



RESOLUTION 2025-03-26 (3)

Date: March 26, 2025

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Conversion of Straight Tax Credit Units to Project Based Units at Bay Terrace Apartments Phase 1

This resolution would allow conversion of up to twenty-four (24) straight tax credit units at Bay Terrace Phase 1. This resolution authorizes Tacoma Housing Authority's (THA) Executive Director to seek investor approval with 2500 Yakima LLLP for the conversion.

BACKGROUND

Bay Terrace Phase 1 consists of seventy (70) units. Twenty (20) are currently project based vouchered units, twenty (20) are rental assistance demonstration units (RAD) and 24 units are straight tax-credit with no other subsidy. This would convert up to 24 straight tax credit units at Bay Terrace Phase 1 to project based vouchered units. Most tenants in these units would be eligible for project-based subsidy assistance, which would alleviate rent burden for some and enhance housing stability. Straight tax credit units have been complicated to fill which have led to prolonged vacancies. Some of the reasons these units are difficult to fill are they hold different income requirements, and the units adhere to THA occupancy standards (two heartbeats per room) which make identifying eligible households harder. Additionally, adding project-based vouchers will allow all units at the property to be leased through THA's waitlist and will streamline operations in Yardi. Families in project-based units are eligible to receive supportive services and community referrals from THA's Client Support and Empowerment Department.

While this proposal reduces the number of unsubsidized affordable tax credit units available to community members who may not qualify for THA's subsidized programs, THA's recent Housing Hilltop development fills this gap. Most of the units at Housing Hilltop are straight tax credit units, affordable to families earning 60% of the area median income. This addition of project-based voucher units aligns with

THA's strategic priorities and objective to add and maintain additional affordable housing units through development or partnerships within the community.

RECOMMENDATION

Approve Resolution 2025-03-26 (3) authorizing THA's Executive Director to seek investor approval with 2500 Yakima LLLP to convert to Project Based.



RESOLUTION 2025-03-26 (3)

(CONVERTING TAX CREDIT UNITS TO PROJECT BASED UNITS AT BAY TERRACE APARTMENTS PHASE 1)

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

WHEREAS, Bay Terrace Apartments Phase 1 project will add up to 24 units of affordable housing; and

WHEREAS, these units will increase the number of units available to extremely low income Tacomans; and

WHEREAS, the reduction in tax credit units at Bay Terrace Phase 1 is offset by the new units available at Housing Hilltop North and South; and

WHEREAS, this addition of subsidized units aligns with strategic priorities and objective to add additional affordable housing units through development or partnerships within the community; now, therefore, be it

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

THA's Executive Director is authorized to seek investor approval with 2500 YAKIMA LLLP for the conversion.

Approved: March 26, 2025



Derek Young, Chair