



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-3-27 (6)

Date: March 27, 2013

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: HILLSIDE TERRACE, PHASE I – 2500 YAKIMA APARTMENTS
OBLIGATE MTW FUNDS AS A RESERVE GUARANTEE FOR FUTURE RHF FUNDS

Background

This resolution would reserve \$1.232 million of our MTW reserves to guarantee construction costs on the Hillside Terrace Phase 1 project should HUD not provide the funding we are due to receive. Our lenders on that project are requiring that we do this. It appears that the lender has lost some confidence in congressional budget decision making. The guarantee would need to last only until the HUD money becomes available to the agency. That should happen this fall for most of the money and next fall for the rest of it.

On January 23, 2013 the Board of Commissioners approved Resolution 2013-1-23 (3) Omnibus Financing Authorizations, which included approval of Master Loan Documents. As a part of that Master Loan, HUD Replacement Housing Factor (RHF) funds will fund a portion of a Sponsor Loan in 2013 and 2014. Our lender is requiring that THA insure that it has at least \$1.232 million in liquidity to fund the Sponsor Loan in the event that the HUD does not give THA the RHF funds when they are due. This amount may be reduced by the amount of RHF funds as we receive it. We expect to receive \$867,000 of RHF money in early Fall 2013. We expect the balance of \$365,000 in early fall of 2014.

The source of funds to be restricted for this purpose will be Moving to Work funds (MTW). We have enough in reserves (over \$7.5 million).

Recommendation

Approve Resolution No. 2013-3-27(6) which restricts the use of MTW funds in the amount of \$1,232,000 as a Reserve Guarantee for future RHF funds for Hillside Terrace Phase I – 2500 Yakima Apartments until such time as the RHF funds are available for drawdown by THA.



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-27-(6) (Hillside Terrace Phase I – 2500 Yakima Apartments)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma (1) authorizes the Board Chair, the Executive Director, and their respective designees, to approve the use of Unrestricted MTW funds in the amount of \$1,232,000 as Reserve Guarantee for future RHF funds for Hillside Terrace Phase I – 2500 Yakima Apartments.

Whereas, THA is the General Partner in a LLLP of a 70-unit apartment complex (including a community education facility) to be known initially as 2500 Yakima Apartments, as part of Hillside Terrace Phase I Redevelopment Project, to provide housing for low income persons within the City of Tacoma, Washington (the “Project”);

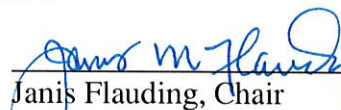
Whereas, funds from THA’s future RHF grant is budgeted, and will be required to complete the redevelopment project.

Whereas, the Guarantee of Payment document within the Project’s closing documents provides that THA, as the Guarantor, shall maintain, on a combined basis, Unencumbered Liquid Assets equal to \$1,232,000 prior to the conversion date. The Unencumbered Liquid Assets may be reduced by the amount of RHF funds when they become available for drawdown from HUD.

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

\$1,232,000 of THA’s MTW reserves are restricted as a Reserve Guarantee for future RHF funds for Hillside Terrace Phase I – 2500 Yakima Apartments until such time as the RHF funds are available for drawdown by THA.

Approved: March 27, 2013



Janis Flauding, Chair