



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-12-2 (1)

DATE: December 2, 2011
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Extension of Harborview Manor HAP Contract

Background

Harborview Manor is a property owned by ABHOW. Harborview Manor currently has a project-based voucher (PBV) Housing Assistance Payment (HAP) contract with THA for 167 PBV units. ABHOW has never used the 167 PBV units assigned to the property. This has been a problem because it ties up HAP money that THA can use elsewhere. ABHOW is willing to reduce the number of units in the HAP contract because they also accept tenant-based vouchers. ABHOW is also restructuring their debt and needs a contract renewal to secure financing. ABHOW and THA have agreed, subject to the Board's approval, to renew the contract as on the following terms:

- a) The amendment to reduce the number of units from 167 to 125;
- b) The assignment of the HAP to a new LIHTC Entity (of which ABHOW will continue to be a controlling member);
- c) A HAP extension for an additional 15 years;
- d) Language that allows THA to further reduce the number of contract units if units are not leased in a timely manner (90 days);
- e) Terms that allow the owner to request an annual rent increase at the lower of 90% FMR or THA's payment standard (subject to a rent reasonableness determination).

I recommend Board approval of this resolution. Approval will do the following: (1) keep Harborview Manor affordable; (2) help ABHOW, which has been a very good partner, to seek refinancing for an important building in Tacoma; (3) allow THA to subsidize the ABHOW units at a lower rent amount than our other voucher units (90% of FMR versus 96%); (4) free up voucher money for others to use; (5) increase THA's usage rate.

Recommendation

Approve Resolution 2011-12-2 (1) authorizing the Executive Director to sign a contract extension for Harborview Manor HAP contract.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-12-2 (1)

EXTENSION OF HARBORVIEW MANOR HAP CONTRACT

WHEREAS, Tacoma Housing Authority has a project-based voucher housing assistance payments contract with ABHOW to provide affordable housing for low-income seniors in Harborview Manor.

WHEREAS, the terms of contract must be amended;

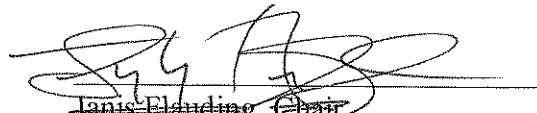
WHEREAS, the length of the contract must be extended;

WHEREAS, the contract must be assigned to another entity.

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

Approve Resolution 2011-12-2 (1) authorizing the Executive Director to sign a contract extension for Harborview Manor HAP contract.

Approved: December 2, 2011


Janis Flauding, Chair
STANLEY RUMBAUGH, ACTING CHAIR