



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2010-5-26(2)

DATE: May 25, 2010  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Salishan Six: Revision of Salishan Six Transaction Documents

#### **Background**

Resolution 2008-9-24(1), adopted by THA's Board of Commissioners on September 24, 2008, authorized THA to loan Salishan Six LLC the maximum aggregate principal amount of \$6,831,935, of which \$6,321,935 was authorized to be from THA's program income. Pursuant to such authorization, THA and Salishan Six LLC entered into loan documents on October 15, 2008, evidencing a \$5,624,975 program income loan and a \$764,440 master loan from other sources (THA capital funds, HOME program funds and United Way funds).

Because of costs savings experienced by Salishan Six LLC during the construction of its project, the receipt by THA of a State of Washington Housing Trust Fund loan in March 2009, and the preparation of the final costs certification for the project, the amount of THA's program income loan was decreased by \$2,866,581, and the master loan was increased by \$323,108, such that the aggregate amount drawn by Salishan Six LLC under the loans was \$3,776,672 (or \$2,612,743 less than the maximum authorized amount of the loan documents executed in October 2008).

By Resolution Nos. 2009-3-25(3) and 2009-11-18(6) of the Board, THA was authorized to amend certain terms of the program income loan and master loan. As a result of the final cost certification for the Salishan Six project and continued negotiations with the investor member of Salishan Six LLC, the final terms of those loans are required to be further revised.

This resolution authorizes changes in the amounts of the loans and the rates of interest charged upon the loans, and amendments to the Salishan Six operating agreement, development agreement, and regulatory and operating agreement, as may be required by HUD.

#### **Recommendation**

Approve Resolution No. 2010-5-26(2) authorizing the Executive Director to approve, execute and deliver amendments to transaction documents pertaining to the Salishan Six project, and to take other action consistent with such amendments.



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2010-5-26(2)

### SALISHAN SIX: REVISION OF AUTHORITY LOAN DOCUMENTS

**Whereas**, the Housing Authority of the City of Tacoma (the "Authority") is the managing member of Salishan Six LLC, a Washington limited liability company that has constructed 90 rental dwelling units as part of the Salishan Six component of the Authority's Salishan redevelopment project (the "Project");

**Whereas**, pursuant to Resolution 2008-9-24(1) of the Authority's Board of Commissioners (the "Board"), the Authority and Salishan Six LLC entered into loan documents on October 15, 2008, evidencing a \$5,624,975 program income loan and a \$764,440 master loan from the Authority's capital funds, HOME program funds and United Way funds;

**Whereas**, because of costs savings experienced by Salishan Six LLC during the construction of its project, the Authority's receipt of a State of Washington Housing Trust Fund loan in March 2009, the amount drawn by Salishan Six LLC under the Authority's program income loan was \$2,866,581 less than the maximum authorized amount and, based in part on the authority granted by Resolution No. 2009-11-18(6) of the Board, the master loan was increased by \$323,108, such that the aggregate amount drawn by Salishan Six LLC under the loans was \$3,776,672;

**Whereas**, as consideration for the amendments to the various loan documents requested, and the Authority's continued willingness to provide subordinated loans to finance the Salishan Six project, Salishan Six LLC has agreed to certain changes to the rates at which interest accrues under the loans;

**Whereas**, RBC Salishan VI LLC and RBC Tax Credit Manager II, Inc. (collectively, "RBC"), and the Authority entered into an Amended and Restated Operating Agreement of Salishan Six LLC dated as of October 1, 2008, which was amended and restated in by a Second Amended and Restated Operating Agreement of the Salishan Six LLC dated as of April 1, 2009 (the "Operating Agreement");

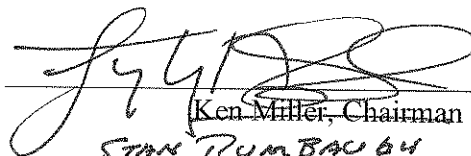
**Whereas**, on the basis of the final cost certification prepared for Salishan Six LLC pursuant to the Operating Agreement, amendments to the Operating Agreement, the Development Agreement between the Authority and Salishan Six LLC, and the Regulatory and Operating Agreement between the Authority and Salishan Six LLC are required to reflect a changes in the sources and uses of funds for the Salishan Six project;

**Whereas**, the Board finds it is necessary and desirable to amend the documents mentioned herein; NOW, THEREFORE,

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

1. The Executive Director is authorized to execute and deliver, on behalf of the Authority in its own behalf or as managing member of Salishan Six LLC and, if applicable, file (or cause to be executed, delivered and, if applicable, filed), on behalf of the Authority, in its own behalf or as managing member of Salishan Six LLC, each of the following documents in the forms presented to the Board at this meeting:
  - First Amendment to Loan Agreement (Salishan Six Program Income Loan);
  - First Amendment to Master Loan Agreement (Salishan Six);
  - Amended and Restated Promissory Note (Salishan Six – Program Income Loan – Program Income Note);
  - Amended and Restated Promissory Note (Salishan Six – Omnibus Loan – THA Capital Fund);
  - Amended and Restated Promissory Note (Salishan Six – Re-Loan of HTF Funds);
  - First Amendment to Third Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (Salishan Six – Master Loan);
  - First Amendment to Second Amended and Restated Operating Agreement;
  - Amendment to Development Agreement; and
  - First Amendment to Regulatory and Operating Agreement;
2. Pursuant to certain of the agreements listed in Section 1, the Authority is authorized to increase the amount of the Authority's capital funds that can be loaned pursuant to the master loan documents to \$508,278;
3. 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;
4. 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
5. This resolution shall be in full force and effect from and after its adoption and approval.

**Approved: May 25, 2010**

  
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Ken Miller, Chairman  
STAN RUMBACU  
ACTING CHAIR

**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 2010-5-26(2) (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 25, 2010, 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 26 day of May, 2010.

HOUSING AUTHORITY OF THE  
CITY OF TACOMA

*Michael Mirra*

Michael Mirra, Executive Director