



TACOMA HOUSING AUTHORITY

RESOLUTION 2012-7-25 (2)

DATE: July 25, 2012
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Hillside Terrace Phase II Authorization to Submit Applications for Financial Funding.

Background

On September 22, 2010, THA's Board of Commissioners approved Resolution 2010-9-22(2) authorizing the Executive Director to submit funding applications and secure financing for the Hillside Terrace project. At that time the project was a single phase development. Since then, the development has been divided into two phases, Hillside Terrace, Phases I & II. The 1800 Hillside Terrace will become a future Phase III.

This Resolution updates and amends the previous funding authorization approval.

THA staff is developing plans for the redevelopment of Hillside Terrace Phase II. The program would account for the same general housing unit configuration as Phase I. Phase II, like Phase I, will have 70 total affordable housing units. Phase II would be financed through 4% Tax Credit equity and Tax Exempt Bonds. Other sources of proposed funding includes Capital and RHF Funds, HOME funds from the Tacoma Community Redevelopment Authority (TCRA), THA capital contributions and the Housing Trust Fund. The below table summarizes the proposed funding for Phase II.

Source	Construction Period	Permanent Period
<i>Equity</i>		
LIHTC Investor Equity	\$861,790	\$5,745,264
<i>Hard Debt</i>		
Conventional Construction Loan	\$8,859,686	\$0
Conventional Permanent Loan	\$0	\$3,531,334
<i>Soft Debt</i>		
TCRA	\$1,000,000	\$1,000,000
THA Loan (Capital & RHF Funds)	\$1,247,429	\$2,271,485
HTF	\$2,500,000	\$2,500,000
Total	\$14,486,905	\$15,749,037

Recommendation

Approve Resolution 2012-7-25 (2) authorizing the Executive Director or his designee to apply for funding from various sources to secure capital for the development of new housing units at the 2500 block Hillside Terrace Phase II Apartments. He or she may apply for such funding for the Project as he or she deems necessary or desirable, including without limitation low-income tax credits, and other financing, including grants or loans from the Tacoma Community Redevelopment Authority, Pierce County, the Washington State Housing Finance Commission, the Washington State Housing Trust Fund; and other federal, state and local funds.



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RESOLUTION 2012-7-25(2)

Hillside Terrace Phase II Authorization to Submit Applications for Financial Funding

WHEREAS, the Housing Authority of the City of Tacoma (the "Authority") seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington;

WHEREAS, RCW 35.82.070(2) provides that a housing authority may "prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof...;"

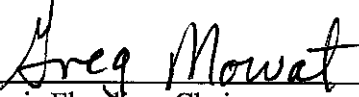
WHEREAS, THA has developed a new phased strategy for the 2500 block of Hillside Terrace to include a Phase I for 70 new affordable housing units and Phase II for the development of the of an additional 70 affordable housing units which will require its own funding and financing sources; and

WHEREAS, the development of 70 units for Phase II using private and public funds, including tax credit equity and tax-exempt bond proceeds, is financially feasible, and leverages the Authority's capital contribution effectively.

Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:

1. The Executive Director or his designee is authorized to apply for funding from various sources to secure capital for the development of new housing units at the 2500 block Hillside Terrace Phase II Apartments. He or she may apply for such funding for the Project as he or she deems necessary or desirable, including without limitation low-income tax credits, and other financing, including grants or loans from the Tacoma Community Redevelopment Authority, Pierce County, the Washington State Housing Finance Commission, the Washington State Housing Trust Fund; and other federal, state and local funds.

Approved: July 25, 2012



Janis Flauding, Chair