



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-03-23 (9)

Date: March 23, 2016
To: THA Board of Commissioners
From: Michael Mirra, Executive Director
Re: Land Acquisition Loan to Purchase the Former KeyBank Property

This resolution will authorize Tacoma Housing Authority (THA) to execute all loan documents related to closing a Land Acquisition Program Loan with the Washington State Housing Finance Commission. Proceeds from this loan will be used to acquire former Hilltop KeyBank.

Background

Tacoma Housing Authority (THA) has entered into an agreement with KeyBank to purchase its building and property located at 1120 S. 11th for \$775,000. Acquisition of this property is integral to establishing a master development plan for THA-owned properties in this area. The Washington State Housing Finance Commission (WSHFC) offers a Land Acquisition Program loan with very favorable terms. Accessing this loan in order to acquire the KeyBank site will free up THA revenues for other development projects and/or operations.

Business Terms

The WSHFC has already approved THA's Land Acquisition Program loan application for the acquisition of the KeyBank site. This loan carries a 1% interest rate and a loan fee of \$2,500. THA will receive \$715,000 in loan proceeds to acquire the KeyBank property. The loan period is ninety-six (96) months (8 years). THA must repay the loan at the time of development or at the end of the eight-year period; there are no monthly loan fees. THA staff fully expects to redevelop this property before the end of eight years.

This resolution will authorize THA to execute all documents related to the closing with the Washington State Housing Finance Commission loan in order to complete the purchase of the KeyBank property located at 1120 S. 11th Street.

Recommendation

Approve Resolution 2016-03-23 (9) authorizing THA to execute all documents related to the closing with WSHFC.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-03-23 (9) (Land Acquisition Loan to Purchase the Former KeyBank Property)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma authorizing a loan from the Washington State Housing Finance Commission to acquire 1120 S. 11th Street and approving the execution and delivery of documents relating to the land acquisition loan.

WHEREAS, RCW 35.82.070 authorizes the Authority, among other things, to “prepare, carry out, acquire, lease and operate housing projects; [and] to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof,” “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project,” “make and execute contracts and other instruments, including but not limited to partnership agreements,” and “make . . . loans for the . . . acquisition, construction . . . improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income”; and

WHEREAS, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; and

WHEREAS, the total cost of acquiring the Key Bank property at 1120 S. 11th Street is not expected to exceed \$775,000, which will be financed through a combination of a Land Acquisition Program loan and THA funds; and

WHEREAS, the Washington State Housing Finance Commission through its Land Acquisition Loan program has offered to lend THA \$715,000 for this purchase on very favorable terms; now, therefore, be it

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

The Executive Director is authorized and directed to execute all documents associated with executing a Washington State Housing Finance Commission Land Acquisition Program Loan for \$715,000 or less.

Approved: March 23, 2016



Stanley Rumbaugh, Chair