



RESOLUTION 2023-11-08(2)

Date: November 8, 2023

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval of Property-Based Subsidy Contract for Peoples Senior Living

Tacoma Housing Authority (THA) issued a Request for Proposals for Property-Based Subsidies. This resolution will award up to 124 Property-Based Subsidies to People's Senior Living.

BACKGROUND

The Property-Based Subsidy program is different from THA's Tenant-Based and Project-Based programs. It is similar to the project-based voucher program in that the subsidy is tied to a property, as opposed to the tenant. Like the project-based voucher program, THA also regularly inspects units to ensure they are safe for occupancy. Both subsidies also share the same purpose; to make housing accessible and affordable to low-income households for an extended time. The local property-based subsidy is different from the project based in three primary ways:

- Like other programs, tenants must income qualify and have incomes below set standards, but the tenant rents are fixed regardless of the tenant's actual income. This provides predictable rent amounts for tenants rather than rent going up or down based on their income. Fixed rents make the program easier to explain, understand and manage for both tenants and landlords. The fixed subsidy also removes a disincentive for tenants to increase their earned income because the tenant's share of the rent will not increase if they earn more. On the other hand, it also means that a tenant's rent share will not decrease if their income goes down.

- The subsidies to the owner would be set on an annual basis, subject to the property meeting negotiated minimum occupancy rates, rather than varying month-to-month, based on tenant rent calculations. This provides a stable, predictable, and easy to administer income stream for the owners and predictable expenses for the housing authority.
- The owner is responsible for advertising vacancies, screening its tenants, and verifying the income of tenants. The tenants will not have a relationship with the housing authority. Tenants will just realize affordable rents at the property level based on the subsidy that is being provided to the owner. The arrangement offers tenants the tenant protections of THA's other programs.

In November 2022, THA issued a Request for Proposal (RFP) for Property-Based Subsidies (PBS). This RFP currently remains open, and submitted applications are reviewed every 30 days.

THA has received one proposal. The RFP review committee scored the application, and the Committee and staff recommend awarding Property-Based subsidies to Peoples Senior Living.

This was the sole application, and it scored well, receiving a total of 195 points.

- Units set aside for households below 30% AMI received 3 points; **Score 105 points.**
- Units set aside for households below 40% AMI received 2 points; **Score 30 points.**
- Units set aside for households below 50% AMI received 1 point; **Score 25 points.**
- Occupancy for all available vacancies restricted to households that are homeless or at risk of homelessness received 10 points; **Score 0 points.**
- Occupancy restricted to special-needs population received 10 points; **Score 10 points.**
- Supportive services available to residents of the project awarded 10 points; **Score 10 points.**
- Owner/manager experience awarded 15 points. **Score 15 points.**

Peoples Senior Living is owned by Cascade Park Communities, an existing partner who has 2 other Property-Based contracts with THA.

Peoples Senior Living is a 124-unit property, currently the owner seeks to subsidize 75 units. This is a unique partnership that allows THA to support a community partner who provides assisted living to Medicaid-eligible households at a time when these types of facilities are closing and or unable to maintain stable operations. Throughout THA's portfolio, THA subsidizes independent living. Not only does this partnership expand THA's ability to subsidize assisted living, but our residents are also prioritized for placement in these units when they can no longer live independently.

Initially this partnership will subsidize 75 units:

- 35 Units at 30% AMI
- 15 Units at 40% AMI
- 25 unit at 50% AMI

RECOMMENDATION

Authorize THA's Executive Director to negotiate and sign a Property-Based Subsidy contract with Peoples Senior Living for up to 10 years for up to 124 units.



RESOLUTION 2023-11-08 (2)

APPROVAL OF PROPERTY-BASED SUBSIDY CONTRACT FOR PEOPLES SENIOR LIVING

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

WHEREAS, THA held a competitive process for Property-Based subsidies; and

WHEREAS, Peoples Senior Living was the highest scoring respondent and will be awarded up to 124 units; and

WHEREAS, The effective date of the contract will be up to the discretion of the Executive Director; and

WHEREAS, The contract term will be determined through negotiations with the respondent; now, therefore, be it

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

The Board authorizes THA's Executive Director to negotiate, and if those negotiations are successful, execute a Property-Based Subsidy contract with Peoples Senior Living.

Approved: November 8, 2023


Dr. Minh-Anh Hodge, Chair