



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-04-27 (2)

Date: April 27, 2022
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Approval of Property Based Subsidy Contract Extension – Highland Flats Apartments

Tacoma Housing Authority (THA) is party to a seven (7) year Property Based Subsidy Housing Assistance Payment (HAP) contract for units at Highland Flats. This resolution will extend the contract from seven (7) years to eleven (11) years.

Background

On October 31, 2018, THA executed a Property Based Local Rent Subsidy Agreement with CWD Investments I LLC (and subsequently through contract amendments JRO Ventures I, LLC and JGD Investments I, LLC). This contract stipulates that THA pays Housing Assistance Payments (HAP) for 62 covered units at Highland Flats Apartments. The units are rented to eligible households who may be:

- households that have been issued a College Housing Assistance Program (CHAP) voucher by THA (although the household may not use the CHAP voucher to pay the Tenant Rent at the Premises since THA already subsidizes the rents under the agreement); or
- households that are homeless and eligible for CHAP under Tacoma Community College (TCC) screening criteria but have not been issued a CHAP voucher; or
- other Households that are eligible for CHAP under TCC screening criteria but have not been issued a voucher; or
- households that are TCC students with incomes below 30% area median income; or
- a qualified tenant with a household income at or below 30% of area median income; or
- a previous residents of Highland Flats that was at risk of homelessness at the time of transition to new ownership (Highland Flats was formerly Tiki Apartments).

The tenants are not THA program participants, but they realize affordable rents because of THA's subsidy.

The term of the contract is for seven (7) years and terminates on October 31, 2025. The owners seek to extend the contract through October 2029 to ensure adequate financing for continued operations at the property.

With approval of this resolution, THA will extend the contract with CWD Investments I LLC and JRO Ventures I, LLC and JGD Investments I, LLC through 2029.

Recommendation

Approve Resolution 2022-04-27 (2) authorizing THA's Executive Director to extend the Property Based Subsidy (PBS) Housing Assistance Payment (HAP) contract with CWD Investments I LLC and JRO Ventures I, LLC and JGD Investments I, LLC at Highland Flats Apartments through 2029.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-04-27 (2)

(Approval of Property Based Subsidy Contract Extension – Highland Flats Apartments)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, THA has been providing Property Based Subsidy housing assistance payments to Highland Flats Apartments since 2018; and

WHEREAS, Highland Flats Apartments houses low-income households and homeless and near homeless students; and

WHEREAS, Failure to extend this contract may lead to a loss of affordable housing units; now, therefore, be it

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

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, to execute an extension to the Highland Flats Apartments Property Based Subsidy contract through 2029.

FOURTH AMENDMENT
to the
PROPERTY-BASED SUBSIDY CONTRACT with CWD Investments I LLC
at
HIGHLAND FLATS APARTMENTS

FEBRUARY 2022

The HOUSING AUTHORITY OF THE CITY OF TACOMA, WASHINGTON, a municipal corporation/political subdivision of the State of Washington, (referred to as "THA") and CWD INVESTMENTS I LLC, a Washington limited liability company ("Owner") agree as follows:

THA and Owner are parties to a contract effective October 31, 2018, for the provision of providing affordable housing to low income students ("Agreement"). They agree to the following amendments to that contract as denoted by the redlining below:

2. TERM OF AGREEMENT

This Agreement is effective as of the Effective Date. Unless the parties terminate the Agreement earlier pursuant to its terms, the initial term of this Agreement is seven (7) years (the "Term"). The parties may renew or modify this Agreement by agreement in writing. Any extension must comply with MTW Requirements.

THA and Owner agree to extend the contract term through 2029. This extends the contract term from seven (7) years to eleven (11) years.

8. TENANCY

8.1 Lease

The tenant lease between the Owner and each Family (the "Lease") must be approved by THA. It shall comply with all THA requirements, MTW requirements and the laws of Tacoma, the State of Washington and the United States. The Lease shall be substantially in the form of Exhibit D. The term of the Lease shall be for one year and Owner is prohibited from renewing the Lease for more than two (2) additional consecutive lease terms for a maximum duration of three (3) years, unless waived by change in THA policy or a THA Executive Action in response to a natural disaster or pandemic. Tenants shall be notified of this limitation in their Lease. NOTE: This three year limit does not apply to the occupancy of Previous Tiki Residents who occupancy one of the seven (7) initial vacancies pursuant to section 7.1.2. The Lease shall require all Tenants to obtain renters' insurance and provide proof of the same to the Owner

All the other terms and conditions of the CONTRACT shall remain unchanged.

[Signatures Follow]

TACOMA HOUSING AUTHORITY

CWD Investments

April Black
ITS: Executive Director

Chad Duncan
ITS: Member and Manager

Date: _____

Date: _____

JRO Ventures I, LLC

JGD Investments I, LLC

Josh Obendorf
ITS: Manager

John Duncan
ITS: Manager

Date: _____

Date: _____

MJE Investments, LLC

Mark Evenson
ITS: Manager

Date: _____

Approved: April 27, 2022


Stanley Rumbaugh, Chair