



TACOMA HOUSING AUTHORITY

RESOLUTION 2009-7-22(3)

DATE: July 22, 2009
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Assumption of Certain Liabilities in Exchange for Receipt of Funds from The Housing Development Corporation of Washington

Background

The Housing Development Corporation of Washington (“HDC”) is a Washington nonprofit corporation organized and operated to relieve the shortage of decent, safe and sanitary housing for low income persons in Washington state by financing projects pursuant to certain federal programs. HDC is in the process of dissolving, and wishes to disburse certain of its assets, in the form of cash, to THA, as an entity that has the same mission as HDC. It is not known at this time how much money would be delivered to THA.

Before HDC can dissolve, however, it must find an entity to undertake responsibility for certain bonds issued by HDC that have been defeased. “Defeased” means that money has been put aside with an escrow agent in an amount sufficient to pay all debt service on the bonds until the date they mature or can be called for payment. The last such date for these bonds is March 1, 2018. An accountant has verified that the funds set aside will be sufficient for that purpose. The responsibility to be undertaken therefore consists of serving as the entity that can make any decisions that would need to be made in connection with the bonds. For example, since the bonds are still held by bond owners who can sell their bonds to others, there might be a need for additional bond forms to be created in connection with such a transfer.

The Assignment and Assumption Agreement that has been prepared to document the agreement between HDC and THA provides that THA would assume responsibility for the bonds only, and not for the properties financed with proceeds of the bonds or any other assets or liabilities of HDC, and also that THA will acquire from HDC all rights that HDC has against the escrow agent and the accountants in connection with the bonds, in the unlikely case that the escrow agent acts improperly or the accountant was incorrect in his calculations.

Recommendation

Approve Resolution No. 2009-7-22(3) authorizing the Executive Director to approve, execute and deliver an Assignment and Assumption Agreement with HDC and to take other action consistent with such agreement.



TACOMA HOUSING AUTHORITY

RESOLUTION 2009-7-22(3)

Whereas, The Housing Development Corporation of Washington (“HDC”) was organized and has been operated to relieve the shortage of decent, safe and sanitary housing for low income persons in Washington state by financing projects pursuant to certain federal programs;

Whereas, HDC is in the process of dissolving, and wishes to disburse certain of its assets, in the form of cash, to the Housing Authority of the City of Tacoma (“THA”), as an entity that has the same mission as HDC;

Whereas, before HDC can dissolve, it must find an entity to undertake responsibility for certain bonds issued by HDC that have been defeased;

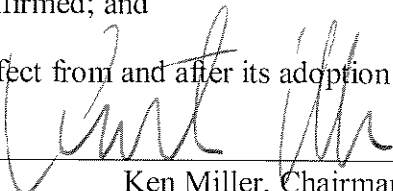
Whereas, as a condition to the receipt of funds from HDC upon its dissolution, HDC requires that THA undertake responsibility for the defeased bonds, pursuant to an Assignment and Assumption Agreement (the “Agreement”) between THA and HDC;

Whereas, the Board determines that it is in the best interest of THA to accept the offer of funds from HDC pursuant to the terms of the Agreement if the amount of such funds is sufficient;
NOW, THEREFORE,

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

1. The Board approves the Agreement substantially in the form on file with the Executive Director. The Executive Director is authorized to execute and deliver the Agreement on behalf of the Authority if, in his judgment, the amount to be received from HDC justifies the effort and minimal risk associated with the transaction, with such changes as the Executive Director deems necessary or appropriate, and to execute any other government forms, affidavits, certificates, letters, documents, agreements and instruments that he determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein;
2. Any action authorized 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;
3. 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
4. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: July 22, 2009



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 2009-7-22(3) (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 July 22, 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 22nd day of July, 2009.

HOUSING AUTHORITY OF THE
CITY OF TACOMA



Michael Mirra, Executive Director