



## RESOLUTION 2024-12-11 (8)

**Date:** December 11, 2024

**To:** THA Board of Commissioners

**From:** April Black  
Executive Director

**Re:** Fiscal Year 2025 Agency Budget

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*This resolution would adopt Tacoma Housing Authority's (THA) budget for 2025. The details are set forth in the attachments.*

### BACKGROUND

By this resolution, the Board will adopt the Tacoma Housing Authority (THA) budget for FY 2025. Each year, THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes, each department director will manage and control their department budget in accordance with Federal, State, and Local regulations.

The Board and Executive Director provided direction for writing this budget. This guidance has been shared with the Authority's Leadership Team and is incorporated into the 2025 Budget. The Finance Director facilitated multiple meetings with the other Directors to develop a budget to present to me and the Board. The resulting budget also reflects the significant uncertainty that lies ahead. These changes may result in lower funding, increased operational costs, and programmatic changes. The budget provides the Agency with the flexibility to best position itself to accommodate these changes.

## NOTABLE INFORMATION

- The 2025 budget is based on 2024 federal funding levels.
- The budget for Housing Assistance Payments (HAP) was adjusted to reflect current utilization and costs, projecting out to 2025. This includes a proposed increase in the utility allowance and a small increase in THA's payment standards.
- The 2025 budget fits recurring expenses within recurring income.
- The salary budget continues to reflect THA's commitment to pay staff salaries commensurate with the level needed to rent a 2-bedroom unit in Tacoma.
- THA has reviewed and updated all property budgets, both Tax Credit and THA owned for the 2025 budget. Changes were made in the property budgets to reflect the changing needs of individual properties. There were no significant changes in overall staffing levels or major initiatives.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather continuing budget challenges. As we remain in an unsettled environment, this approach should continue to serve the agency well.
- As grant funding fluctuates annually, we have collaborated with various departments to update the grant funding and expenditures to reflect the projections for 2025. Consistent with our past practices, we balance expenses with grant income to ensure a net zero impact on the agency each year.
- There will be significant activity in the development area in 2025. While Housing Hilltop construction will be complete, the development-related financial impacts will continue through 2026. Work will continue on Aviva Crossing (James Center North) and the Salishan resyndication project. THA will continue looking for other development and acquisition opportunities to expand the Agency's ability to serve lower-income Tacoma residents.
- The 2025 Budget proposal ensures that THA maintains adequate MTW and non-MTW reserves. Additionally, there are reserves from the sale of THA's public housing Scattered Site portfolio, which HUD has designated under the demo/dispo application terms for the rehabilitation or development of new affordable housing in the community. THA remains 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. By continuing this approach in the 2025 budget, we project ending the year with healthy unrestricted reserves and a limited amount of MTW reserves. HUD's cash management regulations do not allow agencies to hold excess MTW reserves.

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 budget positions THA to continue increasing the number of households served and adapt to any changes that may arise. For 2025, it will enable THA to increase

its MTW utilization to over 99%. Additionally, it allows THA to remain financially stable while increasing the amount of available housing and continuing our work toward being a great employer and partner.

## **ADDITIONAL INFORMATION**

### **Budget Principles**

- As Congress had not passed a budget for HUD when we began building our budget, we presumed the worst of the plausible budget versions working their way through Congress. With the recent election results, future funding is even less clear. As a result, we have based our budget on flat funding.
- The budget will account for THA's strategic objectives.
  - Financial Sustainability
  - Increase the amount of available housing for low-income families
  - Increase housing access and stability
  - THA will be a great employer, contractor, and 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**

- HAP, Housing Assistance Payments, is the largest driver of expenses for our agency budget, accounting for approximately 64% of the agency's operating expenses. After years of rapid increases, the per unit cost of THA's traditional tenant-based vouchers has temporarily slowed. It is anticipated that future market and programmatic changes may result in increased growth rates that impact our longer-term projections. While the cost of tenant-based vouchers did not increase as rapidly, the cost of THA's project-based units has. The cost of the project-based vouchers in THA's portfolio increased significantly in September of 2024 when the rents were increased to the payment standard. This increase will provide additional unrestricted cash to THA and increase the amount of MTW funding necessary for the HAP payments. With the exception of a slight increase in the payment standard, no significant programmatic changes are currently planned for the voucher program that would drive dramatic changes in per-voucher HAP costs for 2025. The modest increase in per voucher cost combined with increased MTW utilization (99.2% of MTW baseline) will result in an MTW HAP budget that is 11.8% higher than it was in 2024.
- The Special Purpose Voucher programs (EHV, FUP, FYI, Mainstream, NED, VASH) projected utilization and average HAP have been updated for the 2025 budget. In 2024, we budgeted for aggressive growth in utilization that proved challenging to achieve for some of the harder-to-

serve voucher programs. We are also no longer able to issue new EHV vouchers, so our EHV utilization will continue to fall as participants leave the program. As a result, the budgeted 2025 Special Purpose Voucher HAP expense is below the 2024 budgeted amount but above the 2024 actual expense.

- The budget includes the addition of two Housing Navigators to assist our tenants in successfully finding housing. This additional resource is anticipated to help reduce leasing times and improve the overall leasing success rate.
- Section 8 Admin Fees are budgeted based on the 2024 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 continues to prioritize paying a housing wage and providing competitive salaries for its employees. To this end, a mid-year increase has been included in the budget. As in prior years, the budget funds Special Recognition Awards and Merit awards under our current pay-for-performance model. Both of these increases can occur later in the year, which will allow THA to better understand the Agency's funding outlook before utilizing the funds. It will also provide the Agency time to evaluate its employee compensation program and ensure that the available funds are put to their highest and best use for both the Agency and its employees.
- The cost of medical and dental benefits will increase significantly in 2025. The majority of THA plans had increases larger than 10% for 2025. The increase varied significantly according to the type of plan and the family members being covered. We utilized a blended rate to account for the variance between the available plans.

### **Employee Recognition**

- The 2025 budget includes funding for the annual employee appreciation event held in December and the mid-year employee appreciation event held in the summer.
- Funding is included to allow department managers and directors to recognize employees and for department level team building events. Departments were allocated \$50 per budgeted employee for this purpose.

### **IT Expenditures**

- The 2024 budget included significant funding for the Yardi conversion. These costs have been removed from the budget. Work continues on building out Yardi, implementing the Data Warehouse, and working on the electronic document project. Funding for these projects is included in the 2025 budget.

### **Reserves and Capital spending**

Reserves play a crucial role in our operations. We aim to maintain sufficient reserves to ensure safe operations, uphold our creditworthiness with investors and partners, and have funds available for real estate development opportunities as they arise. We continuously assess the minimum and maximum levels of reserves overall and for each type of reserve. The Board then determines the optimal reserve levels.

For our MTW funds, we project reserve levels to be around \$1.3 million at THA and \$3.6 million at HUD by the end of 2025. For our Business Activity funds (Non-MTW without restrictions), we anticipate reserves of approximately \$13.8 million.

- In the budget, we specify areas where we will transfer from certain areas or pull from reserves rather than operations for expenditures. In addition to funding non-recurring expenses, reserves are used for a variety of capital items. There are multiple large capital transactions planned for 2025.
- Housing Hilltop Loans:
  - When the Housing Hilltop LLLP project closed, THA set aside \$8,287,500 to fund a loan to the partnership to help pay down the construction loan. This portion of the loan is scheduled to be funded in 2025.
  - Included in the Housing Hilltop construction budget is a loan from TCRA for \$900,000 that will flow through THA.
- Aviva Crossing (James Center North) will have significant and varied capital transactions in 2025. For items funded through reserves, the anticipated reserve source will be listed. For activity listed as being funded through Business Activity reserves, THA will work to utilize restricted reserves if allowable.
  - \$2.96 Million – Grant funded infrastructure work.
  - \$1.25 Million – Proceeds from lot sales and leases.
  - \$1.0 Million – Loan to Mercy Housing to support infrastructure work. This is anticipated to be funded through Scattered Site Sales proceeds.
  - \$1.11 Million – Infrastructure work funded through Business Activity reserves.
- We are budgeting \$650,000 in MTW reserves to improve THA offices and community spaces and update the THA fleet.
- THA continues to look for opportunities to acquire new affordable units to better serve our clients. We are budgeting \$2 million from Reserves with Restrictions funds (ACC sales proceeds) for rental property purchases.

#### **Property Reserves**

We are budgeting a \$1.75 million transfer of funds from THA-owned rental properties to Business activities at end of 2025 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 \$3.9 million reserve level for this category.

#### **Use of MTW flexibility**

Due to our MTW flexibilities, we have had the ability to combine our Public Housing Operating subsidies, Public Housing Capital Funds, and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. With our Public Housing primarily converted to Section 8 RAD units, our

flexibility lies in combining our Section 8 Housing Choice Voucher HAP funds and Section 8 admin fees for those units into a single funding source to carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.

**Reserves**

The budget will leave us with the following reserves as indicated in Attachment A:

○	MTW Reserves	\$ 1,332,267
○	Business Activities (Non-MTW) reserves	\$ 13,811,094
○	THA Owned Property reserves	\$ 3,908,623
○	Reserves with Restrictions	\$ 2,920,000
○	Housing Hilltop Construction Reserve	\$ -
○	Section 8 Reserves held at HUD	\$ <u>3,600,000</u>
		<b>\$ 25,571,984</b>

**RECOMMENDATION**

I recommend that the Board adopt Resolution 2024-12-11(8) to formally approve THA’s Fiscal Year 2025 Annual Budget.



**RESOLUTION 2024-12-11 (8)  
(FISCAL YEAR 2025 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 2025; 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 2025 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 2025 Agency wide budget. Expenses and other cash outflows are projected as follows:

Expenses - Operations

Asset Management & Real Estate Development	\$	2,843,804
Client Support & Empowerment		5,180,766
Executive		2,423,948
Finance		2,579,636
Human Resources		1,201,165
Information Technology		4,173,216
Policy, Innovation and Evaluation		2,403,453
Rental Assistance		72,163,475
Property Management Overhead		3,966,174
Property Budgets		<u>3,190,707</u>
Subtotal		\$100,126,344

Additional Cash Outflows

Debt Service		230,491
Loan Payoffs		1,284,900
Loans		10,187,500
Capital Expenditures		6,720,500
Replacement Reserves		<u>170,723</u>
Subtotal		\$18,594,114

**TOTAL APPROVED BUDGET**

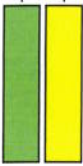
**\$118,720,458**

**Approved: December 11, 2024**

**Derek Young, Chair**



**BOARD OF COMMISSIONER DECISION POINTS: 2025 Budget**  
December, 2024



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 01/01/25	Minimum	Maximum	Amount to Reserve - 2025	Amount of reserves available to use in FY-2025
a. MTW Reserves	\$1,500,000	\$900,000	\$7,500,000	\$1,300,000	\$200,000
b. Business Activities (Non-MTW) reserves	\$13,230,000	\$7,000,000	\$13,000,000	\$11,000,000	\$2,230,000
c. THA Owned Property	\$4,900,000	\$3,000,000	\$4,000,000	\$3,900,000	\$1,000,000
d. Reserves with Restrictions (ACC sale proceeds)	\$5,920,000	\$0	\$0	\$0	\$5,920,000
e. Housing Hilltop Construction Reserve	\$8,287,500	\$8,287,500	\$8,287,500	\$0	\$8,287,500
f. Section 8 Reserves held at HUD.	\$9,600,000	\$0	\$0	\$0	\$9,600,000
	<b>\$43,437,500</b>	<b>\$19,187,500</b>	<b>\$32,787,500</b>	<b>\$16,200,000</b>	<b>\$27,237,500</b>

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$22,600,000	1/2 month	\$900,000	4 months	\$7,500,000
<b>Total</b>		<b>\$900,000</b>	<b>Total</b>	<b>\$7,500,000</b>

**MTW Reserves**  
MTW Expenses Non-HAP



2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2025

	Recurring Income	Cost of Recurring operations	=	Surplus or (Shortfall) in recurring operations <sup>1</sup>
MTW	\$72,242,512	\$74,740,556		(\$2,498,044)
Non-MTW	\$16,082,890	\$15,749,594		\$333,296
Rental Properties	\$5,629,787	\$3,435,764		\$2,194,023
<b>Total</b>	<b>\$93,955,189</b>	<b>\$93,925,914</b>		<b>\$29,275</b>

3. BUDGET IMPACT - RESERVES - FY-2025

	Non - MTW					Total
	MTW	Business Activities	THA Owned Property	Reserves with Restrictions (ACC sale proceeds)	Housing Hilltop Construction Reserve	
<b>Estimated Reserves - 01/01/25</b>	<b>\$1,500,000</b>	<b>\$13,230,000</b>	<b>\$4,900,000</b>	<b>\$5,920,000</b>	<b>\$8,287,500</b>	<b>\$9,600,000</b>
a. Recurring Surplus/(Shortfall) <sup>1</sup>	(\$2,498,044)	\$333,296	\$2,194,023			
<b>Non-Recurring Income/(Expense)</b>						<b>Amount</b>
b. Non Recurring Income - Operational	\$0	\$1,789,753				\$1,789,753
c. Non Recurring Income - Capital	\$0	\$5,110,000				\$5,110,000
d. Non Recurring Expenses - Operational	(\$3,019,689)	(\$3,431,455)	(\$150,500)			(\$6,601,644)
e. Non Recurring Expenses - Capital	(\$650,000)			(\$2,000,000)		(\$2,650,000)
f. Operating Transfers		\$1,750,000	(\$1,750,000)			\$0
g. HUD HAP Drawdown/Transfer to MTW	\$6,000,000					\$6,000,000
h. Aviva Crossing (James Center North) - Infrastructure		(\$4,070,500)		(\$1,000,000)		(\$5,070,500)
i. Aviva Crossing (James Center North) - Loan Payoff			(\$1,284,900)			(\$1,284,900)
j. Housing Hilltop Loans		(\$900,000)			(\$8,287,500)	(\$9,187,500)
<b>k. Projected Reserves - 12/31/25</b>	<b>\$1,332,267</b>	<b>\$13,811,094</b>	<b>\$3,908,623</b>	<b>\$2,920,000</b>	<b>\$0</b>	<b>\$3,600,000</b>
						<b>\$25,571,984</b>

4. **FY-2025 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/25	Minimum	Maximum	Amount to Reserve - 2025	Excess/(Deficit) Reserves Over Amount to Reserve
a. MTW Reserves	\$1,332,267	\$900,000	\$7,500,000	\$1,300,000	\$32,267
b. Business Activities (Non-MTW) reserves	\$13,811,094	\$7,000,000	\$13,000,000	\$11,000,000	\$2,811,094
c. THA Owned Property	\$3,908,623	\$3,000,000	\$4,000,000	\$3,900,000	\$8,623
d. Reserves with Restrictions (ACC sale proceeds)	\$2,920,000	\$0	\$0	\$0	\$2,920,000
e. Housing Hilltop Construction Reserve	\$0	\$8,287,500	\$8,287,500	\$0	\$0
f. Section 8 Reserves held at HUD.	\$3,600,000	\$0	\$0	\$0	\$3,600,000
<b>Totals</b>	<b>\$25,571,984</b>	<b>\$19,187,500</b>	<b>\$32,787,500</b>	<b>\$16,200,000</b>	<b>\$9,371,984</b>

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

NOTABLE RECURRING CHANGES FROM 2024 BUDGET				
5.1	Notable Increases in 2025 Recurring Revenue	Amount	Notable Increases in 2025 Recurring Expense	Amount
a.	Section 8 HAP - HUD increase	\$7,546,000	Section 8 HAP	
b.	Section 8 Admin Fees	\$376,000	- HAP increases due to increased utilization & per unit HAP expense	\$5,489,000
c.	Tenant Revenue	\$962,000	Staffing (Salary & Benefits)	
d.	Property Waterfall Payments	\$1,211,000	- New Positions (Salaries & Benefits)	\$707,000
e.	Section 8 Admin Fees	\$376,000	- Salary Adjustment & Staff Reclassification	\$1,683,000
f.	Tax Credit Property Management Fees	\$203,000	- Recurring Classification Change	\$1,880,000
g.			IT Licenses (Compared to 2023 & 2024 Budget)	\$196,000
<b>h. Subtotal</b>		<b>\$10,674,000</b>		<b>\$9,955,000</b>
<b>5.2</b>	<b>Notable Decreases in 2025 Recurring Revenue</b>		<b>Notable Decreases in 2025 Recurring Expense</b>	
a.	Commercial Rent revenue	\$267,000	Tenant Services Contracts	\$157,000
b.	Interest Income	\$407,000		
<b>c. Subtotal</b>		<b>\$674,000</b>		<b>\$157,000</b>

NOTABLE NON-RECURRING CHANGES				
5.3	Notable Increases in 2025 Non-Recurring Revenue	Amount	Notable Increases in 2025 Non-Recurring Expense	Amount
a.	Developer Fee	\$700,000	Due diligence (Hillside Redevelopment & Future Development Sites)	\$600,000
b.			Legal (Development)	\$90,000
c.			Due diligence (Hillside Redevelopment & Future Development Sites)	\$600,000
d.	<b>Subtotal</b>	\$700,000		<b>\$1,290,000</b>
5.4	Notable Decreases in 2025 Non-Recurring Revenue	Amount	Notable Decreases in 2025 Non-Recurring Expense	Amount
a.	2024 HAP income carryover and included in 2025 budget	\$2,375,000	Staffing (Salary & Benefits)	\$1,880,000
b.			- Recurring Classification Change	\$822,000
c.			IT Contracts (Primarily Yardi Conversion)	\$111,000
d.			IT Licenses	\$271,000
e.			Contract Services (HR & Inclusiveness)	
f.	<b>Subtotal</b>	\$2,375,000		<b>\$3,084,000</b>

A LOOK AHEAD				
5.5	Recurring FY-26 Income	Amount	Recurring FY-26 Expense	Amount
a.	Section 8 HAP - HUD increase	TBD	Section 8 HAP	TBD
b.	Housing Hilltop waterfall payments	TBD		
c.	Housing Hilltop Commercial Rents	TBD		
d.	Reduced Jame Center Commercial Rents	TBD		
5.6	Non-Recurring FY-26 Income	Amount	Non-Recurring FY-26 Expense	Amount
a.	Developer Fees		Housing Hilltop Development Loan	\$7,187,500
1.	Housing Hilltop	\$6,525,000	Property Purchases	TBD
2.	Salishan Developer Fee	TBD	Salishan Resyndication Loans	TBD
b.	Aviva Crossing (James Center) Lot Sales	TBD		

Back-up Detail - Notable Items

6. NON-RECURRING INCOME: FY-2025

Sources of Non-Recurring Income			
	Amount	MTW/Non-MTW/Properties	Department
<i>Operational</i>			
a. 2024 HAP income carryover and included in 2025 budget	\$6,000,000	MTW	RA
b. <i>Developer Fee Income</i>		\$700,000	
1. Shiloh Developer Fee	\$200,000	Non-MTW	AMRED
1. Salishan Resyndication Developer Fee	\$500,000	Non-MTW	AMRED
c. Grant Income (All grants with end dates)	\$1,089,753	Non-MTW	CS / RA

Capital			
	Amount	MTW/Non-MTW/Properties	Department
a. Housing Hilltop - TCRA Loan	\$900,000	Non -MTW	AMRED
b. Aviva Crossing - James Center North		\$4,210,000	AMRED
1. Infrastructure - CHIP Grant	\$2,000,000	Non -MTW	AMRED
2. Infrastructure - EPA Loan	\$960,000	Non -MTW	AMRED
3. Land Sales	\$1,250,000	Non -MTW	AMRED

7. NOTABLE NON-RECURRING EXPENSES (Non Grant Funded) - FY 2025

7.1 Operational Expenses

	Amount	MTW/Non-MTW/Properties	Department
a. <i>Salaries &amp; Benefits</i>			
1. Development/Grant Funded/Time limited positions (Sal & Ben)	\$1,234,910	MTW/Non-MTW	Multiple
2. Overtime	\$100,786	MTW/Non-MTW	Multiple
3. Executive Special Recognition Funds- Salary only	\$200,000	MTW/Non-MTW	EX
Advertising & Marketing		\$15,000	EX
1. Property Videos	\$15,000	MTW/Non-MTW	EX
<i>Information Technology Expenses</i>		\$690,000	
1. Data Warehouse/Fabric Support	\$300,000	MTW/Non-MTW	IT
2. Eagle Eye Camera System	\$50,000	MTW/Non-MTW	IT
3. EightCloud Managed Services	\$25,000	MTW/Non-MTW	IT
4. IT Innovative Technology Infrastructure Wiring	\$25,000	MTW/Non-MTW	IT
5. Electronic Documents Project Support	\$50,000	MTW/Non-MTW	IT
6. Cyber Security Consulting	\$40,000	MTW/Non-MTW	IT
7. Yardi Support	\$200,000	MTW/Non-MTW	IT
<i>Office Equipment</i>		\$75,500	
1. Common space and office furniture	\$58,500	MTW/Non-MTW	Multiple
1. IT Equipment	\$17,000	MTW/Non-MTW	Multiple
<i>Legal</i>		\$240,000	
1. HR Miscellaneous, Claims & Union Negotiations	\$35,000	MTW/Non-MTW	HR
2. Policy Handbook review	\$20,000	MTW/Non-MTW	HR
3. Miscellaneous	\$50,000	MTW/Non-MTW	AMRED
4. New or upcoming Development Projects/Acquisitions	\$70,000	Non-MTW	AMRED
5. Aviva Crossing (James Center North)	\$50,000	Non-MTW	AMRED
6. Landlord tenant law analysis	\$15,000	Non-MTW	PM
<i>Administrative Contracts</i>		\$257,000	
1. Capital Improvement Plan	\$10,000	MTW	AMRED
2. Inclusive operations	\$40,000	MTW/Non-MTW	EX
3. Misc. Contracts	\$50,000	MTW/Non-MTW	EX
4. Budget Support & Finance Consulting	\$25,000	MTW/Non-MTW	FD
5. Finger Printing, Recruitment & Misc.	\$29,000	MTW/Non-MTW	HR
6. Salary Compensation & Compensation Study	\$27,000	MTW/Non-MTW	HR
7. Administrative Plan & Program Evaluation	\$25,000	MTW	PI
8. Data & Reporting - FFTS	\$30,000	MTW/Non-MTW	PI
9. Section 8 Market Study	\$15,000	MTW	RA
<i>Staff Training and Travel</i>		\$575,000	
1. Registrations, and Travel for all Departments	\$575,000	MTW/Non-MTW	All
<i>Due Diligence - Development Opportunities</i>		\$1,150,000	

1. Hillside 1500 Redevelopment	\$150,000	Non-MTW	AMRED
2. New Opportunities & Acquisitions	\$1,000,000	Non-MTW	AMRED
i. Tenant Services			
1. Security Deposit Assistance	\$175,000		
1.1 Section 8 Voucher Program	\$150,000	MTW	RA
1.2 THA Managed Rental Units	\$25,000	MTW	PM
j. Housing Assistance Payments			
1. Rapid Rehousing	\$900,000	MTW	RA
i. Maintenance			
1. Outrigger Painting	\$90,000	Non-MTW	PM
2. Salishan 7 - Painting & HVAC Replacement	\$55,000	Non-MTW	PM
3. FIC Duct Cleaning	\$18,000	Non-MTW	PM
m. Contingency	\$100,000	Non-MTW	EX

7.2 CAPITAL EXPENSES

	Amount	MTW/Non-MTW/Properties	Department
a. Accessibility and sound deadening for THA facilities	\$500,000	MTW	AMRED
b. Maintenance Vehicles	\$150,000	MTW	PM
c. Inspector Vehicles	\$0	MTW	RA
d. Aviva Crossing (James Center North)		\$6,355,400	
1. Infrastructure - Grant Funded	\$2,960,000	Non MTW	AMRED
2. Infrastructure - Cost Share	\$1,110,500	Non MTW	AMRED
3. Infrastructure - Mercy Loan (Sales Proceeds)	\$1,000,000	Non MTW	AMRED
4. WSHFC loan retirement	\$1,284,900	Properties	AMRED
e. Housing Hilltop Redevelopment - 2025		\$9,187,500	
1. THA Loan A - Sponsor Loan	\$8,287,500	Non MTW	AMRED
1. THA Loan D - TCRA	\$900,000	Non MTW	AMRED
f. New Acquisitions		\$2,000,000	RD
1. THA Funds - HUD Restricted Sales Proceeds	\$2,000,000	Non-MTW	RD



**8. NOTABLE RECLASSIFICATIONS AND NEW POSITIONS - FY 2025**

Position	Department
<b>9.1 Position Reclassifications</b>	
a. Upgrade Asset Management Analyst to Asset Manager	AMRED
b. Upgrade Accounting Specialist to Senior Accountant	FD
c. Upgrade HR Coordinator to HR Analyst	HR
d. Upgrade Data Analyst to Senior Data Analyst	PIE/IT
<b>9.2 New Positions in 2025 Budget from 2024 Budget</b>	
a. Senior Legal Counsel	EX
b. Accounting Specialist (Sunset / Non-Recurring)	FD
c. Housing Navigator (2)	RA
d. Senior Property Manager	PM
e. Key Holders (3) - Part-time - Charged to LIHTC Properties	Properties



**Tacoma Housing Authority - Agency Wide Budget  
FY2025**

	<u>AMRED</u>	<u>Client Support and Empowerment</u>	<u>Executive</u>	<u>Finance</u>	<u>Human Resources</u>	<u>Information Technology</u>	<u>Policy Innovation &amp; Evaluation</u>	<u>Property Management</u>	<u>Rental Assistance</u>	<u>Agency Total</u>
<b>Revenue - Operations</b>										
Operating Grants	-	2,340,915	-	-	-	-	-	143,300	84,291,614	86,775,829
Tenant Revenue	-	-	-	-	-	-	-	4,611,214	-	4,611,214
Management Fee Revenues	326,832	661,526	168,569	771,075	157,899	536,570	140,357	739,640	577,203	4,079,669
Other Revenues	734,505	921,526	-	305,000	-	-	-	4,214,472	102,727	6,278,230
<b>Total Revenue</b>	<b>1,061,337</b>	<b>3,923,967</b>	<b>168,569</b>	<b>1,076,075</b>	<b>157,899</b>	<b>536,570</b>	<b>140,357</b>	<b>9,708,626</b>	<b>84,971,544</b>	<b>101,744,942</b>
<b>Expenses - Operations</b>										
<b>Operating Expense</b>										
Administrative Expenses	2,726,711	110,229	2,413,251	2,543,141	1,136,573	4,168,250	2,394,399	2,878,110	7,520,412	25,891,076
Tenant Services	-	5,035,556	-	-	-	-	-	55,450	176,386	5,267,392
Utilities	13,000	-	-	-	-	-	-	458,912	-	471,912
Maintenance	12,500	3,000	-	-	-	-	-	2,418,598	6,000	2,440,098
Protective Services (THA)	-	-	-	-	-	-	-	18,677	-	18,677
Insurance Premiums	89,592	31,982	10,697	13,995	4,592	4,966	9,054	465,776	55,203	685,857
Total Other General Expenses	2,000	-	-	22,500	60,000	-	-	224,016	103,700	412,216
Interest Expense and Amortization Cost	-	-	-	-	-	-	-	512,830	-	512,830
<b>Total Operating Expense</b>	<b>2,843,804</b>	<b>5,180,766</b>	<b>2,423,948</b>	<b>2,579,636</b>	<b>1,201,165</b>	<b>4,173,216</b>	<b>2,403,453</b>	<b>7,032,369</b>	<b>7,861,701</b>	<b>35,700,058</b>
<b>Non-Operating Expenses</b>										
Extraordinary Maintenance Expense	-	-	-	-	-	-	-	124,512	-	124,512
Housing Assistance Payments	-	-	-	-	-	-	-	-	64,301,774	64,301,774
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,512</b>	<b>64,301,774</b>	<b>64,426,286</b>
<b>Total Expenses - Operations</b>	<b>2,843,804</b>	<b>5,180,766</b>	<b>2,423,948</b>	<b>2,579,636</b>	<b>1,201,165</b>	<b>4,173,216</b>	<b>2,403,453</b>	<b>7,156,881</b>	<b>72,163,475</b>	<b>100,126,344</b>
<b>Surplus/(Loss) - Operations</b>	<b>(1,782,467)</b>	<b>(1,256,800)</b>	<b>(2,255,380)</b>	<b>(1,503,561)</b>	<b>(1,043,266)</b>	<b>(3,636,646)</b>	<b>(2,263,097)</b>	<b>2,551,745</b>	<b>12,808,069</b>	<b>1,618,598</b>
<b>Capital Revenue (Expense)</b>	<b>(11,648,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(320,723)</b>	<b>-</b>	<b>(11,968,723)</b>
<b>Liability and Equity</b>	<b>(1,284,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(230,491)</b>	<b>-</b>	<b>(1,515,391)</b>
<b>Reserve Appropriation</b>	<b>13,682,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,682,900</b>
<b>Net Surplus/(Loss)</b>	<b>(1,032,467)</b>	<b>(1,256,800)</b>	<b>(2,255,380)</b>	<b>(1,503,561)</b>	<b>(1,043,266)</b>	<b>(3,636,646)</b>	<b>(2,263,097)</b>	<b>2,000,531</b>	<b>12,808,069</b>	<b>1,817,384</b>

## Tacoma Housing Authority - Property Budget FY - 2025

	<u>Aviva Crossing</u>	<u>Highland Crest</u> <u>Apartments</u>	<u>North Highland</u> <u>Court</u>	<u>Outrigger</u> <u>Apartments</u>	<u>Salishan 7</u>	<u>Subtotal</u>
<b>Revenue - Operations</b>						
Tenant Revenue	0	1,264,380	574,900	671,124	2,081,810	4,592,214
Other Revenues	905,183	34,800	21,000	36,590	40,000	1,037,573
<b>Total Revenue</b>	<b>905,183</b>	<b>1,299,180</b>	<b>595,900</b>	<b>707,714</b>	<b>2,121,810</b>	<b>5,629,787</b>
<b>Expenses - Operations</b>						
Operating Expense	496,498	771,476	372,395	440,556	999,125	3,080,050
Non-Operating Expenses	-	-	-	90,000	15,000	105,000
Extraordinary Maintenance Expense	-	-	-	90,000	15,000	105,000
<b>Total Non-Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>180,000</b>	<b>30,000</b>	<b>215,000</b>
<b>Total Expenses - Operations</b>	<b>496,498</b>	<b>771,476</b>	<b>372,395</b>	<b>620,556</b>	<b>1,014,125</b>	<b>3,185,050</b>
<b>Surplus/(Loss) - Operations</b>	<b>408,685</b>	<b>527,704</b>	<b>223,505</b>	<b>177,158</b>	<b>1,107,685</b>	<b>2,444,737</b>
<b>Capital Expenses (Revenue)</b>	<b>0</b>	<b>41,222</b>	<b>13,401</b>	<b>44,100</b>	<b>72,000</b>	<b>170,723</b>
<b>Liability and Equity</b>	<b>1,284,900</b>	<b>109,445</b>	<b>48,326</b>	<b>60,220</b>	<b>12,500</b>	<b>1,515,391</b>
<b>Net Surplus/(Loss)</b>	<b>(876,215)</b>	<b>377,038</b>	<b>161,777</b>	<b>72,838</b>	<b>1,023,185</b>	<b>758,623</b>