



TACOMA HOUSING AUTHORITY

RESOLUTION 2007-07-25(5)

DATE: July 25, 2007
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Request to Seek Disposition Approval for Scattered Sites

Background

THA currently has 911 Low-Income Public Housing (LIPH) units. Of these, 192 are part of tax-credit partnerships and 719 are directly owned and managed by THA. Thirty-four (34) of the 719 LIPH units owned and managed by THA are "scattered site" single family home, which is about 5% of THA's portfolio. They are called "scattered sites" because they indeed are scattered around Tacoma. By this resolution, staff seek to "dispose" of these 34 homes. This means we would ask HUD's permission to remove them from the public housing portfolio. THA would still own them. THA would then be free to consider renting them at market rates, possibly to Voucher holders, or sell them.

THA management and staff have carefully considered the best use of the 34 scattered site units in relation to its existing portfolio and its mission to provide affordable housing. Our financial analysis is attached. THA staff has determined that the scattered site units provide the least amount of benefits in their current status as LIPH units since HUD does not adequately fund the costs to operate and maintain public housing stock. Maintaining and managing them is even more expensive because of their geographic dispersal.

The 34 scattered site units would provide significantly more benefits if they were:

1. Converted to project-based Section 8 units with the additional cash flow supporting THA's Central Office;
2. Converted to project-based Section 8 units and the units leveraged to fund additional affordable housing acquisitions or construction; or
3. Sold outright with the proceeds used to fund affordable housing acquisitions or new construction.

Another option would involve any combination of the above options.

Before THA can act on any of the above options, it needs "disposition approval" from HUD. Due to the number of steps that THA must take prior to formally requesting "disposition approval" from HUD, THA seeks the Board's approval to begin the process. Upon THA

determining the ultimate desired disposition status, THA will seek permission from the Board to actually submit the Disposition Application to HUD.

Recommendation

Approve Resolution 2007-07-25(5) authorizing the Executive Director and staff to begin the process of seeking “disposition approval” on 34 LIPH units.



TACOMA HOUSING AUTHORITY

RESOLUTION 2007-07-25(5)

AUTHORIZATION TO SEEK DISPOSITION APPROVAL FOR 34 SCATTERED SITE HOUSING UNITS

Whereas, The Housing Authority of the City of Tacoma (“Authority”) has analyzed the relative costs and benefits of continuing to operate its 34 LIPH scattered site housing units as public housing versus other potential options of fulfilling its affordable housing mission; and,

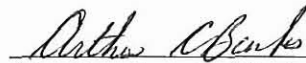
Whereas, The Authority has determined that the 34 LIPH scattered site housing units do not provide the optimal affordable housing benefits when operated as public housing; and

Whereas, The Authority wishes to “dispose” of the 34 LIPH scattered sites in accordance with HUD regulations to provide a future optimal balance of affordable housing and cash flow;

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 authorizes the Executive Director and staff to begin the process of seeking “disposition approval” from HUD for 34 LIPH scattered site housing units.

Approved: July 25, 2007



Stan Rumbaugh, Chairman