



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-1-12 (2)

DATE: January 12, 2015  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Bay Terrace Rental Assistance Demonstration (RAD) Application

### **Background**

This resolution will authorize staff to apply to HUD to convert THA's 26 public housing units in Bay Terrace to project based section 8 units through the Rental Assistance Demonstration (RAD) program. Additional board approvals will be necessary before we and HUD complete this conversion; this resolution gets the conversion started. THA will also host a tenant meeting at Bay Terrace prior to submitting the RAD application for Bay Terrace, much like we did with the remaining portfolio. It is a chance to explain what RAD will do and mean for the tenants.

At the October, 2013 board meeting, the board approved a portfolio-wide RAD application to convert all Public Housing Units to Project Based Section 8. Since that time, THA has added Bay Terrace to the portfolio. HUD is requiring THA to designate 26 of the units as Public Housing. THA seeks to convert these units with the remainder of the portfolio for the same reasons addressed in the October, 2013 Board Resolution.

THA and its team assessed the feasibility of a RAD conversion. We conclude that it is both feasible and advisable. This conversion is the best chance for THA to fix up its current Public Housing portfolio, stabilize the funding sources, and to provide supplemental funds to its tax credit properties to address operating costs, including meth remediation costs.

MTW funds will still remain necessary to supplement the RAD rents, as we now use them to supplement Public Housing funding. Another important advantage of RAD is that it would contractually oblige HUD to allow THA to use MTW funds in this way even if Congress allows MTW flexibility to expire in 2018.

Congress just raised the RAD cap this past month, allowing THA to proceed with the conversion of the portfolio. HUD expects to issue the RAD Commitment to Enter HAP Contracts (CHAPS) in February, 2015. The table below highlights an overview of the portfolio conversion and timing.

PIC Dev. Num	Project Name	Units to be converted	Total Units	RAD Application Submitted?
WA005000010	Salishan One	55	90	10/24/2013
WA005000011	Salishan Two	55	90	10/24/2013
WA005000012	Salishan Three	45	90	10/24/2013
WA005000013	Salishan Four	45	90	10/24/2013
WA005000014	Salishan Five	45	90	10/24/2013
WA005000015	Salishan Six	45	90	10/24/2013
WA005000009	Hillside Terrace 1500 Block	4	16	10/24/2013
WA005000007	Hillside Phase I	21	21	10/24/2013
WA005000008	Hillside Phase II	12	25	10/24/2013
WA005000016	Bay Terrace	26	70	January, 2015
WA005000002	Fawcett	30	30	2016
WA005000001	E. B. Wilson	77	77	2016
WA005000001	North G	40	40	2016
WA005000001	North K	43	43	2016
WA005000003	Ludwig	41	41	2016
WA005000002	Wright	58	58	2016
WA005000002	6 <sup>th</sup>	64	64	2016
WA005000003	Bergerson	72	72	2016
WA005000003	Dixon	31	31	2016
<b>Totals</b>		<b>809</b>	<b>1126</b>	

### **Recommendation**

Approve Resolution 2015-1-12 (2), formally authorizing THA's RAD application for Bay Terrace and intent to convert Public Housing units to Project Based Vouchers.





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### RESOLUTION 2015-1-12 (2)

#### RENTAL ASSISTANCE DEMONSTRATION (RAD) APPLICATION

**Whereas,** Public Housing funding continues to decline with insufficient capital funds to adequately meet THA's mounting portfolio capital needs;

**Whereas,** Contract renewal funding for tenant and project-based Section 8 has, in contrast, satisfactorily met the capital needs to effectively administer the program;

**Whereas,** RAD helps address the backlogged, immediate, short term and long term repairs needed to provide residents a safe and attractive home;

**Whereas,** A RAD conversion relinquishes THA from numerous Public Housing requirements, both reducing administrative burden and streamlining processes;

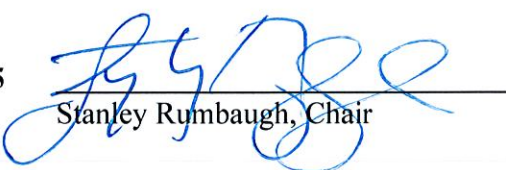
**Whereas,** Through a RAD conversion, THA retains the right to further supplement portfolio operations with MTW funding throughout the 15 year Project Based Voucher contract, regardless of MTW contract renewal in 2018;

**Whereas,** THA has already applied to RAD for the remainder of the Public Housing Portfolio;

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

1. The Executive Director has the authority to submit the Housing Authority of the City of Tacoma's Bay Terrace Rental Assistance Demonstration (RAD) Application to HUD.

Approved: January 12, 2015

  
Stanley Rumbaugh, Chair