



TACOMA HOUSING AUTHORITY

RESOLUTION 2008-09-12(1)

DATE: September 12, 2008
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Authorization to enter into a Contingent Purchase and Sales Agreement for Lakeside Landing Apartments

Background

Lakeside Landing Apartments (referred to as the "Property") is currently owned and operated by a Lakes Associates, LP located in the state of Missouri. The Property is located at the corner of Mildred and South 12th Street within the limits of the City of Tacoma. Lakes Associates, LP has determined to sell the Property and approached Tacoma Housing Authority. In April of 2008, staff toured the property and requested additional information for further evaluation.

There are three reasons to consider the purchase of the Property. **First**, the Property's income producing potential will serve THA's mission to acquire an income source it needs in earnest to support its housing and service programs. As the Board knows, THA is heavily dependent on HUD funding. That funding has long been decreasing and is not stable. THA's mission includes acquiring alternative sources of income to replace or supplement its HUD sources. The purchase of the Property will support this mission. **Second**, the Property is 450 total dwelling units which would significantly increase THA's portfolio. **Third**, the Property appears to be well maintained and provides THA with an opportunity to own, preserve and manage a large workforce housing property within the City of Tacoma.

Staff recommends that THA offer to purchase the building for a price not greater than \$ 35.5 million.

Recommendation

Approve Resolution 2008-09-12 (1) authorizing the Executive Director to negotiate and execute a contingent Purchase and Sale Agreement on behalf of THA or its designee with Lakes Associates, LP to purchase the Property for an amount not to exceed \$ 35.5 million.



TACOMA HOUSING AUTHORITY

RESOLUTION 2008-09-12(1)

CONTINGENT PURCHASE AND SALE AGREEMENT FOR LAKESIDE LANDING APARTMENTS

Whereas, Lakes Associates, LP seeks to sell Lakeside Landing Apartments (the "Property") located within the City of Tacoma;

Whereas, Staff has determined that the Property has a promising income producing potential;

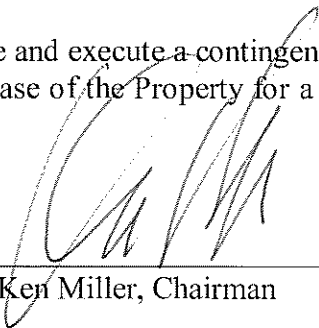
Whereas, ownership of the Property could serve three important THA missions: (1) to provide an income source that would help to fund THA's housing and service programs and supplement or replace declining revenues from HUD and other sources; (2) the Property is 450 total dwelling units which would significantly increase the Housing Authorities portfolio; and (3) the Property is well maintained and provides THA an opportunity to preserve and manage a large workforce housing property within the City of Tacoma.

Whereas, further examination and due diligence is necessary for staff to determine the feasibility and wisdom of this purchase, which THA would conduct during an adequate contingency period provided by the proposed Purchase and Sale Agreement.

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

The Executive Director has the authority to negotiate and execute a contingent Purchase and Sale Agreement with Lakes Associates, LP for the purchase of the Property for a price not to exceed \$35.5 million.

Approved: September 12, 2008



Ken Miller, Chairman