



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27 (2)

DATE: July 27, 2011

TO: Board of Commissioners

FROM: Michael Mirra, Executive Director

RE: Commitment of Tacoma Housing Authority funds for Stewart Court Apartments

Background

On January 23, 2011 THA submitted a Stage 1 Application to the Washington state Housing Trust Fund (HTF) 2011 Funding Round for the Stewart Court Apartments. The Application passed the first phase of HTF review, and on June 9, 2011 THA received an invitation to submit a Stage 2 Application.

The commitment of additional capital financing to the project (from both the HTF and THA) and changes proposed to the rental income structure of the property are designed to accomplish three critical goals:

- (1) to finance high priority exterior renovations;
- (2) to increase cash flow from property operations; and,
- (3) to enable the property to pay down bond debt that THA incurred when it purchased the property in 1995.

In addition to the proposed new capital financing that THA seeks in order to finance exterior renovations, Staff propose adding 18 units of Project-based subsidies to Stewart Court which will significantly increase the operational health and cash flow of the property.

The high priority exterior renovations identified in THA's application to the HTF includes: removing and replacement of all exterior siding; painting of siding; repairing the asphalt parking lot; repairing rock retaining walls; adding a bathroom to the office space at the property; and other site improvements.

With this resolution, staff seeks the Board's authorization to commit up to \$1,269,600.00 of THA funds for the project. These funds will be transferred as a loan to the project to be repaid at 3% annual interest to THA, and a 30 year term, with annual debt service payments due to THA of \$41,371. THA's loan to the project is needed in order to cover the costs of the exterior renovations (including soft costs), and to leverage the Housing Trust Fund contribution to the project.

Recommendation

Approve Resolution 2011-7-27 (2) authorizing and directing the Executive Director or his designee to commit THA funds for rehabilitation work at the Stewart Court Apartment complex.



TACOMA HOUSING AUTHORITY

RESOLUTION 2011-7-27(2) SUBMISSION OF FUNDING APPLICATION FOR STEWART COURT APARTMENTS

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, The Authority submitted a Stage 1 application for funding for the Stewart Court Apartment complex to the Housing Trust Fund for the 2011 Funding Round;

Whereas, The Authority's Stage 1 application was successful and the Authority received an invitation to submit a Stage 2 application;

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

The Executive Director or his designee is authorized to commit Tacoma Housing Authority funds up to \$1,269,600.00 to the project for the rehabilitation work at the Stewart Court Apartment complex.

Adopted: July 27, 2011

James M. Harty on behalf of
Dr. Arthur C. Banks, Chairman
Arthur Banks