



## TACOMA HOUSING AUTHORITY

### RESOLUTION No. 2013-2-27(4)

DATE: February 27, 2013  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: LASA Lakewood Project

In July 2012, the Board passed a resolution authorizing staff to apply for funding for this 15-unit homeless project and to enter into a Memorandum of Understanding (MOU) with LASA. The board also authorized \$375,000 in predevelopment funding for the project in the form of a loan to be repaid from the project's financing sources. This resolution would authorize THA to commit an additional loan of \$300,000 upon certain conditions that the executive director would be authorized to judge. All sums, both the original amount and the additional amount, would be repaid to THA from financing sources already committed to the project.

To date, we have expended most of the initial \$375,000 on due diligence and predevelopment work, including Architecture & Engineering, appraisal, market study, Phase I report, legal and financial advisory costs. In order to keep the project on schedule we are requesting an additional \$300,000 to cover at least the following expenses:

Architecture & Engineering	\$128,500
Financial Advising	\$ 36,000
Legal	\$ 30,000
Relocation expenses	\$ 35,000
Permit Fees	\$ 65,017

The housing portion of the project is fully funded. The project has been awarded 2163 funds, HOME funds, Housing Trust Fund award and 9% tax credits.

This resolution would authorize the additional predevelopment loan on two conditions that the executive director is authorize to judge: (i) LASA and THA sign a development agreement, which the board would approve by separate resolution; (ii) LASA's prospects are adequate to raise the funds needed for its portion of the project – office space and client service center. In addition to the sources listed below, they are working on another 11 grants for more than \$230,000. In case these grant sources do not provide the necessary funds, LASA is seeking a construction bridge loan.

City of Lakewood	\$250,000	<b>committed</b>
Pierce County	\$250,000	<b>committed</b>
Norcliffe	\$50,000	pending
Milgard	\$175,000	pending
Bridge Loan	\$400,000	in process

The additional funds that this resolution would authorize will enable the project to stay on schedule and close the first week of July 2014. The project schedule is as follows:

Submit Tax Credit Application	January 2013
Begin relocation activities	January 2013
Submit for Building Permit	January 2013
Issue RFP for Investor/Lender	January 2013
Select Investor/Lender	March 2013
Issue ITB for Contractor	March 2013
Award Contractor Contract	April 2013
Financial closing	July 2013
Construction Start	July 2013
Complete Construction	March 2014

THA expects to earn approximately \$294,443 in developer fee on the housing portion of the project and \$61,000 in project management and construction manage fees on the office portion of the project.

**Recommendation**

Approve Resolution 2013-2-27(4) authorizing the Executive Director to approve an additional \$300,000 in pre-development funding once LASA and THA signs a development agreement and once the executive director judges that LASA shows adequate prospects for raising the full funding for the office and client service center portion of the project.



## TACOMA HOUSING AUTHORITY

### RESOLUTION NO. 2013-2-27(4)

(LASA Lakewood Project)

A RESOLUTION of the Housing Authority of the City of Tacoma authorizing the Executive Director to approve the expenditure of Authority funds for pre-development costs relating to the project upon two conditions that the executive director is authorized to judge: (i) LASA and THA execute a development services agreement; and (ii) LASA shows adequate prospects of its ability to raise all the funding needed for the office space and client service center portion of the project.

**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 within the Authority’s area of operation; and

**WHEREAS**, RCW 35.82.070(2) provides that a housing authority may “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 . . .”; and

**WHEREAS**, RCW 35.82.070(5) provides that a housing authority may, among other things and if certain conditions are met, “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project”; and

**WHEREAS**, RCW 35.82.020 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income”; and

**WHEREAS**, the Authority has an opportunity to participate in the development of an affordable rental housing project for homeless persons on property (the “Property”) in the City of Lakewood, Washington, owned by the Living Access Support Alliance (“LASA”), which development will contain approximately 25 housing units (the “Project”); and

**WHEREAS**, the Authority has determined that it will further the mission of the Authority if development of the Project is undertaken by the Authority, while LASA retains fee title to the Property; and

**WHEREAS**, financing for the Project will require several sources of funds, including low income housing tax credits and a Housing Trust Fund loan; and

**WHEREAS**, THA has executed an MOU with LASA that is being turned into a development service agreement to formalize the commitments made in the MOU and to provide THA with security for the predevelopment loan THA has made to the project; and

**WHEREAS**, the Board of Commissioners of the Authority (the "Board") has determined that it is necessary to use Authority funds to pay certain predevelopment costs relating to the Project pending receipt of permanent financing; NOW, THEREFORE,

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

1. Advancing Funds for Pre-development Costs. The Authority is authorized to use available housing authority funds, in a combined amount from all sources not to exceed an additional \$300,000 to pay predevelopment costs for the Project upon two conditions that the executive director is authorized to judge: (i) LASA and THA execute a development agreement; (ii) LASA shows adequate prospects of its ability to raise all the funding needed for the office space and client service center portion of the project.
2. Acting Officers Authorized. Any action required by this resolution to be taken by the Executive Director of the Authority may in his absence be taken by the acting Executive Director of the Authority.
3. Ratification and Confirmation. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.
4. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting this 27<sup>th</sup> day of February 2013.

HOUSING AUTHORITY OF THE CITY  
OF TACOMA

  
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Janis Flauding, Chair

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the City of Tacoma (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 2013-2-27(4) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on February 27, 2013, and duly recorded in the minute books of the Authority; and
2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 27<sup>th</sup> day of February 2013

HOUSING AUTHORITY OF THE CITY OF  
TACOMA



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Executive Director