



## RESOLUTION 2024-01-24 (3)

**Date:** January 24, 2024

**To:** THA Board of Commissioners

**From:** April Black  
Executive Director

**Re:** LASA Transfer

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*This resolution would authorize the Executive Director to negotiate and execute the transfer of the physical and financial assets and debt associated with Prairie Oaks to LASA's ownership.*

### BACKGROUND

In 2014, THA developed a 15-unit, permanent supportive housing apartment building on land owned by LASA. The Department of Commerce issued a 40-year recoverable loan on the project.

The partnership's intent was to transfer the permanent supportive housing units to LASA ownership in year 10.

In November 2023, THA met with the department of commerce regarding potentially transferring the property. The Department of Commerce will transfer the loan and the property's affordable housing covenants to LASA. Key elements of the transfer include LASA qualifying to be the new provider/operator of the affordable housing units; appraising the property so the deed can be transferred to LASA and transferring the debt to the new ownership.

Since November, THA and LASA staff have conducted their due diligence together. We assessed whether the parties would meet the requirements to transition this property and the debt from THA to LASA. The teams have conducted preliminary activities required for the Department of Commerce's transfer application.

The teams are now assembling the approvals and documents from their respective organizations.

- In December 2023, the Board of directors of the Prairie Oaks Condominium association affirmed a desire to transfer ownership to LASA upon THA's approval. The Board of directors includes LASA's executive director and two Board members. Also on the Board is Aley Thompson, THA's deputy executive director, and Ken Short, THA's director of asset management and real estate development.
- LASA appraised the property and is verifying LASA's provider qualifications under the Department of Commerce.
- THA's Board will hear a resolution in January.
- LASA's Board will vote on their resolution at their January 24 Board meeting.
- THA and LASA will jointly prepare the draft transfer application.
- The Department of Commerce has given soft verbal support for a transfer and loan recast.

## RECOMMENDATION

The THA leadership team recommends the transfer of Prairie Oaks to LASA in 2024 for the following reasons. The property has struggled to cashflow primarily because of the small unit count and type of property. Prairie Oaks is a permanent supportive housing (PSH) property which falls outside THA's scope and LASA specializes in permanent supportive housing. PSH properties are extremely difficult to insure, and the premiums are prohibitive. THA's insurance premiums are a burden to the cashflow for the property and for the organization. LASA's operational model will be more cost effective and help to offset the cashflow challenges. The property is located outside of THA's jurisdiction. THA has the burden of maintaining a Board for the property.

Approve Resolution 2024-01-24 (3) authorizing the Executive Director to facilitate, negotiate and execute the transfer physical and financial assets, and debt associated with Prairie Oaks to *LASA's ownership*.



**RESOLUTION 2024-01-24 (3)**

(LASA Transfer)

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

**WHEREAS**, a resolution authorizes THA's Executive Director to facilitate, negotiate and execute the transfer physical and financial assets, and debt associated with Prairie Oaks to LASA; and

**WHEREAS**, the partners, THA and LASA support the transfer of the 15 Prairie Oaks permanent supportive housing building to LASA to own and operate; and

**WHEREAS**, THA desires to transfer the building to LASA at no cost to LASA except for fees associated with closing and the transfer process; and

**WHEREAS**, THA desires to transfer the debt and property and financial assets associated with Prairie Oaks to LASA; and

**WHEREAS**, LASA desires to receive all financial and property assets related to Prairie Oaks; and

**WHEREAS**, LASA desires to operate Prairie Oaks according to the uses prescribed in the Dept. of Commerce's use covenants, now, therefore be it

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

*THA's Executive Director is authorized to negotiate and execute the transfer of the physical and financial assets and debt associated with Prairie Oaks to LASA's ownership.*

**Approved: January 24, 2024**

  
**Dr. Minh-Anh Hodge, Chair**