



RESOLUTION NO. 40193

1 A RESOLUTION relating to community and economic development; approving
2 the 2019-2020 Administration and Operating Budget for the Tacoma
Community Redevelopment Authority.

3 WHEREAS the Tacoma Community Redevelopment Authority (“TCRA”) is
4 a public corporation, organized and existing pursuant to its charter, Chapter 1.60
5 of the Tacoma Municipal Code, and the laws of the state of Washington, and
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7 WHEREAS, every two years, the TCRA is required to present its
8 administrative budget for the upcoming biennium to the City Council for
9 consideration, and
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11 WHEREAS the Director of the Community and Economic Development
12 Department is recommending that the TCRA’s biennial administrative and
13 operational budget of \$329,187 for 2019, and \$338,534 for 2020, be approved, all
14 as more specifically set forth in the attached Exhibit “A,” 2019-2020 Budget
15 Proposal, and Exhibit “B,” 2019-2020 Budget Summary, and
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17 WHEREAS approval of the biennial budget will allow the TCRA to maintain
18 its operational effectiveness and support of affordable housing and economic
19 development activities through the administration of federal and state funds
20 awarded to the City, and

21 WHEREAS, on December 6, 2018, the TCRA Board approved the
22 2019-2020 Administration and Operating Budget; Now, Therefore,
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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the 2019-2020 Administration and Operating Budget for the Tacoma Community Redevelopment Authority, as set forth in the attached Exhibit "A" and Exhibit "B," is hereby approved.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney

EXHIBIT A
Tacoma Community Redevelopment Authority
2019 - 2020
Budget Proposal

Account Title	2017 Projected	2018 Projected	2019 Estimated	2020 Estimated
Program Income	83,094	249,664	131,267	136,656
Interest Income	187,048	132,052	134,693	137,387
Grants - Administrative	293,876	55,060	60,661	61,874
Miscellaneous Revenue	14,239	2,515	2,565	2,617
Total Revenues	578,258	439,291	329,187	338,534
Salaries & Wages	58,027	59,968	62,966	66,115
Employee Benefits	24,220	25,700	26,214	26,738
Non-TCRA Staff Reimbursement	24,804	46,794	49,134	51,590
Personnel Services	107,051	132,462	138,314	144,443
Housing Development	270,222	49,000	49,980	50,980
Home Repair Admin Fees	55,228	48,190	49,154	50,137
Construction Management Services	6,468	5,649	5,762	5,877
Affordable Housing Projects	-	114,950	-	-
Audit Fee	26,087	29,000	30,000	30,000
Legal Fees	13,849	12,702	12,956	13,215
Other Professional Fees	47,750	5,304	3,910	3,988
Insurance	20,289	17,914	21,568	21,999
Memberships & Subscription	2,945	5,100	5,202	5,306
Interest Expense	-	5,000	-	-
Utilities	6,402	4,338	2,466	2,515
Advertising	4,650	2,180	2,224	2,268
Inspections Fee	1,494	4,300	4,386	4,474
Permit Fees	580	500	510	520
Other Fees	5,412	1,320	1,346	1,373
Miscellaneous Expense	9,831	1,382	1,410	1,438
Supplies, services, & charges	471,207	306,829	190,873	194,090
Total Expenses	578,258	439,291	329,187	338,534
Net Profit / (Loss)	-	-	-	-
Lakewood Activities Administered By TCRA				
Revenue Source 1 - Program Income	13,500	10,429	10,638	10,850
Revenue Source 2 - Grants	50,780	55,381	54,489	57,618
Total Revenues - Lakewood	64,280	65,810	65,126	68,469
Lakewood Expenses	64,280	65,810	67,126	68,469
Indirect costs & fees	64,280	65,810	67,126	68,469

Exhibit B
Tacoma Community Redevelopment Authority
2019–2020 Budget Summary

The Tacoma Community Redevelopment Authority (TCRA) is a municipal corporation created in 1973, originally as The Municipal Authority (MA), to facilitate the flow of federal funds through the City for housing, community and economic development activities. The City authorizes TCRA to budget its funds to perform defined duties, including certain administrative functions for which the TCRA is responsible. The following is an overview of the TCRA Budget line items for 2019 – 2020.

Revenues

Program Income – This represents income from repayment or payoff of previously issued loans. The amount used for administrative activities represents only a fraction of the actual loan repayments received as the TCRA is statutorily limited in the percentage of program income that can be allocated to administration. The majority of the program income is redirected back to programs and projects.

Interest Income – Interest Income is derived from revenue earned on interest bearing loans and interest earned on cash investments.

Grant - Administrative – These funds are available to pay for administration of the grant and are derived from a portion of new allocations of grant funds each year. Typically, the amount of administration is capped at a predetermined amount, for example only 20% of new CDBG funds can be allocated to administrative activities and must be spent in the year it is received.

Miscellaneous Revenue – This represents late fees associated with the repayment of loans.

Personnel Services

Salaries and Wages – This line item covers the salaries and wages for the TCRA Accountant. The Accountant is responsible for maintaining the financial records of the TCRA and its loan portfolio. The TCRA has assets in excess of fifty million dollars and more than 1,500 loans outstanding.

Employee Benefits – This line item covers the benefits for the TCRA Accountant.

Non-TCRA Staff Reimbursement – Under the terms of its sub-recipient agreement with the City, TCRA agrees to reimburse the City for a portion of the salary and benefits of Economic Development staff. This includes the pay and benefits for a portion of two staff members.

Supplies, Services & Charges

Housing Development – The Homeownership Center of Tacoma (HCT) is a Community Housing Development Organization (CHDO) under the federal HOME Investment Partnership Program. Costs associated with this line item pay for some of the administrative costs of HCT.

Home Repair Admin Fees – The TCRA contracts with both In Time Renovations the Pierce County CDC to administer its home repair program. This program provides up to \$30,000 in low-interest loans to provide necessary home repairs for low-moderate income households. Costs associated with this line items pay for the administrative costs of the two contractors.

Construction Management Services – A portion of the TCRA administered funds go toward the new construction or rehabilitation of units to house low income households. Prior to the payment of funds, the TCRA requires verification of the construction costs incurred. The TCRA currently contracts with the Tacoma Housing Authority (THA) to provide such service on non-THA projects. Costs associated with this line item go toward fees charged by the THA to complete said service.

Audit Fees – Audit fees are paid annually to the State Auditor for audits mandated by federal and state laws and regulations. As the complexity of the TCRA accounting increases, the cost of the audit also increases. The exact cost of upcoming audits is difficult to determine, but the 2019 and 2020 amounts budgeted are expected to cover costs from the State Auditor.

Legal Fees – TCRA retains its own outside legal counsel (Eisenhower Carlson, PLLC). Legal fees are incurred for the preparation of contracts and attorney reviews. Litigation costs can only be estimated. With stepped up loan administration and proper enforcement of loan provisions, it is anticipated legal costs will continue to rise modestly in the coming two-year period.

Other Professional Fees – These fees consist of market feasibility, underwriting and related reports for specific projects the TCRA may be interested in funding or potentially supporting.

Insurance – This line item covers the cost of the following insurance coverages: General liability, \$1,000,000 each occurrence/annual aggregate; Errors and Omissions, \$2,000,000 each occurrence/annual aggregate; Security Bond, Employee Dishonesty Coverage, \$100,000; and Property, needed on a site specific, case-by-case basis only.

Memberships & Subscriptions– The majority of this line item relates to the Tacoma/Pierce County Affordable Housing Consortium, a network of affordable housing lenders, developers, agencies and advocates, both public and private. The network provides policy direction, monitors

changing federal and state fund requirements, and court decisions that could affect various affordable housing initiatives.

Utilities – This line items covers utility costs of properties owned by the TCRA and are scheduled for reuse or sale at a future date.

Advertising – This line items covers the costs associated with publication of required notices.

Inspections Fee – This line items covers the costs of property inspections of multifamily projects that have received TCRA funding in the past and that have a current affordability restriction in effect.

Permit Fees – This line items covers City permit fees associated with homes purchased by the TCRA with the intent to rehabilitate them and sell them to a low income homebuyer.

Other Fees – This line item covers largely title and recording fees, credit report and various processing fees.

Miscellaneous Expense – This line items covers a variety of expenses to include office supplies, postage, computer expenses, and property tax payments on properties owned by the TCRA.