



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-12-14 (6)

Date: December 14, 2016
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Saravida Property Acquisition in Hilltop -1011 S. L Street

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to negotiate and acquire the property located at 1011 S.L. Street, Tacoma, WA.

Background

THA staff contracted with architectural and planning consultants to engage the community in predevelopment activities for its Hilltop Master Planning project. The A&E team provided professional architectural, engineering and planning services for this planning effort over the summer of 2016. Part of these services included an evaluation of development options in the context of properties surrounding the parcels THA currently owns.

One of the parcels is located at 1011 S. L Street. THA made a bid to purchase this property in 2015. THA was not successful in its bid. The property was acquired by a local business owner who purchases buildings around Tacoma and the Seattle area. The owner acquired the property and leased it to tenants who offer health and wellness services. He has a similar property on 21st and Alder. His plan was to have the same tenant base as the 21st street property at 1011 S. L Street. He fixed up the property and successfully recruited tenants; however, they all moved out during the summer and spring of 2016 due to a perception of fear and low client demand. New tenants, who are more familiar with the neighborhood, now occupy the house.

The owner participated in the Hilltop Planning process. During the planning process it became clear that if THA owned the property it would result in a more cohesive and integrated development pattern. Staff talked with the owner of 1011 S. L Street about his willingness to sell the property to THA and he indicated a willingness to consider an offer.

He has a third-party appraisal that valued the property for \$385,000.

Development Potential (based on planning consultant analysis):

The A&E team of GGLO determined that the land surrounding the house could be developed with approximately four (4) live/work spaces as well as five (5), two- bedroom town homes. The plan would support a four-story building creating a net increase of 36 residential units on the property. The original house would remain in place. Real Estate Development (RED) believes it should be used as a community amenity. It could provide affordable office space, library/study and/or new business incubation. Following are the square footage calculations:

- 1) Land, including the parking lot and area where current garage sits and abuts the alley has 5,200 SF;
- 2) Land with the house is 6,500 SF; and,
- 3) The house is 3,200 SF.

Recommendation

Authorize THA's Executive Director to negotiate and acquire the property located at 1011 S. L Street, Tacoma, WA consistent with board direction provided in the Executive Session.



TACOMA HOUSING AUTHORITY

RESOLUTION 2016-12-14 (6) (Saravida Property Acquisition in Hilltop-1011 South L. Street)

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

WHEREAS, Tacoma Housing Authority (THA) completed a community planning process to develop THA owned properties in the Hilltop neighborhood; and

WHEREAS, Development options identified the property located at 1011 S. L Street as an important site for creating a cohesive plan and activating the alley; and

WHEREAS, Acquisition of this parcel will result in an up to 36 additional affordable rental units; and

WHEREAS, The existing home offers affordable office and small business space that provide neighborhood services; now, therefore be it

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

Authorize THA's Executive Director to negotiate and acquire the property located at 1011 S. L Street.

Approved: December 14, 2016



Dr. Arthur C. Banks, Chair