



**Tacoma
Housing
Authority**

Executive Director
Michael Mirra

Board of Commissioners
Derek Young, Chair | Stanley Rumbaugh, Vice Chair
Dr. Minh-Anh Hodge | Dr. Arthur C. Banks | Shennetta Smith

To: THA Housing Authority Staff -
From: Michael Mirra, Executive Director
Date: May 4, 2020
Subject: Executive Emergency Authorization #11: Entering into Rent Repayment Plans with Commercial Tenants

Michael Mirra

THA Board Resolution 2020-03-18(1) allows the Executive Director (or his designee) to take emergency actions during the COVID-19 pandemic that he deems necessary to ensure continued operations of Tacoma Housing Authority while protecting its employees, clients, vendors, partners and the community as a whole.

This Executive Action directs THA to work with its commercial tenants to allow them to pay their accruing rent arrearage over time. (THA already allows this for its residential tenants.)

THA has commercial tenants at Alberta J. Canada Building, the Hilltop Neighborhood, and James Center North who are experiencing challenges paying their rent during the pandemic. Executive Action #3 (March 30, 2020) has already provided them with some relief. It stated:

“For THA owned and/or managed residential or commercial properties during the months of April, May and June 2020:

- “1. THA waives all late fees for unpaid rent due during these months;*
- “2. THA will not issue any termination notices based upon the nonpayment of rent due during these months or prior months. Unpaid rent due during these months or prior months remains owing.*

“These steps are in addition to the State orders related to residential tenancies.”

On April 16, 2020, Governor Inslee issued Proclamation 20-19.1 declaring a moratorium on evictions for non-payment of rent and rent increases for residential and commercial tenants.

While both Executive Action #3 and the Governor’s Proclamation restrict evictions and lease enforcement actions, rents remain due and continue to accrue. Through this new Executive Action, THA will attempt to work with its commercial tenants who are experiencing rent hardships due to business closure or loss of income resulting from the pandemic **and** who have contacted their respective Property Management companies or THA staff seeking relief. THA will do this in following ways:

1. THA will enter into repayment agreements with its commercial tenants to add a portion of the total outstanding rent to the future rent due under the lease.
 - 1.1 The portion to be deferred, the due date of the first payment, and the duration of the repayment agreement will depend on the amount owing, the remaining lease

term, and the tenant's financial capacity and ability to remain open or to reopen under the Governor's directives.

- 1.2 The repayment agreement may not last beyond the shorter of the expiration of the lease term or 5 years.
2. Some of THA's commercial leases have scheduled rent increases. THA will not implement any such rent increase scheduled to occur through the later of June 4, 2020 or the expiration of any moratorium on rent increases that the Governor may order beyond that date.

Cc: Derek Young, THA Chair