



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (1)

DATE: August 22, 2018

TO: THA Board of Commissioners

FROM: Michael Mirra
Executive Director

RE: Resolution Amending Heritage Bank 2018 Line of Credit Resolution

Purpose

This resolution amends Resolution 2018-4-25(2) of the Authority to revise the maturity date of, and to clarify the amount available to be drawn on, the Authority's Taxable Revolving Line of Credit Revenue Note, 2018.

Background

Pursuant to Resolution 2018-4-25(2) adopted by the Authority's Board of Commissioners on April 25, 2018, the Authority authorized the issuance of its Taxable Revolving Line of Credit Revenue Note, 2018 (the "Note") to Heritage Bank to support the Authority's obligation to reimburse draws on a letter of credit to be established by Heritage Bank on the Authority's behalf. The letter of credit will be established to provide the money, if necessary, to compensate Boston Financial Investment Management or an affiliate ("BFIM") for loss of tax credits relating to certain of the Authority's tax credit entities. BFIM has requested that the expiration date of the letter of credit be later than originally discussed, which requires a later maturity date for the Note. Heritage Bank has requested clarification that the amount available to be drawn on the Note not exceed the amount available under the letter of credit.

The Authority is authorized by chapter 35.82 RCW to issue bonds, notes or other obligations for any of its corporate purposes. The issuance of the Note to Heritage Bank to support the Authority's acquisition of the limited partner and investor member interests in tax credit entities will enable Tacoma Housing Authority (THA) to obtain control of the Hillside Terrace Phases I and II, and Salishan One, Two and Three, housing projects. Such control will be in the best interests of THA and the tenants of such projects. The attached Certificate will require board chair signature.

Recommendation

Approve Resolution No. 2018-8-22 (1).



TACOMA HOUSING AUTHORITY

RESOLUTION 2018-08-22 (1)

(Amendment #1 for Line of Credit with Heritage Bank)

A **RESOLUTION** of the Housing Authority of the City of Tacoma amending Resolution 2018-4-25 (2) to modify and clarify certain provisions relating to the authorization of the Authority's Taxable Revolving Line of Credit Revenue Note, 2018.

WHEREAS, The Board of Commissioners (the "Board") of the Housing Authority of the City of Tacoma (the "Authority") adopted Resolution 2018-4-25 (2) authorizing the issuance of the Authority's Taxable Revolving Line of Credit Revenue Note, 2018 (the "Note") to Heritage Bank (the "Bank") to evidence the Authority's obligations to reimburse the Bank for draws made on a letter of credit to be provided by the Bank to Boston Financial Investment Management and/or its affiliates (collectively, "BFIM") as security for the Authority's potential Low-Income Housing Tax Credit (LIHTC) liability to BFIM for costs associated with the loss or recapture of low-income housing tax credits suffered by the Hillside Terrace Phase I Limited Partnership, Hillside Terrace Phase II Limited Partnership, Salishan One LLC, Salishan Two LLC and Salishan Three LLC; and

WHEREAS, BFIM has requested a later expiration date for the letter of credit and the Bank has agreed to a later expiration date of the letter of credit and a later maturity date of the Note; and

WHEREAS, The Bank has requested clarification that the amount available to be drawn on the Note not exceed the available amount under the letter of credit; and

WHEREAS, Board finds it necessary and advisable and in the best interest of the Authority to provide for a later maturity date of the Note to aid in financing housing projects (by providing for the acquisition of BFIM's interests therein) to provide dwelling accommodations for persons of low income within the City of Tacoma, Washington; now, therefore

Be it resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, as follows:

Section 1. **Amended Definitions.** The definition of the following terms in Resolution 2018-4-25(2) are amended in their entirety to read as follows:

"Letter of Credit" means the irrevocable letter of credit with a stated initial amount of \$2,500,000 provided by the Bank for the benefit of BFIM.

"Maturity Date" means July 31, 2021, as such date may be extended in accordance with Section 3.

Section 2. **Principal Amount of Note.** The final sentence of the second paragraph of Section 2 of Resolution 2018-4-25(2) is amended and restated in its entirety to provide as follows:

Draws shall be limited to an aggregate principal amount of \$2,500,000 outstanding at any time; provided, the amount available

for advance under the Note will be reduced periodically to the available amount to be drawn on the Letter of Credit.

Section 3. No Other Changes. Except as and to the extent modified by this resolution, Resolution 2018-4-25(2) shall remain in full force and effect.

Section 4. 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.

Section 5 Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Approved: August 22, 2018



Dr. Minh-Anh Hodge, 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 No. 2018-8-22 (1) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on August 22, 2018, 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 on August 22, 2018.

HOUSING AUTHORITY OF THE CITY OF
TACOMA

By: Michael Mirra
Michael Mirra, Executive Director

CERTIFICATE OF MANUAL SIGNATURE


Manual Signature

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, the undersigned affiant, being first duly sworn, on oath depose and say:

My name is: Dr. Minh-Anh Hodge

I have been duly chosen and am qualified and acting as:

Chair, Board of Commissioners

for:

Housing Authority of the City of Tacoma

The signature appearing above is my true manual signature.

This affidavit is made to comply with Chapter 86, Washington Laws of 1969.


Manual Signature

Subscribed and sworn to before me this 22nd day of August, 2018.


Signature of Notary

SHARON PETERSON

Legibly Print or Stamp Name of Notary

Notary public in and for the State of Washington,
residing at TACOMA, WA
My appointment expires: 6/1/19



Please sign three times (once in the center of each box) using black ink.

Dr. Minh-Anh Hodge:

Minh Anh Hodge

Minh Anh Hodge

Minh Anh Hodge