



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-06-30 (2)

Date: June 30, 2022

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Board Authorization to Finance the Costs of Acquiring the North Highland Court Apartments and to Enter Into a Property Management Services Agreement

This resolution would provide board approval for April Black, as the Executive Director of THA, to execute documents to finance the costs of acquiring the North Highland Court Apartments located at 3015 N. Highland St. in Tacoma (the "Property") and to enter into a property management services agreement to facilitate third-party property management of the Property. In particular, the resolution would authorize THA, in connection with acquisition of the Property, to:

- (1) borrow up to \$3,000,000 under a first-position secured loan from Banner Bank;*
- (2) borrow up to \$3,300,000 under a second-position secured loan from the Washington State Department of Commerce;*
- (3) borrow such additional amounts from such lenders and on such terms as may be determined in the Executive Director's discretion; and*
- (4) enter into an agreement with Spinnaker Property Management to provide property management services for the Property.*

Background

THA previously authorized RESOLUTION 2021-6-23 (1), RESOLUTION 2022-01-26 (2), and RESOLUTION 2022-6-10 (1) approving the acquisition of the Property at a negotiated price of \$6,200,000 in lieu of condemnation. In particular, RESOLUTION 2022-6-10 (1) authorized the Executive Director, on behalf of THA, to proceed with the closing of the purchase of the Property and to take any and all actions necessary in connection therewith.

The current resolution would authorize April Black, as the Executive Director of THA, to execute documents to finance the costs of acquiring the Property through a not to exceed \$3,000,000 first-position secured loan from Banner Bank, and up to a \$3,300,000 second-position secured loan from

the Washington State Department of Commerce, and such additional loans from such lenders and on such terms as may be determined in the Executive Director's discretion. In addition, the current resolution would authorize the Executive Director to enter an agreement with Spinnaker Property Management to provide property management services for the Property.

Recommendation

Approve Resolution 2022-06-30 (2) authorizing the Executive Director of THA to execute documents to

- (1) borrow up to \$3,000,000 under a first-position secured loan from Banner Bank;
- (2) borrow up to \$3,300,000 under a second-position secured loan from the Washington State Department of Commerce;
- (3) borrow such additional amounts from such lenders and on such terms as may be determined in the Executive Director's discretion; and
- (4) enter into an agreement with Spinnaker Property Management to provide property management services for the Property.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-06-30 (2)

(Authorization to Enter Into Property Management Services Agreement and to Finance a Portion of the Costs of Acquisition of the North Highland Court Apartments)

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

Whereas, RESOLUTION 2021-6-23 (1), RESOLUTION 2022-01-26 (2), and RESOLUTION 2022-6-10 (1) previously authorized THA to acquire the Property at a negotiated price of \$6,200,000.00 in lieu of condemnation; and

Whereas, RESOLUTION 2022-6-10 (1) in particular authorized THA to proceed with the closing of the purchase of the Property and to take any and all actions necessary in connection therewith; and

Whereas, the Executive Director recommends that the THA enter into an agreement with Spinnaker Property Management to provide property management services for the Property; and

Whereas, the Executive Director recommends that the THA borrow up to \$3,000,000 from Banner Bank, up to \$3,300,000 from the Washington State Department of Commerce, and such additional funds from other sources that the Executive Director deems appropriate, to finance the acquisition of the Property; and

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

Section 1: RESOLUTION 2021-6-23 (1), RESOLUTION 2022-01-26 (2), and RESOLUTION 2022-6-10 (1) are incorporated herein by reference.

Section 2: April Black, as Executive Director of THA, is authorized on behalf of THA to negotiate and enter into an agreement with Spinnaker Property Management to provide property management services for the Property ("Property Management Agreement").

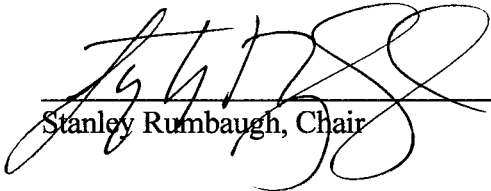
Section 3: The Executive Director is authorized on behalf THA to enter into one or more loans in connection with the acquisition of the Property, including (a) a first-position secured loan of up to \$3,000,000 from Banner Bank, (b) a second-position secured loan of up to \$3,300,000 from the Washington State Department of Commerce, and (c) such additional loans from such additional lenders and on such additional terms as may be determined in the Executive Director's discretion (each a "Loan").

Section 4: In connection with the Loans, the Executive Director is authorized to execute on behalf of THA and in its name all documents and instruments related to each Loan, including but not limited to: loan agreements, promissory notes, deeds of trust, escrow instructions, settlement statements, and any additional documents and instruments as may be reasonably required to complete such purchase of the Property and enter into the Loans.

Section 5: The Executive Director is authorized to expend such funds as are necessary to pay for all application fees, financing fees, and other costs relating to the actions authorized by this Resolution.

Section 6: In connection with the Property Management Agreement and the Loan, the signature of April Black, as Executive Director, shall bind the THA to the same extent as if the Board of Commissioners had executed the document or instrument. These Resolutions may be relied upon by Spinnaker Property Management, Banner Bank, the Washington-State Department of Commerce, any other lender, and any title insurance company insuring the title of the Property or any portion of it.

Approved: June 30, 2022


Stanley Rumbaugh, Chair