



RESOLUTION 2026-01-28 (4)

Date: January 28, 2026

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Approval for Up to 171 Property Based Subsidies on Housing Hilltop North & South

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to execute an amendment to the Property Based Subsidy (PBS) contract with Housing Hilltop LLLP for up to 171 additional Property Based subsidies.

BACKGROUND

The Board previously approved a resolution dated March 27, 2024, to address financial and operational needs at Housing Hilltop. That resolution resulted in adding Property Based Subsidies (PBS) to 60 apartments to make the covered units accessible to households at 30% and 50% of Area Median Income (AMI), allowing housing access to a wider range of households and increasing property revenue.

The property is currently experiencing cash flow challenges that require additional measures to ensure financial stability.

Management has determined that adding up to 171 additional PBS subsidies at 60% Area Median Income (AMI) will provide additional subsidy revenue without impacting tenant rents. Management will evaluate the property's financial needs on an ongoing basis and may reduce the number of units on the PBS contract if the subsidies are not required.

Apartments currently occupied by voucher holders (58 of the 171 households) are not eligible for immediate conversion but may be converted upon vacancy in the future. In addition, 60 apartments are already under the PBS contract (at 30% and 50% AMI).

The proposed addition of PBS subsidy will result in a subsidy equal to the difference between the 60% LIHTC rent and THA's contract rent, as shown below:

Bedroom	60% Rent	Contract Rent	Difference
1BR	\$1,239	\$1,342	\$103
2BR	\$1,551	\$1,751	\$200
3BR	\$1,779	\$2,486	\$707

Financial Impact

The number of apartments to convert will be contingent upon the ongoing month-by-month cash flow analysis. Examples of the financial impact are listed below:

- Matching Counts on Previous Contract: 60 Units, \$30,300/month (\$363,600/year)
- Current Available (Excluding Voucher Holders): 113 units, \$46,495/month (\$557,940/year)
- Maximum Conversion (All 171 Units): \$53,827/month (\$645,924/year)

RECOMMENDATION

Approve Resolution 2026-01-28 (4) authorizing THA's Executive Director to execute an amendment to the Property Based Subsidy (PBS) contract with Housing Hilltop LLLP for up to 171 additional Property Based subsidies.



RESOLUTION 2026-01-28 (4)

Approval for Up to 171 Property Based Subsidies on Housing Hilltop North & South

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

WHEREAS, Tacoma Housing Authority obtained MTW Approval in 2018 to implement its Property Based Subsidy program; and

WHEREAS, THA's approval permits the agency to provide subsidies on properties owned in whole or in part by THA or with other private owners; and

WHEREAS, THA approved entering a contract with Housing Hilltop LLLP to provide its Property Based Subsidy program for Housing Hilltop LLLP; and

WHEREAS, THA entered a contract with Housing Hilltop LLLP to provide its Property Based Subsidy program for 60 apartments; and

WHEREAS, Adding additional Property Based Subsidies to Housing Hilltop North and South will ensure the property is financially stable; and

WHEREAS, The Housing Hilltop LLLP contract will be amended to add up to 171 additional PBS subsidies; now, therefore, be it

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

Tacoma Housing Authority's (THA) Executive Director is authorized to *execute an amendment to the Property Based Subsidy Contract* with Housing Hilltop LLLP for up to 171 additional units.

Approved: January 28, 2026


Stanley Rumbaugh, Chair