



TACOMA HOUSING AUTHORITY

RESOLUTION 2010-9-22 (2)

DATE: September 22, 2010
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Submission of Funding Applications and Secure Financing for Hillside Terrace.

Background

On November 17, 2009 THA submitted a 2009 HOPEVI Grant Application for the redevelopment of the 1800 and 2500 Hillside Terrace. On June 4, 2010 THA received notification that they were unsuccessful in securing the necessary grant from the 2009 HOPE VI funding round. The Board is also receiving staff's tentative recommendations not to apply for HOPE VI this year because we judge that we are not competitive enough to justify the effort an application would require. Our main problem is our lack of the required commitments for the rest of the financing.

With this resolution, staff seeks the Board's authorization to to seek alternative financing for Hillside Terrace. If we are successful enough in seeking this alternative financing it may make us competitive for next year's HOPE VI application. If not, it will allow us to proceed with the project in phases, starting with the 1800 block. The alternative financing sources include tax credits (4% and 9%), tax exempt bonds, capital funds, HOME funds from the Tacoma Community Redevelopment Authority (TCRA), Pierce County SHB 2060 funds, and the new Washington State Housing Finance Commission (WSHFC) Washington Works program. By way of example of a Phased approach, the below table summarizes the proposed funding for Phase I, which would redevelop the 1800 Block:

Source	Construction Period	Permanent Period
<i>Equity</i>		
LIHTC Investor Equity	\$ 283,041	\$ 1,415,208
<i>Hard Debt</i>		
Conventional Construction Loan	\$ 3,500,345	
Conventional Permanent Loan		\$ 657,467
<i>Soft Debt</i>		
TCRA	\$ 800,000	\$ 800,000
THA Equity		\$ 135,866
Capital Funds		\$ 899,115
Washington Works		\$ 850,011
SHB 2060		\$ 200,000
Total	\$ 4,583,386	\$ 4,957,667

Even if we do not get a HOPE VI application, the phased approach would allow us to start allow the redevelopment in 2011.

Recommendation

Approve Resolution 2010-9-22 (2) authorizing the Executive Director or his designee to apply for various funding from various sources to secure capital for the demolition and redevelopment of new housing units at the old Hillside Terrace Apartments, including without limitation low-income tax credits, private sector financing, grants or loans from the Tacoma Community Redevelopment Authority, Pierce County, Washington State Housing Finance Commission, Washington State Housing Trust Fund Grant(s) and other federal, state and local funds.



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Submission of Funding Applications and Secure Financing for Hillside Terrace.

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...;"

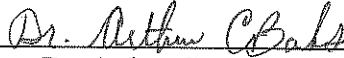
WHEREAS, Tacoma Housing Authority (THA) applied for and were unsuccessful receiving award for a 2009 HOPEVI Grant for the 1800 and 2500 block of Hillside Terrace Apartments under a previously approved mix-financed HOPE VI Grant application;

WHEREAS, THA other sources of financing either to become more competitive for next year's HOPE VI application or to do the project in phases without HOPE VI funding;

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 various funding from various sources to secure capital for the demolition and redevelopment of new housing units at the old Hillside Terrace Apartments, including without limitation low-income tax credits, private sector financing, grants or loans from the Tacoma Community Redevelopment Authority, Pierce County, Washington State Housing Finance Commission, Washington State Housing Trust Fund Grant(s) and other federal, state and local funds.

Approved: September 22, 2010



Dr. Arthur C. Banks, Chairman