



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2009-10-28 (4)

DATE: October 28, 2009  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Salishan Area 2B: Execution of Documents

### **Background**

THA is embarking upon the final stage of the redevelopment of Salishan in Area 2B, which includes new infrastructure in Area 2B to support the 91 tax credit unit Salishan Seven, 18 market rate rentals and 78 for sale homes. The total cost of infrastructure is expected to be approximately \$12 million. Sources to pay for this work included the following:

- \$2 million of THA program income;
- \$1 million from the transfer of land to ABHOW;
- \$1.94 million in utility reimbursements from Water, Sewer and Power, combined;
- \$2.5 million from the City of Tacoma bond proceeds;
- \$1,185,000 in federal funds; and
- \$3.4 million construction loan from KeyBank

### **Recommendation**

Approve Resolution No. 2009-10-28(3) authorizing the Executive Director to approve, execute and deliver all documents related to the KeyBank infrastructure loan for Salishan Area 2B.



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2009-10-28(4)

#### SALISHAN INFRASTRUCTURE AREA 2B: EXECUTION OF DOCUMENTS

**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(2) provides that a housing authority may “prepare, carry out, acquire, lease and operate housing projects” and “provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof . . .”;

**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”;

**Whereas**, RCW 35.82.020(11) and 35.82.130 together provide that a housing authority may issue notes or other obligations for any of its corporate purposes and to mortgage housing authority property as security for such notes and other obligations;

**Whereas**, RCW 35.82.070(5) provides that a housing authority may pledge any interest in real property;

**Whereas**, 42 USC 1437z-2 permits the Secretary of the United States Department of Housing and Urban Development (“HUD”) to authorize a public housing agency to mortgage or otherwise grant a security interest in a public housing project or other property of the public housing agency;

**Whereas**, the Authority is in need of financial assistance in the principal amount of up to \$4,000,000 for the purpose of providing part of the funds with which to construct infrastructure improvements on property owned by the Authority, as part of the Salishan redevelopment project, to provide housing for low-income persons within the City of Tacoma, Washington (the “Project”);

**Whereas**, it is in the best interest of the Authority to issue a promissory note to KeyBank National Association (“KeyBank”), the proceeds of which will be used to finance the Project for the purposes described herein; 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. Approval of KeyBank Loan Documents. The Authority is authorized to borrow money and issue a promissory note to KeyBank (the “Note”) in a principal amount not exceeding \$4,000,000 to finance the construction of Salishan Area 2B. The Executive Director is authorized and directed to execute and deliver on behalf of the Authority (i) the following documents:

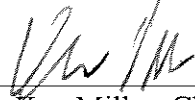
- (a) the Note,
- (b) Construction Loan Agreement,
- (c) Multifamily Deed of Trust, Assignment of Rents and Security Agreement (Fixture Filing) (the “Deed of Trust”),
- (d) Security Agreement,
- (e) Assignment of Construction Documents, and
- (f) Environmental and Hazardous Substances Indemnity Agreement

(collectively, the “Loan Documents”) substantially in the forms on file with the Authority, with such changes, including any material changes, as the Executive Director deems necessary or advisable, and (ii) any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the Loan Documents;

2. Changes to Loan Documents. Without limiting the authority conferred by the foregoing sections of this resolution, the Executive Director may (i) approve with respect to each and every of the Loan Documents changes to the parties to or title of any such Loan Document, and (ii) determine that any Loan Document is, at the time it otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document;
3. HUD Approvals. The Authority shall submit documents and materials to HUD as necessary to obtain approval for the execution and recordation of the Deed of Trust as security for the Loan Documents and for any pledge of the proceeds from the sale of lots in Area 2B of the Salishan redevelopment as security for the Note, and shall take all other actions as necessary to obtain any required HUD approvals of the security for the Project;
4. Governmental Filings; Other Documents. The Executive Director is further authorized to execute and deliver on behalf of the Authority and, if applicable, file (or cause to be executed, delivered and, if applicable, filed) on behalf of the Authority, any government forms, affidavits, certificates, letters, documents, agreements and instruments that either such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein;
5. 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;

6. 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
7. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

**Approved: October 28, 2009**



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Ken Miller, Chairman

**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 2009-10-28(4) (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 October 28, 2009, 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 2<sup>nd</sup> day of <sup>Nov.</sup>~~October~~, 2009.

HOUSING AUTHORITY OF THE  
CITY OF TACOMA

Michael Mirra  
Michael Mirra, Executive Director