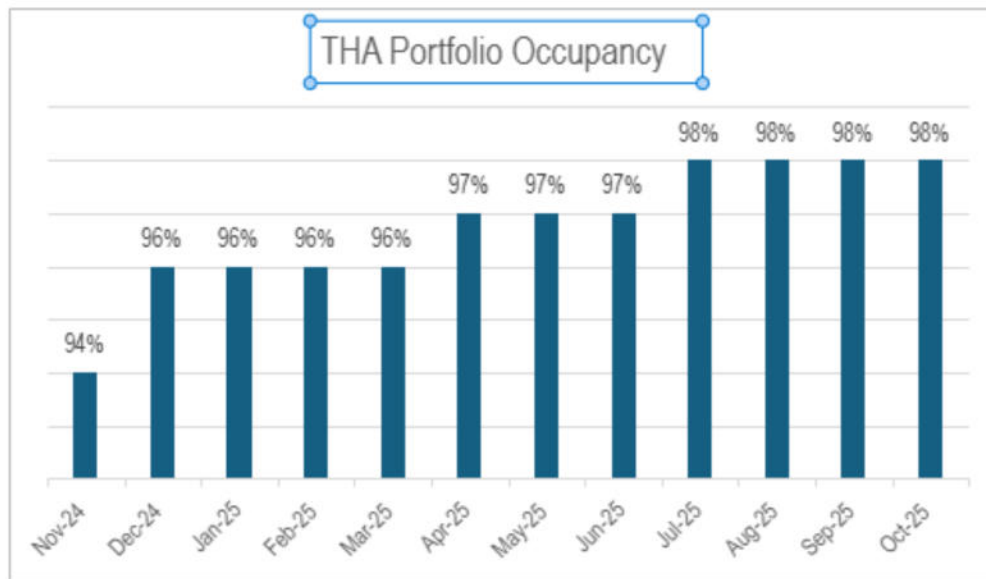
	TOTAL REFERRALS	CRISIS INTERVEN TION	HOUSING STABILITY	GENERAL SERVICES	NEW MOVE INS	ASSET BUILDING/FSS/2GEN	LATE RENT FROM PM
Quarter 1	299	52	128	49	48	22	39
Quarter 2	354	51	143	87	57	31	38
Quarter 3	460	68	231	88	60	56	67
Total to date	1113	171	502	224	165	165	144

	TOTAL SERVICES PROVIDED	HOUSING STABILITY	INCOME/ASSET BUILDING/FIN COACHING	EMPLOYMENT SERVICES	BEHAVIORAL HEALTH & PHYSICAL WELLBEING	EDUCATION	TOTAL OUTREACH ATTEMPTS BY COMMUNITY ADVOCATES
Quarter 1	2523	1645	310	405	111	52	983
Quarter 2	2889	1909	350	321	152	157	1278
Quarter 3	2460	1766	156	119	124	295	1218
Total to date	7872	5320	816	845	387	504	3479

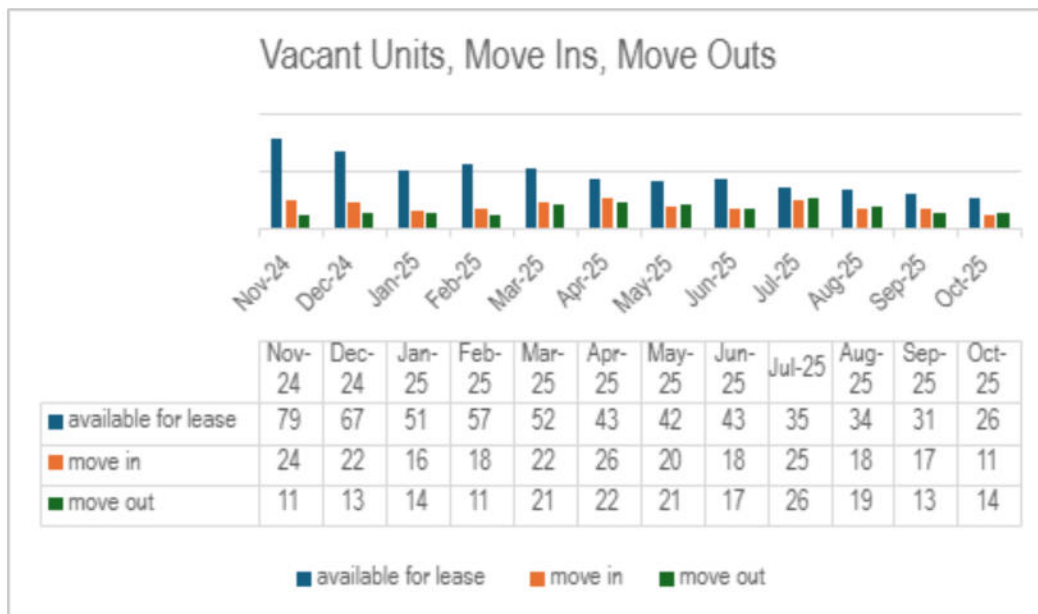
Emergency Housing Voucher Program Update

This month, THA sent communications to all Emergency Housing Voucher participants and landlords notifying them the funding for the program is ending prematurely. Staff are actively planning to ensure the housing stability of as many participants as possible. The detailed plan was outlined in last month's Board packet.

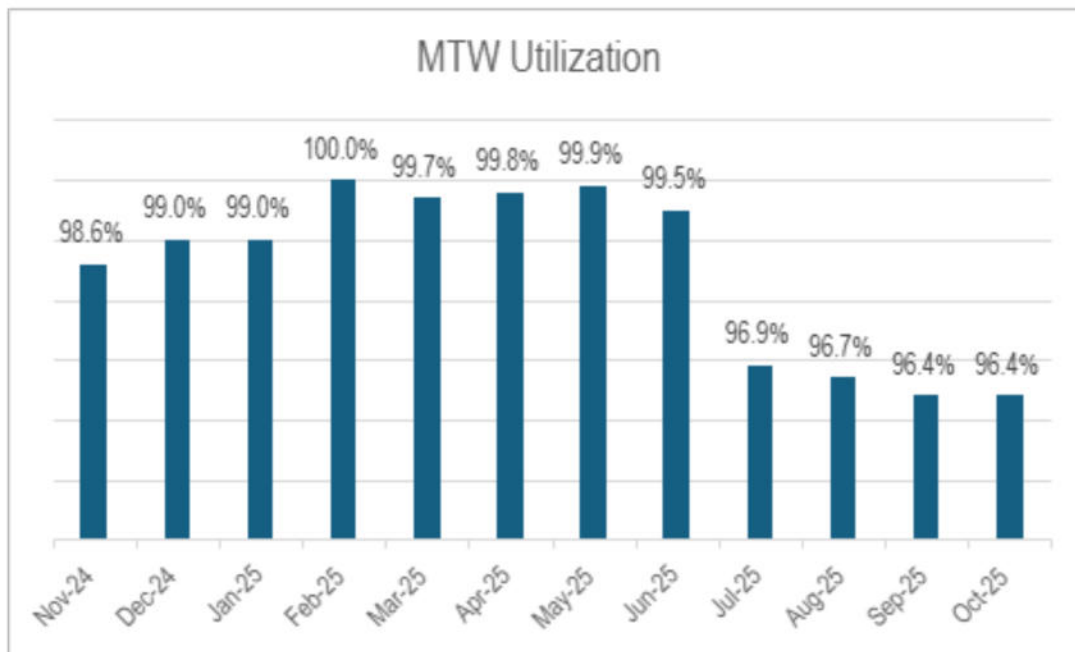
THA Unit Occupancy Progress



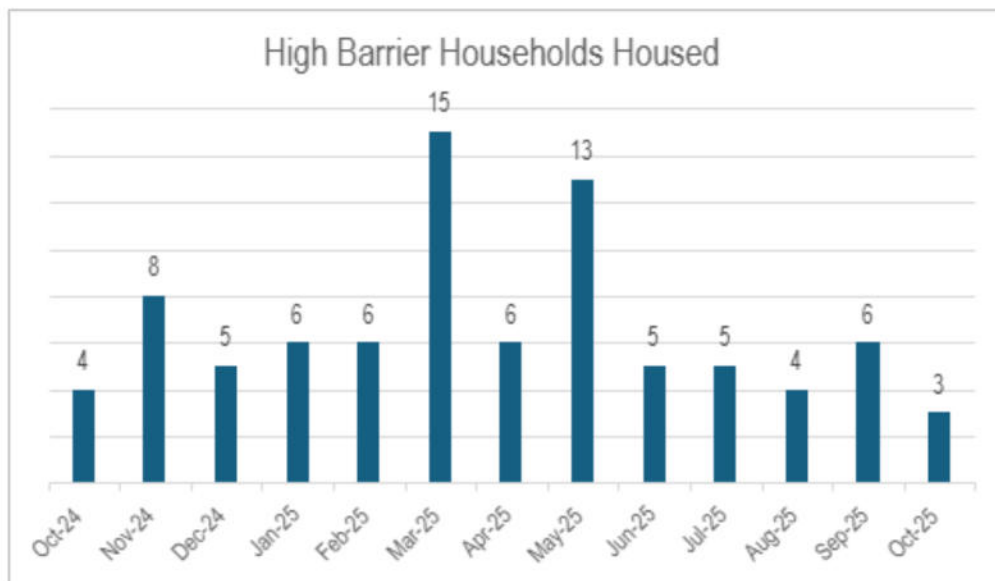
THA is currently holding 19 units offline for residents affected by the resyndication.



MTW Program Utilization



Serving High Barrier Households



Community Vitality Highlight: FSS Story of Immigration and Homeownership

Nazanin had to start her life over in a short period of time. Her husband had worked for the US government, and due to safety concerns, Nazanin and her family moved from Afghanistan to the United States in 2014 with a special visa. They decided to start their life in Auburn, Washington. She had to leave her mother and brother and move to a country she had never been to. She was five months

pregnant with her daughter. Getting adjusted to a foreign country was not an easy task, but Nazanin knew that she was going to a mother and wanted to provide the best life for her daughter. After her daughter was born, she waited until her daughter was fifteen months until she decided to take ESL classes and then continued her education and successfully completed her bachelor's degree in early childhood education from Evergreen State College. During her time pursuing her education, Nazanin was a student and went through three more pregnancies and became a mother to four children. Her children are now 14, 11, 7 and 5 years old. Her husband worked many jobs to help provide financially for her family.

During Covid, her husband lost his job, and they experienced financial hardship. Nazanin's family then applied and waited patiently for housing at Tacoma Housing Authority. In June 2021, her husband was selected to receive a unit in Salishan. At first, she was told by many people that Salishan was not safe, but when she arrived, she loved Salishan. She loved the beautiful houses, green spaces, parks, nearby trails, and the close distance to the school from her home. Nazanin and her family adjusted well and created a strong sense of community with her neighbors that soon became her friends. She often will help other new neighbors in the community that need her support. Her husband found employment, and she also applied and became a teacher at Lister Elementary. Due to the support and assistance receiving housing subsidy, Nazanin was able to continue to provide a great life for her family in Salishan. Nazanin stated that she feels safe living in Salishan, and she really enjoys that she can live in the community that her students live in as well.

Nazanin started her family's Family Self-Sufficiency (FSS) journey in 2025 and has recently purchased a home. She has successfully graduated from the FSS Program. Nazanin stated that Tacoma Housing Authority has provided support for her family to be able to reach her goal to homeownership and create a life that she had never imagined. She stated that she does not feel like she would have been successful if it was not for Tacoma Housing Authority. Due to her financial independence, Nazanin was also able to reach her goal to support and move her mother and brother to the United States and they have been united together.

We are truly grateful for Nazanin sharing her family's story with us and allowing THA to be a part of their journey. A special thank you to FSS Community Advocate Leslie Mintaraga for her support of this family!

SERVE AS A GREAT EMPLOYER, CONTRACTOR, AND COMMUNITY PARTNER

The Open Enrollment period has concluded, and employees have completed their benefit selections for 2026. This process offered employees an opportunity to secure the benefits that best support their health, financial stability, and overall well-being.

Annual safety training is currently underway. This reflects THA's commitment to keeping THA a safe workplace for everyone.

The fourth quarter Essential Conversations – Reflect, Celebrate, and Look Ahead is currently underway. These conversations are a great opportunity for employees and their supervisors to discuss progress made, accomplishments, skills learned, challenges and obstacles faced, and plans for next year. These conversations help us foster a culture of continuous improvement and shared success.

Community Partnership Highlights



Partnering with Residents through Community Building: Bay Terrace Highlight

Angela, a resident at Bay Terrace, wanted to share her story of community engagement. Living as a single adult with multiple disabilities, Angela initially faced challenges adjusting to the community environment. Over recent months, she has become actively engaged, regularly attending town halls and building trust with both Property Management and our CSE team, particularly Community Builder Lancy Dennis and Community Advocate Stephanie Hopkins. Last month, she volunteered at a tenant-led

Halloween event, assisting with crafts and activities. At the following Bay Terrace town hall in November, she proposed initiatives to support residents affected by SNAP benefit reductions and expressed interest in mentoring youth through art. Through consistent support—such as delivering food pantry boxes and emergency supplies—she has embraced Bay Terrace as a caring community and, in turn, begun sharing her talents and ideas with staff and neighbors. *(Pictured: Angela, front right, helps kids and families at Bay Terrace create slime and paint t-shirts together)*

Below is a Snapshot of Quarterly CSE Community Building Outcomes:



Tacoma Public Schools McKinney-Vento Partnership Updates

In Quarter 3, TPS McKinney-Vento staff, in collaboration with CSE:

- Met 10 times to collaborate, receive updates to collaborate better and strategize together on how to continue leveraging each other's support for shared families, including those facing housing instability and those entering THA from homelessness
- Secured \$60,000 in funding from McKinney-Vento to support onsite tutoring services for TPS/THA students at Salishan, Bay Terrace and Bergerson Terrace
- Gave away 60 Safeway gift cards worth \$50 each to THA families with TPS students for the holiday season
- Partnered together over the summer to provide onsite access to 30 events, reaching 192 unique participants and providing 1,421 participation hours of out-of-school time learning to help students reduce "summer slide"

Parks Tacoma Partnership Updates

On November 3rd, Salishan received two new soccer goals gifted from Parks Tacoma! The soccer goals are located at Big Ball Park, located off East 40th and T Street. A huge thanks to Parks Tacoma staff for purchasing and delivering the soccer goals, as well as CSE Program Manager Byron Williams and the THA team who helped make this happen. We hope to add additional goals to the field at Dixon Village in the future.



Additionally, Parks Tacoma staff have been coordinating with our Community Building efforts at the seven Mid-Rise properties, housing seniors and folks with disabilities, to help increase engagement in programming at the People's Center and Eastside Community Center. Alexis Quinn, who runs the Senior Hub at the People's Center, attended a Town Hall at our Ludwig property in October; 10 residents attended and heard about the programming. Community Builder Martha Matthias has coordinated Alexis to attend upcoming Town Halls at 6th Ave, E.B. Wilson and Wright Ave, and is working to coordinate additional dates. *Thank you, Parks Tacoma!*

A LOOK AHEAD

Below is our proposed scheduled of agency highlights that we'll focus on each month of 2026

Month	Proposed Topic
January	Prior Year Accomplishments--review of goals and progress across the agency
February	Highlights of THA's supportive services.
March	Highlight THA's portfolio.
April	MTW report highlights
May	Highlights of THA's rental assistance programs.
June	Phase 1 annual planning. Mid-year status update on goals. Board feedback about refinements to 1-5 year goals that should be incorporated into budget planning.
July	No reports.
August	Annual meeting, new officers, review BOC roles. Mid-year budget review.
September	Phase 2 annual planning. MTW Plan goals.
October	Rental market and utility allowance analysis.
November	Highlight THA's housing preservation and development work.
December	Approve agency budget.

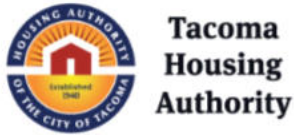
OTHER UPDATES

Federal Updates

The federal government has reopened under a Continuing Resolution to keep the government funded until January 30, 2026. During this time, Congress may consider a funding package for housing that will be separate from the full government spending bill. We are watching this closely and will report when we know more.

Local Updates

THA continues to advocate for changes to the City's Landlord Fairness Code. Thank you to Commissioner Dunn for testifying on THA's behalf at the December 2nd City Council meeting. On December 9th, the City Council is expected to vote on changes that would include excluding affordable housing providers from the eviction moratorium.



To: Tacoma Housing Authority Board of Commissioners
From: April Black, Executive Director
Subject: Analysis of THA's Payment Standards
Date: Wednesday, November 12, 2025

Executive Summary

This is a report of Tacoma Housing Authority's (THA's) 2025 payment standards analysis. Agency staff analyzed various factors like market rent, past payment standards, rent burden, and voucher success to determine whether and how to adjust payment standards for 2026.

In sum, we recommend increasing Housing Choice Voucher (HCV) payment standards for 1-, 2-, 3-, 4-, and 5-bedroom units, to be effective March 2026, to ensure that no more than 40% of current voucher holders are rent burdened. We do not recommend changes in payment standards for HCV studio units or Veterans Affairs Supporting Housing (VASH) and Emergency Housing Voucher (EHV) households.

Table 1 shows how payment standard changes will affect our tenant-based voucher holders. Table 2 does the same for VASH and EHV households.

While these changes will have a significant impact on THA's budget, they can be made and leave THA's budget effectively balanced. Any reduction in federal funding may result in a budget shortfall. THA cannot implement these changes and budget to meet the Department of Housing and Urban Development's (HUD's) "Substantially the Same" (STS) requirement due to current and projected budgetary constraints. This means that by implementing these changes, we will serve fewer families.¹

The agency is currently serving 96% of STS. The anticipated cost of these increases is \$720,000, with an ongoing annual impact of \$1,400,000. The projected impact of these increases will result in 53 fewer households being served (an STS decrease of 1.2%). The ongoing annual impact means 102 fewer households will be served (an STS decrease of 2.3%).

We are not recommending any changes to the VASH and EHV payment standards because these programs already have a higher payment standard (known as an Exception Payment Standard),

¹ HUD's "Substantially the Same" (STS) requirement for Moving to Work (MTW) housing authorities ensures that MTW agencies continue to serve approximately the same number of eligible low-income families as they would have without MTW designation. In 2018, THA submitted an MTW amendment to serve 95% of substantially the same (STS) after community consultation. This amendment was approved by the Board and HUD, with HUD clarifying that THA remains bound to the STS methodology.

allowed by HUD regulations. As noted in Table 2, without any changes, the VASH/EHV payment standards remain between 99% and 107% of FMRs.

The tables on the next page outline these recommendations.

Table 1. Recommended Payment Standard Changes by Bedroom Size, HCV

	Studios	1-BR	2-BR	3-BR	4-BR	5-BR
Current Payment Standard	\$1,252	\$1,392	\$1,743	\$2,474	\$2,761	\$3,172
Proposed Payment Standard	\$1,252	\$1,408	\$1,832	\$2,591	\$3,211	\$3,747
Percent Increase	0%	1%	5%	5%	16%	18%
2026 HUD FMR	\$1,428	\$1,605	\$1,971	\$2,733	\$3,102	\$3,567
Proposed Payment Standard as a Percent of 2026 HUD FMR	88%	88%	93%	95%	104%	105%

Table 2: Recommended Payment Standard Changes by Bedroom Size, VASH / EHV

	Studios	1-BR	2-BR	3-BR	4-BR	5-BR
Current Exception Payment Standard	\$1,428	\$1,589	\$1,990	\$2,824	\$3,309	\$3,802
Proposed Payment Standard	\$1,428	\$1,589	\$1,990	\$2,824	\$3,309	\$3,802
Percent Increase	0%	0%	0%	0%	0%	0%
2026 HUD FMR	\$1,428	\$1,605	\$1,971	\$2,733	\$3,102	\$3,567
Proposed Payment Standard as a Percent of 2026 HUD FMR	100%	99%	101%	103%	107%	107%

This recommendation is based on an analysis of THA tenant data and market rent data from CoStar within the context of a matrix that guides THA's decision about whether to what extent it should



consider changing its annual payment standards. This decision-making matrix assesses whether payment standards fall below market rent, whether median contract rents and gross contract rents are increasing, the proportion of households with rent burden, the median portion of income spent on rent, and overall voucher success. Together, these factors let us know if THA's vouchers are competitive in the private market, whether families are at risk of losing housing stability, and if families may be struggling to find housing.

THA's payment standards fell below market rent for 1- and 2-bedroom units and landed above market rent for its 3-bedroom vouchers. The difference between the 2-bedroom payment standard and market rent was negligible, at -0.4% (\$7). Payment standards for studios and 3-bedroom units landed slightly above market rent. This tells us that 1- and 2-bedroom vouchers may be less competitive in the market compared to studios and 3-bedrooms.

Vacancy rates in Tacoma fell slightly between 2024 and 2025, from 8.3% to 7.4%. This tells us that competition for units may have increased, especially for 1- and 2-bedroom voucher holders.

Contract rent refers to the rent amount specified on the voucher holder's lease, whereas gross contract rents include contract rent and tenant-paid utilities. Median contract and gross contract rents increased across all bedroom sizes. The gap between THA's payment standards and gross contract rents have narrowed across all bedroom sizes, but most notably for studio, 1-, and 2-bedroom units. These results show us that market conditions are tightening, and vouchers may not offer as much housing choice.

To assess rent burden, we look at whether 40% or more of households are rent burdened (spending 30% or more of their adjusted income on rent). Across all bedroom sizes, the share of households experiencing rent burden has increased. In 2024, 39% of households were rent burdened. This increased to 52% in 2025. Additionally, the share of households with high and severe rent burden has increased year over year and across all bedroom sizes.

Voucher success rates remained at 58% between 2024 and 2025 for all unit sizes. However, average voucher success rates decreased by 9% and 13% for 1- and 3-bedroom vouchers, respectively.

In light of these findings, we recommend increasing the payment standard for 1-, 2-, 3-, 4-, and 5-bedroom units.

1. Background

Every year, HUD publishes data that establishes the "fair market rents" (FMRs) applicable to geographical areas across the country. FMRs are estimates of 40th percentile gross rents for standard quality units in each geographical area. These standards serve as the basis for calculating the maximum subsidy housing authorities provide to landlords and are a critical factor used to calculate tenant and participant rent contributions. Typically, housing authorities are required to



set payment standards within 90 to 110% of the HUD FMR. However, THA has HUD approval, through its Moving to Work (MTW) designation, to set payment standards from 80 to 120% of the FMRs.

THA uses tenant data and third-party rental market data reports from CoStar to set its payment standards. In addition to ensuring THA's payment standards remain in compliance with HUD regulations and the agency's MTW approvals, this analysis promotes the agency's objectives to expand housing choice, maintain housing stability, maximize the value of THA vouchers while minimizing rent burden, and maintain the housing authority's financial sustainability.

Payment standards were most recently updated as of March 1, 2025, and remained in effect through December 31, 2025. This analysis reflects a review covering the entire year to date. The approved decision from this analysis will be implemented in March 2026.

2. Key Terms and Reference Data

This section reviews key terms used throughout the analysis. The definitions come from HUD and THA's Administrative Plan. This section also provides background data that contextualizes the analysis. These figures are sourced from THA's administrative program data.

2.1 Key Terms

Below are key terms used throughout the analysis. They are presented in alphabetical order.

- **Contract Rent:** The total amount of rent specified in a rental agreement (lease).
- **Fair Market Rents:** HUD's annual, best estimate of the 40th percentile of rents paid by recent movers. HUD uses data from six private companies, including CoStar, to calculate FMRs.
- **Gross Contract Rent:** Rent which comprises the contract rent plus tenant-paid utilities.
- **Market Rents:** The most likely rental rates on the private market. We use CoStar, a third-party source, for data. Market rents do not include tenant-paid utilities.
- **Minimum Rent:** The lowest rent amount THA will charge a family or household: \$25/month for disabled & VASH households, and \$75/month for work-able households.
- **Over Housed:** Families renting a larger unit than their eligible voucher size. For example, a household that qualifies for a 1-bedroom voucher but leases a 2-bedroom unit.
- **Over Payment Standard (All):** All families who are renting a unit whose contract rent is above the designated payment standard for the voucher size.

- **Payment Standard:** The maximum monthly assistance payment for a household assisted in the voucher program (before deducting the total tenant payment by the household). If the gross contract rent for a unit is higher than the payment standard, the family is responsible for paying the difference in cost.
- **Rent burden:** The percentage of a family's monthly adjusted income spent on rent, where the family is paying 30% or more. Rent burden rates fall into four categories outlined in the sub-bullet points below. In THA's annual payment standards analysis, if 40% or more of families in a particular unit size are moderately rent burdened, THA may decide to adjust the payment standards to reduce rent burden rates.
 - No rent burden: Share of income spent on rent is 29% or less.
 - Moderate rent burden: Share of income spent on rent is 30 to 39%.²
 - High rent burden: Share of income spent on rent is 40 to 49%.
 - Severe rent burden: Share of income spent on rent is 50% or more.
- **Total Tenant Payment (TTP):** The total amount that the HUD rent formula requires the tenant to pay toward rent and utilities.
- **Voucher Success:** The percentage of families that successfully rented an apartment with their voucher within 210 days (this includes the extension period).
- **Zero Income:** Families whose adjusted annual income is zero (0).

2.2 Tenant-Based Voucher Population

To determine rent burden rates, we exclude households who are (1) over housed, (2) at minimum rent, (3) are zero income, and (4) are living in project-based voucher units. We exclude these households from our analysis because their inclusion would skew findings and over-represent the portions of households experiencing rent burden and the rate of their rent burden. Additionally, THA has implemented MTW hardship policies which were designed to provide limited relief in certain hardship situations for households on minimum rent with zero income and households experiencing shelter burden above a specific threshold.³

² It should be noted that HUD's definition and past payment standard analyses defined rent burden as spending 31% or more of income on rent, as opposed to 30% or more as it has been analyzed here. THA will adjust this assumption in future analyses.

³ THA's MTW hardship policies apply for elderly/disabled (fixed income) households on minimum rent with zero income and experiencing a shelter burden rate of at least 40% based on annual adjusted gross income, and for work-able households (non-fixed income) households on minimum rent with zero income and

The tables below list all households with tenant-based vouchers (excluding those with project-based vouchers) broken down by various demographic features including level of rent payments, bedroom size, and the proportion that are over the payment standard or not. These tables provide important context about THA's tenant-based voucher population and who is included in the analysis that determines changes to the agency's payment standards.

Table 3. Total Number of Tenant Based Vouchers before Exclusions⁴

Household Type	Count	Percent
Total Number of Tenant Based Vouchers	2,597	100%
Over-housed*	857	33%
Minimum Rent*	225	9%
Zero Income*	73	3%
Over Payment Standard (All)	1,586	61% ⁵

*Excluded from analysis

Table 4. Total Number of Tenant Based Vouchers Organized by Those Over the Payment Standard and At or Below the Payment Standard

Unit Size	Total Vouchers	Over Payment Standard % (#)	At or Below Payment Standard % (#)
All Sizes	2,597	61% (1,586)	39% (1,011)
0 Bedroom	7	29% (2)	71% (5)
1 Bedroom	1,547	58% (901)	42% (646)
2 Bedroom	664	66% (439)	34% (225)
3 Bedroom	291	59% (171)	41% (120)
4 Bedroom	76	82% (62)	22% (14)

experiencing a shelter burden rate of at least 50% based on annual adjusted gross income. If approved for a hardship exemption, the household's monthly rent portion would be reduced to zero temporarily for a period of no more than six consecutive months.

⁴ Some THA voucher holders may fall into multiple categories (for example, a voucher household may be both over-housed and zero income). For that reason, some families may be represented more than once in this table, which has led to the percent of over-housed, minimum rent, zero income, and over payment standard households to equal more than 100%.

⁵ The minimum rent exclusion included households that specifically have rent values of \$25 or \$75. Zero income is annual adjusted income of \$0. If they are significantly above the payment standard their rent value shows as the PS difference.

5 Bedroom	12	92% (11)	8% (1)
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Table 5. Total Number of Tenant Based Vouchers Households Included in Analysis

Household Type	Count	Percent
Total Number of Tenant Based Vouchers	1,692	100%
Over Payment Standard (Right Sized)	874	52%
At Payment Standard (Right Sized)	818	48%

Table 6. Tenant Based Voucher Households Included in Analysis, by Unit Size

Unit Size	Total Vouchers	Over Payment Standard % (#)	At and Below Payment Standard % (#)
All Sizes	1,692	52% (874)	48% (818)
0 Bedroom	6	33% (2)	67% (4)
1 Bedroom	927	45% (419)	55% (508)
2 Bedroom	460	59% (271)	41% (189)
3 Bedroom	225	54% (121)	46% (104)
4 Bedroom	62	81% (50)	19% (12)
5 Bedroom	12	92% (11)	8% (1)

2.3 Current THA Payment Standards Compared to HUD 2026 FMR

The table on the next page outlines, by bedroom size: (1) THA's current payment standards, (2) HUD's 2026 FMR, (3) the difference between THA's current payment standard and the 2026 FMR, and (4) the current payment standard as a percentage of the 2026 FMR. As noted in the introduction, HUD has approved THA to set payment standards between 80 and 120% of FMR. The table shows that THA's current payment standards are within the approved 80 to 120% range.

Table 7. Comparing THA's Current Payment Standards to HUD's 2026 FMR

Bedroom Count	Current Payment Standard	FY 2026 FMRs	Difference Between Current Payment Standards & 2026 FMR	Current Payment Standard as a % of 2026 FMRs
Studio	\$1,252	\$1,428	+ \$175	88%
1-BR	\$1,392	\$1,605	+ \$213	87%
2-BR	\$1,743	\$1,971	+ \$228	88%
3-BR	\$2,474	\$2,733	+ \$259	91%
4-BR	\$2,761	\$3,102	+ \$341	89%
5-BR	\$3,172	\$3,567	+ \$395	89%

2.4 Rent Burden - Detailed

Per HUD guidance and THA's decision-making matrix, if 40% or more families in a particular unit size face any level of rent burden, we may decide to adjust the payment standards to reduce that proportion. Tables eight through ten display the percentage of households paying 30% or more of their income on rent, and the average rate of rent burden by bedroom size, each year since 2023.

Table 8. Distribution of Rent Burden Rates by Bedroom Size (2023)

Unit Size	Count	Median Rent Burden	No Rent Burden	Moderate Rent Burden	High Rent Burden	Severe Rent Burden	Cumulative Portion of Rent Burdened HHs
0	17	28%	71% (12)	12% (2)	12% (2)	6% (1)	29%
1	621	28%	69% (426)	12% (75)	8% (47)	11% (66)	31%
2	269	29%	52% (141)	21% (57)	12% (31)	14% (37)	48%
3	134	29%	58% (78)	19% (25)	7% (10)	12% (16)	42%
4	33	36%	33% (11)	21% (7)	0% (0)	36% (12)	67%
5	6	30%	50% (3)	50% (3)	0% (0)	0% (0)	50%

Source - 2023 OpenDoor data for certifications active as of September 2023 for MTW households.

Table 9. Distribution of Rent Burden Rates by Bedroom Size (2024)

Unit Size	Count	Median Rent Burden	No Rent Burden	Moderate Rent Burden	High Rent Burden	Severe Rent Burden	Cumulative Portion of Rent Burdened HHs
0	30	28%	60% (18)	23% (7)	10% (3)	3% (1)	37%
1	797	28%	66% (526)	16% (127)	9% (72)	8% (65)	33%
2	374	29%	53% (198)	23% (86)	11% (43)	12% (45)	47%
3	165	28%	56% (93)	20% (33)	10% (16)	12% (19)	41%
4	36	43%	22% (8)	19% (7)	22% (8)	33% (12)	75%
5	7	37%	14% (1)	57% (4)	0% (0)	29% (2)	86%

Source – 2024 OpenDoor data for certifications active as of April 2024 for MTW households

Table 10. Distribution of Rent Burden Rates by Bedroom Size (2025)

Unit Size	Count	Median Rent Burden	No Rent Burden	Moderate Rent Burden	High Rent Burden	Severe Rent Burden	Cumulative Portion of Rent Burdened HHs
0	21	27%	62% (13)	5% (1)	10% (2)	24% (5)	38%
1	654	28%	56% (364)	22% (142)	12% (78)	11% (70)	44%
2	350	32%	39% (135)	33% (114)	13% (46)	16% (55)	61%
3	180	31%	45% (81)	26% (47)	11% (20)	18% (32)	55%
4	31	43%	6% (2)	29% (9)	39% (12)	26% (8)	94%
5	5	62%	0% (0)	20% (1)	0% (0)	80% (4)	100%

Source- 2025 Yardi data for 50058 actions as of August 2025 for MTW households.

3. Analysis

3.1 Decision-Making Framework

The framework outlined in Table 10, “THA’s Payment Standards Analysis Decision-Making Matrix”, helps us make decisions about whether to change our payment standards. If responses to most of the questions are “yes”, this indicates a need to consider an adjustment to our payment standards.

The decision-making matrix guides us to consider the following factors when determining whether adjustments should be made to the payment standard schedule: payment standards compared to market rents, portion of families experiencing rent burden, changes in rent to owner, unit availability, and voucher success rates.

We also conduct a financial assessment to determine which changes are feasible.

Table 11. THA’s Payment Standards Analysis Decision-Making Matrix

Question	Indicator
Do payment standards fall below Costar market rents?	If yes, THA vouchers fall below traditional market rents and will be less competitive.
Are new median contract rents and gross contract rents increasing?	If yes, market conditions are tightening, and THA vouchers will be less competitive.
Are 40% or more of households rent burdened?	If yes, families can be at risk of housing instability.
Is the share of rent burdened households trending up year over year?	
Is the median percentage of income spent on rent increasing?	
Is overall voucher success decreasing year over year?	If yes, families are struggling to find housing which means the value of THA vouchers is not competitive.

3.2 Market Rent Findings

Key Questions

- Do payment standards fall below market rents?
- How does this compare to previous years?



Summary

THA's payment standard fell below market rent for 1-bedroom units and landed above market rent for its 3-bedroom units. This pattern has been consistent for the last two years since 2023. Differences between the payment standard and market rent were small, if not negligible, for 2-bedroom units and studios at rates of 2% or less.

Detailed Analysis

Payment standards fell below market rents for 1- and 2-bedroom units, though the difference for 2-bedroom units was negligible. For 1-bedroom units, THA's payment standards fell below market rents by a rate of -3.8% (\$-55), indicating THA's vouchers were slightly less competitive in the market for this bedroom size. The payment standard for 2-bedroom units fell right below market rents with a difference of -0.4% (\$7).

Payment standards landed above market rents for studios and 3-bedroom units. The payment standard for studios landed slightly above market rent with a difference of 2% (\$25). THA's payment standards for 3-bedroom units landed significantly above market rents by 11.5% (\$255). This suggests the payment standard was more than competitive when looking at market rent, alone, for that bedroom size.

When comparing 2025 data to 2023 and 2024, 1-bedroom units and 3-bedroom units held the same relationship between payment standards and market rents. Payment standards for 1-bedroom units have been consistently lower than market rents across all three years, and payment standards for 3-bedroom units have been consistently higher than market rent across the same period (see Figures 2 and 4). This contrasts with 2-bedroom units. The year 2025 was the first time in two years that payment standards for that bedroom size fell below market rents, albeit by \$7.

The relationship between payment standards and market rent for studios flipped over the two-year period, though differences have always remained at 2% or lower (see Figure 1). Note that data was not available for 4- and 5-bedroom units.

Figure 1. Market vs. Payment Standards Comparison for Studio Units, 2023-2025

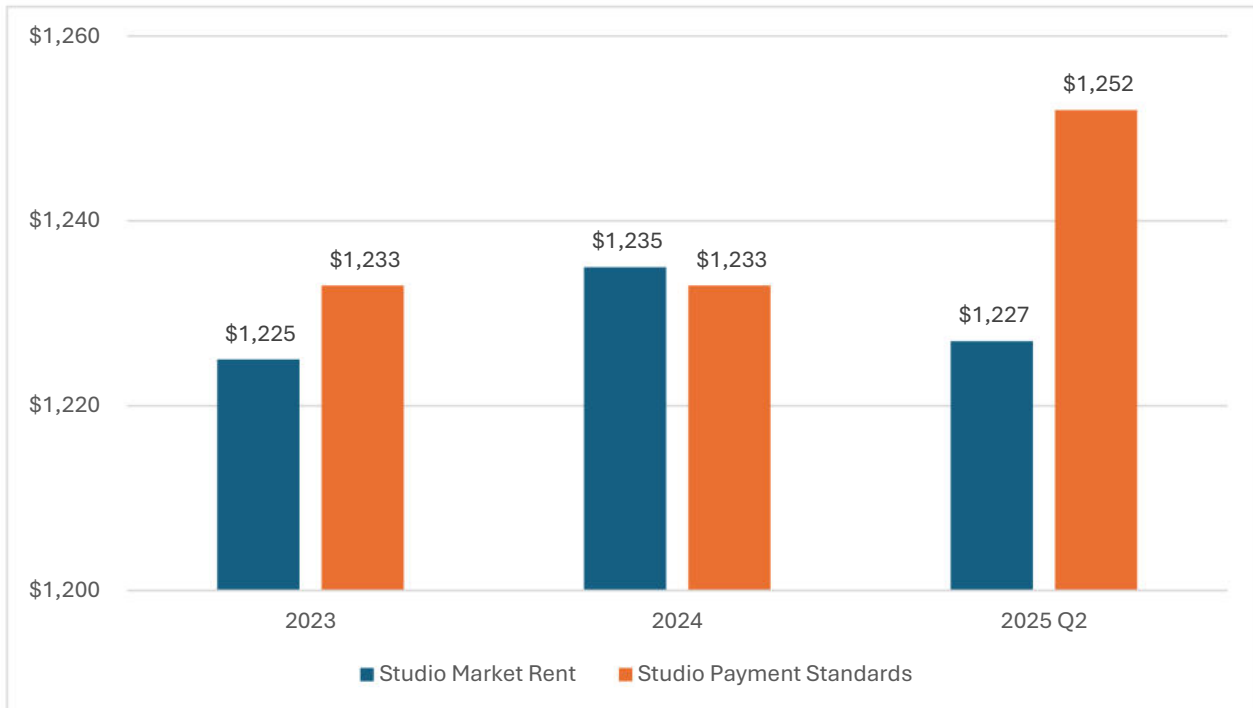


Figure 2. Market vs. Payment Standards Comparison for One-Bedroom Units, 2023-2025

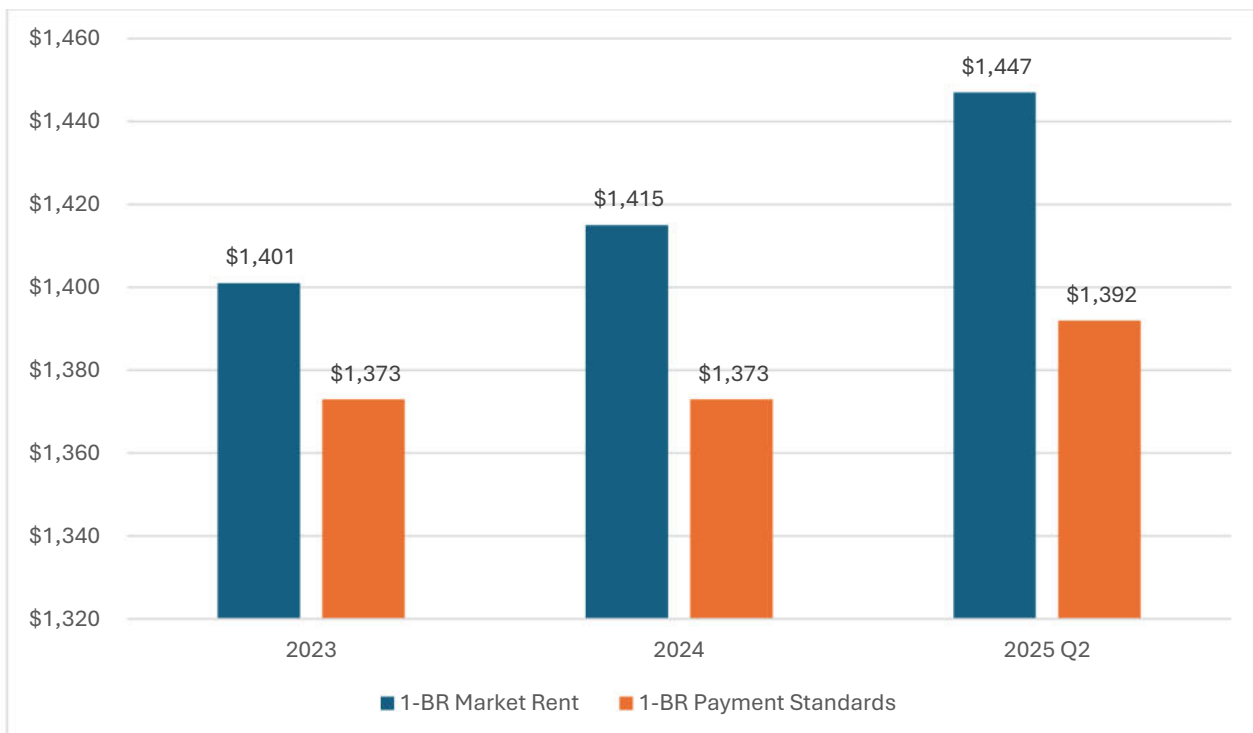


Figure 3. Market vs. Payment Standards Comparison for Two-Bedroom Units, 2023-2025

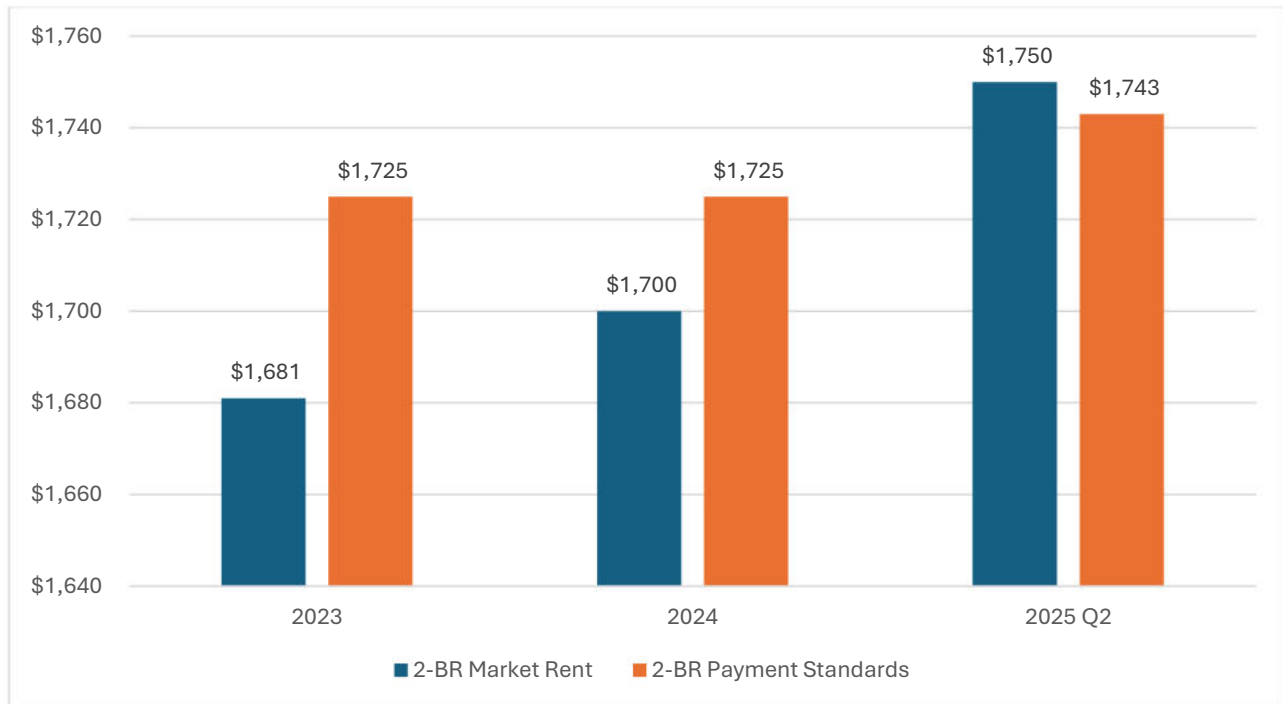
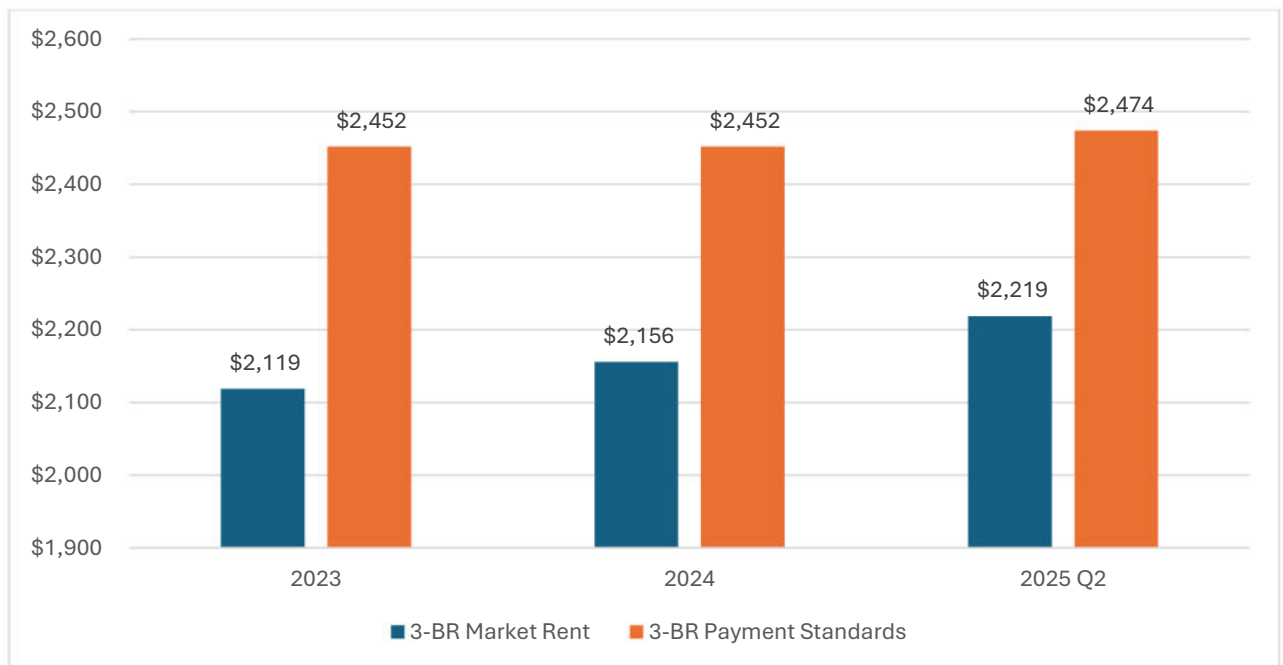


Figure 4. Market vs. Payment Standards Comparison for Three-Bedroom Units, 2023-2025



Vacancy Rates

Vacancy rates are one factor used to assess how competitive the rental market is. A lower vacancy rate usually indicates a stronger demand for rental units. This could lead to reduced rent concessions and higher rent as the competition increases for tenants to secure housing. The local vacancy rate was at 7.4% as of the second quarter of 2025. This is a decrease of 0.9% compared to 2024. This signifies that in the last calendar year, the regional rental market has gotten slightly more competitive.

Table 12. Vacancy Rates, 2022-2025

Year	Vacancy Rate
2022	6.1%
2023	7.7%
2024	8.3%
2025	7.4%

Source: CoStar Vacancy Rates

3.3 Contract Rent Changes

Key Questions

- Are median contract rents and gross contract rents increasing?
- How does this compare to previous years?

Summary

In summary, median contract rents and gross contract rents have increased in 2025 compared to previous years across all bedroom sizes. Three-bedroom units were the only bedroom size in which gross contract rents surpassed market rents, and this pattern began in 2024. The gap between THA's payment standards and gross contract rents have narrowed across all bedroom sizes but most notably for studio, 1-bedroom, and 2-bedroom units.

Detailed Analysis

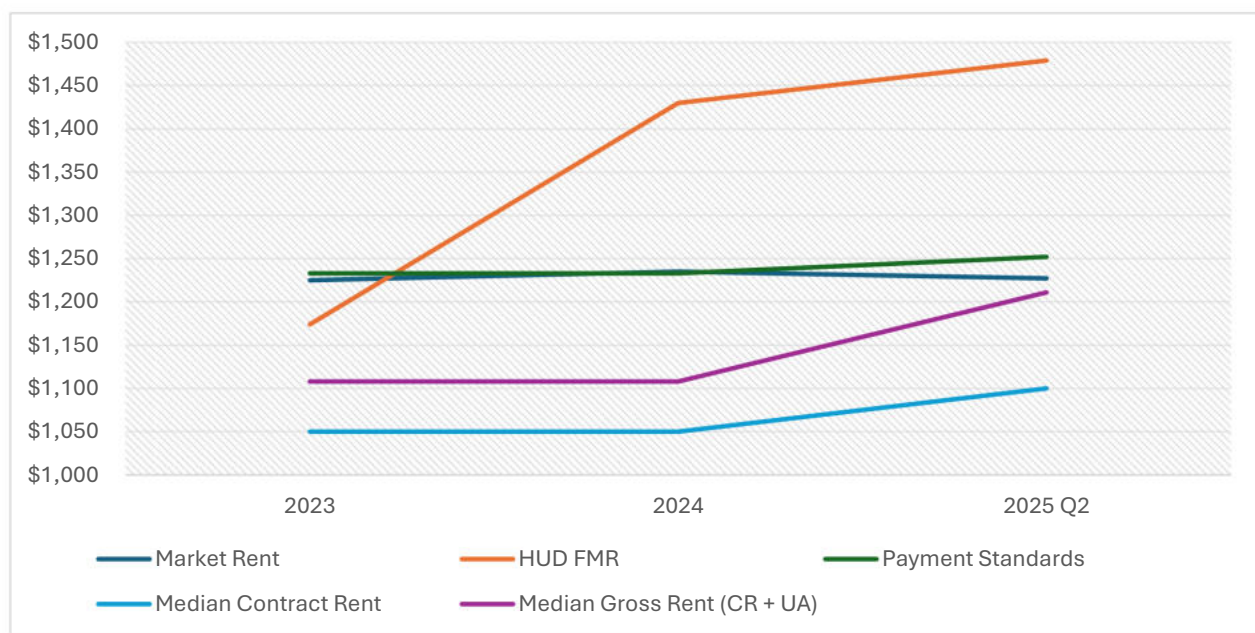
Median contract rents and median gross contract rents for new and existing customers have increased in 2025 compared to 2024 and 2023 across all bedroom sizes.

For all bedroom sizes, median contract rents have remained below HUD's FMRs, market rents, and THA's 2025 Payment Standards, which is consistent with patterns observed in the last payment standards analysis. Three-bedroom units are the only ones in which median gross contract rent surpassed market rent since 2023, though gross contract rent remained below the HUD FMR level and THA's payment standards. This could indicate that households living in 3-bedroom sized units

represent an even more competitive portion of the market compared to households residing in other bedroom sizes.

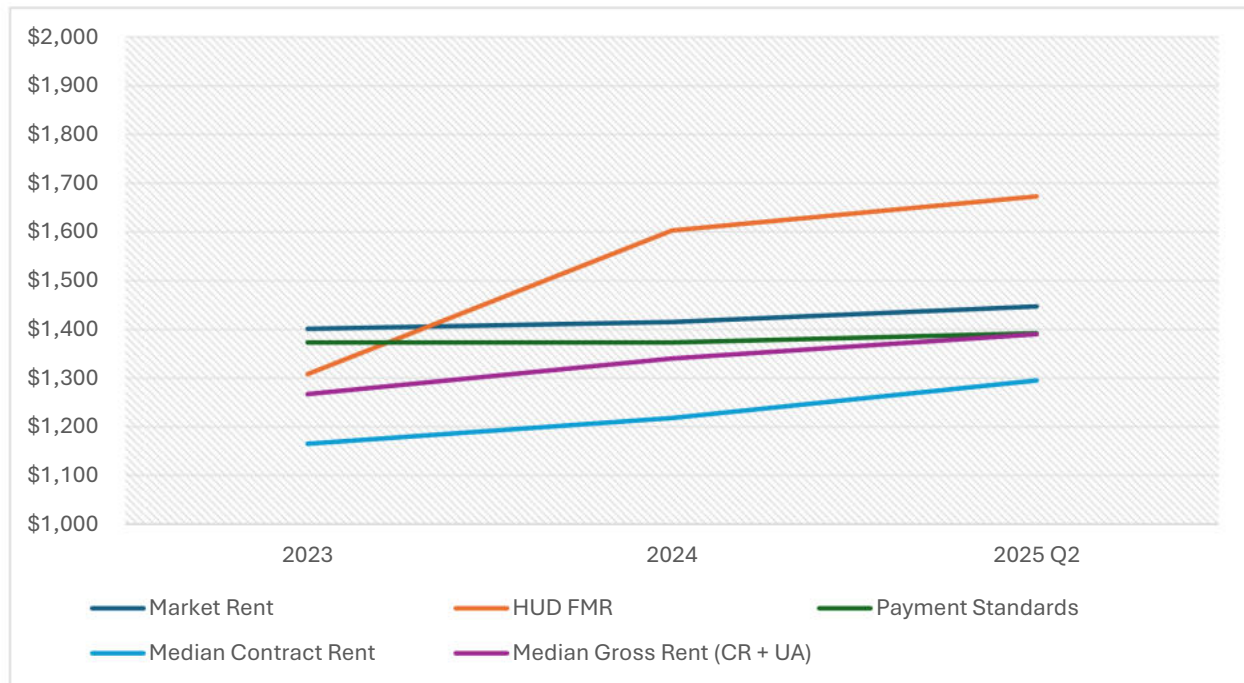
Notably, since 2023, the gap between median gross contract rent and THA's payment standards show significant narrowing for studio-, 1-bedroom, and 2-bedroom units. The gap for 3-bedroom units appears to be narrowing as well, but not to the same extent as the other bedroom sizes. Median gross contract rent could soon surpass THA's payment standards if the latter remains at the same level.

Figure 5. Rental Market Comparison for Studio Units, 2023-2025



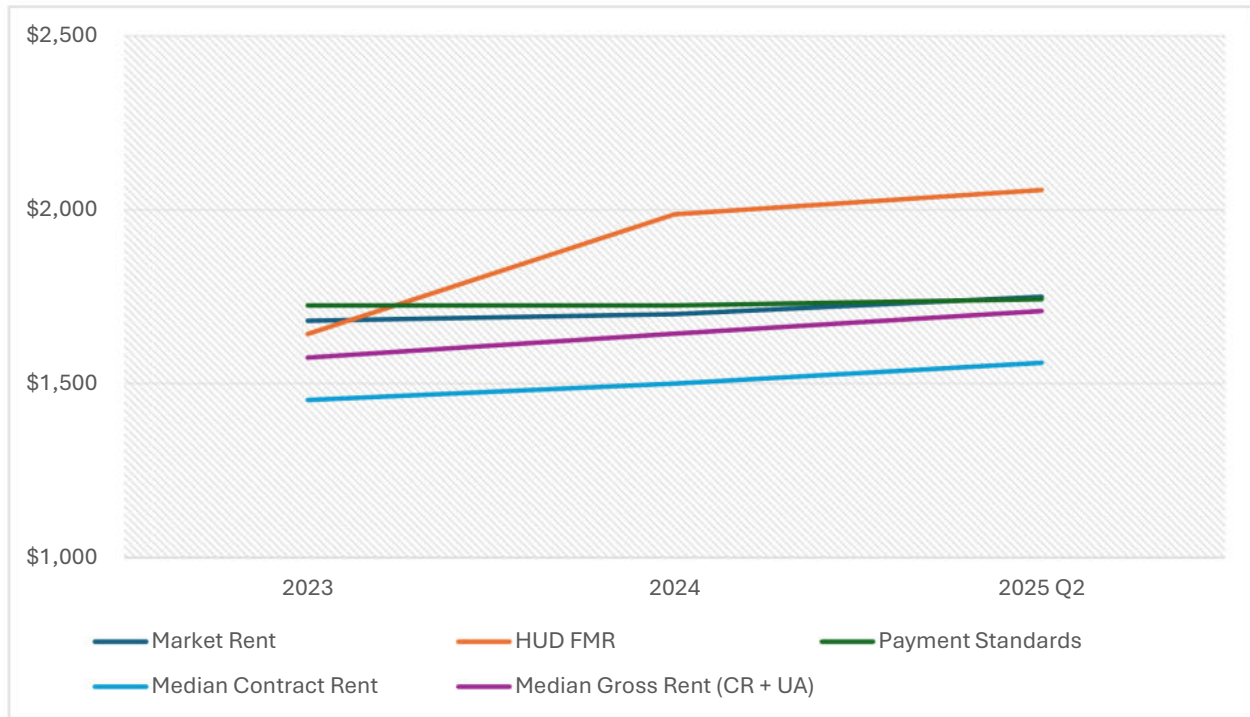
	2023	2024	2025 (Q2)
Market Rent	\$1,225	\$1,235	\$1,227
HUD FMR	\$1,174	\$1,430	\$1,479
Payment Standard	\$1,233	\$1,233	\$1,252
Median Contract Rent	\$1,050	\$1,050	\$1,100
Median Gross Contract Rent	\$1,108	\$1,108	\$1,211

Figure 6. Rental Market Comparison One-Bedroom Units, 2023-2025



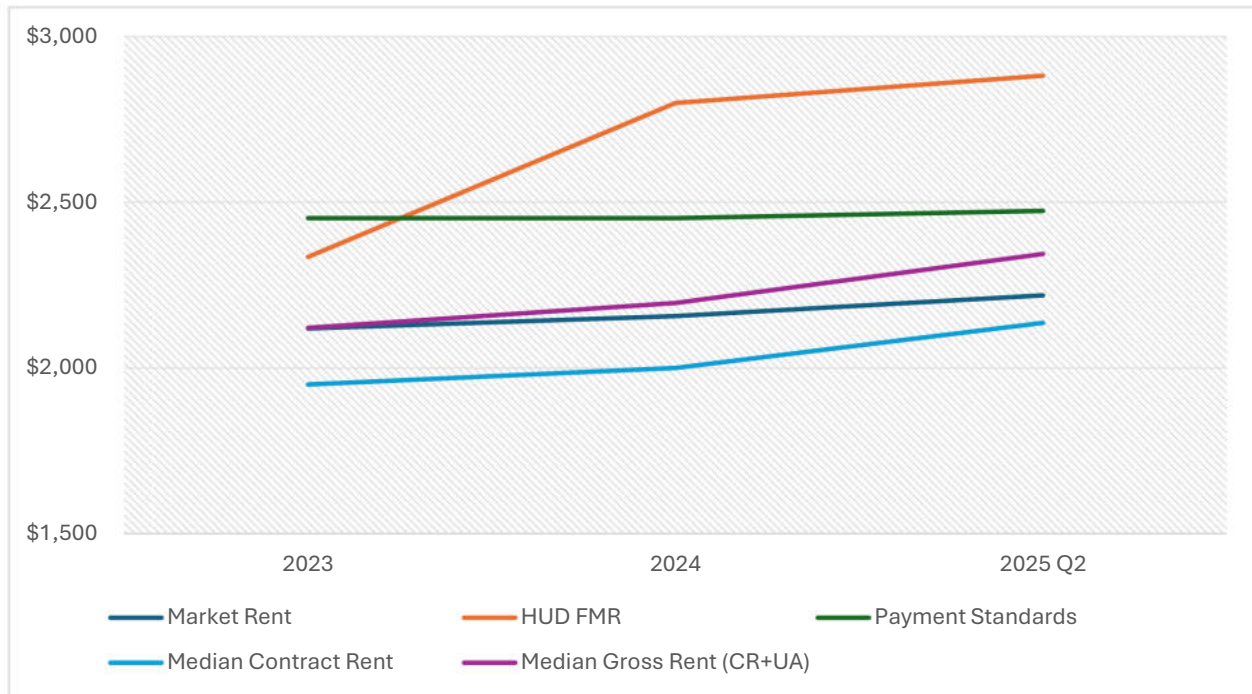
	2023	2024	2025 (Q2)
Market Rent	\$1,401	\$1,415	\$1,447
HUD FMR	\$1,308	\$1,603	\$1,673
Payment Standard	\$1,373	\$1,373	\$1,392
Median Contract Rent	\$1,165	\$1,218	\$1,295
Median Gross Contract Rent	\$1,267	\$1,340	\$1,390

Figure 7. Rental Market Comparison Two-Bedroom Units, 2023-2025



	2023	2024	2025 (Q2)
Market Rent	\$1,681	\$1,700	\$1,750
HUD FMR	\$1,643	\$1,987	\$2,057
Payment Standard	\$1,725	\$1,725	\$1,743
Median Contract Rent	\$1,453	\$1,500	\$1,560
Median Gross Contract Rent	\$1,575	\$1,644	\$1,709

Figure 8. Rental Market Comparison Three-Bedroom Units, 2023-2025



	2023	2024	2025 (Q2)
Market Rent	\$2,119	\$2,156	\$2,219
HUD FMR	\$2,335	\$2,800	\$2,882
Payment Standard	\$2,452	\$2,452	\$2,474
Median Contract Rent	\$1,950	\$2,000	\$2,136
Median Gross Contract Rent	\$2,121	\$2,196	\$2,344

3.4 Rent Burden

Key Questions

- Are 40% or more of households rent burdened?
- Is the share of rent burdened households trending up year over year?
- Is the median percentage of income spent on rent increasing?

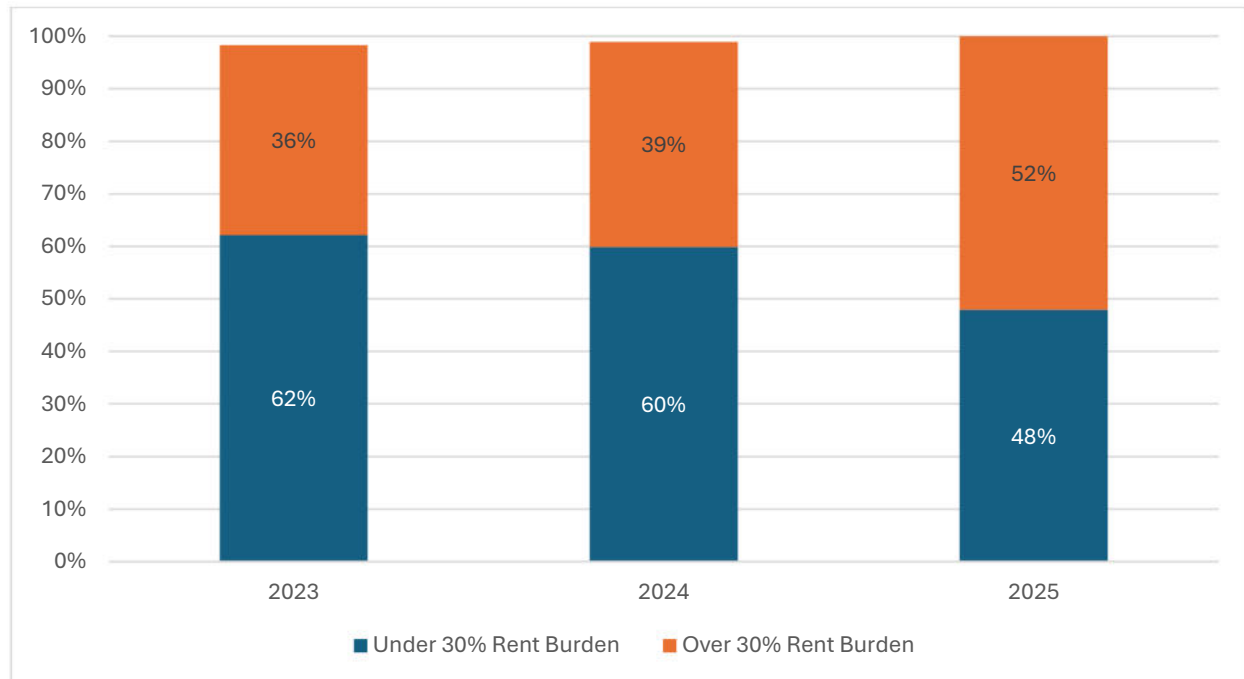
Summary

Across all bedroom sizes, the percentage of rent burdened households has increased. In 2024, 39% of households were rent burdened. This increased to 52% in 2025. Between 2024 and 2025, the median proportion of adjusted income spent on rent increased among all bedroom sizes except studios. Additionally, the share of households with high and severe rent burden has increased year over year and across all bedroom sizes.

Detailed Analysis

As explained in our last payment standards analysis, 2024 data showed that 39% of THA voucher holders were rent burdened. Updated data show that approximately 52% of THA voucher holders are rent burdened, with a median of 30% income spent on rent. The share of households who are rent burdened (paying more than 30% of their income on rent) has been trending upwards from 2023-2025 (See Figure 9).

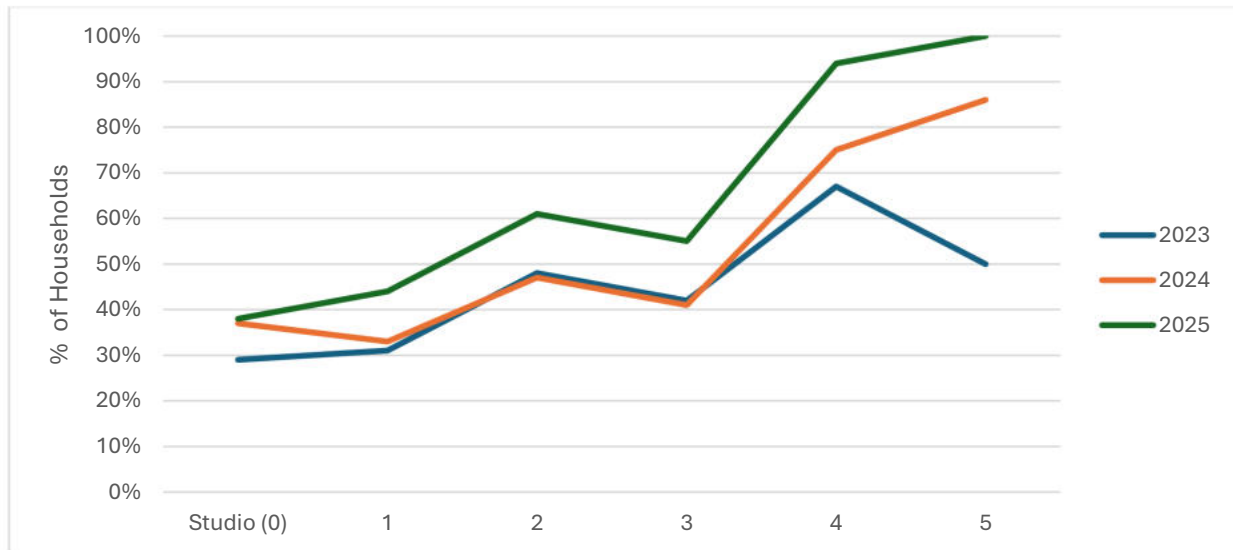
Figure 9. Percent of Households Over and Under 30% Rent Burden, 2023-2025



Year	2023	2024	2025
Over 30% Rent Burden	36%	39%	52%
% (#)	(391)	(550)	(646)
Not Rent Burdened	62%	60%	48%
% (#)	(671)	(844)	(595)

When looking at each bedroom size alone, more than 40% of households are rent burdened for all bedroom sizes except studios. The percentage of rent burdened households among all voucher holders are at the highest levels across all bedroom sizes since 2023 (see Figure 10).

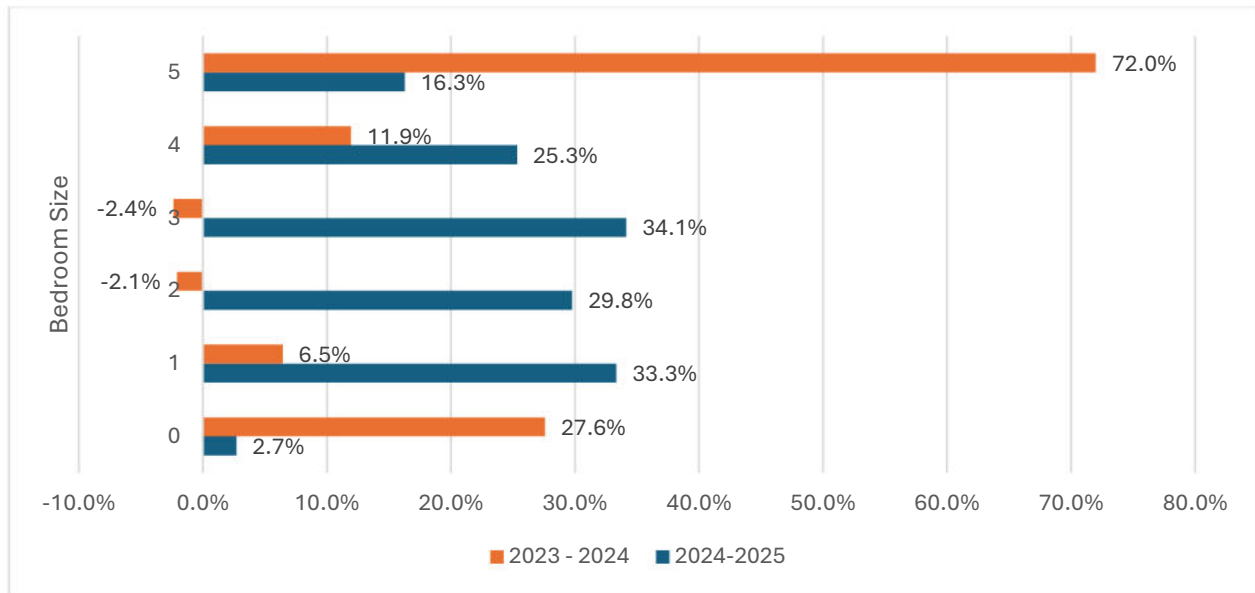
Figure 10. Percentage of Rent Burdened Households by Bedroom Size, 2023 - 2025



Bedroom Size	Studio	1-BR	2-BR	3-BR	4-BR	5-BR
2023	29% (5)	31% (188)	48% (125)	42% (51)	67% (19)	50% (3)
2024	37% (11)	33% (264)	47% (174)	41% (68)	75% (27)	86% (6)
2025	38% (8)	44% (290)	61% (215)	55% (99)	94% (29)	100% (5)

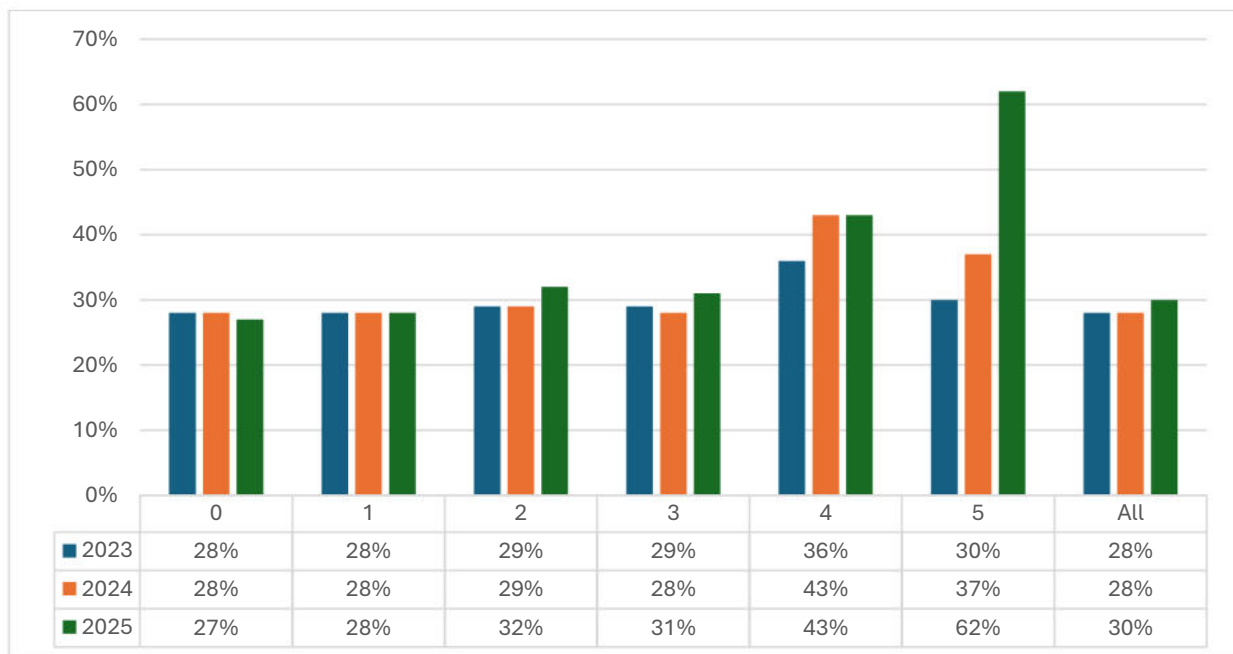
Three-bedroom and 1-bedroom households experienced the greatest increase in rent burden between 2024 and 2025, as illustrated in the figure on the next page. This is the case for 3-bedroom units even through the payment standard for these vouchers landed at 11.5% (\$255) above market rent.

Figure 11. Percent Change of Rent Burdened Households by Bedroom Size, 2023/2024 – 2024-2025



Between 2023-2025, the median percentage of adjusted household income spent on rent increased for 2-bedroom, 3-bedroom, and 5-bedroom units. This figure remained constant for 1-bedroom and 4-bedroom units, while decreasing slightly for studio units.

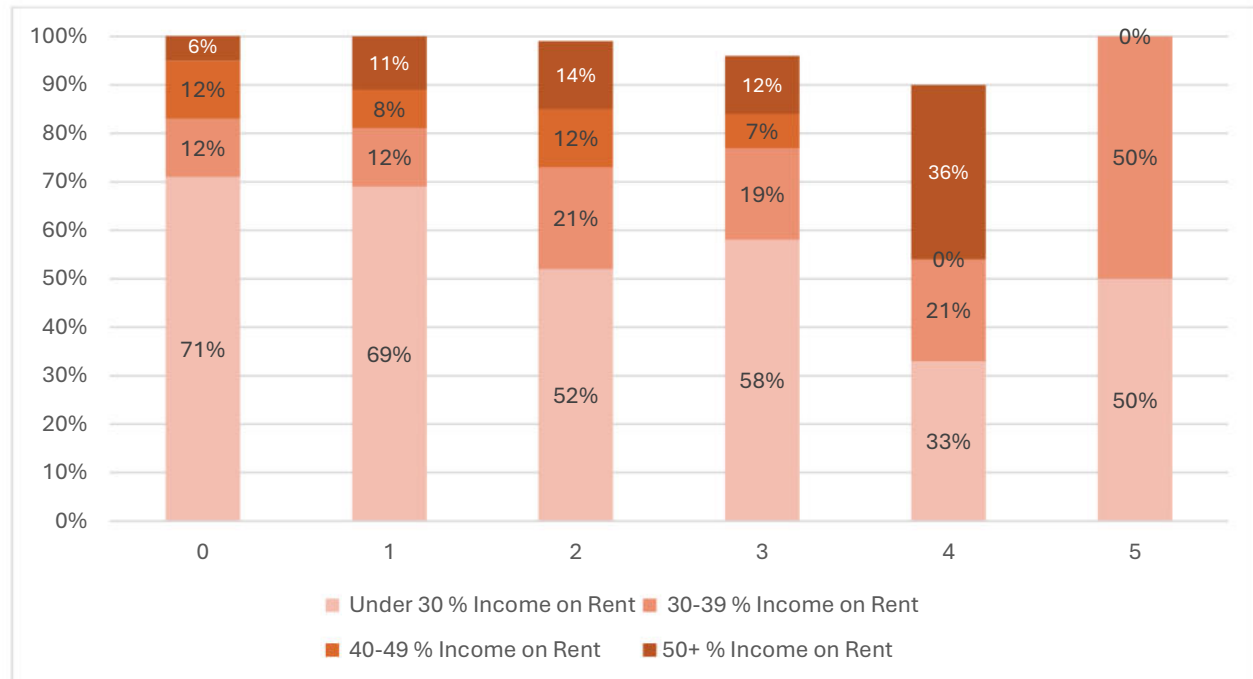
Figure 12. Median Percentage of Adjusted Household Income Spent on Rent, 2023 - 2025



The percentage of households who are not rent burdened has been shrinking steadily since 2023. Moreover, the portion of voucher holders paying 50% or more of their adjusted income on rent has

increased across all bedroom sizes.⁶ This means that not only are more households rent burdened than in 2023, but also that more families are reaching levels of severe rent burden.

Figure 13. Share of Households Within Each Rent Burden Category by Bedroom Size, 2023



Bedroom Size	Studio (0)	1	2	3	4	5
No Rent Burden	71% (12)	69% (426)	52% (141)	58% (78)	33% (11)	50% (3)
Moderate Rent Burden	12% (2)	12% (75)	21% (57)	19% (25)	21% (7)	50% (3)
High Rent Burden	12% (2)	8% (47)	12% (31)	7% (10)	0% (0)	0% (0)
Severe Rent Burden	6% (1)	11% (66)	14% (37)	12% (16)	36% (12)	0% (0)

⁶ This is except for 4-BR units, which saw their share of households paying 50% or more of their income on rent decline since 2023, but those paying 40-49% of their income on rent have increased instead.

Figure 14. Share of Households Within Each Rent Burden Category by Bedroom Size, 2024



Bedroom Size	0	1	2	3	4	5
No Rent Burden	60% (18)	66% (526)	53% (198)	56% (93)	22% (8)	14% (1)
Moderate Rent Burden	23% (7)	16% (127)	23% (86)	20% (33)	19% (7)	57% (4)
High Rent Burden	10% (3)	9% (72)	11% (43)	10% (16)	22% (8)	0% (0)
Severe Rent Burden	3% (1)	8% (65)	12% (45)	12% (19)	33% (12)	29% (2)

Figure 15. Share of Households Within Each Rent Burden Category by Bedroom Size, 2025



Unit Size	0	1	2	3	4	5
No Rent Burden	62% (13)	56% (364)	39% (135)	45% (81)	6% (2)	0% (0)
Moderate Rent Burden	5% (1)	22% (142)	33% (114)	26% (47)	29% (9)	20% (1)
High Rent Burden	10% (2)	12% (78)	13% (46)	11% (20)	39% (12)	0% (0)
Severe Rent Burden	24% (5)	11% (70)	16% (55)	18% (32)	26% (8)	80% (4)

Considerations for VASH and EHV

To assist VASH and EHV participants in finding affordable housing, especially in competitive markets, HUD allows housing authorities to establish an exception payment standard. This provides more support for families and households transitioning out of homelessness. The table on the next page illustrates the difference between the exception payment standard for VASH / EHV and the traditional payment standard for Housing Choice Vouchers (HCV). We do not have complete data for five-bedroom units, so those units are excluded.

Table 13: Comparing 2025 Payment Standards as a Percent of 2025 FMRs for VASH/EHV and HCV

	Studio		1-BR		2-BR		3-BR		4-BR	
	VASH/EHV	HCV	VASH/EH	HCV	VASH/EHV	HCV	VASH/EHV	HCV	VASH/EHV	HCV
2025 Payment Standard	\$1,428	\$1,252	\$1,605	\$1,392	\$1,971	\$1,743	\$2,733	\$2,474	\$3,102	\$2,761
2025 FMR	\$1,479		\$1,673		\$2,057		\$2,882		\$3,292	
Payment Standard as a Percent of FMR	97%	85%	96%	83%	96%	85%	95%	86%	94%	84%

For VASH and EHV, less than 40% of the families residing in studio, 1-bedroom, 2-bedroom, and 4-bedroom units are rent burdened. Approximately half of the households residing in 3-bedroom units for VASH and EHV are rent burdened, but with a median of 31% of adjusted income spent towards rent. It's important to note that this median is only 1% over the rent burden threshold. Overall, VASH households are the least rent burdened across all voucher programs.

We do not recommend implementing any changes to the exception payment standards for the VASH and EHV programs. The findings relating to the 3-bedroom units are derived from an extremely small sample size, which may not provide an accurate representation. We will closely monitor these rent burdens in our future analysis to ensure a comprehensive evaluation. Additionally, THA is committed to transitioning as many EHV participants as possible to alternative housing options, as the program funding is scheduled to end in 2026.

Table 14. VASH and EHV Median Rent Burden and Households Over 30% Rent Burden, 2025

Unit Size	VASH HH Count	Median Rent Burden VASH	Percent of Households Over 30% VASH	EHV HH Count	Median Rent Burden (EHV)	Percent of Households Over 30% Rent Burden (EHV)
0 Bedroom	8	26%	0%	1	27%	0%
1 Bedroom	42	27%	12%	12	28%	25%
2 Bedroom	6	27%	0%	21	28%	29%
3 Bedroom	2	31%	50%	6	32%	50%
4 Bedroom	N/A	N/A	N/A	1	27%	0%

Source- Yardi data for 50058 actions as of August 2025 for EHV and VASH voucher types.

3.5 Voucher Success

Key Questions

- Is overall voucher success decreasing year over year?
- How have vacancy rates changed?

Summary

Across all bedroom sizes, voucher success rates remained the same (at 58%). However, the voucher success rate for 1- and 3-bedroom units decreased. This shows us that of all bedroom sizes, those with 1- and 3-bedroom vouchers are having more difficulty finding a home to lease than the year before.

Detailed Analysis

The voucher success rate for all bedrooms averaged out to 58% in 2024 and 2025. This suggests, on average across all bedroom sizes, that most voucher holders have had similar success securing units this year when compared to last year. However, average voucher success rates have slightly decreased from last year when looking specifically at 1-bedroom and 3-bedroom units.

Table 15. Voucher Success Rates, 2024-2025

Unit Size	2024	2025
1 Bedroom	61%	52%
2 Bedroom	50%	67%
3 Bedroom	75%	62%
4 Bedroom	0%	67%
Average	58%	58%

Source: Yardi 2024 and 2025 Voucher Success Rates

4. Initial Findings

4.1 Summary of Findings

Table 16. Decision-Making Framework with Findings

Question	Indicator	Studios	1-bd	2-bd	3-bd	4-bd	5-bd
Do payment standards fall below Costar market rents?	If yes, THA vouchers fall below traditional market rents and will be less competitive.	No	Yes	Yes ⁷	No	Market Data N/A	Market Data N/A
Are median contract rents and gross contract rents increasing?	If yes, market conditions are tightening, and THA vouchers will be less competitive.	Yes	Yes	Yes	Yes	Yes	Yes
Are 40% or more of households rent burdened?	If yes, families can be at risk of housing instability.	No	Yes	Yes	Yes	Yes	Yes
Is the share of rent burdened households trending up year over year?		Yes	Yes	Yes	Yes	Yes	Yes
Is the median percentage of income spent on rent increasing?		No	No ⁸	Yes	Yes	No ⁹	Yes
Is overall voucher success decreasing year over year?	If yes, families are struggling to find housing which means the value of THA vouchers is not competitive.	Market Data N/A	Yes	No	Yes	No	Market Data N/A

4.2 Summary of Findings by Bedroom Size

Studio Units

Payment standards did not fall below market rents, but indicators for median contract and gross contract rents suggest THA's vouchers have been slightly less competitive compared to prior years. Additionally, rent burden data suggests that the share of households who are spending at least 30% or more of their income on rent is increasing. However, this data also shows that less

⁷ Payment standards for 2-bedroom units fell below market rents at a rate of less than 0.5% or \$7.

⁸ While there was no increase in this figure, rates stayed the same as the last two years, at 28%.

⁹ While there was no increase in this figure, rates stayed the same as last year, at 43%.



than 40% of households in this unit size are rent burdened. It further shows that the median percentage of income spent on rent is not increasing, though figures are close.¹⁰

One-Bedroom Units

Nearly all indicators suggest that 1-bedroom units are not keeping up with the market and that THA vouchers have diminished value, especially amid worsening rent burden outcomes and decreasing voucher success rates. Payment standards fell below market rents in 2025, and this pattern has occurred each year since 2023. Contract rent and gross contract rent have also been increasing steadily, with the latter nearly converging with THA's payment standard in 2025.¹¹ The median percentage of income spent on rent has remained constant from 2024 at a rate of 28%; however, 44% of households were rent burdened, and the share of rent burdened households has been trending up year over year.

Two-Bedroom Units

Payment standards fell just below market rent, by \$7, and voucher success has increased for 2-bedroom units. Still, like 1-bedroom units, data suggests the market is tightening THA vouchers are less competitive. This is indicated by the narrowing between THA's payment standard and gross contract rent in 2025 compared to the last two years. Additionally, rent burden outcomes are worsening, as 61% of households were rent burdened, the share of rent burdened households has been trending upward year over year, and the median percentage of income spent on rent for households increased from 2024.

Three-Bedroom Units

THA's payment standards landed above market rents for 3-bedroom units in 2025 and this pattern has occurred for the last two years. This was the only bedroom size in which gross contract rents surpassed market rents and this has been occurring each year since 2023. These results could signify that households living in 3-bedroom units may represent an even more competitive portion of the market compared to households residing in other bedroom sizes.

However, there are still indicators suggesting THA households may be at risk of housing instability and facing a challenging market. Voucher success has not decreased from 2024 rates. In terms of rent burden outcomes, 55% of households were rent burdened, the share of rent burdened households has been trending upward year over year, and the median percentage of income spent on rent for households increased each year since 2023. Finally, 3-bedroom units experienced

¹⁰ For studio units, 38% of households are rent burdened and the median percentage of income spent on rent fell by one percentage point between 2024 and 2025.

¹¹ Based on second quarter 2025 data, THA's payment standards were \$1,392 while the median gross contract rent was \$1,390 – a difference of \$2.

narrowing between THA's payment standard and gross contract rent in 2025 compared to the last two years, although the extent was not as drastic as other bedroom sizes.

Four-Bedroom Units

While market data was not available for 4-bedroom units, contract rents and gross contract rents among THA customers were increasing in 2025. The share of rent burdened households for these units reached 94%. Additionally, while the median percentage of income spent on rent remained constant at 43% from 2024-2025, there were still increases in the share of rent burdened households which were trending up year over year. The share of households paying 50% or more of their income on rent declined since 2023, but those paying 40-49% of their income on rent increased instead. Voucher success rates were among the highest for 4-bedroom sized households when comparing rates between 2024 and 2025.

Five-Bedroom Units

Market data and voucher success rates were not available for 5-bedroom units. However, data showed that contract rents and gross contract rents among THA customers were increasing in 2025. Rent burden outcomes were among the worst for this unit size compared to others. The share of rent burdened households paying more than 30% of their income on rent reached 100%. Additionally, the share of households who were severely cost burdened (paying 50% or more of their income on rent) increased from 29% of households in 2024 up to 80% of households in 2025 – more than any other bedroom size by a significant amount.

5. Modelling Payment Standard Changes

The analysis and initial findings allow us to model various changes to payment standards. Through these scenarios, we aim to see how different changes to payment standards impact THA voucher holders and THA's financial position. These models were completed for HCV households, only.

The model in Table 17 calculates an estimated increase in the payment standard that results in 40% or fewer households experiencing moderate rent burden in each bedroom size. For example, if the agency were to increase the payment standard for 1-bedroom units by \$16 (from \$1,392 to \$1,408) then the percentage of rent burdened households would decrease from 44% to 40%.

Table 17. First Proposal: Projections to Reach a Rate in Which No More Than 40% of Households are Rent Burdened

Unit Size	1	2	3	4	5
# of HHs	654	350	180	31	5
# of Rent Burdened HHs	290	215	99	29	5
% of Rent Burdened HHs	44%	61%	55%	94%	100%

2025 Payment Standard	\$1,392	\$1,743	\$2,474	\$2,761	\$3,172
Projected Increase	\$16	\$89	\$117	\$450	\$575
Projected 2026 Payment Standard	\$1,408	\$1,832	\$2,591	\$3,211	\$3,747
% Change Between 2025 PS and Projected 2026 PS	1%	5%	5%	16%	18%
After Projected Increase: % of Rent Burdened HHs	40%	40%	40%	38.7%	40%

The projections in Table 18 calculates an increase in payment standards that is proportional to the increase in median gross contract rent between 2024 and 2025. For example, between 2024 and 2025, one-bedroom units saw a 3.7% increase in median gross contract rent. Applying a 3.7% change to the 2025 payment standard for one-bedrooms (\$1,392) increases the standard by \$52, for a new projected 2026 payment standard of \$1,444. If the 2026 payment standard for one-bedroom units was increased to \$1,444, then less than 40% (33%) of households would experience moderate rent burden. And while this is a more significant decrease than the first model, that is not the case for other bedroom sizes. For example, five-bedroom units saw a 1.4% increase in gross contract rent between 2024 and 2025. If that increase is applied to the 2025 payment standard, the 2026 projected payment standard would increase by only \$44, from \$3,172 to \$3,216. All five-bedroom voucher holders would still be rent burdened after this increase.

Table 18. Second Proposal: Projections Based on Payment Standard Changes Proportional to Gross Rent Percent Change between 2024 and 2025

Unit Size	1	2	3	4	5
Gross Rent % Change 2024 to 2025	3.70%	4.00%	6.70%	9.60%	1.40%
2025 Payment Standard	\$1,392	\$1,743	\$2,474	\$2,761	\$3,172
Payment Standard \$ Change	\$52	\$70	\$166	\$265	\$44
Projected 2026 Payment Standard	\$1,444	\$1,813	\$2,640	\$3,026	\$3,216

After Projected Increase: % of HHs Rent Burdened at 30%	33%	43%	33%	67%	100%
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6. Financial Impact and Risk Analysis

6.1 Financial Impact of Implementing Initial Findings

Implementing either payment standard change will have a significant impact on THA's budget and the number of households served. A high-level view of the impact is provided in the table below. THA's budget is effectively balanced under the first proposal ("rent burden"). Note that any reduction in federal funding may result in a budget shortfall. Relatively minor adjustments or cuts would be required to balance the budget if the second proposal ("change in gross rent") is selected. THA will likely be unable to meet HUD's STS requirement due to current and future projected budgetary constraints. These increases would make achieving this benchmark more infeasible.

The full financial impact of changes in the payment standards would not be realized for almost a year as voucher holders transition to the new payment standards. The economic and STS impact in 2027 will be very close to the *Ongoing Annual Impact* illustrated in the table below. With THA's future MTW funding unclear, this could become a much greater budgetary challenge in years to come and may require THA to reduce the number of households served to maintain a balanced budget.

Table 19. Projected and Ongoing Financial Impact for Each Payment Standard Change Proposal

Payment Standard Change Proposal	Projected 2026 Impact			Ongoing Annual Impact		
	Additional Cost	Households Served	STS %	Additional Cost	Households Served	STS %
First Proposal: Rent Burden	\$720,000	-53	-1.2%	\$1,400,000	-102	-2.3%
Second Proposal: Change in Gross Rent	\$860,000	-64	-1.4%	\$1,680,000	-122	-2.7%

7. Final Recommendation

Based on the analysis and initial findings, we recommend implementing the first proposal, where payment standards for each unit size except studios are increased such that 40% or less of households are rent burdened. We do not recommend any changes for studio units or for VASH / EHV voucher holders.

The following tables display our recommended changes and, if adopted, how the new payment standard compares to the 2026 HUD FMRs. As stated earlier in this report, THA has HUD approval to set its Payment Standards between 80 and 120% of annual FMRs.

Table 20. Recommended Payment Standard Changes by Bedroom Size, HCV Only

	Studios	1-BR	2-BR	3-BR	4-BR	5-BR
Current Payment Standard	\$1,252	\$1,392	\$1,743	\$2,474	\$2,761	\$3,172
Proposed Payment Standard	\$1,252	\$1,408	\$1,832	\$2,591	\$3,211	\$3,747
Percent Increase	0%	1%	5%	5%	16%	18%
2026 HUD FMR	\$1,428	\$1,605	\$1,971	\$2,733	\$3,102	\$3,567
Proposed Payment Standard as a Percent of 2026 HUD FMR	88%	88%	93%	95%	104%	105%

Table 21: Recommended Payment Standard Changes by Bedroom Size, VASH/EHV only

	Studios	1-BR	2-BR	3-BR	4-BR	5-BR
Current Exception Payment Standard	\$1,428	\$1,589	\$1,990	\$2,824	\$3,309	\$3,802
Proposed Payment Standard	\$1,428	\$1,589	\$1,990	\$2,824	\$3,309	\$3,802
Percent Increase	0%	0%	0%	0%	0%	0%
2026 HUD FMR	\$1,428	\$1,605	\$1,971	\$2,733	\$3,102	\$3,567
Proposed Payment Standard as a Percent of 2026 HUD FMR	100%	99%	101%	103%	107%	107%

This recommendation ensures that voucher holders can more easily secure housing and remain stably housed while also considering THA's financial sustainability.

Appendix Item # 1: Reference Table

	All Sizes	0-bed	1-bed	2-bed	3-bed	4-bed	5-bed
Household Details							
Total HHs	2,597	7	1,547	664	291	76	12
Total # of HHs Included in Analysis	1,692	6	927	460	225	62	12
Total % of HHs Included in Analysis	65%	86%	60%	69%	77%	82%	100%
HUD Fair Market Rent (FMR)							
2023		\$1,174	\$1,308	\$1,643	\$2,335	\$2,740	
2024		\$1,430	\$1,603	\$1,987	\$2,800	\$3,236	
2025 (Q2)		\$1,479	\$1,673	\$2,057	\$2,882	\$3,292	
2026		\$1,428	\$1,605	\$1,971	\$2,773	\$3,102	\$3,567
Market Rent							
2023		\$1,225	\$1,401	\$1,681	\$2,119		
2024		\$1,235	\$1,415	\$1,700	\$2,156		
2025 (Q2)		\$1,227	\$1,447	\$1,750	\$2,219		
THA Payment Standards							
2023		\$1,233	\$1,373	\$1,725	\$2,452	\$2,740	\$3,151
2024		\$1,233	\$1,373	\$1,725	\$2,452	\$2,740	\$3,151
2025 (Q2)		\$1,252	\$1,392	\$1,743	\$2,474	\$2,761	\$3,172
Median Contract Rents							
2023		\$1,050	\$1,165	\$1,453	\$1,950	\$2,305	\$2,548
2024		\$1,050	\$1,218	\$1,500	\$2,000	\$2,420	\$2,745
2025 (Q2)		\$1,100	\$1,295	\$1,560	\$2,136	\$2,600	\$2,805
Median Gross Contract Rents							
2023		\$1,108	\$1,267	\$1,575	\$2,121	\$2,499	\$2,839
2024		\$1,108	\$1,340	\$1,644	\$2,196	\$2,646	\$3,045
2025 (Q2)		\$1,211	\$1,390	\$1,709	\$2,344	\$2,900	\$3,089
Median Rent Burden Rate							
2023		28%	28%	29%	29%	36%	30%
2024		28%	28%	29%	28%	43%	37%
2025 (Q2)		27%	28%	32%	31%	43%	62%
Percent of HHs over 30% Rent Burden							
2023		29%	31%	48%	42%	67%	50%
2024		37%	33%	47%	41%	75%	86%
2025 (Q2)		38%	44%	61%	55%	94%	100%



TACOMA HOUSING AUTHORITY

NEW BUSINESS



Resolution 1



RESOLUTION 2025-12-10 (1)

Date: December 10, 2025

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Payment Standards Update

This resolution would authorize Tacoma Housing Authority (THA) to adopt new payment standards for use in THA's rental assistance programs.

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 following year, in this case, 2026. THA must set our payment standards within 80-120% of the HUD FMR. The payment standards are then used in determining the maximum amount of subsidy THA will pay to landlords. They are also used in the calculation of THA tenant and participant rents.

THA is required to complete an annual assessment of its tenant data and potentially adjust its payment standards based on this data. For this year's assessment we asked some key questions paired with three indicators to help guide our decision-making process.

ANALYSIS & RECOMMENDATION

Payment Standards, Contract Rents, and Market Rents

We use a third-party source (CoStar) for market rent data. It helps us compare our payment standards to the market and families' current rents. We also use it to check the FMRs against the market.

Key Questions & Answers:

- Are our payment standards outside of our approved FMR range (80-120%)?
 - No. Our payment standards are within the approved range but near the bottom (from 87% to 91% of 2026 FMRs).
- Are THA's payment standards below-market rents?
 - Results varied by bedroom size.
 - Studio – No, payment standards are \$25 above market rent.
 - 1-bedroom – Yes, payment standards are \$55 below market rent.
 - 2-bedroom – Yes, payment standards are \$7 below market rent.
 - 3-bedroom – No, payment standards are \$255 above market rent.
 - CoStar does not provide market rent data for four- and five-bedroom units.
- Are market conditions tightening?
 - Yes, slightly. Between 2024 and 2025, City of Tacoma vacancy rates fell by 0.9% from 8.3% to 7.4%.

Rent Burden

Rent burden refers to how much of their adjusted income families spend on rent. For each family size, we calculate rent as a percent of their monthly income.

- If families pay over 30% of their income on rent, THA calls that "rent burdened."
- If 40% or more of families in a particular unit size are rent-burdened, THA may adjust the payment standards to reduce the burden.

We want families to afford their rent without it being a burden. But we also want to help as many families as possible.

Key Questions & Answers

- Are families at risk of housing instability?
 - Yes, between 2024 and 2025 the portion of voucher holders with rent burden (across all bedroom sizes) increased from 39% to 52%. And more than 40% of households are rent burdened for all bedroom sizes except studios. Here are some additional, important, findings regarding rent burden.
 - 1-bedroom and 3-bedroom households experienced the greatest increase in rent burden between 2024 and 2025. This is the case for 3-bedroom units even though the payment standard for these vouchers is higher than market rent.
 - The percentage of households who are not rent burdened has been shrinking steadily since 2023.
 - The portion of voucher holders paying 50% or more of their adjusted income on rent has increased across all bedroom sizes. This means that not only are more households rent burdened, but also that more families are reaching levels of severe rent burden.

Voucher Success Rate

Voucher Success is the percent of families that successfully rented an apartment with their voucher.

Key Question: Are families struggling to find housing?

- *Across all bedroom sizes, voucher success rates remained the same between 2024 and 2025.*
- *Rates decreased for 1- and 3-bedrooms but increased for 2- and 4-bedrooms.*

With these results, we recommend that the Tacoma Housing Authority Board of Commissioners approve Resolution 2025-12-10 (1), authorizing an increase to HCV payment standards for 1-, 2-, 3-, 4-, and 5-bedroom units, to be effective March 2026, to ensure that no more than 40% of current voucher holders are rent burdened. We do not recommend changes in payment standards for HCV studio units or VASH and EHV households.



RESOLUTION 2025-12-10 (1)

(Payment Standards Update)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing the THA Executive Director to increase THA's payment standards.

WHEREAS, HUD sets fair market rents annually; and

WHEREAS, the housing authority sets payment standards based on market and participant data; and

WHEREAS, changes to the payment standards must be approved by the Board of Commissioners; now, therefore, be it

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

Authorizes THA to adopt payment standards, effective March 1, 2026, according to the chart below.

Bedroom Size	Payment Standard	Exception PS (VASH & EHV)
0	\$1,252	\$1,428
1	\$1,408	\$1,589
2	\$1,832	\$1,990
3	\$2,591	\$2,824
4	\$3,211	\$3,309
5	\$3,567	\$3,802

Approved: December 10, 2025

Stanley Rumbaugh, Chair



Resolution 2



RESOLUTION 2025-12-10 (2)

Date: December 10, 2025

To: THA Board of Commissioners

From: April Black
Executive Director

Re: 2026 Utility Allowance Schedule

This resolution will adopt a 2026 utility allowance schedule that will be used for the income-based calculation of rent for the Tacoma Housing Authority (THA) rental assistance programs.

BACKGROUND

Tacoma Housing Authority reviews its schedule of utility allowances each year and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

Through a partnership with Tacoma Public Utilities (TPU), THA obtains regular updates on electrical consumption and rate information. This allows THA to revise its Utility Allowance schedules by applying a rolling average of local data. For this analysis, 2024 utility consumption along with published 2025 rates for energy, water, sewer and garbage were evaluated using the methodology approved and developed in collaboration with Seasholtz Consulting Inc.

As is shown in the chart below there was a 10 percent change in only one category.

Current UA Schedule (Effective 3/1/2025)						
Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$64	\$66	\$81	\$105	\$127	\$140
Tenant	\$168	\$174	\$212	\$268	\$321	\$360
TPU Consumption data & 2025 rates						
Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$68	\$70	\$87	\$112	\$134	\$155
Tenant	\$179	\$185	\$227	\$285	\$340	\$393
% Change from Current UA Schedule to UA Assumptions - 10% requires a change						
<i>Landlord % Change</i>	6.3%	6.1%	7.4%	6.7%	5.5%	10.7%
<i>Tenant % Change</i>	6.5%	6.3%	7.1%	6.3%	5.9%	9.2%

RECOMMENDATION

We recommend adopting and implementing the proposed utility allowance schedule below, effective March 1, 2026. The only adjustment is for units with five or more bedrooms where the landlord pays for sewer and water, as this was the sole category meeting the criteria for an increase. All other categories will remain unchanged.

Proposed UA Schedule 3/1/2026						
Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$64	\$66	\$81	\$105	\$127	\$155
Tenant	\$168	\$174	\$212	\$268	\$321	\$360

Approve Resolution 2025-12-10 (2) authorizing THA to adopt the utility allowance schedule according to the chart above, effective March 1, 2026.



RESOLUTION 2025-12-10 (2)

(2026 Utility Allowance Schedule)

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

WHEREAS, Utility allowances must be reviewed annually; and

WHEREAS, PHAs must revise utility allowances if they change more than ten percent; and

WHEREAS, Changes to the utility allowances must be approved by the Board of Commissioners; now, therefore, be it

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

Authorizes THA to adopt the utility allowance schedule according to the chart below, effective March 1, 2026.

Proposed UA Schedule 3/1/2026						
Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$64	\$66	\$81	\$105	\$127	\$155
Tenant	\$168	\$174	\$212	\$268	\$321	\$360

Approved: December 10, 2025

Stanely Rumbaugh, Chair



To: Tacoma Housing Authority Board of Commissioners
From: April Black, Executive Director
Subject: Recommendation for THA's 2026 Utility Allowances
Date: November 24, 2025

Introduction

Voucher holders rent units on the private market. Leases will state whether the landlord or renter pays for certain utility costs (i.e., electricity, gas, water and sewer, trash and recycling, heat, etc.). If utilities are not included in the rent and the family must pay for them, the family gets a credit from the housing authority. This credit equals the estimated monthly cost of those utilities for a modest, energy-conscious household living safely and healthfully. The estimate is set or approved by the local housing authority or HUD.

THA reviews its schedule of utility allowances each year and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised. Our data for this analysis comes from a partnership with Tacoma Public Utilities (TPU) who provides regular updates on electricity consumption and rate information.

Our team used 2024 utility consumption data along with TPU's published 2025 rates for energy, water, sewer, and garbage.

We recommend adopting and implementing a change to the utility allowance schedule for units with five or more bedrooms where the landlord pays for sewer and water, to be effective March 1, 2026. This change would increase the utility allowance from \$140 to \$155. We do not recommend changes to any other unit size.

Table 1, below, displays the recommended changes.

Table 1: Recommended Utility Allowance Schedule, to be effective 3/1/2026

Who Pays Sewer / Water	Studio	1-BR	2-BR	3-BR	4-BR	5-BR (or more)
Landlord / Owner	\$64	\$66	\$81	\$105	\$127	\$155
Tenant	\$168	\$174	\$212	\$268	\$321	\$360

Utility Allowance Changes

Table 2 displays the agency's current utility allowance schedule. This schedule went into effect on March 1, 2025. Table 3 shows TPU's consumption data and 2025 rates.

Table 2: Tacoma Housing Authority's Current Utility Allowance Schedule (effective 3/1/2025)

Who Pays Sewer / Water	Studio	1-BR	2-BR	3-BR	4-BR	5-BR (or more)
Landlord / Owner	\$64	\$66	\$81	\$105	\$127	\$140
Tenant	\$168	\$174	\$212	\$268	\$321	\$360

Table 3: Tacoma Public Utilities Consumption Data and 2025 Rates

Who Pays Sewer / Water	Studio	1-BR	2-BR	3-BR	4-BR	5-BR (or more)
Landlord / Owner	\$68	\$70	\$87	\$112	\$134	\$155
Tenant	\$179	\$185	\$227	\$285	\$340	\$393

There's a slight increase across all bedroom sizes in both scenarios where the landlord pays water / sewer and where the tenant pays. Table 3 highlights the percentage change over time. Only 5-bedroom units where the landlord pays water / sewer saw an increase of more than 10%.

Table 4: Percent Change from Current UA Schedule to UA Assumptions

Who Pays Sewer / Water	Studio	1-BR	2-BR	3-BR	4-BR	5-BR (or more)
Landlord / Owner	6.3%	6.1%	7.4%	6.7%	5.5%	10.7%
Tenant	6.5%	6.3%	7.1%	6.3%	5.9%	9.2%

Recommendation

We recommend adopting and implementing a change to the utility allowance schedule for units with five or more bedrooms where the landlord pays for sewer and water, to be effective March 1, 2026. This change would increase the utility allowance from \$140 to \$155. We do not recommend changes for any other unit size.

The table below displays our recommended changes.

Table 5: Recommended Utility Allowance Schedule, to be effective 3/1/2026

Who Pays Sewer / Water	Studio	1-BR	2-BR	3-BR	4-BR	5-BR (or more)
Landlord / Owner	\$64	\$66	\$81	\$105	\$127	\$155
Tenant	\$168	\$174	\$212	\$268	\$321	\$360



Resolution 3



RESOLUTION 2025-12-10 (3)

Date: December 10, 2025

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Fiscal Year 2026 Agency Budget

This resolution would adopt Tacoma Housing Authority's (THA) budget for 2026. The details are set forth in the attachments.

BACKGROUND

Through this resolution, the Board will approve the Tacoma Housing Authority (THA) budget for Fiscal Year 2026. Each year, THA prepares a budget for the upcoming fiscal period, outlining projected revenues and expenditures across its departments and major programs. The budget represents strategic priorities and details departmental expenses. For operational oversight, each department director is responsible for managing and controlling their respective budgets in compliance with Federal, State, and Local regulations.

The Board and Executive Director provided strategic direction for the development of this budget, which was communicated to the Authority's Leadership Team and incorporated into the budget framework. The Finance Director facilitated multiple collaborative sessions with department directors to formulate a comprehensive proposal for presentation to the Executive Director and the Board. The resulting budget acknowledges significant uncertainties ahead, including potential funding reductions, rising operational costs, and programmatic adjustments. It is designed to provide the Agency with the flexibility necessary to adapt effectively to these evolving conditions.

NOTABLE INFORMATION

- The 2026 budget is based on 2025 federal funding levels.
- The Housing Assistance Payments (HAP) budget has been revised to reflect current utilization trends and projected costs through 2026. This adjustment includes an increase in THA's payment standards and a slight increase in the utility allowance.
- The 2026 budget fits recurring expenses within recurring income.
- The salary budget reflects THA's ongoing commitment to compensating staff at levels consistent with the income required to afford a two-bedroom rental unit in Tacoma.
- THA has completed a comprehensive review and update of all property budgets—both Tax Credit and THA-owned—for the Fiscal Year 2026 budget. Adjustments were made to address the evolving needs of individual properties. There are no significant changes in overall staffing levels or major initiatives. Notably, this is the first year Housing Hilltop is budgeted as fully occupied for the entire year.
- This budget, consistent with previous years, relies on cautious projections. The Tacoma Housing Authority's history of careful financial management has enabled it to navigate ongoing fiscal challenges. Given the current uncertainties, maintaining this prudent strategy is expected to benefit the agency moving forward.
- Given the annual fluctuations in grant funding, we worked with departments to revise grant budgets and spending for 2026. As in previous years, expenses were balanced with grant income, so there is no net impact on the agency's budget.
- Significant development activity is planned for 2026. The resyndication and rehabilitation of Hillside Terrace 2 and Salishan's 1-3 is scheduled to close in December of 2025. THA will also be working with partners on the ongoing development of Aviva Crossing and developing the Hillsdale Heights property. THA will continue to seek new development and acquisition opportunities to serve Tacoma's lower-income residents.
- For several years, THA has focused on maximizing the use of both MTW reserves and the reserves from the sale of public housing properties while limiting the use of Business Activity reserves. The impact of this ongoing focus is evident in the increased concentration of reserve balances in unrestricted reserves. As a result of this change, THA will need to maintain larger unrestricted reserves to offset the decrease in MTW and other restricted reserve balances.

I am pleased to present this budget proposal to the Board. It reflects the discussions held throughout the year by the Board and staff. The proposed 2026 budget decreases the amount of MTW spent on non-housing expenses. This increase will allow THA to achieve utilization of over 99% while also reducing the rent burdens of our tenants by increasing the payment standard. Additionally, it strengthens THA's financial resilience and long-term sustainability while meeting our commitment to being a great employer and partner and continuing our work to maintain and add more affordable housing.

ADDITIONAL INFORMATION

Budget Principles

- When we began building the 2026 budget, Congress had not passed the HUD budget, and there were indications that a reduction in funding was a very plausible scenario. Congress has still not passed a budget, but now the most likely scenarios are either a continuing resolution or a budget that includes a modest increase. As a result, we have chosen the worst of these scenarios and budgeted for flat funding.
- The budget will account for THA's strategic objectives.
 - Enhance our financial resilience and sustainability
 - Maintain existing and add more affordable housing throughout Tacoma and Pierce County
 - Invest in housing stability and community vitality
 - Serve as a great employer, contractor, and community partner
- The budget will fit recurring and non-project-oriented expenses within recurring income.
- We will 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

- Making up nearly 67% of the agency budget, HAP expenses tend to drive the budget process. Over the past 18 months, we have seen a double-digit increase in the average cost of THA's MTW vouchers. A significant portion of this increase was due to higher PBV (project-based voucher) rents in units managed by THA, generating additional unrestricted cash for THA. The cost of tenant-based vouchers also increased over this period, but at a significantly slower rate. The tenant-based voucher holders became more rent-burdened during this period, and as a result, THA is proposing an increase in the payment standards, which will further drive up the cost of HAP in 2026. There will also be 129 new PBV units that will come online in the first half of 2026 at Mercy Housing's Aviva Crossing property. Conversely, the 2026 budget no longer includes funding for the Rapid Rehousing program, which had a lower per-unit cost than many of THA's other subsidy programs. We were still able to budget for MTW utilization of 99.1% of STS, which is essentially the same level as was budgeted for 2025. Unfortunately, HAP expenses are budgeted to increase by 11.2% to reach that utilization.
- The Special Purpose Voucher programs (EHV, FUP, FYI, Mainstream, NED, VASH) projected utilization and average HAP have been updated for the 2026 budget. THA will be working with EHV (Emergency Housing Voucher) participants to transition off the program, as we do not anticipate having funding beyond 2026. With the exception of VASH (Veterans Affairs Supportive Housing) and NED (Non-Elderly Persons with Disabilities), all other program

- utilization is expected to be in line with the 2025 budgeted utilization. Both VASH and NED utilization are expected to increase, with the larger increase in VASH.
- Two Housing Navigators were added in 2025 as part of the budget process to help our tenants find housing. We did not include these vacant positions in the 2026 budget proposal because we do not anticipate having sufficient shoppers to justify them.
- Section 8 Admin Fees are budgeted based on the 2025 administrative fee rates and proration. The per unit administrative fee rate is anticipated to increase; however, a decrease in the proration will likely offset any increase.

Salaries and Benefits

- THA remains committed to providing a housing wage and maintaining competitive compensation for its employees. THA typically contracts with a third party to conduct a compensation study every three years to ensure that THA's salaries are competitive and that employees are paid appropriately. Historically, this study resulted in a number of employees receiving increases above and beyond the across-the-board increase. This study is currently underway, but the financial impact is unclear. The contracts with both unions expire in 2026, so THA will be negotiating wages in the Spring. The 2026 budget includes funds to account for both factors, as well as a likely increase in the housing wage. Unlike prior years, the budget does not include funds for Special Recognition Awards and Merit Awards.
- The cost of medical and dental benefits will increase again for 2026. The increases vary by plan but are generally in line with THA's base plan increase of 8%.
- Despite the increases noted above, the 2026 proposed salary and benefit costs are below the 2025 budgeted costs. This reduction is due to the elimination of thirteen vacant positions. These positions are detailed in Section 8.2 of the Board of Commissioners Decision Points document.

Employee Recognition

- Funding for the annual employee appreciation event held in December and the mid-year employee appreciation event held in the summer has been moved from the Executive Department to Human Resources.
- The 2026 budget includes funding to enable department managers and directors to recognize employee contributions and support team-building activities. Consistent with the 2025 budget, each department's budget includes \$50 per budgeted employee for this purpose.

Restructuring

- In 2025, THA underwent a reorganization, eliminating one department and creating two new ones. The restructuring was not limited to these departments; other functions, grants and related staff were transferred as well. As a result, there were significant changes to the department-level budgets. This reorganization had minimal impact on the overall agency budget.

Reserves and Capital spending

Reserves are essential to our operations. We strive to maintain adequate reserves to ensure operational continuity and efficiency, preserve our credit standing with investors and partners, and provide funding for real estate development opportunities as they arise. We regularly review both overall and category-specific reserve thresholds to determine appropriate minimum and maximum levels. Based on this analysis, the Board sets the optimal reserve targets.

The recent government shutdown has further illustrated the importance of maximizing THA's unrestricted Business Activity reserves. For 2026 we anticipate increasing our Business Activity reserves to \$16.9 million. For our MTW funds, we project reserve levels to be roughly \$700 thousand at THA, with no HUD held reserves.

The budget outlines areas where funds will be reallocated or drawn from reserves rather than operating revenues to cover expenditures. Beyond supporting non-recurring costs, reserves also finance a range of capital projects. The 2026 budget includes several significant capital transactions.

- The Housing Hilltop LLLP project included several loans from THA to the partnership. The \$15,475,000 loan from THA to the partnership has an estimated remaining balance of \$7 million that will need to be funded in 2026. At approximately the same time the loan becomes payable, Housing Hilltop LLLP will be required to pay THA a developer fee, which will help offset the cash impact. The remaining balance of the developer fee will be deferred and paid from property cash flow. The 2026 budget includes an anticipated developer fee payment of \$5,950,000, but this will be impacted by both the property's performance and timely conversion to permanent financing. THA will utilize reserves to fill the gap between the cash developer fee and the loan.
- Work at the Aviva Crossing site will continue into 2026, but the 2026 budget does not include any capital-related activity for this site. THA's role in the capital activity is expected to be completed prior to year-end. The AMRED budget does include funding to prepare for future stages of development. THA may sell an additional parcel in 2026, but consistent with our conservative budgeting principles, it was not included as revenue in the 2026 budget.
- THA is planning to sell multiple lots at the Hillsdale Heights property. The details of these sales have yet to be finalized, but \$2.5 million has been included in the budget as a placeholder.
- We are budgeting \$860,000 in MTW reserves to improve THA offices and community spaces and update the THA fleet.
- THA remains dedicated to identifying opportunities for the acquisition of additional affordable housing units to better serve its clients. Accordingly, \$2 million from Reserves with Restrictions (ACC sales proceeds) has been allocated for the purchase of rental properties.

Tax Credit Partnerships

The cash flow generated from THA's tax credit partnerships is reflected under Other Revenue and is budgeted to be \$4.29 million in 2026 based on the partnership budgets. A high-level view of the partnership budgets is available in Attachment D. The Salishan-Hillside resyndication is scheduled to

close in early December and has been excluded from the table during this transition period. Many of these budgets are subject to approval from the partnership's Limited Partner and, as such, are not final.

Property Reserves

We are budgeting a \$1.9 million transfer of funds from THA-owned rental properties to Business activities in 2026 in order to maintain optimal Operating and Replacement reserves at the properties. 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 \$3.8 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	\$ 694,468
○	Business Activities (Non-MTW) reserves	\$ 16,929,020
○	THA Owned Property reserves	\$ 3,792,146
○	Reserves with Restrictions	\$ 1,830,000
○	Salishan-Hillside Recontraction Reserve	\$ 11,000,000
○	Section 8 Reserves held at HUD	\$ -
		\$ 34,245,634

RECOMMENDATION

I recommend that the Board adopt Resolution 2025-12-10(3) to formally approve THA's Fiscal Year 2026 Annual Budget.



RESOLUTION 2025-12-10 (3)

(Fiscal Year 2026 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 2026; and

WHEREAS, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma has reviewed and provided input to the proposed Fiscal Year 2026 annual budget; now, therefore, be it

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

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2026 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses - Operations</u>		
Asset Management & Real Estate Development	\$	4,081,892
Client Support & Empowerment		2,954,327
Executive		904,800
Finance		2,733,284
Human Resources		863,470
Information Technology		5,103,790
Legal Services		777,104
Rental Assistance		78,498,820
Strategic Initiatives		1,206,155
Property Management Overhead		6,632,220
Property Budgets		<u>2,617,816</u>
Subtotal		\$106,373,678
<u>Additional Cash Outflows</u>		
Debt Service		240,710
Loans		7,000,000
Capital Expenditures		2,860,000
Replacement Reserves		<u>172,568</u>
Subtotal		\$10,273,278
TOTAL APPROVED BUDGET		<u>\$116,646,956</u>

Approved: December 10, 2025

Stanley Rumbaugh, Chair



Attachment A

BOARD OF COMMISSIONERS DECISION POINTS: 2026 Budget
December, 2025

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 01/01/26	-	Minimum	Maximum	Amount to Reserve - 2026	=	Amount of reserves available to use in FY-2026
a. MTW Reserves	\$1,000,000		\$0	\$26,600,000	\$690,000		\$310,000
b. Business Activities (Non-MTW) reserves	\$13,600,000		\$1,400,000	\$32,200,000	\$13,300,000		\$300,000
c. THA Owned Property	\$3,500,000		\$3,990,000	\$3,800,000	\$3,785,000		(\$285,000)
d. Reserves with Restrictions (ACC sale proceeds)	\$3,840,000		\$0	\$0	\$0		\$3,840,000
e. Salishan-Hillside Reconstruction Reserve	\$11,000,000		\$11,000,000	\$11,000,000	\$11,000,000		\$0
f. Section 8 Reserves held at HUD.	\$7,400,000		\$0	\$0	\$0		\$7,400,000
	\$43,437,500		\$16,390,000	\$73,600,000	\$28,775,000		\$11,565,000

Reserves

Recurring MTW Expenses
Recurring Non-MTW Expenses
Recurring Property Expenses

Total Required Operating Reserves

Annual Expenses	Minimum		Maximum	
	Period	Amount	Period	Amount
\$79,726,392	1 month	\$6,600,000	4 months	\$26,600,000
\$16,763,793	1 month	\$1,400,000	4 months	\$5,600,000
\$3,902,130	1 month + RR	\$2,150,000	6 months + RR	\$3,800,000
		\$10,150,000		\$36,000,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2026

	Recurring Income	-	Cost of Recurring operations	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$74,898,387		\$79,726,392		(\$4,828,005)
Non-MTW	\$19,195,450		\$16,763,793		\$2,431,657
Rental Properties	\$6,318,776		\$3,902,130		\$2,416,646
Total	\$100,412,613		\$100,392,315		\$20,298

3. BUDGET IMPACT - RESERVES - FY-2026

	MTW	Non - MTW					Total
		Business Activities	THA Owned Property	Reserves with Restrictions (ACC sale proceeds)	Saisnan-Hillside Reconstruction Reserve	Section 8 Reserves held at HUD.	
Estimated Reserves - 01/01/26	\$1,000,000	\$13,600,000	\$3,500,000	\$3,830,000	\$11,000,000	\$7,400,000	\$40,330,000
a. Recurring Surplus/(Shortfall) ¹	(\$4,828,005)	\$2,431,657	\$2,416,646				\$20,298
Non-Recurring Income/(Expense)							Amount
b. Non Recurring Income - Operational	\$0	\$7,649,977					\$7,649,977
c. Non Recurring Income - Capital		\$2,500,000					\$2,500,000
d. Non Recurring Expenses - Operational	(\$2,017,527)	(\$4,152,614)	(\$224,500)				(\$6,394,641)
e. Non Recurring Expenses - Capital	(\$860,000)			(\$2,000,000)			(\$2,860,000)
f. Operating Transfers		\$1,900,000	(\$1,900,000)				\$0
g. HUD HAP Drawdown/Transfer to MTW	\$7,400,000					(\$7,400,000)	\$0
j. Housing Hilltop Loans		(\$7,000,000)					(\$7,000,000)
k. Projected Reserves - 12/31/26	\$694,468	\$16,929,020	\$3,792,146	\$1,830,000	\$11,000,000	\$0	\$34,245,634

4. **FY-2026 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/26	Minimum	Maximum
a. MTW Reserves	\$694,468	\$0	\$26,600,000
b. Business Activities (Non-MTW) reserves	\$16,929,020	\$1,400,000	\$32,200,000
c. THA Owned Property	\$3,792,146	\$3,990,000	\$3,800,000
d. Reserves with Restrictions (ACC sale proceeds)	\$1,830,000	\$0	\$0
e. Salishan-Hillside Reconstruction Reserve	\$11,000,000	\$11,000,000	\$11,000,000
f. Section 8 Reserves held at HUD.	\$0	\$0	\$0
Totals	\$34,245,634	\$16,390,000	\$73,600,000

Amount to Reserve - 2026	Excess/(Deficit) Reserves Over Amount to Reserve
\$690,000	\$4,468
\$13,300,000	\$3,629,020
\$3,785,000	\$7,146
\$0	\$1,830,000
\$11,000,000	\$0
\$0	\$0
\$28,775,000	\$5,470,634

5. **NOTABLE CHANGES FROM THE PRIOR YEAR BUDGET***

NOTABLE RECURRING CHANGES FROM 2025 BUDGET			
5.1 Notable Increases in 2026 Recurring Revenue	Amount	Notable Increases in 2026 Recurring Expense	Amount
a. Section 8 HAP - HUD increase	\$3,080,000	Section 8 HAP	
b. Section 8 Admin Fees	\$274,000	- HAP increases due to increased per unit HAP expense	\$7,563,000
c. Tenant Revenue	\$308,000	Tenant Services - Community Service Fee (Salishan 7)	\$67,000
d. Property Waterfall Payments	\$1,204,000	Tenant Services - Other (Reclassification)	\$45,000
e. Commercial Revenue	\$329,000	Other General Expenses	\$40,000
f. Internal & Property Related Fees		Lease Commissions	\$68,000
g. - Tax Credit Property Management Fees	\$79,000	IT Licenses	\$275,000
h. - Admin Support Fee & THA Property Mgmt Fee	\$116,000	Legal expenses	\$50,000
i. - Community Service Fee (THA Managed Properties)	\$665,000	Internal Fees	\$196,000
j. Interest Income	\$427,000	Maintenance Materials & Contracts	\$165,000
k.		Leasehold Excise Tax	\$30,000
I. Subtotal	\$6,482,000		\$8,499,000
5.2 Notable Decreases in 2026 Recurring Revenue		Notable Decreases in 2026 Recurring Expense	
a. Operating Lease Revenue	\$58,000	Staffing (Salary & Benefits)	(\$1,851,000)
b.		Contract Services	(\$64,000)
c.		Other Admin - Miscellaneous (Reclassification)	(\$76,000)
d.		Telephone expenses	(\$33,000)
e. Subtotal	\$58,000		(\$1,915,000)

* Rounded to the nearest thousand

NOTABLE NON-RECURRING CHANGES*							
5.3		Notable Increases in 2026 Non-Recurring Revenue		Amount	Notable Increases in 2026 Non-Recurring Expense		Amount
a.	Developer Fee			\$5,250,000	Due diligence		\$200,000
b.	2025 HAP income carryover and included in 2026 budget			\$1,400,000	Contract Services		\$349,000
c.	Operating Subsidy (Housing Hilltop Commercial Grant)			\$500,000	Equipment purchases		\$47,000
d.	Grant & Miscellaneous revenue			\$110,000	IT Contracts (ADP and Apricot conversions)		\$270,000
e.					IT Licenses		\$95,000
f.					Maintenance Contracts		\$171,000
g.	Subtotal			\$7,260,000			\$1,132,000
5.4		Notable Decreases in 2026 Non-Recurring Revenue			Notable Decreases in 2026 Non-Recurring Expense		
a.					Staffing (Salary & Benefits)		\$270,000
b.					HAP - Rapid Rehousing		\$900,000
c.					Travel and training		(\$131,000)
d.	Subtotal			\$0			\$1,039,000

* Rounded to the nearest thousand

A LOOK AHEAD					
5.5 Recurring FY-27 Income			Recurring FY-27 Expense		Amount
a.	Section 8 HAP - HUD increase	TBD	Section 8 HAP		TBD
b.	Housing Hilltop Commercial Rents	TBD			
c.	Reduced Jame Center Commercial Rents	TBD			
d.	HUD's planned elimination of EHV voucher funding	TBD			
5.6 Non-Recurring FY-27 Income			Non-Recurring FY-27 Expense		Amount
a.	Developer Fees		Property Purchases		TBD
	1. Hillside-Salishan Developer Fee (2028)	TBD	Salishan Resyndication Loans		TBD
b.	Aviva Crossing (James Center) Lot Sales	TBD	Highland Crest Refinance		TBD

Back-up Detail - Notable Items

6. NON-RECURRING INCOME: FY-2026

Sources of Non-Recurring Income		Amount	MTW / Non-MTW / Properties	Department
Operational				
a.	2025 HAP income carryover and included in 2026 budget	\$7,400,000	MTW	RA
b.	<i>Developer Fee Income</i>		\$5,950,000	
	1. Housing Hilltop Developer Fee	\$5,950,000	Non-MTW	AMRED
c.	Grant Income (All grants with end dates)	\$1,699,977	Non-MTW	CS / RA / AMRED

Capital		Amount	MTW / Non-MTW / Properties	Department
a.	Land Sales (Hillsdale Heights)	\$2,500,000	Non -MTW	AMRED

7. NOTABLE NON-RECURRING EXPENSES (Non Grant Funded) - FY 2026

7.1 Operational Expenses

	Amount	MTW / Non-MTW / Properties	Department
a. Salaries & Benefits		\$1,265,350	
1. Development/Grant Funded/Time limited positions (Sal & Ben)	\$1,173,844	MTW/Non-MTW	Multiple
2. Overtime	\$91,506	MTW/Non-MTW	Multiple
b. Advertising & Marketing		\$10,190	
1. Property Videos	\$10,190	MTW/Non-MTW	SI
c. Information Technology Expenses		\$955,000	
1. Data Warehouse/Fabric Support	\$200,000	MTW/Non-MTW	IT
2. Eagle Eye Camera System	\$50,000	MTW/Non-MTW	IT
3. IT Genetec Access Control SaaS upgrade	\$70,000	MTW/Non-MTW	IT
4. IT Innovative Technology Infrastructure Wiring	\$20,000	MTW/Non-MTW	IT
5. Electronic Documents Project Support	\$50,000	MTW/Non-MTW	IT
6. IT Security	\$40,000	MTW/Non-MTW	IT
7. Yardi Support	\$200,000	MTW/Non-MTW	IT
8. Apricot transition project	\$75,000	MTW/Non-MTW	IT
9. ADP conversion	\$250,000	MTW/Non-MTW	IT
d. Office Equipment		\$113,000	
1. IT Equipment (Computer replacements)	\$75,000	MTW/Non-MTW	Multiple
2. IT Equipment (Other)	\$38,000	MTW/Non-MTW	Multiple
e. Legal		\$280,000	
1. HR Claims & Other Miscellaneous	\$15,000	MTW/Non-MTW	HR
2. Policy Handbook review	\$15,000	MTW/Non-MTW	HR
3. Miscellaneous	\$75,000	MTW/Non-MTW	AMRED
4. New or upcoming Development Projects/Acquisitions	\$80,000	Non-MTW	AMRED
5. Aviva Crossing and Hillside Heights	\$80,000	Non-MTW	AMRED
6. Landlord tenant law analysis	\$15,000	Non-MTW	PM
f. Administrative Contracts		\$622,000	
1.Capital Improvement Plan	\$10,000	MTW	AMRED
2. Housing Hilltop Commercial (Grant Funded)	\$500,000	Non-MTW	AMRED
3. Misc. Contracts	\$27,000	MTW/Non-MTW	EX
4. Budget & Finance Consulting Services	\$25,000	MTW/Non-MTW	FD
5. Misc. Consulting and Recruitment Services	\$10,000	MTW/Non-MTW	HR
6. Compensation Consulting	\$20,000	MTW/Non-MTW	HR
7. Administrative Plan & Program Evaluation	\$15,000	MTW	SI
9. Section 8 Market Study	\$15,000	MTW	RA
g. Staff Training and Travel		\$441,130	
1. Registrations, and Travel for all Departments	\$441,130	MTW/Non-MTW	All
h. Due Diligence - Development Opportunities		\$1,350,000	
1. Aviva Crossing (James Center)	\$50,000	Non-MTW	AMRED
2. Hillside 1500 Redevelopment	\$150,000	Non-MTW	AMRED
3. Salishan Resyndication Phase 2	\$150,000	Non-MTW	AMRED
3. New Opportunities & Acquisitions	\$1,000,000	Non-MTW	AMRED
i. Tenant Services			
1. Security Deposit Assistance	\$25,000	MTW	PM
l. Maintenance		\$357,900	
1. Landscaping & Irrigation (902, FIC & SAL7)	\$60,400	Non-MTW	PM
2. 902 Security Equipment, Flooring & Appliances	\$27,500	Non-MTW	PM

3. 902 Windows	\$48,000	Non-MTW	PM
4. Salishan 7 - Painting & HVAC Replacement	\$132,000	Non-MTW	PM
5. Outrigger - Painting	\$90,000	Non-MTW	PM
l. <i>Other Expenses</i>		<i>\$10,100</i>	
1. Archiving	\$10,100	Non-MTW	Multiple
2. Subscriptions	\$11,660	MTW/Non-MTW	Multiple
m. <i>Contingency</i>	\$100,000	Non-MTW	EX

7.2 CAPITAL EXPENSES

	Amount	MTW / Non-MTW / Properties	Department
a. Accessibility and sound deadening for THA facilities	\$710,000	MTW	AMRED
b. Maintenance Vehicles	\$150,000	MTW	PM
c. Housing Hilltop Redevelopment		<i>\$7,000,000</i>	
1. THA Loan A - Sponsor Loan	\$7,000,000	Non MTW	AMRED
d. New Acquisitions		<i>\$2,000,000</i>	
1. THA Funds - HUD Restricted Sales Proceeds	\$2,000,000	Non-MTW	AMRED

8. NOTABLE RECLASSIFICATIONS AND REDUCTIONS - FY 2026

Position	Department
8.1 Position Reclassifications	
a. Upgrade Asset Manager to Senior Asset Manager	AMRED
b. Upgrade Maintenance Supervisor to Maintenance Manager	PM
8.2 Vacant Budgeted 2025 Positions not included in the 2026 Budget	
a. Community Builder	CSE
b. Program Manager	CSE
c. Intergovernmental Affairs Manager	EX
d. Senior Advisor	EX
e. HR Manager	HR
f. IT Support Specialist	IT
g. Senior Data Analyst	IT
h. Business Process Analyst	IT
i. Construction Manager	PM
j. Property Operations Manager	PM
k. Senior Property Manager	PM
l. Housing Navigator (2)	RA

**Tacoma Housing Authority - Agency Wide Budget
FY2026**

	<u>AMRED</u>	<u>Client Support and Empowerment</u>	<u>Executive</u>	<u>Finance</u>	<u>Human Resources</u>	<u>Information Technology</u>	<u>Legal Services</u>	<u>Property Management</u>	<u>Rental Assistance</u>	<u>Strategic Initiatives</u>	<u>Agency Total</u>
Revenue - Operations											
Revenue											
Operating Grants	-	287,140	-	-	-	-	-	2,141,200	89,045,724	-	91,474,064
Tenant Revenue	-	-	-	-	-	-	-	4,919,567	-	-	4,919,567
Management Fee Revenues	472,376	1,331,505	153,900	784,992	162,402	554,418	98,205	668,305	627,715	85,452	4,939,269
Other Revenues	6,484,505	1,096,750	-	725,000	-	-	-	5,708,208	115,227	-	14,129,690
Total Revenue	6,956,881	2,715,395	153,900	1,509,992	162,402	554,418	98,205	13,437,281	89,788,666	85,452	115,462,591
Total Revenue	6,956,881	2,715,395	153,900	1,509,992	162,402	554,418	98,205	13,437,281	89,788,666	85,452	115,462,591
Expenses - Operations											
Operating Expense											
Administrative Expenses	4,002,292	71,735	898,444	2,692,034	800,131	5,091,547	775,994	2,454,770	7,351,676	1,198,364	25,336,986
Tenant Services	-	2,859,117	-	-	-	-	-	2,194,385	2,500	-	5,056,002
Utilities	13,000	-	-	-	-	-	-	529,202	-	-	542,202
Maintenance	12,500	3,000	-	-	-	-	-	2,583,362	6,000	-	2,604,862
Protective Services (THA)	-	-	-	-	-	-	-	21,023	-	-	21,023
Insurance Premiums	52,100	20,475	6,356	17,251	3,340	12,243	1,110	469,953	78,939	7,791	669,558
Total Other General Expenses	2,000	-	-	24,000	60,000	-	-	266,818	103,700	-	456,518
Interest Expense and Amortization Cost	-	-	-	-	-	-	-	526,422	-	-	526,422
Total Operating Expense	4,081,892	2,954,327	904,800	2,733,284	863,470	5,103,790	777,104	9,045,935	7,542,815	1,206,155	35,213,573
Non-Operating Expenses											
Extraordinary Maintenance Expense	-	-	-	-	-	-	-	204,100	-	-	204,100
Housing Assistance Payments	-	-	-	-	-	-	-	-	70,956,005	-	70,956,005
Total Non-Operating Expenses	-	-	-	-	-	-	-	204,100	70,956,005	-	71,160,105
Total Expenses - Operations	4,081,892	2,954,327	904,800	2,733,284	863,470	5,103,790	777,104	9,250,035	78,498,820	1,206,155	106,373,678
Surplus/(Loss) - Operations	2,874,988	(238,932)	(750,900)	(1,223,292)	(701,068)	(4,549,372)	(678,899)	4,187,246	11,289,846	(1,120,703)	9,088,913
Capital Revenue (Expense)	(7,210,000)	-	-	-	-	-	-	(322,568)	-	-	(7,532,568)
Liability and Equity	-	-	-	-	-	-	-	(240,710)	-	-	(240,710)
Reserve Appropriation	3,050,000	-	-	-	-	-	-	-	-	-	3,050,000
Net Surplus/(Loss)	(1,285,012)	(238,932)	(750,900)	(1,223,292)	(701,068)	(4,549,372)	(678,899)	3,623,968	11,289,846	(1,120,703)	4,365,635

Tacoma Housing Authority - THA Owned Properties 2026 Proposed Budget

	<u>Highland Crest</u>	<u>North Highland</u>	<u>Outrigger</u>	<u>Salishan 7</u>	<u>AJC Commercial</u>	<u>Housing Hilltop Commercial</u>	<u>James Center</u>	<u>Subtotal</u>
Revenue - Operations								
Tenant Revenue	1,051,475	508,660	659,690	2,680,742	-	-	-	4,900,567
Other Revenues	47,500	17,000	46,623	40,000	93,171	59,172	1,114,742	1,418,208
Total Revenue	1,098,975	525,660	706,313	2,720,742	93,171	59,172	1,114,742	6,318,776
Total Revenue	1,098,975	525,660	706,313	2,720,742	93,171	59,172	1,114,742	6,318,776
Expenses - Operations								
Operating Expense								
Administrative Expenses	86,839	55,953	58,490	194,168	73,092	12,962	78,000	559,503
Tenant Services	5,500	3,000	1,800	92,985	-	-	-	103,285
Utilities	93,884	35,687	67,920	165,000	6,226	15,285	86,000	470,002
Maintenance	288,800	130,095	212,600	351,825	5,980	7,741	272,100	1,269,141
Protective Services (THA)	720	-	-	-	-	-	10,000	10,720
Insurance Premiums	74,919	27,330	34,874	111,716	-	-	86,999	335,837
Total Other General Expenses	900	650	200	157,526	27	1,177	87,963	248,443
Interest Expense and Amortization Cost	274,591	146,231	105,600	-	-	-	-	526,422
Total Operating Expense	826,152	398,946	481,484	1,073,220	85,325	37,165	621,062	3,523,353
Non-Operating Expenses	-	-	90,000	100,000	-	-	-	190,000
Total Expenses - Operations	826,152	398,946	571,484	1,173,220	85,325	37,165	621,062	3,713,353
Surplus/(Loss) - Operations	272,823	126,714	134,829	1,547,522	7,847	22,007	493,680	2,605,423
Capital Expenses Revenue	(42,665)	(13,803)	(44,100)	(72,000)	-	-	-	(172,568)
Liability and Equity	(114,544)	(50,885)	(62,780)	(12,500)	-	-	-	(240,710)
Net Surplus/(Loss)	115,615	62,026	27,949	1,463,022	7,847	22,007	493,680	2,192,145

Tacoma Housing Authority - Tax Credit Partnership Portfolio
Proposed 2026 Operating Budgets

	<u>Alberta J</u> <u>Canada</u>	<u>Arlington</u> <u>Youth Campus</u>	<u>Bay Terrace</u> <u>Phase 1</u>	<u>Bay Terrace</u> <u>Phase 2</u>	<u>The Rise</u>	<u>Hillside</u> <u>Terrace 1500</u>	<u>Housing</u> <u>Hilltop</u>	<u>Renew</u> <u>Tacoma</u>	<u>Salishan 4</u>	<u>Salishan 5</u>	<u>Salishan 6</u>
Revenue											
Tenant Revenue	685,445	1,264,544	1,245,412	1,596,940	1,378,048	357,359	4,198,278	5,970,190	1,998,511	2,036,225	2,060,243
Other Revenues	65,110	2,000	70,466	2,000	2,000	15,000	6,932	13,500	6,000	2,500	2,400
Total Revenue	750,555	1,266,544	1,315,878	1,598,940	1,380,048	372,359	4,205,210	5,983,690	2,004,511	2,038,725	2,062,643
Operating Expenses											
Administrative Expenses	171,392	225,042	281,135	318,500	257,202	82,633	853,649	1,298,428	284,366	289,573	290,120
Tenant Services	1,200	-	70,935	81,484	62,935	16,134	131,500	128,372	91,252	91,252	91,252
Utilities	55,353	86,700	163,400	112,000	85,900	34,500	351,556	844,800	163,200	183,000	178,100
Maintenance	129,739	200,490	283,172	223,191	197,609	53,315	471,802	1,506,904	323,958	309,648	273,988
Protective Services (THA)	2,224	13,720	27,892	17,505	15,140	3,785	119,777	129,088	-	-	-
Insurance Premiums	59,442	81,100	115,763	88,518	64,162	51,053	351,195	428,871	111,599	111,193	110,889
Total Other General Expenses	6,594	11,142	31,153	23,682	15,090	6,687	96,551	145,520	153,342	156,512	160,244
Total Operating Expenses	425,944	618,194	973,450	864,881	698,040	248,108	2,376,030	4,481,984	1,127,718	1,141,178	1,104,594
Surplus/(Loss) - Operations	324,611	648,350	342,428	734,059	682,008	124,251	1,829,180	1,501,706	876,793	897,547	958,049
Interest Expenses	157,643	95,037	142,368	155,423	196,148	-	1,219,117	754,316	6,415	6,614	173,431
Principal Payments	77,174	35,004	89,930	74,993	82,653	0	0	337,599	52,980	52,781	125,941
Replacement Reserve	23,819	28,494	33,912	33,794	32,386	6,022	85,774	267,740	71,948	71,948	71,948
Cash Flow After Partnership Fees	65,974	489,814	76,218	469,850	370,823	118,230	524,289	142,050	745,450	766,204	586,729
Cash Flow to THA	65,974	489,814	91,445	519,045	370,823	135,569	524,289	142,050	763,397	783,544	603,482
PUPY Before RR & Ext. Exp.	8,874	10,518	13,587	10,937	10,760	14,423	10,240	9,799	12,290	12,387	11,991
PUPY Before Extra. Expense	9,370	11,010	14,072	11,394	11,266	14,799	10,611	10,387	13,089	13,187	12,790
DCR	1.28	4.83	1.42	3.28	2.36	-	1.44	1.14	13.92	14.34	3.04
Rep Reserve Funded Expenses	-	11,700	69,200	89,339	39,600	11,350	-	481,300	32,000	32,000	32,000



Resolution 4



RESOLUTION 2025-12-10 (4)

Date: December 10, 2025

To: THA Board of Commissioners

From: April Black
Executive Director

Re: 2026 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. 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, Housing and Urban Development (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 2025-12-10 (4) committing THA reserves as identified in the attached Schedule of Board Reserve Commitments.



RESOLUTION 2025-12-10 (4)

(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 2024-12-11 (9) 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 2026 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 10, 2025

Stanley Rumbaugh, Chair

2026 Schedule of Board Reserve Commitments

Board Future Commitments		2025 Commitments	2026 Budget	Future Commitments 2027 and Beyond	MTW or Non-MTW	Period
a.	Business Process Improvement Project	\$475,000			MTW	2022 - 2026
b.	Faircloth & Property Repositioning	\$200,000	\$200,000	\$200,000	MTW / Non MTW	2025 - 2028
c.	Hillside Terrace 1500 Redevelopment		\$150,000	\$1,000,000	Non MTW	2029
d.	Aviva Crossing (James Center North) Loan Payment (WSHFC)	\$1,284,900			Non MTW	2025
e.	Aviva Crossing (James Center North) Infrastructure & Loan	\$2,110,500			Non MTW	2025
e.	Housing Hilltop	\$8,287,500	\$7,000,000		Non MTW	2025-2026
f.	Fleet modernization		\$150,000	\$150,000	MTW	2026 - 2029
g.	Software Platform Conversion / IT Upgrades	\$500,000	\$795,000	\$400,000	MTW	2022 - 2027
h.	Property Acquisitions, Enhancements & Future Development Opportunity Evaluation	\$3,000,000	\$3,000,000	\$6,000,000	MTW / Non MTW	2025 - 2028
i.	THA administrative and community space upgrades	\$500,000	\$710,000		MTW	2025 - 2026
j.	Two months of operating reserves and fully funded replacement reserves		\$18,600,000	\$18,600,000	MTW / Non MTW	In perpetuity
Commitments by Year		\$16,357,900	\$30,605,000	\$26,350,000		

Minimum Reserve Balances					
1.	Business Activity Reserves	\$7,000,000	\$7,310,000	\$7,310,000	Non MTW In perpetuity
2.	MTW Reserves	\$900,000	\$690,000	\$690,000	MTW In perpetuity
3.	THA Property Reserves	\$3,000,000	\$2,150,000	\$2,150,000	Non MTW In perpetuity
4.	Salishan Resyndication		\$11,000,000	\$11,000,000	Non MTW 2028
Minimum End of Year Reserves by Year		Totals	\$10,900,000	\$21,150,000	\$21,150,000

Resolution 5



RESOLUTION 2025-12-10 (5)

Date: December 10, 2025

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval of Accounts Receivable Write-Offs - Tenant

This resolution would authorize Tacoma Housing Authority's (THA) staff to "write off" bad debts related to tenant accounts in the amount of \$94,524.22.

BACKGROUND

THA has established a process for writing off tenant accounts receivable as bad debt. THA incurs this bad debt when a program participant leaves the public housing or Housing Choice Voucher program owing a balance. The debt may arise from excessive damage to a unit, unpaid rent, or tenant fraud/unreported income.

Until we write off tenant accounts receivable balances as bad debt, these balances remain on the active tenant ledger in our accounting system and the General Ledger (GL). The receivable balance also stays part of our tenant receivables, which 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 transfer it to the collection agency for recovery. THA receives 50% of any proceeds the collection agency recovers.

THA has notified each individual of their debt included in this write-off. THA mailed two notices to the individual's last known address. These notices give the individual the chance to pay the debt or set up a repayment plan with THA. Sending a tenant to collections is THA's last option for collecting tenant debt.

RECOMMENDATION

Approve Resolution 2025-12-10 (5) authorizing THA to write off tenant accounts totaling \$94,524.22.



RESOLUTION 2025-12-10 (5)

(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 services to Public Housing and Housing Choice Voucher participants who discontinued housing assistance with debt owed to THA; and

WHEREAS, Each individual included in this tenant account write-off has been notified of their debt and given the opportunity to pay prior to this resolution; now, therefore, be it

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

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

	Account #	Balance
Salishan Seven	t0026736	\$11,675.00
	t0026797	\$9,518.80
	t0026728	\$23,874.41
	b0002568	\$3,075.00
Tacoma Housing Authority – AMP 6	t0014415	\$22,858.01
Tacoma Housing Authority	b0005023	\$1,700.00
	t0008254	\$2,580.00
	t0017296	\$5,364.00*
	t0020984	\$706.00
	t0026771	\$6,650.00
	t0026808	\$404.00
	t0026711	\$6,119.00
Total Write-off		<u>\$94,524.22</u>
Write-off only*		\$5,364.00
Total to Collections		\$89,160.22

Approved: December 10, 2025

Stanley Rumbaugh, Chair