



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-12-13 (3)

Date: December 13, 2017
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Purchase and Sale Agreement and Financing for Allenmore Brownstones

This resolution would authorize the Tacoma Housing Authority's (THA) Executive Director to negotiate, and if those negotiations are successful, execute a Purchase and Sale Agreement for THA's purpose of the Allenmore Brownstones. It would also authorize the use of loans for the purchase and the proceeds from the sale of THA property.

Background

Allenmore Brownstones is currently under construct. This property is located in Central Tacoma. The property consists of 58 units and is a mix of one, two and three bedroom apartments. It is well located relative to public transit, parks, a community pool, freeway access, Tacoma Community College, Bates Technical College, and University of Washington at Tacoma. Its owner is willing to sell the property to THA.

This resolution would authorize the Executive Director to negotiate, and if those negotiations are successful, to execute a purchase and sale agreement for THA's purchase of the property. The agreement will provide for the following:

- THA staff to monitor the construction progress and be involved in the final inspection;
- due diligence period of at least 60 days to assess the property's condition and arrange financing;
- final THA commitment to purchase will require THA Board approval.

To buy this property, THA will use up to \$4 Million of the proceeds generated from the sale of the scattered site public housing units and lot sales in Salishan. Since those properties were HUD financed, use of these proceeds requires a proportionate share of the units based on the equity provided be maintained through the use of project-based vouchers as affordable to households earning up to 80% of the AMI. Staff also expects to issue a governmental bond that a lender will purchase to finance the acquisition. These bonds impose their own affordability requirement that at least 50% of the units be rented to households earning up to 80% of the AMI at rents affordable to a household at 80% AMI.

Recommendation

Approve Resolution No. 2017-12-13 (3) authorizing THA's Executive Director to negotiate the Purchase and Sale Agreement for Allenmore Brownstones.



TACOMA HOUSING AUTHORITY

RESOLUTION 2017-12-13 (3) (Purchase and Sale Agreement for Allenmore Brownstones)

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

WHEREAS, The Housing Authority of the City of Tacoma (the "Authority") seeks to encourage the provision of long term housing for low income persons residing in the City of Tacoma, Washington (the "City"); and

WHEREAS, RCW 35.82.070(2) provides that a housing authority may acquire and provide for the construction, reconstruction, improvement, alternation or repair of housing projects; and

WHEREAS, RCW 35.82.070(2) authorizes a housing authority to "acquire, lease, rent, sell, or otherwise dispose of any commercial space located in buildings or structures containing a housing project or projects" and RCW 35.82.070(5) authorizes a housing authority to "purchase, lease, obtain options on, acquire by gift, grant bequest, devise, or otherwise... any real or personal property or any interest therein"; and

WHEREAS, RCW 35.82.070(11) and 35.82.130 together provide that a housing authority may issue bonds, notes or other obligations for any corporate purposes; and

WHEREAS, RCW 35.82.070(1) permits a housing authority to "make and execute contracts and other instruments ...necessary or convenient to the exercise of the powers of the authority"; and

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

WHEREAS, The board of commissioners of the authority deems it to be in the best interest of the authority to acquire the project for the purpose of future development to include residential rental components, and to borrow money by the issuance of the Heritage Bank note for the purpose of financing a portion of the cost of acquiring the property.

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

THA's Executive Director is authorize to negotiate, and if those negotiations are successful, execute a purchase and sale agreement for THA's purchase of the Allenmore Brownstones. The agreement will conform to the terms discussed above and in closed Board session.

Approved: December 13, 2017



Janis Flauding, Chair