



TACOMA HOUSING AUTHORITY

RESOLUTION 2008-5-28(2)

DATE: May 21, 2008
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Salishan Two: Acquisition of Managing Member Interest

Background

Salishan Two was the second multi-family rental project developed in connection with THA's Salishan redevelopment project. Salishan Two was financed primarily with low income housing tax credits and various public and private sources. It is a 90-unit apartment complex consisting of 55 public housing ACC units. The project was placed in service in March 2006.

Salishan Two LLC was formed to own the Salishan Two project. The project is located on land leased by THA to Salishan Two LLC pursuant to a long-term lease. Unlike later limited liability companies formed to develop apartment projects on the Salishan redevelopment site, Salishan Two LLC does not include THA as a member. The members of Salishan Two LLC currently are Lorig Salishan LLC (the managing member), MMA Special Limited Partner, Inc. and MMA Salishan II, LLC.

THA made various loans to Salishan Two LLC to finance development of the Salishan Two project.

Lorig Salishan LLC is willing to transfer its managing member interest in Salishan Two LLC to THA in exchange for transactional costs incurred in transferring such interest (such costs to be paid for out of Salishan Two operations) and THA's promises to assume certain obligations of the managing member under agreements made by Salishan Two LLC.

Recommendation

Approve Resolution No. 2008-5-28() authorizing the Executive Director to approve, execute and deliver all documents related to the transfer of the Salishan Two LLC managing member interest from Lorig Salishan LLC to THA.



TACOMA HOUSING AUTHORITY

RESOLUTION 2008-5-28(2)

SALISHAN TWO: ACQUISITION OF MANAGING MEMBER INTEREST

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 City of Tacoma, Washington (the “City”);

Whereas, RCW 35.82.070(1) authorizes the Authority to enter into partnership and joint venture agreements necessary or convenient to the exercise of its powers;

Whereas, Salishan Two LLC (the “Company”) currently owns (for federal tax purposes) a 90-unit apartment complex (the “Project”) located at the Authority’s Salishan redevelopment site;

Whereas, the Company’s members currently are Lorig Salishan LLC, MMA Special Limited Partner, Inc. and MMA Salishan II, LLC;

Whereas, Lorig Salishan LLC is willing to transfer its managing member interest in the Company to the Authority;

Whereas, Article VII of the Company’s operating agreement permits the withdrawal of the Lorig Salishan LLC, and the admission of the Authority, as the Company’s managing member upon receipt of the consent of MMA Salishan II, LLC, and the approval of the Federal National Mortgage Association (as assignee of ARCS Commercial Mortgage Co., L.P.), the Washington State Department of Community Trade and Economic Development, the Washington State Housing Finance Commission, and the U.S. Department of Housing and Urban Development;

Whereas, the Authority has reason to believe such consent and approvals have been obtained or are forthcoming;

Whereas, the Authority’s Board of Commissioners (the “Board”) finds and determines that it is in the Authority’s best interest to obtain the managing member interest in the Company so that the Company and the Project may be managed by the Authority;

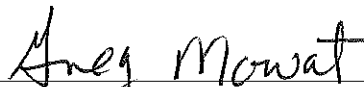
Whereas, as a condition to purchasing such managing member interest, the Company’s current members have requested that the Authority execute and deliver an amendment to the Company’s current operating agreement, and execute and deliver certain other agreements, certificates and other documents relating to the Company and the Project, which request the Board find and determine to be reasonable; and

Whereas, RCW 35.82.040 authorizes the Authority to “delegate to one or more of its agents or employees such powers or duties as it may deem proper”; NOW, THEREFORE,

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

1. Acquisition of Managing Member Interest. The Authority is authorized to acquire from Lorig Salishan LLC the managing member interest in the Company, to replace Bruce Lorig as the Company's registered agent, to enter into an amendment of the Company's operating agreement (the "Amendment") substantially in the form attached as Exhibit A to this resolution, to take such actions as are reasonably required to obtain the necessary consent and approvals described in the recitals hereto, and to expend such amounts (limited to transactional costs only) to accomplish the actions authorized by this Section 1;
2. Approval of Documents. Without limiting the foregoing, the Authority's Executive Director (the "Executive Director") is authorized on behalf of the Authority (in its individual capacity and in its capacity as the Company's managing member, as applicable), to: (i) execute and deliver the Amendment with such changes, including material changes, as the Executive Director deems necessary or advisable; (ii) execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) such documents as are necessary to reflect that the Authority is the Company's registered agent; (iii) execute, deliver and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) an amended certificate of formation for the Company reflecting such changes as the Executive Director deems to be necessary or desirable; and (iv) to execute and deliver any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the Company's operating agreement, as amended by the Amendment;
3. Company Activities. The Executive Director is further authorized and directed, on behalf of the Authority in its capacity as the Company's managing member, to take all actions required of the Company in connection under the Company's operating agreement and under the various "Project Documents" identified therein, including the execution, delivery and filing, if necessary, of additional contracts and documents of the Company as the Executive Director deems necessary or advisable to manage the Company's business;
4. 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 either the Chairman of the Board or the duly authorized acting Executive Director of the Authority;
5. 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; and
6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: May 28, 2008



Greg Mowat, Chairman

EXHIBIT A
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 2008-5-28() (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority (the "Board"), as adopted at a regular meeting of the Authority held on May 28, 2008, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; 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 28th day of May, 2008.

HOUSING AUTHORITY OF THE
CITY OF TACOMA



Michael Mirra, Executive Director